Basel III Pillar III

Qualitative & Quantitative Disclosures

December 31, 2023

Template KM1: Key metrics (at consolidated group level)

SR 000's

		December 31, 2023 T	September 30, 2023 T-1	June 30, 2023 T-2	March 31, 2023 T-3	December 31, 2022 T-4
Available capital (amounts)						
1	Common Equity Tier 1 (CET1)	14,775,943	14,079,627	14,235,876	14,324,100	14,104,772
1a	Fully loaded ECL accounting model	14,501,758	13,805,442	13,961,691	14,049,915	13,556,401
2	Tier 1	17,490,943	16,794,627	16,950,876	17,039,101	17,319,772
2a	Fully loaded ECL accounting model Tier 1	17,216,758	16,520,442	16,676,691	16,764,915	16,771,401
3	Total capital	18,096,510	17,384,703	17,520,375	17,638,167	17,894,732
3a	Fully loaded ECL accounting model total capital	17,822,325	17,110,517	17,246,190	17,363,981	17,346,361
Risk-weighted assets (amounts)						
4	Total risk-weighted assets (RWA)	90,212,222	90,272,386	87,156,878	85,073,184	98,210,907
4a	Total risk-weighted assets (pre-floor)	90,212,222	90,272,386	87,156,878	85,073,184	98,210,907
Risk-based capital ratios as a percentage of RWA						
5	CET1 ratio (%)	16.38%	15.60%	16.33%	16.84%	14.36%
5a	Fully loaded ECL accounting model CET1 (%)	16.08%	15.29%	16.02%	16.52%	13.80%
5b	CET1 ratio (%) (pre-floor ratio)	16.08%	15.29%	16.02%	16.52%	13.80%
6	Tier 1 ratio (%)	19.39%	18.60%	19.45%	20.03%	17.64%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	19.08%	18.30%	19.13%	19.71%	17.08%
6b	Tier 1 ratio (%) (pre-floor ratio)	19.08%	18.30%	19.13%	19.71%	17.08%
7	Total capital ratio (%)	20.06%	19.26%	20.10%	20.73%	18.22%
7a	Fully loaded ECL accounting model total capital ratio (%)	19.76%	18.95%	19.79%	20.41%	17.66%
7b	Total capital ratio (%) (pre-floor ratio)	19.76%	18.95%	19.79%	20.41%	17.66%
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 (%)	13.88%	13.10%	13.83%	14.34%	11.86%
Basel III leverage ratio						
13	**Total Basel III leverage ratio exposure measure**	**146,917,960**	**146,400,338**	**138,930,032**	**136,556,485**	**122,881,394**
14	Basel III leverage ratio (%) (including the impact of any applicable temporary exemption of central bank reserves)	**11.91%**	**11.47%**	**12.20%**	**12.48%**	**14.09%**
14a	Fully loaded ECL accounting model Basel III leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) (%)	**11.72%**	**11.28%**	**12.00%**	**12.28%**	**13.65%**
14b	Basel III leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves)	**11.91%**	**11.47%**	**12.20%**	**12.48%**	**14.09%**
14c	Basel III leverage ratio (%) (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values for SFT assets	**11.91%**	**11.47%**	**12.20%**	**12.48%**	**14.09%**
14d	Basel III leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values for SFT assets	**11.91%**	**11.47%**	**12.20%**	**12.48%**	**14.09%**
Liquidity Coverage Ratio (LCR)						
15	Total high-quality liquid assets (HQLA)	15,476,058	15,637,599	16,797,238	16,649,498	16,957,712
16	Total net cash outflow	7,902,202	7,758,209	8,202,760	8,750,267	7,712,893
17	LCR ratio (%)	**195.84%**	**201.56%**	**204.78%**	**190.27%**	**219.86%**
Net Stable Funding Ratio (NSFR)						
18	Total available stable funding	81,561,812	80,673,528	76,281,734	76,166,277	69,739,893
19	Total required stable funding	72,146,162	72,627,697	68,819,025	64,554,785	60,829,440
20	NSFR ratio	**113.05%**	**111.08%**	**110.84%**	**117.99%**	**114.65%**

B.1 - Table OVA: Bank risk management approach

(a) Business model determination and risk profile: The name of the top corporate entity in the Group to which this disclosure applies is The Saudi Investment Bank (hereinafter called "the Bank" or "SAIB").

The Bank has the following three 100% owned subsidiaries:

- Alistithmar for Financial Securities and Brokerage Company, a limited liability company;
- Saudi Investment Real Estate Company, a limited liability company. The primary objective of the Company is to hold title deeds as collateral on behalf of the Bank for real estate related lending transactions; and
- Saudi Markets Limited Company, a limited liability company. The objective of the Company is to conduct derivatives and repurchase activities on behalf of the Bank.

The Bank has investments in the following three associates (where the Bank's investment is above 20% but not exceeding 50%):

- American Express (Saudi Arabia) (Amex)-(ASAL). ASAL is a limited liability company with Amex (Middle East), Bahrain. The principal activities of ASAL include the issuance of credit cards and the offer other American Express products in Saudi Arabia. The Bank holds a 50% interest.
- YANAL is a Saudi Arabian closed joint stock company in Saudi Arabia. The principal activities of YANAL include lease-financing services in Saudi Arabia. The Bank holds a 38% interest.
- Amlak International for Finance and Real Estate Development Co. (Amlak). Amlak is a Saudi Arabian joint stock company in Saudi Arabia and the Bank holds a 22.4% interest. The principal activities of Amlak include real estate finance products and services in KSA.

The Bank is subject to all laws and regulations of Saudi Arabia and is regulated by SAMA. The Bank also follows relevant regulations pertaining to the financial services industry issued by the Ministry of Commerce and Investment and the Capital Market Authority (CMA).

(b) The risk governance structure:

At the top level, the Board of Directors (The Board) is responsible for establishing the Bank’s Corporate Governance processes and for approving the Bank’s Risk Appetite and related risk management framework. It is also responsible for approving and implementing policies to ensure compliance with SAMA guidelines, International Reporting Standards (IFRS), and best industry practices including Basel guidelines. The Board has approved the Bank’s Risk Management Guide Policy as an overarching Risk Policy Guide under which the Bank has a suite of policies such as the Risk Appetite Framework (RAF), Credit Policy Guide (CPG), Treasury Policy Guide (TPG), Stress Test Policy (STP), ICAAP Policy, Operational Risk and Fraud Risk and other related policies.

The Board is supported by the Board Risk Committee (BRC), a sub-committee of the Board, responsible for recommending policies for Board approval and for monitoring risks within the Bank.

At the management level, the Bank has various committees including the Enterprise Risk Management Committee (ERMC), Credit Committee (CC) and Asset Liability Committee (ALCO) which are responsible for various areas of risk management. Other committees include the ECL Committee, the Operational Risk Management Committee (ORMC), Financial Fraud Control Committee, Business Continuity Management Committee, Information Security Steering Committee and the Structured Solution Approval Committee (SSAC).

At the departmental level, the Bank has a Risk Management Group headed by the Chief Risk Officer (CRO) who is assisted by Assistant General Manager Retail Collection, and Chief Information Security Officer. At units level the Heads of Head of Risk Analytics & Monitoring, Market Risk, Credit Risk Review, Operational Risk, Retail Risk, Credit Administration, Legal Affairs, and Special Credit support the Department. The Business Continuity Management Department is being supervised by the COO, and the Fraud Prevention & Detection Department reports into the Head of Compliance.

In addition to the above, the Bank’s internal audit function reports to the Board’s Audit Committee and provides an independent validation of the business and support unit’s compliance with risk policies and procedures and the adequacy and effectiveness of the Bank’s risk management function.

(c) Channels to communicate, decline and enforce the risk culture: The Bank’s Risk Culture encompasses the accepted norms of behavior for individuals and groups within the Bank that determine the collective ability to identify and understand, openly discuss, and act on the Bank’s current and future risks. The Bank’s RAF underlines the importance of the Bank’s risk culture, which is grounded in shared values and common understanding, clear communication, and controls how each employee’s activities contribute to the Bank’s risk profile. The Bank’s risk culture affects its risk taking behavior and is an important element of the RAF and Risk Appetite Statement (RAS) by ensuring the Bank’s risk taking behavior is translated into measurable metrics. The Bank’s RAF specifically includes zero tolerance relating to regulatory non-compliance risk, willful acts of violation of local laws, frauds/money laundering, and other actions which can adversely impact the reputation and business of the Bank.

(d) The scope and main features of risk measurement systems: The Bank uses various industry-standard IT systems to manage and measure its credit, market, operational, liquidity and other related risks. It also uses an industry standard tool for credit assessment and rating. In addition, it has several Bank specific models for measurement of various risks.

The Credit exposure for the Bank is measured and monitored using a centralized exposure management system. The analysis of the composition of the portfolio is presented to the Management and the Board Risk Committee on a periodic basis. The system is capable to provide extensive risk information related to composition of portfolio, concentrations of credit, and quality of credit portfolio.

(e) Process of risk information reporting provided to the Board and senior management: The Bank generates MIS and other regulatory reports covering various types of risks on a daily, weekly, fortnightly, monthly, quarterly, six-monthly and annual frequencies as required under various policies and procedures. The relevant reports are reviewed by senior management and by relevant management level Committees which are further reviewed and approved by the BRC and the Board, according to the Bank's well defined policies.

(f) Qualitative information on stress testing: The Bank has a comprehensive stress testing framework which follows effective stress testing practices and methodologies to make stress testing an integral part of the Bank's risk management function, as well as to meet SAMA regulatory requirements.

The Bank's Stress Testing activities are monitored through the ERMC and comprehensive Board approved Bank-wide STP has been implemented. In addition, in accordance with the STP a cross-functional Stress Testing Team (STT) has been established to conduct detailed stress testing with the results submitted to the ERMC for its review and feedback.

The Bank's Stress Testing framework specifies the frequency and schedule of stress tests and reporting of the stress test results in accordance with SAMA's requirements. Semi-annual stress tests reports are submitted to SAMA after review and approval by the Board. Top-down and bottom-up risk analyses and various stress tests are also performed to measure the impact of extreme, yet plausible events which enables holistic assessment of vulnerabilities of the Bank's strategy. At the request of SAMA, specific ad-hoc stress tests are also performed in order to measure capital adequacy under severe economic downturn scenarios.

(g) The strategies and processes to manage, hedge and mitigate risks: Various risk policies of the Bank lay down a detailed structure for managing, hedging and mitigating various types of risk such as credit risk, market risk, operational risk, Interest rate risk in banking book, counterparty credit risk, liquidity risk etc. The control over such activities is exercised from the Level of Board to the various committees at the management level.

