



Disclosures under

Basel III Pillar III

June 30, 2019

KM1: Key metrics (at consolidated group level)						
SAR (000)		a	b	c	d	e
		30-Jun-19	31-Mar-19	31-Dec-18	30-Sep-18	30-Jun-18
Available capital (amounts)						
1	Common Equity Tier 1 (CET1): <i>(Exclusive of IFRS 9 adjustments)</i>	12,304,499	12,933,337	12,457,937	13,304,561	13,531,114
1a	Fully loaded ECL accounting model	11,975,477	12,604,315	12,293,426	13,140,050	13,366,603
2	Tier 1 <i>(Exclusive of IFRS 9 adjustments)</i>	14,304,499	14,718,337	14,242,937	15,089,561	15,316,114
2a	Fully loaded ECL accounting model Tier 1	13,975,477	14,389,315	14,078,426	14,925,050	15,151,603
3	Total capital <i>(Exclusive of IFRS 9 adjustments)</i>	14,322,794	14,736,632	14,261,232	15,107,856	15,334,409
3a	Fully loaded ECL accounting model total capital	13,500,238	13,914,076	13,438,676	14,285,300	14,511,853
Risk-weighted assets (amounts)						
4	Total risk-weighted assets (RWA)-Pillar 1	83,651,684	83,699,206	86,418,521	84,622,614	82,915,298
Risk-based capital ratios as a percentage of RWA-Pillar 1						
5	Common Equity Tier 1 ratio (%)	14.71%	15.45%	14.42%	15.72%	16.32%
5a	Fully loaded ECL accounting model Common Equity Tier 1 (%)	14.32%	15.06%	14.23%	15.53%	16.12%
6	Tier 1 ratio (%)	17.10%	17.58%	16.48%	17.83%	18.47%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	16.71%	17.19%	16.29%	17.64%	18.27%
7	Total capital ratio (%)	17.12%	17.61%	16.50%	17.85%	18.49%
7a	Fully loaded ECL accounting model total capital ratio (%)	16.14%	16.62%	15.55%	16.88%	17.50%
Additional CET1 buffer requirements as a percentage of RWA						
8	Capital conservation buffer requirement (2.5% from 2019) (%)	2.50%	2.50%	1.88%	1.88%	1.88%
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%	1.88%	1.88%	1.88%
12	CET1 available after meeting the Bank's minimum capital requirements (%) (5-11)	12.21%	12.95%	12.54%	13.85%	14.44%
Basel III leverage ratio						
13	Total Basel III leverage ratio exposure measure	108,265,613	104,913,392	106,653,088	105,455,660	111,942,893
14	Basel III leverage ratio (%) (row 2 / row 13)	13.21%	14.03%	13.35%	14.31%	13.68%
14a	Fully loaded ECL accounting model Basel III leverage ratio (%) (row 2a / row13)	12.91%	13.72%	13.20%	14.15%	13.54%
Liquidity Coverage Ratio						
15	Total HQLA	18,221,279	18,395,787	18,497,904	20,223,870	23,519,226
16	Total net cash outflow	8,483,933	9,882,267	9,266,693	8,019,322	6,596,310
17	LCR ratio (%)	214.77%	186.15%	199.62%	252.19%	356.55%
Net Stable Funding Ratio						
18	Total available stable funding	60,647,814	64,141,553	62,635,376	61,049,775	65,505,161
19	Total required stable funding	50,491,417	57,779,606	58,113,707	55,775,556	55,030,661
20	NSFR ratio (%)	120.12%	111.01%	107.78%	109.46%	119.03%

