

The Saudi British Bank

Pillar 3 Disclosures at 31 March 2023



TABLE OF CONTENTS

Tables and templates	
Overview of risk management, key prudential metrics and RWA	KM1 – Key metrics (at consolidated group level)
	OV1 – Overview of RWA
Leverage ratio	LR1 – Summary comparison of accounting assets vs leverage ratio exposure measure
	LR2 – Leverage ratio common disclosure template
Liquidity	LIQ1 – Liquidity Coverage Ratio (LCR)

KM1: Key metrics (at consolidated group level) (Figures in SAR 000's)

	a	b	c	d	e
	Mar-23	Dec-22	Sep-22	Jun-22	Mar-22
Available capital (amounts)					
1 Common Equity Tier 1 (CET1)	47,479,334	45,236,926	44,117,150	44,847,812	44,157,187
1a Fully loaded ECL accounting model	46,262,422	43,846,169	42,552,549	43,109,367	42,514,409
2 Tier 1	47,479,334	45,236,926	44,117,150	44,847,812	44,157,187
2a Fully loaded ECL accounting model Tier 1	46,262,422	43,846,169	42,552,549	43,109,367	42,514,409
3 Total capital	53,240,890	51,032,068	49,770,293	50,538,135	49,881,532
3a Fully loaded ECL accounting model total capital	52,023,978	49,641,312	48,205,693	48,799,690	48,238,755
Risk-weighted assets (amounts)					
4 Total risk-weighted assets (RWA)	276,097,045	256,252,391	245,627,470	244,067,818	238,126,804
4a Total risk-weighted assets (pre-floor)	276,097,045	256,252,391	245,627,470	244,067,818	238,126,804
Risk-based capital ratios as a percentage of RWA					
5 Common Equity Tier 1 ratio (%)	17.20%	17.65%	17.96%	18.38%	18.54%
5a Fully loaded ECL accounting model Common Equity Tier 1 (%)	16.76%	17.11%	17.32%	17.66%	17.85%
5b CET1 ratio (%) (pre-floor ratio)	17.20%	17.65%	17.96%	18.38%	18.54%
6 Tier 1 ratio (%)	17.20%	17.65%	17.96%	18.38%	18.54%
6a Fully loaded ECL accounting model Tier 1 ratio (%)	16.76%	17.11%	17.32%	17.66%	17.85%
6b Tier 1 ratio (%) (pre-floor ratio)	17.20%	17.65%	17.96%	18.38%	18.54%
7 Total capital ratio (%)	19.28%	19.91%	20.26%	20.71%	20.95%
7a Fully loaded ECL accounting model total capital ratio (%)	18.84%	19.37%	19.63%	19.99%	20.26%
7b Total capital ratio (%) (pre-floor ratio)	19.28%	19.91%	20.26%	20.71%	20.95%
Additional CET1 buffer requirements as a percentage of RWA					
8 Capital conservation buffer requirement (2.5% from 2019) (%)	2.50%	2.50%	2.50%	2.50%	2.50%
9 Countercyclical buffer requirement (%)	0.01%	0.01%	0.03%	0.01%	0.02%
10 Bank G-SIB and/or D-SIB additional requirements (%)	0.50%	0.50%	0.50%	0.50%	0.50%
11 Total of bank CET1 specific buffer requirements (%) (row 8 + row 9 + row 10)	3.01%	3.01%	3.03%	3.01%	3.02%
12 CET1 available after meeting the bank's minimum capital requirements (%)	14.19%	14.64%	14.93%	15.36%	15.53%

KM1: Key metrics (at consolidated group level) (Figures in SAR 000's)

		a	b	c	d	e
		Mar-23	Dec-22	Sep-22	Jun-22	Mar-22
Basel III leverage ratio						
13	Total Basel III leverage ratio exposure measure	402,342,673	439,898,722	417,332,704	369,852,938	346,205,752
14	Basel III leverage ratio (%) (row 2 / row 13)	11.80%	10.28%	10.57%	12.13%	12.75%
14a	Fully loaded ECL accounting model Basel III leverage ratio (%) (row 2a / row13)	11.50%	9.97%	10.20%	11.66%	12.28%
Liquidity Coverage Ratio						
15	Total HQLA	94,357,438	87,322,535	84,144,949	73,765,644	69,018,562
16	Total net cash outflow	45,575,840	50,793,513	46,968,532	46,747,709	44,102,748
17	LCR ratio (%)	207%	172%	179%	158%	156%
Net Stable Funding Ratio						
18	Total available stable funding	211,485,333	203,404,980	200,745,200	205,608,674	199,093,997
19	Total required stable funding	161,679,701	158,908,356	158,411,135	153,855,597	154,327,427
20	NSFR ratio	130.8%	128.0%	126.7%	134%	129%

OV1: Overview of RWA (Figures in SAR 000's)

	a	b	c
	RWA		Minimum capital requirements
	Mar-23	Dec-22	Mar-23
1 Credit risk (excluding counterparty credit risk)	243,421,099	229,742,175	19,473,688
2 Of which: standardised approach (SA)	243,421,099	229,742,175	19,473,688
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)	1,719,755	1,011,898	137,580
7 Of which: standardised approach for counterparty credit risk	1,719,755	1,011,898	137,580
8 Of which: Internal Model Method (IMM)	-	-	-
9 Of which: other CCR	-	-	-
10 Credit valuation adjustment (CVA)	3,759,799	102	300,784
11 Equity positions under the simple risk weight approach and the internal model method during the five-	-	-	-
12 Equity investments in funds – look-through approach	-	-	-
13 Equity investments in funds – mandate-based approach	-	-	-
14 Equity investments in funds – fall-back approach	128,287	128,288	10,263
15 Settlement risk	-	-	-
16 Securitisation exposures in banking book	-	-	-
17 Of which: securitisation internal ratings-based 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)	-	-	-