Template OV1: Overview of RWA

SR 000's

		a	b	c	
		RWA		Minimum capital requirements	Drivers behind significant differences in T and T-1
		T	T-1	T	
1	**Credit risk (excluding counterparty credit risk)**	**78,848,277**	**80,654,376**	**6,307,862**	
2	Of which: standardised approach (SA)	78,848,277	80,654,376	6,307,862	
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)**	**595,470**	**514,606**	**47,638**	
7	Of which: standardised approach for counterparty credit risk	595,470	514,606	47,638	
8	Of which: IMM				
9	Of which: other CCR				
10	**Credit valuation adjustment (CVA)**	**584,746**	**514,606**	**46,780**	
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**	**6,183,372**	**4,588,441**	**494,670**	
21	Of which: standardised approach (SA)	6,183,372	4,588,441	494,670	
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)**	**90,212,222**	**90,272,386**	**7,216,978**	

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

		a
		Quantitative / qualitative information
1	Issuer	Saudi Investment Bank
2	Unique identifier (eg Committee on Uniform Security Identification Procedures (CUSIP), International Securities Identification Number (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
3a	Means by which enforceability requirement of Section 13 of the TLAC Term Sheet is achieved (for other TLAC-eligible instruments governed by foreign law)	
4	Transitional Basel III rules	Additional Tier 1
5	Post-transitional Basel III rules	Eligible
6	Eligible at solo/group/group and solo	GROUP and Solo
7	Instrument type (refer to SACAP)	Subordinated Sukuk
8	Amount recognised in regulatory capital (currency in millions, as of most recent reporting date)	215,000
9	Par value of instrument	SAR 1 million
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 SAMA approval	Yes
15	Optional 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	Fixed
18	Coupon rate and any related index	6.00%
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	Writedown feature	Yes
31	If writedown, writedown trigger(s)	Terms of contract of the instrument provide the legal basis for SAMA to trigger write-down (a contractual approach)
32	If writedown, full or partial	Written down fully or partial
33	If writedown, permanent or temporary	Permanent
34	If temporary write-down, description of writeup mechanism	N/A
34a	Type of subordination	Subordinated, Senior sukukholders are senior to this instrument
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument in the insolvency creditor hierarchy of the legal entity concerned).	N/A
36	Non-compliant transitioned features	NA
37	If yes, specify non-compliant features	

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

		b
		Quantitative / qualitative information
1	Issuer	Saudi Investment Bank
2	Unique identifier (eg Committee on Uniform Security Identification Procedures (CUSIP), International Securities Identification Number (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
3a	Means by which enforceability requirement of Section 13 of the TLAC Term Sheet is achieved (for other TLAC-eligible instruments governed by foreign law)	
4	Transitional Basel III rules	Additional Tier 1
5	Post-transitional Basel III rules	Eligible
6	Eligible at solo/group/group and solo	GROUP and Solo
7	Instrument type (refer to SACAP)	Subordinated Sukuk
8	Amount recognised in regulatory capital (currency in millions, as of most recent reporting date)	2,000,000
9	Par value of instrument	SAR 1 million
10	Accounting classification	Equity
11	Original date of issuance	June 29, 2022
12	Perpetual or dated	Perpetual
13	Original maturity date	N/A
14	Issuer call subject to prior SAMA approval	Yes
15	Optional call date, contingent call dates and redemption amount	June 29, 2027
16	Subsequent call dates, if applicable	Any profit distribution dates after the first call date
	Coupons / dividends	
17	Fixed or floating dividend/coupon	Fixed
18	Coupon rate and any related index	6.00%
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	Writedown feature	Yes
31	If writedown, writedown trigger(s)	Terms of contract of the instrument provide the legal basis for SAMA to trigger write-down (a contractual approach)
32	If writedown, full or partial	Written down fully or partial
33	If writedown, permanent or temporary	Permanent
34	If temporary write-down, description of writeup mechanism	N/A
34a	Type of subordination	Subordinated, Senior sukukholders are senior to this instrument
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument in the insolvency creditor hierarchy of the legal entity concerned).	N/A
36	Non-compliant transitioned features	NA
37	If yes, specify non-compliant features	

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

		c
		Quantitative / qualitative information
1	Issuer	Saudi Investment Bank
2	Unique identifier (eg Committee on Uniform Security Identification Procedures (CUSIP), International Securities Identification Number (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
3a	Means by which enforceability requirement of Section 13 of the TLAC Term Sheet is achieved (for other TLAC-eligible instruments governed by foreign law)	
4	Transitional Basel III rules	Additional Tier 1
5	Post-transitional Basel III rules	Eligible
6	Eligible at solo/group/group and solo	GROUP and Solo
7	Instrument type (refer to SACAP)	Subordinated Sukuk
8	Amount recognised in regulatory capital (currency in millions, as of most recent reporting date)	500,000
9	Par value of instrument	SAR 1 million
10	Accounting classification	Equity
11	Original date of issuance	February 6, 2023
12	Perpetual or dated	Perpetual
13	Original maturity date	N/A
14	Issuer call subject to prior SAMA approval	Yes
15	Optional call date, contingent call dates and redemption amount	February 6, 2028
16	Subsequent call dates, if applicable	Any profit distribution dates after the first call date
	Coupons / dividends	
17	Fixed or floating dividend/coupon	Fixed
18	Coupon rate and any related index	6.25%
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	Writedown feature	Yes
31	If writedown, writedown trigger(s)	Terms of contract of the instrument provide the legal basis for SAMA to trigger write-down (a contractual approach)
32	If writedown, full or partial	Written down fully or partial
33	If writedown, permanent or temporary	Permanent
34	If temporary write-down, description of writeup mechanism	N/A
34a	Type of subordination	Subordinated, Senior sukukholders are senior to this instrument
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument in the insolvency creditor hierarchy of the legal entity concerned).	N/A
36	Non-compliant transitioned features	NA
37	If yes, specify non-compliant features	

Template CC1 - Composition of regulatory capital

SR 000's

		a	b
		Amounts	**Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation**
Common Equity Tier 1 capital: instruments and reserves			
1	Directly issued qualifying common share (and equivalent for non-joint stock companies) capital plus related stock surplus	10,000,000	**C**
2	Retained earnings	1,711,461	**D + G**
3	Accumulated other comprehensive income (and other reserves)	2,808,592	**E**
4	Directly issued capital subject to phase-out from CET1 capital (only applicable to non-joint stock companies)	-	-
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1 capital)	-	-
6	**Common Equity Tier 1 capital before regulatory adjustments**	**14,520,053**	-
Common Equity Tier 1 capital: regulatory adjustments			
7	Prudent valuation adjustments	-	-
8	Goodwill (net of related tax liability)	-18,295	**B**
9	Other intangibles other than mortgage servicing rights (MSR) (net of related tax liability)	-	-
10	Deferred tax assets (DTA) 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 SACAP4.1.4)	-	-
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 subtracted from paid-in capital on reported balance sheet)	-	-
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, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	-
19	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	-
20	MSR (amount above 10% threshold)	-	-
21	DTA 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: MSR	-	-
25	Of which: DTA arising from temporary differences	-	-
26	National specific regulatory adjustments	-	-
27	Regulatory adjustments applied to Common Equity Tier 1 capital due to insufficient Additional Tier 1 and Tier 2 capital to cover deductions	-	-
28	**Total regulatory adjustments to Common Equity Tier 1 capital**	-18,295	-
29	**Common Equity Tier 1 capital (CET1)**	**14,501,758**	-
Additional Tier 1 capital: instruments			
30	Directly issued qualifying additional Tier 1 instruments plus related stock surplus	2,715,000	i
31	Of which: classified as equity under applicable accounting standards	2,715,000	-
32	Of which: classified as liabilities under applicable accounting standards	-	-
33	Directly issued capital instruments subject to phase-out from additional Tier 1 capital	-	-
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 additional Tier 1 capital)	-	-
35	Of which: instruments issued by subsidiaries subject to phase-out	-	-
36	**Additional Tier 1 capital before regulatory adjustments**	**2,715,000**	-
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, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	-	-
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation	-	-
41	National specific regulatory adjustments	274,185	-
42	Regulatory adjustments applied to additional Tier 1 capital due to insufficient Tier 2 capital to cover deductions	-	-
43	**Total regulatory adjustments to additional Tier 1 capital**	274,185	-
44	**Additional Tier 1 capital (AT1)**	2,989,185	-
45	**Tier 1 capital (T1 = CET1 + AT1)**	**17,490,943**	-

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 capital	-	-
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	605,567	-
51	**Tier 2 capital before regulatory adjustments**	**605,567**	-
Tier 2 capital: regulatory adjustments			
52	Investments in own Tier 2 instruments	-	-
53	Reciprocal cross-holdings in Tier 2 instruments and other TLAC liabilities	-	-
54	Investments in the capital and other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	-	-
54a	Investments in the other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation and where the bank does not own more than 10% of the issued common share capital of the entity: amount previously designated for the 5% threshold but that no longer meets the conditions (for G-SIBs only)	-	-
55	Significant investments in the capital and other TLAC liabilities of 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**	605,567	-
59	**Total regulatory capital (= Tier 1 + Tier2)**	18,096,510	-
60	**Total risk-weighted assets-Pillar I**	**90,212,222**	
Capital adequacy ratios and buffers			
61	**Common Equity Tier 1 capital (as a percentage of risk-weighted assets)**	16.08	
62	**Tier 1 capital (as a percentage of risk-weighted assets)**	19.39	
63	**Total capital (as a percentage of risk-weighted assets)**	20.06	
64	**Institution-specific buffer requirement (capital conservation buffer plus countercyclical buffer requirements plus higher loss absorbency requirement, expressed as a percentage of riskweighted assets)**	0.03	
65	Of which: capital conservation buffer requirement	0.03	-
66	Of which: bank-specific countercyclical buffer requirement	-	-
67	Of which: higher loss absorbency requirement	-	-
68	**Common Equity Tier 1 capital (as a percentage of risk-weighted assets) available after meeting the bank's minimum capital requirements**	-	-
National minima (if different from Basel III)			
69	National minimum Common Equity Tier 1 capital adequacy ratio (if different from Basel III minimum)	-	-
70	National minimum Tier 1 capital adequacy ratio (if different from Basel III minimum)	-	-
71	National minimum Total capital adequacy ratio (if different from Basel III minimum)	-	-
	Amounts below the thresholds for deduction (before risk-weighting)		
72	Non-significant investments in the capital and other TLAC liabilities of other financial entities	-	-
73	Significant investments in the common stock of financial entities	-	-
74	MSR (net of related tax liability)	-	-
75	DTA arising from temporary differences (net of related tax liability)	-	-
	Applicable caps on the inclusion of provisions in Tier 2 capital		
76	Provisions eligible for inclusion in Tier 2 capital in respect of exposures subject to standardised approach (prior to application of cap)	-	-
77	Cap on inclusion of provisions in Tier 2 capital under standardised approach	-	-
78	Provisions eligible for inclusion in Tier 2 capital in respect of exposures subject to internal ratings based approach (prior to application of cap)	-	-
79	Cap for inclusion of provisions in Tier 2 capital 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 capital 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 capital due to cap (excess over cap after redemptions and maturities)	-	-
84	Current cap on Tier 2 instruments subject to phase-out arrangements	-	-
85	Amount excluded from Tier 2 capital due to cap (excess over cap after redemptions and maturities)	-	-

Template CC2 - Reconciliation of regulatory capital to balance sheet

		a	b
		Balance sheet as in published financial statements	Under regulatory scope of consolidation
		As at period-end	As at period-end
Assets			
1	Cash and balances at central banks	4,578,269	4,578,269
2	Items in the course of collection from other banks	-	-
3	Trading portfolio assets	-	-
4	Financial assets designated at fair value	-	-
5	Derivative financial instruments	685,436	685,436
6	Loans and advances to banks	1,473,418	1,473,418
7	Loans and advances to customers	80,750,770	80,750,770
8	Reverse repurchase agreements and other similar secured lending	6,440,000	6,440,000
9	Available for sale financial investments	32,301,073	32,301,073
10	Current and deferred tax assets	-	-
11	Prepayments, accrued income and other assets	1,116,606	1,116,606
12	Investments in associates and joint ventures	967,945	967,945
13	Goodwill and intangible assets	484,914	484,914
	Of which: goodwill	18,295	18,295
	Of which: other intangibles (excluding MSR) b	466,619	466,619
	Of which: MSR	-	-
14	Property, plant and equipment	1,185,742	1,185,742
15	**Total assets**	**129,984,173**	**129,984,173**
Liabilities			
16	Deposits from banks	9,342,465	9,342,465
17	Items in the course of collection due to other banks	-	-
18	Customer accounts	83,233,264	83,233,264
19	Repurchase agreements and other similar secured borrowing	17,946,193	17,946,193
20	Trading portfolio liabilities	-	-
21	Financial liabilities designated at fair value	-	-
22	Derivative financial instruments	25,273	25,273
23	Debt securities in issue	-	-
24	Accruals, deferred income and other liabilities	1,963,982	1,963,982
25	Current and deferred tax liabilities	-	-
	Of which: deferred tax liabilities (DTL) related to goodwill d	-	-
	Of which: DTL related to intangible assets (excluding MSR) e	-	-
	Of which: DTL related to MSR	-	-
26	Subordinated liabilities	-	-
27	Provisions	237,943	237,943
28	Retirement benefit liabilities	-	-
29	**Total liabilities**	**112,749,120**	**112,749,120**
Shareholders' equity			
30	Paid-in share capital, including AT1	16,532,000	16,532,000
	Of which: amount eligible for CET1 capital h	13,817,000	13,817,000
	Of which: amount eligible for AT1 capital i	2,715,000	2,715,000
31	Retained earnings	1,711,461	1,711,461
32	Accumulated other comprehensive income, and other disclosed reserves	(1,008,408)	(1,008,408)
33	**Total shareholders' equity**	**17,235,053**	**17,235,053**

B.5 - Table LIA: Explanations of differences between accounting and regulatory exposure amounts

(a)	**Explanation of significant differences between the amounts in columns (a) and (b) in LI1.** NA

(b)	**Explanation of the origins of differences between carrying values and amounts considered for regulatory purposes shown in LI2.** Differences is due to consideration of provision amount.