B.2 - Template OV1: Overview of RWA

SAR (000)		a	b	c
		RWA		Minimum capital requirements
		June 30, 2019	March 31, 2019	30-Jun-19
1	Credit risk (excluding counterparty credit risk) (CCR)	76,391,087	75,565,361	6,111,287
2	Of which standardised approach (SA)	76,391,087	75,565,361	6,111,287
3	Of which internal rating-based (IRB) approach	-	-	-
4	Counterparty credit risk	747,175	878,473	59,774
5	Of which standardised approach for counterparty credit risk (SA-CCR)	747,175	878,473	59,774
6	Of which internal model method (IMM)	-	-	-
7	Of which: other CCR	-	-	-
8	Credit valuation adjustment (CVA)	335,353	398,166	26,828
9	Equity positions in banking book under market-based approach	-	-	-
10	Equity investments in funds – look-through approach	-	-	-
11	Equity investments in funds – mandate-based approach	-	-	-
12	Equity investments in funds – fall-back approach	-	-	-
13	Settlement risk	-	-	-
14	Securitisation exposures in banking book	-	-	-
15	Of which IRB ratings-based approach (RBA)	-	-	-
16	Of which IRB Supervisory Formula Approach (SFA)	-	-	-
17	Of which SA/simplified supervisory formula approach (SSFA)	-	-	-
18	Market risk	1,383,374	2,062,510	110,670
19	Of which standardised approach (SA)	1,383,374	2,095,625	110,670
20	Of which internal model approaches (IMM)	-	-	-
21	Operational risk	4,794,695	4,794,695	383,576
22	Of which Basic Indicator Approach	4,794,695	4,794,695	383,576
23	Of which Standardised Approach	-	-	-
24	Of which Advanced Measurement Approach	-	-	-
25	Amounts below the thresholds for deduction (subject to 250% risk weight)	-	-	-
26	Floor adjustment	-	-	-
27	Total (1+4+7+8+9+10+11+12+16+19+23+24)	83,651,684	83,699,206	6,692,135

CC1 – Composition of regulatory capital	
Common template (transition) - Step 3 (Table 2(d)) i	
(From January 2013 to 2018 identical to post 2018) With amount subject to Pre- Basel III Treatment	

SAR (000)

Components¹ of
regulatory capital
reported by the bank

Amounts¹ subject
to Pre - Basel III
treatment

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	7,500,000
2	Retained earnings	111,645
3	Accumulated other comprehensive income (and other reserves)	3,888,593
6	Common Equity Tier 1 capital before regulatory adjustments	11,500,238
Common Equity Tier 1 capital: Regulatory adjustments		
8	Goodwill (net of related tax liability)	(18,295)
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	(18,295)
29	Common Equity Tier 1 capital (CET1)	11,481,943
Additional Tier 1 capital: instruments		
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	2,000,000
31	of which: classified as equity under applicable accounting standards	2,000,000
32	of which: classified as liabilities under applicable accounting standards	
33	Directly issued capital instruments subject to phase out from Additional Tier 1	-
35	of which: instruments issued by subsidiaries subject to phase out	
36	Additional Tier 1 capital before regulatory adjustments	2,000,000
Additional Tier 1 capital: regulatory adjustments		
42	IFRS 9 transition added back-year 1	493,534
43	Total regulatory adjustments to Additional Tier 1 capital	493,534
44	Additional Tier 1 capital (AT1)	2,493,534
45	Tier 1 capital (T1 = CET1 + AT1)	13,975,477

C
D + G
E

B

¹For detailed explanation of rows (1-85), please refer to SAMA circular # BCS 23295 dated 23 July 2012 entitled "Composition of Capital Disclosure Requirements issued by the BCBS in June 2012.

⁽²⁾ All rows related to IRB Approach are only valid, if SAMA has provided its Regulatory Approval to use IRB Approaches

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

CC1 – Composition of regulatory capital-continued	
Common template (transition) - Step 3 (Table 2(d)) ii	
(From January 2013 to 2018 identical to post 2018) With amount subject to Pre- Basel III Treatment	

SAR (000)

Components¹ of
regulatory capital
reported by the
bank

Amounts¹ subject
to Pre - Basel III
treatment

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	-
49	of which: instruments issued by subsidiaries subject to phase out	-
50	Provisions	540,826
51	Tier 2 capital before regulatory adjustments	540,826
	Tier 2 capital: regulatory adjustments	
57	Total regulatory adjustments to Tier 2 capital	-
58	Tier 2 capital (T2)	540,826
59	Total capital (TC = T1 + T2)	14,516,302
60	Total risk weighted assets	83,651,684
	Capital ratios	
61	Common Equity Tier 1 (as a percentage of Pillar I risk weighted assets) before regulatory adjustments	13.73%
62	Tier 1 (as a percentage of risk weighted assets)	16.71%
63	Total capital (as a percentage of risk weighted assets)	17.35%
68	Common Equity Tier 1 available to meet buffers (as a percentage of Pillar I risk weighted assets)	13.73%
	National minima (if different from Basel 3)	
	Amounts below the thresholds for deduction (before risk weighting)	
	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)	540,826
77	Cap on inclusion of provisions in Tier 2 under standardised approach	968,420
	Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-

¹For detailed explanation of rows (1-85), please refer to SAMA circular # BCS 23295 dated 23 July 2012 entitled "Composition of Capital Disclosure Requirements issued by the BCBS in June 2012.