OV1: Overview of RWA (Figures in SAR 000's)

	a	b	c
	RWA		Minimum capital requirements
	Mar-23	Dec-22	Mar-23
20 Market risk	15,037,434	7,091,185	1,202,995
21 Of which: standardised approach (SA)	15,037,434	7,091,185	1,202,995
22 Of which: internal model approaches (IMA)	-	-	-
23 Capital charge for switch between trading book and banking book	-	-	-
24 Operational risk	10,458,162	16,212,894	836,653
25 Amounts below the thresholds for deduction (subject to 250% risk weight)	1,572,509	2,065,850	125,801
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)	276,097,045	256,252,391	22,087,764

LR1: Summary comparison of accounting assets vs leverage ratio exposure measure (Figures in SAR 000's)

	A
1 Total consolidated assets as per published financial statements	318,188,607
2 Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside	-
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	13,074,199
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 off-balance sheet exposures)	71,079,866
11 Adjustments for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital	-
12 Other adjustments	-
13 Leverage ratio exposure measure	402,342,673

LR2: Leverage ratio common disclosure template (Figures in SAR 000's)

		a	b
		Mar-23	Dec-22
On-balance sheet exposures			
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	318,188,607	313,946,457
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 Tier 1 capital)	-	-
6	(Asset amounts deducted in determining Tier 1 capital and regulatory adjustments)	-	-
7	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 to 6)	318,188,607	313,946,457
Derivative exposures			
8	Replacement cost associated with all derivatives transactions (where applicable net of eligible cash variation margin, with bilateral netting and/or the specific treatment for client cleared derivatives)	11,019,524	1,022,378
9	Add-on amounts for potential future exposure associated with all derivatives transactions	2,054,675	224,489
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)	13,074,199	1,246,867
Securities financing transaction exposures			
14	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	-	-
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-
16	Credit Conversion Factor (CCR) exposure for Security Financing Transaction (SFT) assets	-	-
17	Agent transaction exposures	-	-
18	Total securities financing transaction exposures (sum of lines 12 to 15)	-	-
Other off-balance sheet exposures			
19	Off-balance sheet exposure at gross notional amount	222,314,628	205,897,253
20	(Adjustments for conversion to credit equivalent amounts)	(151,234,762)	(140,152,432)
21	(Specific and general provisions associated with off-balance sheet exposures deducted in determining Tier 1 capital)	-	-
22	Off-balance sheet items (sum of rows 19 to 21)	71,079,866	65,744,821
Capital and total exposures			
23	Tier 1 capital	47,479,334	45,236,925
24	Total exposures (sum of rows 7, 13, 18 and 22)	402,342,673	439,898,722

LR2: Leverage ratio common disclosure template (Figures in SAR 000's)

		a	b
		Mar-23	Dec-22
Leverage ratio			
25	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)	11.80%	10.28%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	11.80%	10.28%
26	National minimum leverage ratio requirement	3.00%	3.00%
27	Applicable leverage buffers	8.80%	7.28%
Disclosure of mean values			
28	Mean value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	-	-
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)	-	-

LIQ1: Liquidity Coverage Ratio (LCR) (Figures in SAR 000's)

	a	b
	Total Unweighted Value (average)	Total Weighted Value (average)
High-quality liquid assets		
1 Total High-Quality Liquid Assets (HQLA)		94,357,438
Cash outflows		
2 Retail deposits and deposits from small business customers, of which:	58,331,597	5,112,439
3 Stable deposits	-	-
4 Less stable deposits	58,331,597	5,112,439
5 Unsecured wholesale funding, of which:	130,406,582	60,187,822
6 Operational deposits (all counterparties) and deposits in networks of cooperative banks	-	-
7 Non-operational deposits (all counterparties)	130,406,582	60,187,822
8 Unsecured debt	-	-
9 Secured wholesale funding	-	-
10 Additional requirements, of which:	5,252,179	637,877
11 Outflows related to derivative exposures and other collateral requirements	125,177	125,177
12 Outflows related to loss of funding on debt products	-	-
13 Credit and liquidity facilities	5,127,003	512,700
14 Other contractual funding obligations	-	-
15 Other contingent funding obligations	212,981,108	5,487,581
16 TOTAL CASH OUTFLOWS	406,971,466	71,425,719

LIQ1: Liquidity Coverage Ratio (LCR) (Figures in SAR 000's)

	a	b
	Total Unweighted Value (average)	Total Weighted Value (average)
Cash inflows		
17 Secured lending (eg reverse repos)	-	-
18 Inflows from fully performing exposures	37,833,524	24,859,612
19 Other cash inflows	1,236,340	990,267
20 TOTAL CASH INFLOWS	39,069,864	25,849,879
21 TOTAL HQLA		94,357,438
22 TOTAL NET CASH OUTFLOWS		45,575,840
23 LIQUIDITY COVERAGE RATIO (%)		207%