(c)	**• Valuation methodologies, including an explanation of how far mark-to-market and mark-to-model methodologies are used.** The Bank uses the following hierarchy in determining and disclosing the fair value of its financial instruments: Level 1. Quoted prices in active markets for the same or identical instrument that an entity can access at the measurement date (i.e., without modification or proxy). Level 2. Quoted prices in active markets for similar assets and liabilities or other valuation techniques for which all significant inputs are based on observable market data. Level 3: Valuation techniques for which any significant input is not based on observable market data. The valuation process is governed by separate policies and procedures approved by relevant Board and management committees. **• Description of the independent price verification process.** The Bank performs independent price verification for its investment portfolio using third party based price quotes and is performed by independent team under CRO. **• Procedures for valuation adjustments or reserves (including a description of the process and the methodology for valuing trading positions by type of instrument).** The Bank has no positions on its trading book as of December 31, 2023.

B.3 - Template LI1: Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories

SAR (000)	a	b	c	d	e	f	g
	Carrying values as reported in published financial statements	Carrying values under scope of regulatory consolidation	Carrying values of items:				
			Subject to credit risk framework	Subject to counterparty credit risk framework	Subject to the securitisation framework	Subject to the market risk framework	Not subject to capital requirements or subject to deduction from capital
Assets							
Cash and balances at central banks	4,578,269	4,578,269	4,578,269	-	-	-	-
Items in the course of collection from other banks	-	-	-	-	-	-	-
Trading portfolio assets	-	-	-	-	-	-	-
Financial assets designated at fair value	-	-	-	-	-	-	-
Derivative financial instruments	685,436	685,436	-	685,436	-	-	-
Loans and advances to banks	1,473,418	1,473,418	1,473,418	-	-	-	-
Loans and advances to customers	80,750,770	80,750,770	80,750,770	-	-	-	-
Reverse repurchase agreements and other similar secured lending	6,440,000	6,440,000	6,440,000	-	-	-	-
Available for sale financial investments	32,301,073	32,301,073	32,301,073	-	-	-	-
Current and deferred tax assets	-	-	-	-	-	-	-
Prepayments, accrued income and other assets	949,215	949,215	949,215	-	-	-	-
Investments in associates and joint ventures	967,945	967,945	967,945	-	-	-	-
Goodwill and intangible assets	484,914	484,914	484,914	-	-	-	-
Of which: goodwill	18,295	18,295	18,295	-	-	-	-
Of which: other intangibles (excluding MSR) b	466,619	466,619	466,619	-	-	-	-
Of which: MSR	-	-	-	-	-	-	-
Property, plant and equipment	1,353,133	1,353,133	1,353,133	-	-	-	-
Total assets	**129,984,173**	**129,984,173**	**129,298,737**	**685,436**	**-**	**-**	**-**
Liabilities							
Deposits from banks	9,342,465	9,342,465	-	-	-	-	9,342,465
Items in the course of collection due to other banks	-	-	-	-	-	-	-
Customer accounts	83,233,264	83,233,264	-	-	-	-	83,233,264
Repurchase agreements and other similar secured borrowings	17,946,193	17,946,193	-	-	-	-	17,946,193
Trading portfolio liabilities	-	-	-	-	-	-	-
Financial liabilities designated at fair value	-	-	-	-	-	-	-
Derivative financial instruments	25,273	25,273	-	-	-	-	25,273
Debt securities in issue	-	-	-	-	-	-	-
Accruals, deferred income and other liabilities	1,715,074	1,715,074	-	-	-	-	1,715,074
Current and deferred tax liabilities	-	-	-	-	-	-	-
Of which: deferred tax liabilities (DTL) related to goodwill	-	-	-	-	-	-	-
Of which: DTL related to intangible assets (excluding MSR)	-	-	-	-	-	-	-
Of which: DTL related to MSR	-	-	-	-	-	-	-
Subordinated liabilities	-	-	-	-	-	-	-
Provisions	237,943	237,943	-	-	-	-	237,943
Retirement benefit liabilities	248,907	248,907	-	-	-	-	248,907
Total liabilities	**112,749,120**	**112,749,120**	**-**	**-**	**-**	**-**	**112,749,120**

B.4 - Template LI2: Main sources of differences between regulatory exposure amounts and carrying values in financial statements

SAR (000)		a	b	c	d	e
			Items subject to:			
		Total	Credit risk framework	Securitisation framework	Counterparty credit risk framework	Market risk framework
1	Asset carrying value amount under scope of regulatory consolidation (as per template LI1)	129,984,173	129,298,737	-	685,436	-
2	Liabilities carrying value amount under regulatory scope of consolidation (as per template LI1)	-	-	-	-	-
3	Total net amount under regulatory scope of consolidation	129,984,173	129,298,737	-	685,436	-
4	Off-balance sheet amounts	17,732,778	15,779,720	-	-	-
5	Differences in valuations	-	-	-	-	-
6	Differences due to different netting rules, other than those already included in row 2	-	-	-	-	-
7	Differences due to consideration of provisions	2,176,857	2,176,857	-	-	-
8	Differences due to prudential filters	-	-	-	-	-
9	Market Risk of FX Exposure	-	-	-	-	-
11	**Exposure amounts considered for regulatory purposes**	**149,893,807**	**147,255,313**	**-**	**685,436**	**-**

Template ENC: Asset encumbrance

SR 000's

		a	b	c
		Encumbered Assets	**Unencumbered Assets**	**Total**
1	The assets on the balance sheet would be disaggregated; there can be as much disaggregation as desired	19,702,945	110,281,228	129,984,173

REMA - Remuneration Policy

The Board of Directors of the Bank has established a Nomination and Remuneration Committee (the Committee) which consists of four board members. The Committee is primarily responsible for recommending appointments to membership of the Board of Directors and key executives of the Bank in compliance with the Bank's Corporate Governance Guidelines, completing annual reviews for the requirements of suitable skills and independence for membership of the Bank's Board of Directors, reviewing the structure of the Board of Directors, establishing policies for the compensation of members of the Board of Director's, and overseeing the Bank's employee compensation system's design.

The Committee is also responsible to recommend to the Board of Directors the approval of the Bank's Compensation Policy and any amendments thereto, to ensure that the Bank's remuneration policies are in compliance with SAMA Rules on Compensation Practices and the Financial Stability Board's (FSB) Principles for Sound Compensation Practices, to periodically review the Bank's compensation policy, to evaluate practices by which compensation is paid, and to determine the performance bonuses for the Bank's employees based on the risk adjusted profit of the Bank.

The Bank's Compensation Policy is designed to attract, retain and motivate high performing and high potential employees. Employees participate in various variable pay arrangements. Discretionary variable pay as well as fixed pay reviews are dependent on the achievement of objectives, which is monitored/measured via a robust performance management system. The grant of the variable component of the reward is strictly dependent on the achievement of set targets, both financial and non-financial, level of achievements and the Bank's overall performance, including key risk indicators. Higher achievements will warrant a better performance rating and higher variable compensation. The Balanced Scorecard concept is used as a performance management tool and Performance objectives are typically categorized into four segments including financial, customer, process, and people.

Financial and non-financial metrics are used to measure performance against the objectives, which include profitability, expense control, customer satisfaction, quality assurance, employee development and engagement, workforce diversity, sustainable business practices, lending guidelines, internal controls, compliance with regulations, and business systems and processes. Effective risk management is emphasized to maintain a strong and secure operating platform. A Risk Appetite Framework Policy has been established and compliance with the annual Risk Appetite Statement is key to all remuneration decisions including variable pay arrangements.

In addition to the above, the Bank's employees are encouraged to participate in employee share savings and incentive schemes. Variable remuneration is linked to long-term value creation and risk horizons. It is also based on individual, business segment and Bank performance criteria. Accordingly, for certain variable remunerations, a portion of the incentive earned for the annual performance bonus program is deferred in line with long term risk realization. The vesting is subject to clawback mechanisms over a three year period.

The Bank's subsidiaries have adopted a similar approach to remuneration and compensation practices as described above, including policies within a framework of prudent risk management.

Remuneration awarded during the year

SR 000's

		Renuneration Amount	a Senior management, as defined in SAMA circular No.42081293 date 21/11/1442AH	b Other material risktakers
1	Fixed Remuneration	Number of employees	13	83
2		Total fixed remuneration (rows 3 + 5 + 7)	35,410	52,937
3		*Of which: cash-based*	35,410	52,937
4		Of which: deferred	-	-
5		*Of which: shares or other share-linked instruments*	-	-
6		Of which: deferred	-	-
7		*Of which: other forms*	-	-
8		Of which: deferred	-	-
9	Variable Remuneration	Number of employees	13	83
10		Total fixed remuneration (rows 11 + 13 + 15)	21,844	15,331
11		*Of which: cash-based*	21,844	15,331
12		Of which: deferred	-	-
13		*Of which: shares or other share-linked instruments*	-	-
14		Of which: deferred	-	-
15		*Of which: other forms*	-	-
16		Of which: deferred	-	-
17	**Total remuneration (2 + 10)**		**57,254**	**68,268**

Special Payments

SAR`000

Special Payments		**Guaranteed bonuses**		**Sign-on awards**		**Severence payments**	
		Number of employees	Total amount	Number of employees	Total amount	Number of employees	Total amount
1	Senior Management	NA	NA	NA	NA	NA	NA
2	Other material risk-takers	NA	NA	NA	NA	NA	NA

Deferred Remuneration

SR 000's

Deferred and retained remuneration		a Total amount of outstanding deferred remuneration	b Of which: total amount of outstanding deferred and retained remuneration exposed to ex post explicit and/or implicit adjustment	c Total amount of amendment during the year due to ex post explicit adjustments	d Total amount of amendment during the year due to ex post implicit adjustments	e Total amount of deferred remuneration paid out in the financial year
1	Senior Management	-	-	-	-	-
2	*Cash*	3,944	-	-	-	2,365
3	*Shares*	-	-	-	-	-
4	*Cash linked instruments*	-	-	-	-	-
5	*Other*	-	-	-	-	-
6	Other materiak risk-takers	-	-	-	-	-
7	*Cash*	1,415	-	-	-	759
8	*Shares*	-	-	-	-	-
9	*Cash linked instruments*	-	-	-	-	-
10	*Other*	-	-	-	-	-
11	**Total**	**5,359**	**-**	**-**	**-**	**3,124**