⁽²⁾ All rows related to IRB Approach are only valid, if SAMA has provided its Regulatory Approval to use IRB Approaches

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

A

CC2 – Reconciliation of regulatory capital to balance sheet

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

SAR (000)

	Balance sheet in Published financial statements	Adjustment of banking associates / other entities	Under regulatory scope of consolidation
	(C)	(D)	(E)
Assets			
Cash and balances at central banks	5,198,572		5,198,572
Due from banks and other financial institutions	4,975,688		4,975,688
Investments, net	26,574,464		26,574,464
Loans and advances, net	56,927,117		56,927,117
Investment in associates	978,818		978,818
Property and equipment, net	1,128,736		1,128,736
Other assets	2,181,371		2,181,371
Total assets	97,964,766	0	97,964,766
Liabilities			
Due to Banks and other financial institutions	13,890,315		13,890,315
Customer deposits	66,843,790		66,843,790
Debt securities in issue	-		-
Borrowings	2,012,679		2,012,679
Other liabilities	1,717,744		1,717,744
Total liabilities	84,464,528	0	84,464,528
Paid up share capital	7,500,000		7,500,000
Statutory reserves	4,928,000		4,928,000
Treasury Shares	(1,041,067)		(1,041,067)
Other reserves	1,660		1,660
Retained earnings	111,645	-	111,645
Proposed dividends	-		-
Tier 1 Sukuk	2,000,000		2,000,000
Total liabilities and equity	97,964,766	0	97,964,766

CC2 – Reconciliation of regulatory capital to balance sheet

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

SAR (000)	Balance sheet in Published financial statements	Adjustment of banking associates / other entities	Under regulatory scope of consolidation	Reference
	(C)	(D)	(E)	
Assets				
Cash and balances at central banks	5,198,572		5,198,572	
Due from banks and other financial institutions	4,975,688		4,975,688	
Investments, net	26,574,464		26,574,464	
Loans and advances, net	56,927,117		56,927,117	
of which Collective provisions	540,826	0	540,826	A
Investment in associates	978,818		978,818	
Property and equipment, net	1,128,736		1,128,736	
Other assets	2,181,371		2,181,371	
of which goodwill	18,295	0	18,295	B
Total assets	97,964,766	0	97,964,766	
Liabilities				
Due to Banks and other financial institutions	13,890,315		13,890,315	
Customer deposits	66,843,790		66,843,790	
Debt securities in issue	-		-	
of which Tier 2 capital instruments	0	0	0	
Borrowings	2,012,679		2,012,679	
Other liabilities	1,717,744		1,717,744	
Subtotal	84,464,528	0	84,464,528	
Paid up share capital	7,500,000		7,500,000	
of which amount eligible for CET1	7,500,000		7,500,000	C
of which amount eligible for AT1	-	-	-	
Statutory reserves	4,928,000		4,928,000	D
Treasury Shares	(1,041,067)		(1,041,067)	E
Other reserves	1,660		1,660	F
of which: Employee stock option shares	-	-	-	G
Retained earnings	111,645		111,645	H
of which: Goodwill	18,295	-	18,295	I
Minority Interest	-		-	
Proposed dividends	-		-	
Tier 1 Sukuk	2,000,000		2,000,000	
Total liabilities and equity	97,964,766	-	97,964,766	

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

Main features template of regulatory capital instruments - (Table 2(e-1/3))		
1	Issuer	Saudi Investment Bank
2	Unique identifier (eg CUSPIN, ISIN or Bloomberg identifier for private placement)	N/A
3	Governing law(s) of the instrument	The instrument is governed by the laws of the Kingdom of Saudi Arabia
	Regulatory treatment	
4	Transitional Basel III rules	Additional Tier 1
5	Post-transitional Basel III rules	Eligible
6	Eligible at solo/igroup/group&solo	GROUP and Solo
7	Instrument type	Subordinated Sukuk
8	Amount recognised in regulatory capital (SAR "000", as of most recent reporting date)	500,000
9	Par value of instrument	SAR 1,000
10	Accounting classification	Equity
11	Original date of issuance	21-Nov-16
12	Perpetual or dated	Perpetual
13	Original maturity date	N/A
14	Issuer call subject to prior supervisory approval	Yes
15	Option call date, contingent call dates and redemption amount	21-Nov-21
16	Subsequent call dates if applicable	Any profit distribution dates after the first call date
	Coupons / dividends	
17	Fixed or Floating dividend/coupon	N/A
18	Coupon rate and any related index	N/A
19	Existence of a dividend stopper	Yes
20	Fully discretionary, partially discretionary or mandatory	Fully Discretionary
21	Existence of step up or other incentive to redeem	None
22	Non cumulative or cumulative	Non cumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, conversion trigger (s)	NA
25	If convertible, fully or partially	NA
26	If convertible, conversion rate	NA
27	If convertible, mandatory or optional conversion	NA
28	If convertible, specify instrument type convertible into	NA
29	If convertible, specify issuer of instrument it converts into	NA
30	Write-down feature	Yes
31	If write-down, write-down trigger (s)	Terms of contract of the instrument provide the legal basis for SAMA to trigger write-down (a contractual approach)
32	If write-down, full or partial	Written down fully or partial
33	If write-down, permanent or temporary	Permanent
34	If temporary writedown, description of the write-up mechanism	N/A
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinated, Senior and Tier II subordinated sukukholders are senior to this instrument
36	Non-compliant transitioned features	N/A
37	If yes, specify non-compliant features	NA