B.6 - Table CRA: General qualitative information about credit risk	
(a)	**How the business model translates into the components of the Bank's credit risk profile:** The Bank manages exposures to credit risk, which is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Credit exposures arise principally when booking loans and advances, and investment activities. There is also credit risk embedded in off-balance sheet accounts, such as loan commitments.
(b)	**Criteria and approach used for defining credit risk management policy and for setting credit risk limits:** The approach to credit risk management is based on a foundation, which preserves the independence and integrity of credit risk assessment. The Bank has a comprehensive framework of managing credit risk which includes an independent credit risk review function and credit risk monitoring process. Management and reporting processes are therefore combined with clear policies, limits, and approval structures which guide the day-to-day initiation and management of the Bank's credit risk exposure. This approach includes credit limits that are established for all customers after a careful assessment of their creditworthiness. Standing procedures, outlined in the Bank's CPG approved by the Board, require that all credit proposals must be approved by either the Credit Committee or the Board's Executive Committee, based primarily on the level of the exposure. Whenever necessary, credit facilities are secured by acceptable forms of collateral to mitigate the related credit risks. The Bank seeks additional collateral from counterparties as soon as impairment indicators are noticed for relevant individual loans or advances. The Bank also monitors the market value of collateral, requests additional collateral in accordance with underlying agreements, and monitors the market value of collateral obtained during its review of the adequacy of the allowance for impairment losses. The Board defines the Bank's credit risk management strategy and approves significant credit risk policies to ensure alignment of the Bank's exposure with its overall risk policies. The Bank controls credit risk by monitoring credit exposures, limiting transactions with specific counterparties, and by continually assessing the creditworthiness of counterparties. The Bank also uses external ratings of the major rating agencies, where available. The Bank's credit risk management policies are also designed to identify and set appropriate risk limits and to monitor the risks and adherence to those limits. Actual exposures against limits are routinely monitored. The Bank's credit risk for derivatives represents the potential cost to replace the derivative contracts if counterparties fail to fulfill their obligation, and to control the level of credit risk taken. The Bank assesses counterparties using the same techniques as for its lending activities. Concentrations of credit risk arise when a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Loan Portfolio Concentration risk is well managed and monitored under the Bank's RAF. Loan Portfolio Concentration risk is managed and monitored under the Bank's Risk Appetite Framework. Concentrations of credit risk indicate the relative sensitivity of the Bank's performance to developments affecting a particular industry or business or geographical location. Hence, the Bank seeks to manage its credit risk exposure through diversification of lending activities to ensure that there is no undue concentration of risks with individuals or groups of customers in specific locations, businesses or industries.The Bank regularly reviews its credit risk management policies and processes to reflect changes in market products and emerging best practices. The Bank ensures that its credit exposures are always in conformity with SAMA Rules on Large exposures. Credit facilities are granted based on detailed credit risk assessments which consider the purpose of the facility and source of repayment, prevailing and potential macro-economic factors, industry trends, and the customer's positioning within its industry peer-group. In compliance with SAMA regulations, lending to individual board members and related parties is fully secured and monitored by the Credit Committee. Such transactions are made on substantially the same terms, including special commission rates as those prevailing at the time for comparable transactions with unrelated parties.
(b 1	All new proposals and/or material changes to existing credit facilities are reviewed and approved by the Credit Committee and / or by the Executive Committee within the provisions of the CPG approved by the Board. The credit facility administration process is undertaken by a segregated function to ensure proper execution of all credit approvals and maintenance of documentation, and proactive control over maturities, expiry of limits, collateral valuation, and legal covenants.
(c)	**Structure and organization of the credit risk management and control function :** The Bank's Executive Committee (a committee of the Board of Directors) and the Credit Committee at the management level implement the Board's credit risk strategy by identifying, assessing, monitoring, and controlling credit risk. It is supported by various departments such as Credit Risk Review, Corporate Credit Risk Management, Retail Credit Risk Management, Credit Administration and Collections. The Executive Committee meets regularly to review loan portfolio quality and standards and to approve credits above predetermined levels.
(d)	**Relationships between the credit risk management, risk control, compliance and internal audit functions :** The BRC reviews compliance with various risk measures including compliance related to relevant regulatory guidelines. The Bank's Audit Committee appointed by the Board reviews the audit reports submitted by the Bank's Internal Auditor throughout the year. Departments within the Risk Management Group are audited by the Internal Audit Department and the reports are submitted to the Audit Committee.
(e)	**Scope and main content of the reporting on credit risk exposure and on the credit risk management function to the executive management and to the board of directors:** The Bank's exposures are continuously monitored through a system of triggers and early-warning signals aimed at detecting adverse symptoms that could result in deterioration of credit risk quality. The triggers and early-warning systems are supplemented by facility utilization and collateral valuation monitoring together with a review of upcoming credit facility expiration and market intelligence to enable timely corrective action by management. The results of the monitoring process are reflected in the Bank's internal rating process. Credit risk is monitored on an ongoing basis with formal monthly and quarterly reporting to the ECL Committee, Credit Committee, senior management, and the Board to ensure awareness of shifts in credit quality and portfolio performance along with changing external factors such as economic and business cycles. Consumer credit risk reporting also includes a daily dashboard for consumer and small business lending, classification, and delinquency monitoring. Specialized and focused Remedial Management Unit and Special Credit Unit teams handle the management and collection of problem credit facilities and take any legal action if required.

B.9 - Table CRB: Additional disclosure related to the credit quality of assets

(a)	**The scope and definitions of "past due" and "impaired" exposures used for accounting purposes and the differences, if any, between the definition of past due and default for accounting and regulatory purposes.** Days past due are determined by counting the number of days since the earliest elapsed due date in respect of which full payment has not been received. Due dates are determined without considering any grace period that might be available to the borrower. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data: • Significant financial difficulty of the borrower or issuer; • A breach of contract such as a default or past due event; • The restructuring of a loan or advance by the Group on terms that the Bank would not consider otherwise; • It is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or • The disappearance of an active market for a security because of financial difficulties. A loan that has been renegotiated due to deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a loan that is overdue for 90 days or more is considered impaired.
(b)	**The extent of past-due exposures (more than 90 days) that are not considered to be impaired and the reasons for this.** The 90 days past due rule is strictly applied unless the Bank has strong documentary and legal evidence to support a different classification.
(c)	**Description of methods used for determining impairments.** 1. The exposure is past due for more than 90 days on any credit obligations to the Bank; or 2. The Bank considers that the obligor is unlikely to honor its credit obligation to the Bank, without recourse by the Bank to actions such as legal intervention or realizing any associated collateral.
(a)	**The Bank's own definition of a restructured exposures:** The process under which the "terms" of an existing loan are being revised (restructured) in order to provide a concession to the obligor which is financially distressed and without such concessionary terms, the loan would become "unserviceable". The loan becomes restructured only through a process of renegotiation or refinancing. Typical characteristics of a restructured loan includes among other things the following: 1. Converting a short term debt into a long term debt. 2. Converting the repayment from bullet to periodic instalments or structured instalments. 3. Aggregating multiple loans into a single new loan with extended repayment terms. 4. Providing an additional grace period.

Quantitative disclosures

(b)	**Breakdown of exposures by geographical areas, industry and residual maturity;** Please refer quantitative disclosures.
(c)	**Amounts of impaired exposures (according to the definition used by the Bank for accounting purposes) and related allowances and write-offs, broken down by geographical areas and industry:** Please refer quantitative disclosures.
(d)	**Ageing analysis of accounting past-due exposures;** Please refer quantitative disclosures.
(e)	**Breakdown of restructured exposures between impaired and not impaired exposures.** Please refer quantitative disclosures.

B 9.1: CREDIT RISK: GENERAL DISCLOSURES							
Geographic Breakdown of On-Balance Sheet, Off Balance Sheet, and Derivatives Exposures							
Portfolios	**Geographic area**						
	Saudi Arabia	**Other GCC & Middle East**	**Europe**	**North America**	**South East Asia**	**Others Countries**	**Total**
Sovereigns and central banks:							
SAMA and Saudi Government	27,922,461	-	-	-	-	-	**27,922,461**
Others	-	4,036,959	-	-	-	-	**4,036,959**
Multilateral Development Banks (MDBs)	-	-	-	-	-	-	**-**
Public Sector Entities (PSEs)	-	-	-	-	-	-	**-**
Banks and securities firms	1,049,545	2,637,507	3,197,075	2,786,372	194,047	449,687	**10,314,232**
Corporates	55,208,462	3,028,186	177,920	369,901	-	-	**58,784,469**
Regulatory Retail Claims on Individuals	6,119,302	-	-	-	-	-	**6,119,302**
Small Business Facilities Enterprises (SBFE's)	-	-	-	-	-	-	**-**
Mortgages:							
Residential	3,138,121	-	-	-	-	-	**3,138,121**
Commercial	37,997	-	-	-	-	-	**37,997**
Securitized assets	-	-	-	-	-	-	**-**
Equity	291,919	-	-	-	-	-	**291,919**
Others	4,938,775	-	-	-	-	-	**4,938,775**
Past Due	1,384,215	-	-	-	-	-	**1,384,215**
Total	**100,090,798**	**9,702,651**	**3,374,995**	**3,156,272**	**194,047**	**449,687**	**116,968,450**

B9.2: CREDIT RISK: GENERAL DISCLOSURES

Industry Sector Breakdown of On-Balance Sheet, Off Balance Sheet, and Derivatives Exposures													
Portfolios	**Industry Sectors**												
	Government and quasi government	Banks and other financial institutions	Agriculture and fishing	Manufacturing	Mining and quarrying	Electricity, water, gas and health services	Building and construction	Commerce	Transportation and communication	Services	Consumer loans and credit cards	Others	**Total**
Sovereigns and central banks:													
SAMA and Saudi Government	27,643,675	-	-	-	-	-	-	-	-	-	-	-	27,643,675
Others	4,036,959	-	-	-	-	-	-	-	-	-	-	-	4,036,959
Multilateral Development Banks (MDBs)	-	-	-	-	-	-	-	-	-	-	-	-	-
Public Sector Entities (PSEs)	-	-	-	-	-	-	-	-	-	-	-	-	-
Banks and securities firms	-	10,314,232	-	-	-	-	-	-	-	-	-	-	10,314,232
Corporates	-	8,189,597	231,806	5,143,857	567,764	8,211,753	12,004,519	13,191,866	922,801	6,507,224	-	3,813,283	58,784,470
Regulatory Retail Claims on Individuals	-	-	-	-	-	-	3,101	-	-	2,057	6,114,144	-	6,119,302
Small Business Facilities Enterprises (SBFE's)	-	-	-	-	-	-	-	-	-	-	-	-	-
Mortgages:													
Residential	-	-	-	-	-	-	-	-	-	-	3,138,121	-	3,138,121
Commercial	-	-	-	-	-	-	-	37,753	-	-	-	243	37,997
Securitized assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity	-	-	-	-	-	-	-	-	-	-	-	291,919	291,919
Others	-	1,704,812	-	-	-	-	-	-	-	-	-	3,233,963	4,938,775
Past Due	-	5,513	-	26,349	-	-	179,259	167,556	1,507	3,974	549,020	451,036	1,384,215
Total	**31,680,633**	**20,214,155**	**231,806**	**5,170,206**	**567,764**	**8,211,753**	**12,186,879**	**13,397,176**	**924,308**	**6,513,255**	**9,801,285**	**7,790,444**	**116,689,665**