Note: Further explanation of rows (1-37) as given above are provided in SAMA circular # BCS 23295 dated 23 July 2012 entitled "Composition of Capital Disclosure Requirements issued by the BCBS in June 2012.

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

Main features template of regulatory capital instruments - (Table 2(e-2/3))		
1	Issuer	Saudi Investment Bank
2	Unique identifier (eg CUSPIN, ISIN or Bloomberg identifier for private placement)	N/A
3	Governing law(s) of the instrument	The instrument is governed by the laws of the Kingdom of Saudi Arabia
	Regulatory treatment	
4	Transitional Basel III rules	Additional Tier 1
5	Post-transitional Basel III rules	Eligible
6	Eligible at solo/group/group&solo	GROUP and Solo
7	Instrument type	Subordinated Sukuk
8	Amount recognised in regulatory capital (SAR "000", as of most recent reporting date)	285,000
9	Par value of instrument	SAR 1,000
10	Accounting classification	Equity
11	Original date of issuance	6-Jun-17
12	Perpetual or dated	Perpetual
13	Original maturity date	N/A
14	Issuer call subject to prior supervisory approval	Yes
15	Option call date, contingent call dates and redemption amount	6-Jun-22
16	Subsequent call dates if applicable	Any profit distribution dates after the first call date
	Coupons / dividends	
17	Fixed or Floating dividend/coupon	N/A
18	Coupon rate and any related index	N/A
19	Existence of a dividend stopper	Yes
20	Fully discretionary, partially discretionary or mandatory	Fully Discretionary
21	Existence of step up or other incentive to redeem	None
22	Non cumulative or cumulative	Non cumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, conversion trigger (s)	NA
25	If convertible, fully or partially	NA
26	If convertible, conversion rate	NA
27	If convertible, mandatory or optional conversion	NA
28	If convertible, specify instrument type convertible into	NA
29	If convertible, specify issuer of instrument it converts into	NA
30	Write-down feature	Yes
31	If write-down, write-down trigger (s)	Terms of contract of the instrument provide the legal basis for SAMA to trigger write-down (a contractual approach)
32	If write-down, full or partial	Written down fully or partial
33	If write-down, permanent or temporary	Permanent
34	If temporary writedown, description of the write-up mechansim	N/A
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinated, Senior and Tier II subordinated sukukholders are senior to this instrument
36	Non-compliant transitioned features	N/A
37	If yes, specify non-compliant features	NA

Note: Further explanation of rows (1-37) as given above are provided in SAMA circular # BCS 23295 dated 23 July 2012 entitled "Composition of Capital Disclosure Requirements issued by the BCBS in June 2012.

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

Main features template of regulatory capital instruments - (Table 2(e-3/3))		
1	Issuer	Saudi Investment Bank
2	Unique identifier (eg CUSPIN, ISIN or Bloomberg identifier for private placement)	N/A
3	Governing law(s) of the instrument	The instrument is governed by the laws of the Kingdom of Saudi Arabia
	Regulatory treatment	
4	Transitional Basel III rules	Additional Tier 1
5	Post-transitional Basel III rules	Eligible
6	Eligible at solo/group/group&solo	GROUP and Solo
7	Instrument type	Subordinated Sukuk
8	Amount recognised in regulatory capital (SAR "000", as of most recent reporting date)	1,000,000
9	Par value of instrument	SAR 1,000
10	Accounting classification	Equity
11	Original date of issuance	March 21, 2018
12	Perpetual or dated	Perpetual
13	Original maturity date	N/A
14	Issuer call subject to prior supervisory approval	Yes
15	Option call date, contingent call dates and redemption amount	March 21, 2023
16	Subsequent call dates if applicable	Any profit distribution dates after the first call date
	Coupons / dividends	
17	Fixed or Floating dividend/coupon	N/A
18	Coupon rate and any related index	N/A
19	Existence of a dividend stopper	Yes
20	Fully discretionary, partially discretionary or mandatory	Fully Discretionary
21	Existence of step up or other incentive to redeem	None
22	Non cumulative or cumulative	Non cumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, conversion trigger (s)	NA
25	If convertible, fully or partially	NA
26	If convertible, conversion rate	NA
27	If convertible, mandatory or optional conversion	NA
28	If convertible, specify instrument type convertible into	NA
29	If convertible, specify issuer of instrument it converts into	NA
30	Write-down feature	Yes
31	If write-down, write-down trigger (s)	Terms of contract of the instrument provide the legal basis for SAMA to trigger write-down (a contractual approach)
32	If write-down, full or partial	Written down fully or partial
33	If write-down, permanent or temporary	Permanent
34	If temporary writedown, description of the write-up mechsansim	N/A
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinated, Senior and Tier II subordinated sukukholders are senior to this instrument
36	Non-compliant transitioned features	N/A
37	If yes, specify non-compliant features	NA

Note: Further explanation of rows (1-37) as given above are provided in SAMA circular # BCS 23295 dated 23 July 2012 entitled "Composition of Capital Disclosure Requirements issued by the BCBS in June 2012.

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

Main features template of regulatory capital instruments - (Table 2(e-3/3))		
1	Issuer	Saudi Investment Bank
2	Unique identifier (eg CUSPIN, ISIN or Bloomberg identifier for private placement)	N/A
3	Governing law(s) of the instrument	The instrument is governed by the laws of the Kingdom of Saudi Arabia
	Regulatory treatment	
4	Transitional Basel III rules	Additional Tier 1
5	Post-transitional Basel III rules	Eligible
6	Eligible at solo/group/group&solo	GROUP and Solo
7	Instrument type	Subordinated Sukuk
8	Amount recognised in regulatory capital (SAR "000", as of most recent reporting date)	215000
9	Par value of instrument	SAR 1,000
10	Accounting classification	Equity
11	Original date of issuance	April 15, 2019
12	Perpetual or dated	Perpetual
13	Original maturity date	N/A
14	Issuer call subject to prior supervisory approval	Yes
15	Option call date, contingent call dates and redemption amount	April 15, 2024
16	Subsequent call dates if applicable	Any profit distribution dates after the first call date
	Coupons / dividends	
17	Fixed or Floating dividend/coupon	N/A
18	Coupon rate and any related index	N/A
19	Existence of a dividend stopper	Yes
20	Fully discretionary, partially discretionary or mandatory	Fully Discretionary
21	Existence of step up or other incentive to redeem	None
22	Non cumulative or cumulative	Non cumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, conversion trigger (s)	NA
25	If convertible, fully or partially	NA
26	If convertible, conversion rate	NA
27	If convertible, mandatory or optional conversion	NA
28	If convertible, specify instrument type convertible into	NA
29	If convertible, specify issuer of instrument it converts into	NA
30	Write-down feature	Yes
31	If write-down, write-down trigger (s)	Terms of contract of the instrument provide the legal basis for SAMA to trigger write-down (a contractual approach)
32	If write-down, full or partial	Written down fully or partial
33	If write-down, permanent or temporary	Permanent
34	If temporary writedown, description of the write-up mechsansim	N/A
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinated, Senior sukukholders are senior to this instrument
36	Non-compliant transitioned features	N/A
37	If yes, specify non-compliant features	NA

Note: Further explanation of rows (1-37) as given above are provided in SAMA circular # BCS 23295 dated 23 July 2012 entitled "Composition of Capital Disclosure Requirements issued by the BCBS in June 2012.