B9.3: CREDIT RISK: GENERAL DISCLOSURES

Residual Contractual Maturity Breakdown of On-Balance Sheet, Off Balance Sheet, and Derivatives Exposures

Portfolios	Maturity breakdown									
	Less than 8 days	8-30 days	31-90 days	91-180 days	181-360 days	1-3 years	3-5 years	Over 5 years	No Fixed Maturity	Total
Sovereigns and central banks:										
SAMA and Saudi Government	6,440,000	-	-	315,622	92,369	2,657,446	4,200,244	13,824,254	3,871,912	31,401,847
Others	-	-	-	-	-	-	-	-	-	-
Multilateral Development Banks (MDBs)	-	-	-	-	-	-	-	-	-	-
Public Sector Entities (PSEs)	-	-	-	-	-	-	-	-	-	-
Banks and securities firms	296,173	193,143	43,995	1,859	-	1,226,658	2,487,827	5,404,341	660,236	10,314,232
Corporates	2,312,642	5,487,141	2,999,839	3,883,595	4,239,299	3,365,893	10,345,902	22,063,406	4,086,753	58,784,470
Regulatory Retail Claims on Individuals	163,736	63,193	4,492	14,268	190,944	1,154,962	4,051,041	475,851	815	6,119,302
Small Business Facilities Enterprises (SBFE's)	-	-	-	-	-	-	-	-	-	-
Mortgages:										
Residential	43	-	74	129	1,006	45,945	91,939	2,998,985	-	3,138,121
Commercial	-	-	-	-	-	-	37,753	243	-	37,997
Securitized assets	-	-	-	-	-	-	-	-	-	-
Equity	-	-	-	-	-	-	-	-	291,923	291,923
Past Due	933,181	-	-	-	451,034	-	-	-	-	1,384,215
Others	-	609,765	-	-	-	-	-	-	4,329,011	4,938,775
Total	**10,145,775**	**6,353,241**	**3,048,401**	**4,215,472**	**4,974,653**	**8,450,904**	**21,214,706**	**44,767,079**	**13,240,650**	**116,410,882**

B9.4: CREDIT RISK: GENERAL DISCLOSURES

Impaired Loans (Stage 3), Past Due Loans and Allowances										
Industry sector	NPLs included in Stage 3	Total Past Due	Aging of Past Due Loans (days)				Stage 3 allowances			Stage 1 & 2 allowances
			Less than 90 Days	90-179	180-359	360 and above	Charges / (transfers) during the period	Charge-offs during the period, net	Balance at the end of the period	
Government and quasi government	-		-	-	-	-	-	-	-	1,408
Banks and other financial institutions	-	-	-	-	-	-	(51,938)	-	-	27,024
Agriculture and fishing	-	80,126	-	80,126	-	-	7,821	-	7,821	512
Manufacturing	142,421	43,666	98,825	-	49	43,617	53,693	-	121,776	20,940
Mining and quarrying	399,055	-	-	-	-	-	-	-	-	669
Electricity, water, gas and health services	431,115	-	-	-	-	-	-	-	-	38,961
Building and Construction	13,391	264,745	184,222	1,784	28,416	234,545	94,176	-	310,540	95,766
Commerce	35,511	421,715	185,668	-	28,394	393,321	109,945	234,039	419,205	102,380
Transportation and communication	-	13,392	-	-	-	13,392	6,907	-	13,391	4,107
Services	-	35,020	2,232	1,175	-	33,845	18,864	-	34,143	26,382
Consumer loans and credit cards	89,789	85,186	5,044	32,641	27,341	25,204	(3,966)	9,413	51,220	80,256
Others / (General)	128,658	71,188	725,256	-	-	71,188	116,220	-	264,572	303,207
Total	**1,239,940**	**1,015,038**	**1,201,247**	**115,726**	**84,200**	**815,112**	**351,722**	**243,452**	**1,222,668**	**701,612**

B9.5: CREDIT RISK: GENERAL DISCLOSURES								
Impaired Loans, Past Due Loans And Allowances								
Geographic area	**NPLs included in Stage 3**	**Aging of Past Due Loans (days)**					**Stage 3 allowances**	**Stage 1 & 2 allowances**
		Total Past Due	**Less than 90 days**	**90-179**	**180-359**	**360 and above**		
Saudi Arabia	1,239,940	1,015,038	1,201,247	115,726	84,200	815,112	1,222,668	701,612
Other GCC & Middle East	-	-	-	-	-	-	-	-
Europe	-	-	-	-	-	-	-	-
North America	-	-	-	-	-	-	-	-
South East Asia	-	-	-	-	-	-	-	-
Others countries	-	-	-	-	-	-	-	-
Total	**1,239,940**	**1,015,038**	**1,201,247**	**115,726**	**84,200**	**815,112**	**1,222,668**	**701,612**

B9.6: CREDIT RISK: GENERAL DISCLOSURES

Reconciliation Of Changes In The Allowances For Loan Impairment

Particulars	Stage 1	Stage 2	Stage 3	Total
Balance, beginning of the year, adjusted for IFRS 9 adoption	362,199	328,272	1,114,398	1,804,869
Charge-offs taken against the allowances during the period	-	-	(243,452)	(243,452)
Changes in exposures and re- measurement	16,655	34,023	355,453	406,131
Other adjustments:	-	-	-	-
- exchange rate differences	-	-	-	-
- business combinations	-	-	-	-
- acquisitions and disposals of subsidiaries	-	-	-	-
- recoveries	-	-	-	-
Transfers between allowances	1,946	(6,564)	4,618	-
Post-model overlay adjustments	(21,338)	(13,581)	(8,349)	(43,268)
Balance, end of the year	**359,462**	**342,150**	**1,222,668**	**1,924,280**

Breakdown of restructured exposures between impared and non impaired exposures

SAR '000

Restructured exposures	Impaired	Not impaired
3,196,595	1,119,347	2,077,248

Template CR1: Credit quality of assets

SR 000's

		a	b	c	d	e	f	g
		Gross carrying values of		Allowances/ impairments	Of which ECL accounting		Of which ECL accounting provisions for credit losses on IRB exposures	Net values (a+b-c)
		Defaulted exposures	Nondefaulted exposures		Allocated in regulatory category of Specific	Allocated in regulatory category of General		
1	Loans	2,216,285	80,458,765	1,924,280	1,450,071	474,209	-	**80,750,770**
2	Debt Securities	-	31,644,491	10,871	-	10,871	-	**31,633,620**
3	Off-balance sheet exposures	168,133	14,952,450	237,943	111,206	126,737	-	**14,882,640**
4	**Total**	**2,384,418**	**127,055,706**	**2,173,094**	**1,561,277**	**611,817**	**-**	**127,267,030**

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

SR 000's

		a
1	**Defaulted loans and debt securities at end of the previous reporting period**	2,681,659
2	Loans and debt securities that have defaulted since the last reporting period	140,901
3	Returned to non-defaulted status	(3,198)
4	Amounts written off	(237,065)
5	Other changes	(366,012)
6	**Defaulted loans and debt securities at end of the reporting period (1+2-3-4+5)**	**2,216,285**

B.10 - Table CRC: Qualitative disclosure requirements related to credit risk mitigation techniques

(a)	**Core features of policies and processes for, and an indication of the extent to which the Bank makes use of, on-and off-balance sheet netting**: Portfolio diversification is the cornerstone of the Bank's credit risk mitigation strategy, which is implemented through customer, industry, and geographical limit structures. To ensure diversification at the portfolio level, interrelated companies with the same management or ownership structure are classified and treated as one entity. The Bank limits its credit concentration to various types of counterparties as per the Large Exposure Guidelines issued by SAMA in 2015. Credit risk mitigants such as collateral and guarantees are effective mitigating factors within the Bank's portfolio and collateral quality is continuously monitored and assessed. The Bank uses a credit classification system as a tool to assist in managing the quality of credit risk within the lending portfolio. The Bank maintains ten classification grades that differentiate between performing, past due but not impaired and impaired portfolios, and calculates provisioning based on the IFRS-9 guidelines as per the appropriate Expected loss computation methodology according to the identified staging of the asset. The Credit Committee conducts quality classification exercises over all of its existing borrowers subject to the guidelines provided in the CPG. Consumer loan loss provisions are allocated on the basis of portfolio provisioning in compliance with SAMA regulatory requirements. The adequacy of provisions are regularly reviewed and adjusted according to a portfolio risk analysis undertaken on a monthly basis. The Bank uses external ratings (where available) from Fitch, S&P and Moody's to supplement internal ratings during the process of determining credit limits. Unrated public issue instruments are risk-weighted at 100% for capital adequacy purposes. In respect of counter party financial institutions with derivatives exposures, the Bank signs standard ISDA Master Agreements including a Credit support Annex. The Bank also makes use of collateral exchanges on the changes relating to MTM valuations. Counterparty risk in the Bank is controlled using a combination of the Board approved risk appetite limits and risk control monitoring using an integrated system of limit management at both a product and counterparty level. For the measurement of exposure, (i.e. Exposure At Default-EAD), the Basel mandated methodology is used, where marked-to-market (MTM) (replacement cost in the case of derivatives and drawn amounts in the case of committed facilities), plus an add-on for potential future exposure (PFE) is used. The capital at risk or unexpected loss, i.e. the loss, which constitutes the economic capital is also calculated and monitored. The exposures are revalued daily at market close, PFE is adjusted and mitigation measures applied (collateral, netting, etc.) and limits compliance is monitored daily. For collateral management, derivatives transactions subject to collateral agreements are marked to market daily and the parameters agreed in the collateral agreement are applied and accordingly margin calls are managed.

(b)	**Core features of policies and processes for collateral evaluation and management**: Collateral management is handled independently by the Credit Administration Department which is responsible for safe custody of the documents and securities offered as collateral. Based on SAMA guidelines and best practices, the Bank has laid down policies for valuation of collaterals such as shares, bonds and real estate. In respect of listed/quoted shares , the valuation is based on the daily end of day prices. In respect of real estate, an annual valuation is obtained based on the average valuation of at least two approved valuers.

(c)	**Information about market or credit risk concentrations under the credit risk mitigation instruments used (i.e. by guarantor type, collateral and credit derivatives providers)**: The Bank reviews and monitors collateral concentration by various types such as maximum permissible exposure to a company's shares pledged as collateral, maximum exposure of shares pledged for an individual company, number of shares of different companies any borrower can pledge based on the level of Bank's exposures to the borrower etc.

Table CR3: Credit risk mitigation techniques - overview

SR 000's

		a	b	c	d	e
		Exposures unsecured: carrying amount	**Exposures to be secured**	**Exposures secured by collateral**	**Exposures secured by financial guarantees**	**Exposures secured by credit derivatives**
1	Loans	33,334,836	47,415,934	40,628,940	631,887	-
2	Debt securities	31,633,620	-	-	-	-
3	**Total**	**64,968,456**	**47,415,934**	**40,628,940**	**631,887**	**-**
4	Of which defaulted	808,561	1,407,724	1,267,329	140,395	-

B.12 - Table CRD: Qualitative disclosures on the Banks' use of external credit ratings under the standardized approach for credit risk

(a)	**Names of the external credit assessment institutions (ECAIs) and export credit agencies (ECAs) used by the bank, and the reasons for any changes over the reporting period:** The Bank currently uses the Standardized Approach for the credit risk capital calculation charge under SAMA guidelines. The Bank uses the ratings issued by Standard & Poor's (S&P), Moody's, and Fitch, which are the External Credit Assessment Institutions (ECAIs) approved by SAMA for the Standardized Approach. The Bank has not yet implemented the internal ratings-based (IRB) Approach.
(b)	**The asset classes for which each ECAI or ECA is used:** The Bank does not use any specific agency exclusively for any particular type of exposure. The available ratings of any of the above three approved ECAIs on the obligors classified as Sovereign, Public Sector Entities, Multilateral Development Banks, Banks and Security Firms, and Corporates are used for risk weighting the exposures on them. The Bank's exposure to the obligors therefore reflects the correct issue rating from an acceptable ECAI long-term issuer rating.
(c)	**A description of the process used to transfer the issuer to issue credit ratings onto comparable assets in the banking book (see paragraphs 99–101 of the Basel framework):** Distinction between long-term and short-term claims is made only in respect of claims on banks. Generally, short-term ratings are deemed to be issue specific to be used only for the rated short-term facility. Short-term ratings are not used for any other short-term claims. If there are three or more assessments with different risk weights, the assessments corresponding to the two lowest risk weights are referred to and the higher of those risk weights is applied.
(d)	**The alignment of the alphanumerical scale of each agency used with risk buckets (except where the relevant supervisor publishes a standard mapping with which the bank has to comply):** In general, the Bank follows the guidelines issued by SAMA with respect to the use of ECAI ratings. The alignments of the ratings of each ECAI are made as per the standard mapping published by SAMA.

Template CR4: Standardised approach – credit risk exposure and credit risk mitigation (CRM) effects

SR 000's

		a	b	c	d	e	f
		Exposures before CCF and CRM		**Exposures post-CCF and post- CRM**		**RWA and RWA Density**	
		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	31,401,807	544	31,401,807	40	5,008,419	0.16
2	Non-central government public sector entities	-	-	-	-	-	-
3	Multilateral development banks	-	-	-	-	-	-
4	Banks	8,863,936	1,450,362	8,863,875	1,450,357	4,388,514	0.43
	Of which: securities firms and other financial institutions	-	-	-	-	-	-
5	Covered bonds	-	-	-	-	-	-
6	Corporates	73,416,959	16,099,221	45,650,549	13,133,920	56,066,877	0.95
	Of which: securities firms and other financial institutions	2,178,382	-	2,178,382	-	1,174,707	0.54
	Of which: specialised lending	-	-	-	-	-	-
7	Subordinated debt, equity and other capital	291,919	-	291,919	-	379,494	1.30
8	Retail MSMEs	7,146,253	18,323	6,109,560	9,742	4,540,555	0.74
9	Real estate	3,176,118	-	3,176,118	-	1,058,885	0.33
	Of which: general RR	3,138,121	-	3,138,121	-	1,020,888	0.33
	Of which: IPRRE	-	-	-	-	-	-
	Of which: general CRE	37,997	-	37,997	-	37,997	1.00
	Of which: IPCR	-	-	-	-	-	-
	Of which: land acquisition, development and construction	-	-	-	-	-	-
10	Defaulted exposures	2,677,368	164,323	1,328,781	55,434	1,691,931	1.22
11	Other assets	4,938,775	-	4,938,775	-	5,713,602	1.16
12	**Total**	**131,913,135**	**17,732,774**	**101,761,384**	**14,649,493**	**78,848,277**	**0.68**

Template CR5: Standardised approach - exposures by asset classes and risk weights

SR 000's

		0%	20%	25%	30%	40%	45%	50%	75%	85%	100%	130%	150%	250%	Total credit exposure amount (post-CCF and post-CRM)
1	Sovereigns and their central banks	16,711,777	11,927,822	-	-	-	-	278,787	-	-	2,483,461	-	-	-	**31,401,847**
2	Non-central government public sector entities	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
3	Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
4	Banks	-	253,189	-	6,942,045	7,231	-	1,776,926	433	-	1,276,060	-	58,349	-	**10,314,232**
	Of which: securities firms and other financial institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
5	Covered bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
6	Corporates	-	-	-	-	-	-	2,998,366	322,349	7,728,408	49,668,915	-	-	-	**60,718,038**
	Of which: securities firms and other financial institutions	-	-	-	-	-	-	1,987,921	38,856	-	151,605	-	-	-	**2,178,382**
	Of which: specialised lending	-	-	-	-	-	-	729,549	-	-	43,523,163	-	-	-	**44,252,712**
7	Subordinated debt, equity and other capital	-	-	-	-	-	-	-	-	-	-	291,919	-	-	**291,919**
8	Retail	-	-	-	-	-	163,073	-	6,983,510	-	-	-	-	-	**7,146,583**
	MSMEs	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
9	Real estate	-	412,678	312,822	1,147,753	1,166,128	163,073	98,740	-	-	37,997	-	-	-	**3,339,191**
	Of which: general RRE	-	412,678	312,822	1,147,753	1,166,128	163,073	98,740	-	-	-	-	-	-	**3,301,194**
	Of which: no loan splitting applied	-	412,678	312,822	1,147,753	1,166,128	163,073	98,740	-	-	-	-	-	-	**3,301,194**
	Of which: loan splitting applied (Secured)	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
	Of which: loan splitting applied (Unsecured)	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
	Of which: IPRRE	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
	Of which: general CRE	-	-	-	-	-	-	-	-	-	37,997	-	-	-	**37,997**
	Of which: no loan splitting applied	-	-	-	-	-	-	-	-	-	37,997	-	-	-	**37,997**
	Of which: loan splitting applied (Secured)	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
	Of which: loan splitting applied (Unsecured)	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
	Of which: IPCRE	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
	Of which: land acquisition, development and construction	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
10	Defaulted exposures	-	-	-	-	-	-	279,348	-	-	210,088	-	894,779	-	**1,384,215**
11	Other assets	671,431	7,075	-	-	-	-	-	-	-	3,292,325	-	-	967,945	**4,938,775**
12	**Total**	**17,383,207**	**12,600,763**	**312,822**	**8,089,798**	**1,173,359**	**326,146**	**5,432,167**	**7,306,292**	**7,728,408**	**56,968,847**	**291,919**	**953,128**	**967,945**	**119,534,800**

Exposure amounts and CCFs applied to off-balance sheet exposures, categorised based on risk bucket of converted exposures

Only applicable columns, containing RWA % have been presented.

		a	b	c	d
	Risk Weight	**On-balance sheet exposure**	**Off-balance sheet exposure (pre-CCF)**	**Weighted average CCF**	**Exposure (post-CCF and post CRM)**
1	Less than 40%	38,277,205	109,386	38,386,590	38,386,590
2	40-70%	6,632,087	136,512	6,768,599	6,768,599
3	75%	6,269,269	9,742	6,279,011	6,279,011
4	85%	5,720,608	1,864,850	7,585,459	7,585,459
5	90-100%	42,669,711	12,508,516	55,178,226	55,178,226
6	105-130%	291,919	-	291,919	291,919
7	150%	932,641	20,487	953,128	953,128
8	250%	967,945	-	967,945	967,945
9	400%	-	-	-	-
10	1250%	-	-	-	-
11	**Total exposures**	**101,761,384**	**14,649,493**	**116,410,877**	**116,410,877**

** Weighting is based on off-balance sheet exposure (pre-CCF).*

B.21 - Table CCRA: Qualitative disclosure related to counterparty credit risk

(a) **Risk management objectives and policies related to counterparty credit risk, including:**

The Bank manages and controls credit risk by monitoring credit exposures, limiting transactions with specific counterparties, and continually assessing the creditworthiness of counterparties.

The Bank's risk management policies are designed to identify and to set appropriate risk limits and to monitor the risks and adherence to limits. Actual exposures against limits are routinely monitored.

The Bank's credit risk for derivatives represents the potential cost to replace the derivative contracts if counterparties fail to fulfill their obligation. To control the level of credit risk taken, the Bank assesses counterparties using the same techniques as for its lending activities.

(b) **The method used to assign the operating limits defined in terms of internal capital for counterparty credit exposures and for CCP exposures:**

For the measurement of exposure, (i.e. Exposure At Default-EAD), the Basel mandated methodology is used, where marked-to-market (MTM) (replacement cost in the case of derivatives and drawn amounts in the case of committed facilities), plus an add-on for potential future exposure (PFE) is used. The capital at risk or unexpected loss, i.e. the loss, which constitutes the economic capital is also calculated and monitored. The exposures are revalued daily at market close, PFE is adjusted and mitigation measures applied (collateral, netting, etc.) and limits compliance is monitored daily.

For collateral management, derivative transactions subject to collateral agreements are marked to market daily and the parameters agreed in the collateral agreement are applied and accordingly margin calls are managed.

(c) **Policies relating to guarantees and other risk mitigants and assessments concerning counterparty risk, including exposures towards CCPs:**

Refer to (a) above.

(d) **Policies with respect to wrong-way risk exposures:** The Bank has laid down criteria for certain wrong way exposures such as pledges of shares of the borrowing company not being treated as acceptable collateral.

For derivative exposures, a Credit Support Annex (CSA) under the International Swap Dealers Association (ISDA) Master Agreement and exchange of margins on MTM basis with all the counterparties ensure minimal wrong way exposures.

The Bank reviews the impact of credit rating changes in respect of its counterparties from to time and takes suitable measures for any expected shortfall in collateral.

(e) **The impact in terms of the amount of collateral that the bank would be required to provide given a credit rating downgrade:**

The Bank has not entered in such contracts where rating downgrade will impact the collateral provisions.

Template CCR1: Analysis of CCR exposures by approach

SR 000's

		a	b	c	d	e	f
		Replacement cost	Potential future exposure	Effective EPE	Alpha used for computing regulatory EAD	EAD post-CRM	RWA
1	SA-CCR (for derivatives)	758,198	249,079		631,887	1,410,188	595,470
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	Value-at-risk (VaR) for SFTs					-	-
6	**Total**						**595,470**

Template CCR3: Standardised approach - CCR exposures by regulatory portfolio and risk weights

SR 000's

	a	c	d	f	h	i
	0%	**20%**	**50%**	**100%**	**Others**	**Total credit exposure**
Sovereigns	14,781	-	631,887	-	-	**646,668**
Non-central government public sector entities	-	-	-	-	-	**-**
Multilateral development banks	-	-	-	-	-	**-**
Banks	-	70,617	34,205	-	-	**104,821**
Securities firms	-	-	70,205	303,714	70,766	**581,672**
Corporates	-	-	-	-	-	**-**
Regulatory retail portfolios	-	-	-	-	-	**-**
Other assets	-	-	-	-	536,205	**536,205**
Total	**14,781**	**70,617**	**736,297**	**303,714**	**606,971**	**1,869,366**

*** Only applicable RWA categories have been presented.*

Template CCR5: Composition of collateral for CCR exposure

SR 000's

	a	b	c	d	e	f
	Collateral used in derivative transactions				**Collateral used in SFTs**	
	Segregated	**Unsegregated**	**Segregated**	**Unsegregated**	**Fair value of collateral received**	**Fair value of posted collateral**
Cash - domestic currency	-	-	-	21,210	-	-
Cash - other currencies	-	48,257	-	245,275	-	-
Domestic sovereign debt	-	-	-	-	-	7,411,677
Other sovereign debt	-	-	-	-	-	2,500,110
Government agency debt	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	9,791,158
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	**-**	**48,257**	**-**	**266,485**	**-**	**19,702,945**