LR1: Summary Comparison of accounting assets versus leverage ratio exposure measure - (Table 1)

Row#	Items	(SAR 000)
1	Total consolidated assets as per published financial statements.	97,964,766
2	Adjustment for investments in banking, financial, insurance or commercial entities that are outside the scope for accounting purposes but outside the scope of regulatory consolidation.	-
3	Adjustments 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 derivatives financial instruments.	1,403,097
5	Adjustments 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).	8,916,044
7	Other adjustments.	(18,295)
8	Leverage ratio exposure	108,265,613

LR2: Leverage Ratio Common Disclosure Template - (Table 2)		SAR (000)	
Row#	Items	30-Jun-19	31-Mar-19
On-balance sheet exposure			
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	97,936,768	94,999,622
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	(18,295)	(18,925)
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	97,918,473	94,980,697
Derivative exposures			
4	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	-	-
5	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	-	-
6	Replacement cost associated with <i>all</i> derivatives transactions (ie net of eligible cash variation margin)	27,998	101,346
7	Add-on amounts for PFE associated with <i>all</i> derivatives transactions	1,403,097	1,524,444
8	(Exempted CCP leg of client-cleared trade exposures)	-	-
9	Adjusted effective notional amount of written credit derivatives	-	-
10	(Adjusted effective notional off-sets and add-on deductions for written credit derivatives)	-	-
11	Total derivative exposures (sum of lines 4 to 10)	1,431,095	1,625,790
Securities financing transaction exposures			
12	Gross SFT <i>assets</i> (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 lines 12 to 15)	-	-
17	Off-balance sheet exposure at gross notional amount	113,782,209	124,809,187
18	(Adjustments for conversion to credit equivalent amounts)	(104,866,164)	(116,234,249)
19	Off-balance sheet items (sum of lines 17 and 18)	8,916,044	8,574,938
Capital and total exposures			
20	Tier 1 capital	13,975,477	14,389,315
21	Total exposures (sum of lines 3, 11, 16 and 19)	108,265,613	104,913,392
Leverage ratio			
22	Basel III leverage ratio	12.91%	13.72%

- (a) **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 in respect of 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) liquidity position, LCR results and internal liquidity risk measurement and management processes.
- (b) **Governance Framework and Liquidity Management:** SAIB's Board of Directors has the overall responsibility for the Bank's 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, SAIB maintains contingency Funding Plan (CFP) which identifies a diversified set of readily available and deployable potential CF resources under crisis situations. Senior Management (through the Asset Liability Committee- ALCO) monitors the information on the Bank's liquidity needs and market developments 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. SAIB seeks to hold unencumbered high quality liquid assets to ensure compliance with minimum LCR requirements and has set internal triggers to provide timely escalation to ensure mitigating actions are taken.
- (c) **Qualitative Disclosures for LCR as at June 30, 2019:** The 90 days average LCR (as provided on the next page) has been increased from 186.15 % as of March 31, 2019 to 214.77% as of June 30, 2019. A decrease in net cash outflows from SAR 9.88 billion to SAR 8.48 billion was observed which was due to a corresponding decrease in weighted cash outflows from SAR 12.7 billion to SAR 11.8 billion since the last quarter along with an increase in cash inflows from SAR 2.8 billion to SAR 3.3 billion. The HQLA have decreased slightly from SAR 18.4 billion to SAR 18.2 billion but the overall LCR has increased from 186% to 214%.

Table LIQ1: Liquidity Coverage Ratio Disclosure Template		(a) TOTAL UNWEIGHTED VALUE (average)	(b) TOTAL WEIGHTED VALUE (average)
HIGH-QUALITY LIQUID ASSETS		SAR (000)	
1	Total high-quality liquid assets (HQLA)		18,221,279
CASH OUTFLOWS			
2	Retail deposits and deposits from small business customers, of which:		
3	<i>Stable deposits</i>		
4	<i>Less stable deposits</i>	18,261,050	1,688,388
5	Unsecured wholesale funding, of which:		
6	<i>Operational deposits (all counterparties) and deposits in networks of cooperative banks</i>	-	-
7	<i>Non-operational deposits (all counterparties)</i>	24,870,667	8,417,531
8	<i>Unsecured debt</i>	-	-
9	Secured wholesale funding		
10	Additional requirements, of which:		
11	<i>Outflows related to derivative exposures and other collateral requirements</i>	2,172,329	633,425
12	<i>Outflows related to loss of funding on debt products</i>		
13	<i>Credit and liquidity facilities</i>	10,499,200	1,049,920
14	Other contractual funding obligations		
15	Other contingent funding obligations		
16	TOTAL CASH OUTFLOWS		11,789,265
CASH INFLOWS			
17	Secured lending (eg reverse repos)		
18	Inflows from fully performing exposures	3,800,407	3,305,332
19	Other cash inflows		
20	TOTAL CASH INFLOWS		3,305,332
			(c) TOTAL ADJUSTED VALUE
21	TOTAL HQLA		18,221,279
22	TOTAL NET CASH OUTFLOWS		8,483,933
23	LIQUIDITY COVERAGE RATIO (%)		214.77%

- a Unweighted values must be calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows).
- b Weighted values must be calculated after the application of respective haircuts (for HQLA) or inflow and outflow rates (for inflows and outflows).
- c Adjusted values must be calculated after the application of both:
- (i) haircuts and inflow and outflow rates; and
 - (ii) any applicable caps (ie cap on Level 2B and Level 2 assets for HQLA and cap on inflows).
- d 90 days average data has been used.