Template CCR8: Exposures to central counterparties

SR 000's

		a	b
		EAD (post-CRM)	RWA
1	**Exposures to QCCPs (total)**		
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	536,205	10,724
3	(i) OTC derivatives	536,205	10,724
4	(ii) Exchange-traded derivatives	-	-
5	(iii) Securities financing transactions	-	-
6	(iv) Netting sets where cross-product netting has been approved	-	-
7	Segregated initial margin	-	
8	Non-segregated initial margin	-	-
9	Pre-funded default fund contributions	-	-
10	Unfunded default fund contributions	-	-
11	**Exposures to non-QCCPs (total)**		-
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	-	-
13	(i) OTC derivatives	-	-
14	(ii) Exchange-traded derivatives	-	-
15	(iii) Securities financing transactions	-	-
16	(iv) Netting sets where cross-product netting has been approved	-	-
17	Segregated initial margin	-	
18	Non-segregated initial margin	-	-
19	Pre-funded default fund contributions	-	-
20	Unfunded default fund contributions	-	-

B.35 - Table MRA: Qualitative disclosure requirements related to market risk

(a)	**Strategies and processes of the Bank**: The Bank's primary objective is to serve its customers through permitted treasury instruments, with back-to-back hedging of resulting positions so as to reduce Market Risk to a minimum
(b)	**Structure and organization of the market risk management function**: The Market Risk function is led by the Head and supported by senior and experienced staff. It sits within the Risk Management Department and is part of the CRO Organisation/span of control.
(c)	**Scope and nature of risk reporting and/or measurement systems**: The scope of risk reporting includes all foreign exchange positions (TB as well as BB), Interest Rate and other such products in the Trading Book as per SAMA Guidelines

Table MR1: Market risk under the standardised approach

SR 000's

		a
		Capital requirement in standardised approach
1	General interest rate risk	2
2	Equity risk	-
3	Commodity risk	-
4	Foreign exchange risk	494,668
5	Credit spread risk - non-securitisations	-
6	Credit spread risk - securitisations (non-correlation trading portfolio)	-
7	Credit spread risk - securitisation (correlation trading portfolio)	-
8	Default risk - non-securitisations	-
9	Default risk - securitisations (non-correlation trading portfolio)	-
10	Default risk - securitisations (correlation trading portfolio)	-
11	Residual risk add-on	-
12	**Total**	**494,670**

General qualitative disclosure requirements related to CVA

Banks must describe their risk management objectives and policies for CVA risk as follows:		
a	An explanation and/or a description of the bank's processes implemented to identify, measure, monitor and control the bank's CVA risks, including policies for hedging CVA risk and the processes for monitoring the continuing effectiveness of hedges.	The Bank monitors its Derivative/SFT positions (unmargined/margined and cleared) on a daily basis to measure, monitor and control CCR and CVA risks. The Bank does not undertake any other Credit Risk hedging practices (such as using CDS).
b	Whether the bank is eligible and has chosen to set its capital requirement for CVA at 100% of the bank's capital requirement for counterparty credit risk as applicable under SMAR14.	Yes

Qualitative disclosures for banks using the SA-CVA

Banks must provide the following information on their CVA risk management framework:		
a	A description of the bank's CVA risk management framework.	The Bank utilises the Alternative Approach permitted under the Basic Approach (BA-CVA), using the reduced form based on the relatively lower size of derivatives contracts below the SAMA Threshold.
b	A description of how senior management is involved in the CVA risk management framework.	Senior Management of the Bank provide oversight on the risk capital charge and RWA for CVA Risk
c	An overview of the governance of the CVA risk management framework (eg documentation, independent control unit, independent review, independence of the data acquisition from the lines of business).	There is an internal process within Risk Group and Finance Group for computation and reporting of the CVA Risk for independence and required internal control.

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**	514,606
2	**Total RWA for CVA at end of reporting period**	584,746

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

B.41 - Operational risk (Qualitative Disclosures)

(a)	The Bank's Operational Risk Management Framework approved by the Board provides a structured approach to identify, assess, monitor, and control operational risk through: • Conducting Risk and Control Self-Assessment (RCSA) workshops and submitting Risk Profile Reports which rate the Entity's Risk; • Monitoring of agreed Action Plans that have emerged as a result of RCSA workshops; • Maintaining operational risk loss event databases for analysis and reporting; • Implementing and monitoring of Key Risk Indicators; • Creating awareness about the Risk Management Concepts with focus on Operational Risk among the Bank employees through e-learning; • Periodically reviewing and updating Operational Risk Policies & Procedures and functionality of the ORM System to improve Operational Risk Management in the Bank; • Conducting Annual Qualitative and Quantitative risk analysis covering all risk entities within a Business/Support Group; and • Review of tangible and intangible assets of the Bank and Corporate Risk Financing Plan.
	Any new products of the Bank are also assessed for inherent operational risks. The Bank's insurance contracts are also subject to ORMD review on an annual basis. The outsourcing contracts of the Bank are also reviewed by the ORMD from an operational risk perspective.
	As of December 31, 2023 the Bank followed the standardized Approach of the Basel III Accord to arrive at the Operational Risk Capital Charge in accordance with SAMA Basel III guidelines.
	An operational risk appetite matrix is also used for monitoring operational risk losses on an ongoing basis. The key components of this framework are comprehensively documented through policies and procedures such as Operational Risk Framework Policy, RCSA Policy, Loss Data Policy, Key Risk Indicators Policy and procedures such as Business Process Mapping procedure, Training and Awareness procedure etc. The Operational Risk Management Committee (ORMC) has the overall responsibility of supervising the implementation of the operational risk management framework across the Bank. The ORMC reports to the ERMC of the Bank, which in turn reports to the BRC, a committee of the Board. The Operational Risk Management Department (ORMD) functions as part of the Risk Management Group. The Bank has adopted a structured and proactive approach for the management of operational risks. The ORMD is subject to regular audit by the Bank's Internal Audit Department. The ORMD collects data related to operational losses from day-to-day operations and feeds the same into the Operational Risk Management System. This covers activities including: • Feeding the results of RCSA workshops for risk and control assessment.
(b)	Operational Risk Management uses RSA Archer System to capture all the operational risk losses throughout the year and extract these booked losses to compute the capital charge as per the SAMA prescribed template.
(c)	The Operational Risk Management Framework & Policy is approved by the Board of Directors. Also, All the Operational Risk Activities are reported Quarterly to the Operational Risk Management Committee (ORMC), Enterprise Risk Management Committee (ERMC) & to the Board Risk Committee (BRC).
(d)	The Operational Risk Management Framework & Policy clearly states about Risk Mitigation and Risk transfer through Insurance Schemes. The Bank adopts the Board Approved policies like Risk Appetite Framework, Insurance Policy & Outsourcing Policy to mitigate risks.

Template OR1: Historical losses

SR 000's

		a	b	c	d	e	f	g	h	i	j	k
		T	T-1	T-2	T-3	T-4	T-5	T-6	T-7	T-8	T-9	Ten year Average
Using 44,600 SAR threshold												
1	Total amount of operational losses net of recoveries (no exclusions)	2,848	1,054	2,087	695	5,505	2,748	47,478	291	424	1,601	6,473
2	Total number of operational risk losses	49	38	23	33	19	21	62	21	32	24	32
3	Total amount of excluded operational risk losses	153	99	133	194	71	242	321	191	164	103	167
4	Total number of exclusions	41	36	20	29	13	17	57	20	30	21	28
5	Total amount of operational losses net of recoveries and net of excluded losses	2,695	955	1,954	501	5,434	2,506	47,157	100	260	1,498	6,306
Using 446,000 SAR threshold												
6	Total amount of operational losses net of recoveries (no exclusions)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
7	Total number of operational risk losses	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
8	Total amount of excluded operational risk losses	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
9	Total number of exclusions	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
10	Total amount of operational losses net of recoveries and net of excluded losses	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Details of operational risk capital calculation												
11	Are losses used to calculate the ILM (yes/no)?	No	No	No	No	No	No	No	No	No	No	No
12	If "no" in row 11, is the exclusion of internal loss data due to non compliance with the minimum loss data standards (yes/no)?	No	No	No	No	No	No	No	No	No	No	No
13	Loss event threshold: 44,600 SAR or 446,000 SAR for the operational risk capital calculation if applicable	SAR 44,600	SAR 44,600	SAR 44,600	SAR 44,600	SAR 44,600	SAR 44,600	SAR 44,600	SAR 44,600	SAR 44,600	SAR 44,600	SAR 44,600

Template OR2: Business Indicator and subcomponents

SR 000's

		a	b	c
	BI and its subcomponents	T	T-1	T-2
1	Interest, lease and dividend component	2,028,564		
1a	Interest and lease income	4,490,029	3,173,805	3,661,086
1b	Interest and lease expense	1,657,749	821,407	1,339,432
1c	Interest earning assets	97,843,585	87,237,727	85,393,259
1d	Dividend income	-	-	14
2	Services component	494,061		
2a	Fee and commission income	492,268	524,964	464,943
2b	Fee and commission expense	196,805	198,541	161,546
2c	Other operating income	7	-	-
2d	Other operating expense	-	-	-
3	Financial component	144,280		
3a	Net P&L on the trading book	-		
3b	Net P&L on the banking book	137,546	74,227	221,068
4	BI	2,666,905		
5	Business indicator component (BIC)	320,029		

Disclosure on BI:

		a
6a	BI gross of excluded divested activities	-
6b	Reduction in BI due to excluded divested activities	-

Template OR3: Minimum required operational risk capital

SR 000's

#	Particulars	a
1	Business indicator component (BIC)	320,029
2	Internal loss multiplier (ILM)	1
3	Minimum required operational risk capital (ORC)	320,029
4	Operational risk RWA	4,000,357

IRRBBA risk management objectives and policies

Average repricing maturity assigned to non-maturity deposits (NMDs).	4.42 Years
Longest repricing maturity assigned to NMDs.	10 Years

Quantitative information on IRRBB

SR 000's

In reporting currency	ΔEVE		ΔNII	
Period	**31-Dec-23**	**30-Sep-23**	**31-Dec-23**	**30-Sep-23**
Parallel up	(691,173)	(365,234)	339,248	521,091
Parallel down	386,206	123,560	(339,248)	(521,091)
Steepener	(199,272)	36,194		
Flattener	4,248	259,770		
Short rate up	(357,436)	140,915		
Short rate down	373,682	(144,164)		
Maximum	(691,173)	(365,234)		
Period	**T**		**T-1**	
Tier 1 capital	**17,490,943**		**16,794,627**	

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	129,984,173
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 securitised exposures that meet the operational requirements for the recognition of risk transference	-
4	Adjustments for temporary exemption of central bank reserves (if applicable)	-
5	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	-
6	Adjustments for regular-way purchases and sales of financial assets subject to trade date accounting	-
7	Adjustments for eligible cash pooling transactions	-
8	Adjustments for derivative financial instruments	1,410,188
9	Adjustment for securities financing transactions (ie repurchase agreements and similar secured lending)	-
10	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of offbalance sheet exposures)	15,541,777
11	Adjustments for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital	-
12	Other adjustments	-18,178
13	**Leverage ratio exposure measure**	**146,917,960**

Template LR2- Leverage ratio common disclosure template

SR 000's

		a	b
		December 31, 2023	September 30, 2023
On Balance sheet exposures			
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	131,916,220	131,890,429
2	Gross-up for derivatives collateral provided where deducted from balance sheet assets pursuant to the operative accounting framework	-	-
3	(Deductions of receivable assets for cash variation margin provided in derivatives transactions)	-	-
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	-	-
5	(Specific and general provisions associated with on-balance sheet exposures that are deducted from Basel III Tier 1 capital)	(1,931,930)	(2,063,995)
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)**	**129,965,995**	**129,808,139**
Derivative exposures			
8	Replacement cost associated with all derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	1,061,477	1,394,671
9	Add-on amounts for potential future exposure associated with all derivatives transactions	348,711	318,968
10	(Exempted central counterparty (CCP) leg of client-cleared trade exposures)	-	-
11	Adjusted effective notional amount of written credit derivatives	-	-
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-
13	**Total derivative exposures (sum of rows 8 to 12)**	**1,410,188**	**1,713,639**
Securities financing transaction exposures			
14	Gross SFT assets (with no recognition of netting), after adjustment for sale accounting transactions	-	-
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-
16	Counterparty credit risk exposure for SFT assets	-	-
17	Agent transaction exposures	-	-
18	**Total securities financing transaction exposures (sum of rows 14 to 17)**	**-**	**-**
Other off balance sheet exposures			
19	Off-balance sheet exposure at gross notional amount	17,732,778	16,811,077
20	(Adjustments for conversion to credit equivalent amounts)	(1,953,058)	(1,712,360)
21	(Specific and general provisions associated with off-balance sheet exposures deducted in determining Tier 1 capital)	(237,943)	(220,157)
22	**Off-balance sheet items (sum of rows 19 to 21)**	**15,541,777**	**14,878,560**
Capital and total exposures			
23	**Tier 1 capital**	**17,490,943**	**16,950,876**
24	**Total exposures (sum of rows 7, 13, 18 and 22)**	146,917,960	146,400,338
Leverage ratio			
25	**Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)**	**11.91%**	**11.58%**
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	**11.28%**	**11.28%**
26	**National minimum leverage ratio requirement**	**3.00%**	**3.00%**
27	**Applicable leverage buffers**	**N/A**	**N/A**
Disclsoure 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	-	-
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	-	-
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)	-	-
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)	-	-
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)	-	-
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)	-	-

Table LIQA: (a) General Qualitative Disclosures on Liquidity Risk Management	
(a)	SAIB conducts an annual Board approved Internal Liquidity Adequacy Assessment Plan (ILAAP) and Contingency Funding Plan (CFP). Results from this exercise are then reflected in the Risk Appetite Statement to monitor/report liquidity risk at the Bank level to the Board on a quarterly basis. Actual positions are compared to the Board approved thresholds and tolerances, supported by the monthly monitoring of liquidity risk in the Asset Liability Committee (ALCO) in line with Board approved policies. ALCO has the overall responsibility for the Bank's liquidity risk management. SAIB develops a detailed funding strategy, liquidity risk assessment and liquidity stress testing as a part of the ILAAP exercise and conducts the CFP exercise to help identify diversified sources of readily available and deployable funds in crisis situations, results of which are then presented as part of the ILAAP submission to SAMA post Board approval.
(b)	SAIB has access to diversified funding sources by customer type, funding maturity tenors and product class that underpin the plan required to fund the Bank's proposed asset activities and the expected liability maturities. The strategic liquidity planning process, which incorporates the development of funding supply and demand across product types, together with the Bank's targeted key liquidity and funding metrics, provides the key input parameters to build the Bank's funding strategy. In addition to the Bank's accounting capital including Tier 1 Sukuk, the primary sources of funds include (but not limited to): Customer deposits – including demand deposits and other commission bearing deposits Structured Deposits Interbank takings (due to banks); Repurchase agreements; Funding Swaps; for cross currency liquidity requirements Term loan facilities; and Subordinated debt
(c)	SAIB gives utmost importance to maintain sufficient liquidity at all times, with considerable holdings of High Quality Liquid Assets (HQLA) apart from daily monitoring of liquidity. In addition to the various funding sources described under Funding Strategy, SAIB has SAMA's Open Market Operations and Banking System Liquidity Support as additional available channels
(d)	The stress test results reinforce that the liquidity buffer is sufficient to meet the institution specific and market specific stress tests considered for liquidity adequacy
(e)	The Contingency Funding Plan ("CFP") is a key tool used by the Bank for assessing its ability to meet any unforeseen circumstances and undergoes a "fit for purpose" review by the Senior Management in its annual testing of CFP. The Stress Testing Scenarios are a key assessment in the design of the Bank's liquidity risk appetite and BOD's analysis of the strength of the Bank's liquidity risk management capabilities. The purpose of the CFP is to establish a set of processes that will ensure the Bank manages its liquidity properly in a stress or crisis situation by ensuring the availability and reliability of funding sources in a timely and adequate manner. The Liquidity Crisis Management Team ("LCMT"), headed by the CEO, oversees the execution of the CFP exercise and reviews the outcome presented by the Treasurer to the ERMC and the Board Risk Committee. This bi-annual exercise conveys the importance placed by the Bank on the CFP process
(f)	The Bank has developed a Liquidity Gap Report to assess the liquidity/cashflow position. The resulting Liquidity Gap Analysis and its ongoing management is an important internal measure to ensure sound funding liquidity risk management in the Bank
(g)	In addition to the Bank's accounting capital including Tier 1 Sukuk, the primary sources of funds include (but are not limited to): Customer deposits – including demand deposits and other commission bearing deposits Structured Deposits Interbank takings (due to banks); Repurchase agreements; Funding Swaps; for cross currency liquidity requirements Term loan facilities; and Subordinated debt
(h)	SAIB measures its liquidity positions by monitoring liquidity gaps for various buckets as well as through Basel III liquidity ratios, SAMA's statutory liquidity ratio, and keeping in view it's intraday positions. The table above demonstrates the cash inflows and outflows as are bucketed based on the contractual maturities. This is an ALCO approved methodology to determine liquidity gaps and is managed by ALCO. Both Treasury and Risk Groups jointly monitor it very closely. Key measures are monthly reported to ALCO. SAIB also monitors concentration in accepted collaterals to ensure its quality and eliminate undue risk. Funding needs of the Group subsidiaries are determined and managed at the subsidiary level. To ensure that SAIB supports the liquidity position of its subsidiaries and extend resources in times of stress, it sets limits on lines of funding available to subsidiaries based on the TPG guidelines and annual budgets, additional funding requirements, and liquidity needs. These limits are reviewed on an annual basis as part of the budgeting process and per Risk Appetite Framework guidelines.
(i)	**Balance sheet and off-balance sheet items broken down into maturity buckets and the resultant liquidity gaps.** Please refer quantitative disclosures.

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 December 31, 2023

The 90 days' average LCR (as provided on the next page) has decreased from 201.56 % as of September 30, 2023 to 195.84% as of December 31, 2023

The total net cash outflows increased from SAR 7.76 billion to SAR 7.9 billion from previous quarter, and the net inflows decreased from SAR 7.84 billion to SAR 7.52 billion. While the HQLAs decreased, from SAR 15.64 billion to SAR 15.48 billion which led to a net decrease in LCR by 572 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		15,476,058
Cash outflows			
2	**Retail deposits and deposits from small business customers, of which:**	**19,497,117**	**1,695,335**
3	Stable deposits	19,497,117	1,695,335
4	Less stable deposits	-	-
5	**Unsecured wholesale funding, of which:**	**32,938,725**	**11,804,153**
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	**-**	**-**
7	Non-operational deposits (all counterparties)	**26,779,736**	**11,352,074**
8	Unsecured debt	**6,158,989**	**452,079**
9	**Secured wholesale funding**	**2,732,491**	**591,194**
10	**Additional requirements, of which:**	**13,322,938**	**1,332,294**
11	Outflows related to derivative exposures and other collateral requirements	**-**	**-**
12	Outflows related to loss of funding on debt products	**-**	**-**
13	Credit and liquidity facilities	**13,322,938**	**1,332,294**
14	**Other contractual funding obligations**	**-**	**-**
15	**Other contingent funding obligation**	**-**	**-**
16	**TOTAL CASH OUTFLOWS**	**-**	**15,422,976**
Cash inflows			
17	Secured lending (eg reverse repos)	-	-
18	Inflows from fully performing exposures	8,006,099	6,293,304
19	Other cash inflows	1,227,470	1,227,470
20	**TOTAL CASH INFLOWS**	-	**7,520,774**
		-	**Total adjusted value**
21	Total HQLA	-	15,476,058
22	Total net cash outflows	-	7,902,202
23	**Liquidity Coverage Ratio (%)**	-	**195.84%**

Template LIQ2: Net Stable Funding Ratio (NSFR)

SR 000's

		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:**	19,002,226	-	-	9,839,268	28,841,494
2	*Regulatory capital*	18,096,511	-	-	-	18,096,511
3	*Other capital instruments*	905,715	-	-	9,839,268	10,744,983
4	**Retail deposits and deposits from small business customers, of which:**	30,400,666	16,233,620	561,984	-	34,768,583
5	*Stable deposits*	-	-	-	-	-
6	*Less stable deposits*	30,400,666	16,233,620	561,984	-	34,768,583
7	**Wholesale funding:**	4,440,408	28,015,461	3,447,603	-	17,951,736
8	*Operational deposits*	-	-	-	-	-
9	*Other wholesale funding*	4,440,408	28,015,461	3,447,603	-	17,951,736
10	**Liabilities with matching interdependent assets**	-	-	-	-	-
11	**Other liabilities**	-141,324	16,177,209	-	-104,063	-
12	*NSFR derivative liabilities*	-		-	-	
13	*All other liabilities and equity not included in the above categories*	-141,324	16,177,209	-	-104,063	-
14	**Total ASF**	-				**81,561,813**
Required stable funding (RSF) item						
15	**Total NSFR high-quality liquid assets (HQLA)**					**887,150**
16	Deposits held at other financial institutions for operational purposes	-	-	-	-	-
17	**Performing loans and securities:**	**7,971,183**	**25,567,805**	**11,456,475**	**49,555,534**	**63,837,984**
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*	1,710,215	418,470	653,000	-	849,950
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:*	5,973,689	25,149,335	10,803,475	34,564,745	50,342,765
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:*	-	-	-	1,705,452	1,108,544
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*	287,280	-	-	13,285,337	11,536,725
25	Assets with matching interdependent liabilities	-	-	-	-	-
26	Other assets:	**3,632,496**	**128**	**133**	**2,214,858**	**6,383,215**
27	*Physical traded commodities, including gold*	-	-	-	-	-
28	*Assets posted as initial margin for derivative contracts and contributions to default funds of central counterparties*	-	-	-	-	-
29	*NSFR derivative assets*	-	-	-	-	651,890
30	*NSFR derivative liabilities before deduction of variation margin posted*	-	-	-	-	-116,290
31	*All other assets not included in the above categories*	3,632,496	128	133	2,214,858	5,847,615
32	***Off-balance sheet items***		**-**	**-**	**-**	**1,037,813**
33	***Total RSF***					**72,146,162**
34	***Net Stable Funding Ratio (%)***					**113.05%**

Balance sheet and off-balance sheet items broken down into maturity buckets and the resultant liquidity gaps.

SAR (000)

Liquidity Risk GAP Analysis	Within 3 months	3-12 months	2-5 years	Over 5 years	No fixed maturity 5 Years	TOTAL
December 31, 2023						
Total assets	28,911,635	22,153,845	40,660,042	28,354,759	9,903,892	129,984,173
Total liabilities and equity	58,245,151	10,457,343	10,757,673	-	50,524,006	129,984,173
Liquidity gap	(29,333,516)	11,696,502	29,902,369	28,354,759	(40,620,114)	-
Commitments, Contingencies, and Financial Guarantees	4,253,244	11,083,985	24,408,447	6,482,492	-	46,228,168
December 31, 2022						
Total assets	25,349,660	19,713,267	29,914,722	24,981,432	9,111,531	109,070,612
Total liabilities and equity	**39,447,073**	**14,389,341**	**4,466,329**	**-**	**50,767,869**	**109,070,612**
Liquidity gap	(14,097,413)	5,323,926	25,448,393	24,981,432	(41,656,338)	-
Commitments, Contingencies, and Financial Guarantees	9,068,490	9,479,366	17,270,011	9,784,378	-	45,602,245

The amounts disclosed for derivatives, and commitments and contingencies are not indicative of future payment obligations.