Table LIQ2: Net Stable Funding Ratio (NSFR)

SAR (000)		a	b	c	d	e
		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1 year	≥ 1 year	
Available stable funding (ASF) item						
1	Capital:	20,216,702	-	-	-	20,216,702
2	Regulatory capital	14,516,302				
3	Other capital instruments	5,700,400				
4	Retail deposits and deposits from small business customers:	24,799,641	17,754,972	1,631,758	-	30,782,045
5	Stable deposits	-	-	-	-	
6	Less stable deposits	24,799,641	17,754,972	1,631,758	-	
7	Wholesale funding:	5,100,087	11,216,886	2,981,158	-	9,649,066
8	Operational deposits	-	-	-	-	
9	Other wholesale funding	5,100,087	11,216,886	2,981,158	-	
10	Liabilities with matching interdependent assets	-	-	-	-	
11	Other liabilities:	3,156,066	11,355,464	-	-	-
12	NSFR derivative liabilities	-				
13	All other liabilities and equity not included in the above categories	3,156,066	11,355,464	-	-	-
14	Total ASF	53,272,496	40,327,322	4,612,917	-	60,647,813
Required stable funding (RSF) item						
15	Total NSFR high-quality liquid assets (HQLA)	3,844,161	1,384,000	45,658	18,249,367	914,751
16	Deposits held at other financial institutions for operational purposes	-	-	-	-	-
17	Performing loans and securities:	8,827,898	20,564,404	10,156,060	25,327,746	39,497,841
18	Performing loans to financial institutions secured by Level 1 HQLA					
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	919,196	4,608,964	136,983	-	1,027,648
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:	7,908,702	15,955,440	10,019,076	25,327,746	38,470,193
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	222,224	-	(758,062)	6,629,194	5,179,353
25	Assets with matching interdependent liabilities					
26	Other assets:	3,689,324	-	-	349,426	4,038,751
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	809,449				809,449
30	NSFR derivative liabilities before deduction of variation margin posted	238,242				238,242
31	All other assets not included in the above categories	2,641,633	-	-	349,426	2,991,060
32	Off-balance sheet items	17,214,408				860,720
33	Total RSF	33,798,015	21,948,404	9,443,656	50,555,733	50,491,417
34	Net Stable Funding Ratio (%)	120.12%				

B.7 - Template CR1: Credit quality of assets

SAR (000)		a	b	c	d
		Gross carrying values of		Allowances/ impairments (ECL)	Net values (a+b-c)
		Defaulted exposures (Stage 3 Exposures)	Non-defaulted exposures		
1	Loans	3,480,067	55,410,252	1,963,202	56,927,117
2	Debt Securities	-	26,173,101	37,131	26,135,970
3	Off-balance sheet exposures	447,804	11,093,023	224,224	11,316,603
4	Total	3,927,871	92,676,376	2,224,557	94,379,690

Defaulted exposures comprise of non-performing loans and past due over 90 days but not impaired.

1	Defaulted loans and debt securities (Stage 3 Credit Impaired) at end of the December 31, 2018	3,026,327
2	Loans and debt securities that have defaulted since the last reporting period	1,094,589
3	Returned to non-defaulted status	(33,522)
4	Amounts written off-Net	(606,788)
5	Other changes-movements in S3 exposures	447,265
6	Defaulted loans and debt securities at end of the reporting period	3,927,871

B.11 - Template CR3: Credit risk mitigation techniques – overview

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	31,205,031	25,722,086	20,891,530	5,970	9,125	-	-
2	Debt securities	26,135,970	-	-	-	-	-	-
3	Total	57,341,001	-	20,891,530	5,970	9,125	-	-
4	Of which defaulted	539,955	2,940,112	2,624,929	-	-	-	-

B.13 - 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	22,563,076	9,375	22,563,076	-	-	-
2	Non-central government public sector entities	-	-	-	-	-	-
3	Multilateral development banks	-	-	-	-	-	-
4	Banks and Securities firms	7,960,285	36,564,633	7,960,285	-	3,896,908	0.49
5	Corporates	43,879,600	66,024,064	43,635,962	488,894	42,799,177	0.97
6	Regulatory retail portfolios	12,819,969	80,325	12,814,787	-	9,611,090	0.75
7	Secured by residential property	1,033,560	51,880	1,033,560	-	516,780	0.50
8	Secured by commercial real estate	1,385,841	-	1,385,841	-	1,385,841	1.00
9	Equity	276,190	-	276,190	-	276,190	1.00
10	Past-due loans	4,706,667	-	3,157,975	-	3,838,347	1.22
11	Securitized assets	2,422	-	2,422	-	30,274	12.50
12	Other assets	5,322,712	11,051,932	5,322,712	7,961,870	14,036,479	1.06
13	Total	99,950,322	113,782,209	98,152,810	8,450,764	76,391,087	0.72

B.14 - Template CR5: Standardised approach – exposures by asset classes and risk weights, On Balance Sheet and Off Balance Sheet

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	22,563,076									22,563,076
2	Non-central government public sector entities (PSEs)										-
3	Multilateral development banks (MDBs)										-
4	Banks & Securities firms			352,890		7,562,129		45,266			7,960,285
5	Corporates			293,542		2,181,690		41,649,624			44,124,856
6	Regulatory retail portfolios						12,814,787				12,814,787
7	Secured by residential property					1,033,560					1,033,560
8	Secured by commercial real estate					0		1,385,841			1,385,841
9	Equity							276,190			276,190
10	Past-due loans							1,797,232	1,360,743		3,157,975
11	HNIs										-
12	Other assets	716,328						11,589,437	-	981,239	13,287,004
13	Total	23,279,404	-	646,432	-	10,777,379	12,814,787	56,743,590	1,360,743	981,239	106,603,574

B.22 - Template CCR1: Analysis of counterparty credit risk (CCR)[1] exposure by approach

SAR (000)		a	b	c	d	e	f
		Replacement cost	Potential future exposure	EEPE	Alpha used for computing regulatory EAD	EAD post-CRM	RWA
1	SA-CCR (for derivatives)	27,998	1,403,097		1.4	1,431,095	747,175
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						747,175

B.23 - Template CCR2: Credit valuation adjustment (CVA) capital charge

SAR (000)		a	b
		EAD post-CRM	RWA
	Total portfolios subject to the Advanced CVA capital charge		
1	(i) VaR component (including the 3×multiplier)		
2	(ii) Stressed VaR component (including the 3×multiplier)		
3	All portfolios subject to the Standardised CVA capital charge	1,431,095	335,353
4	Total subject to the CVA capital charge	1,431,095	335,353

B.24 - Template CCR3: Standardised approach – CCR exposures by regulatory portfolio and risk weights, Derivatives

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 exposures
Sovereigns and their central banks	86,067	-	-	-	-	-	-	-	86,067
Non-central government public sector entities (PSEs)	-	-	-	-	-	-	-	-	-
Multilateral development banks (MDBs)	-	-	-	-	-	-	-	-	-
Banks and Securities firms	-	-	96,397	595,042	-	56	-	-	691,495
	-	-	-	-	-	-	-	-	-
Corporates	-	-	-	175,279	4	339,909	-	-	515,192
Regulatory retail portfolios	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	138,341	138,341
Total	86,067	-	96,397	770,321	4	339,965	-	138,341	1,431,095

B.26 - Template CCR5: Composition of collateral for CCR exposure

SAR (000)	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
	Segregated	Unsegregated	Segregated	Unsegregated		
Cash – domestic currency	-	-	-	-	-	-
Cash – other currencies	20,971	-	906,978	-	-	-
Domestic sovereign debt	-	-	-	-	-	-
Other sovereign debt	-	-	-	-	-	-
Government agency debt	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	11,150,097
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	20,971	-	906,978	-	-	11,150,097

B.37 - Template MR1: Market risk under standardised approach

SAR (000)		a
		RWA
	Outright products	1,383,374
1	Interest rate risk (general and specific)	-
2	Equity risk (general and specific)	-
3	Foreign exchange risk	1,383,374
4	Commodity risk	-
	Options	-
5	Simplified approach	-
6	Delta-plus method	-
7	Scenario approach	-
8	Securitisation	-
9	Total	1,383,374

The Bank's market risk component comprises of Fx and Interest Rate Risk.

The Bank does not maintain trading book positions in Equity and OTC Derivatives.