

Samba Financial Group Basel III - Pillar 3 Disclosure Report

March 2019

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Overview of risk management, key prudential metrics and Risk Weighted Assets

SAR 000s

Samba Financial Group					
KM1: Key metrics (at consolidated group level)					
	Mar 2019	Dec 2018	Sep 2018	Jun 2018	Mar 2018
Available capital (amounts)					
1 Common Equity Tier 1 (CET1)	44,170,005	44,265,004	45,090,301	45,571,875	45,595,181
1a Fully loaded ECL accounting model	42,578,435	42,320,448	42,930,460	43,444,657	43,489,652
2 Tier 1	44,176,195	44,271,381	45,096,939	45,578,572	45,600,736
2a Fully loaded ECL accounting model Tier 1	42,584,625	42,326,826	42,937,098	43,451,354	43,495,207
3 Total capital	45,575,471	45,526,935	46,375,650	46,856,137	46,873,816
3a Fully loaded ECL accounting model total capital	44,062,271	43,582,379	44,524,643	45,036,463	45,033,424
Risk-weighted assets (amounts)					
4 Total risk-weighted assets (RWA)	203,564,998	200,685,652	203,920,967	200,832,052	208,983,101
Risk-based capital ratios as a percentage of RWA					
5 Common Equity Tier 1 ratio (%)	21.7%	22.1%	22.1%	22.7%	21.8%
5a Fully loaded ECL accounting model Common Equity Tier 1 (%)	20.9%	21.1%	21.1%	21.6%	0
6 Tier 1 ratio (%)	21.7%	22.1%	22.1%	22.7%	21.8%
6a Fully loaded ECL accounting model Tier 1 ratio (%)	20.9%	21.1%	21.1%	21.6%	0
7 Total capital ratio (%)	22.4%	22.7%	22.7%	23.3%	22.4%
7a Fully loaded ECL accounting model total capital ratio (%)	21.6%	21.7%	21.8%	22.4%	0
Additional CET1 buffer requirements as a percentage of RWA					
8 Capital conservation buffer requirement (2.5% from 2019) (%)	2.500%	1.875%	1.875%	1.875%	1.875%
9 Countercyclical buffer requirement (%)	0.298%	0.293%	0.367%	0.367%	0.358%
10 Bank G-SIB and/or D-SIB additional requirements (%)	0.500%	0.500%	0.500%	0.500%	1.000%
11 Total of bank CET1 specific buffer requirements (%) (row 8 + row 9 + row 10)	3.298%	2.668%	2.742%	2.742%	3.233%
12 CET1 available after meeting the bank's minimum capital requirements (%)	13.900%	14.889%	14.869%	15.449%	14.084%
Basel III leverage ratio					
13 Total Basel III leverage ratio exposure measure	261,210,893	259,018,950	262,742,916	260,143,590	264,060,970
14 Basel III leverage ratio (%) (row 2 / row 13)	16.9%	17.1%	17.2%	17.5%	17.3%
14a Fully loaded ECL accounting model Basel III leverage ratio (%) (row 2a / row13)	16.3%	16.3%	16.3%	16.7%	0
Liquidity Coverage Ratio*					
15 Total HQLA	69,761,208	64,577,823	62,120,459	60,163,621	70,265,169
16 Total net cash outflow	26,829,586	26,662,930	25,285,356	22,862,760	25,127,415
17 LCR ratio (%)	260%	242%	246%	263%	280%
Net Stable Funding Ratio					
18 Total available stable funding	161,495,072	166,012,642	164,657,623	164,153,804	169,034,009
19 Total required stable funding	124,707,143	118,754,283	126,485,182	131,112,858	125,047,398
20 NSFR ratio	129%	140%	130%	125%	135%

* Reported as the simple average of daily observations over the quarter per guidelines

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SAR 000s

OV1: Overview of RWA				
		Risk Weighted Assets (RWA)		Minimum capital requirements
		Mar 2019	Dec 2018	Mar 2019
1	Credit risk (excluding counterparty credit risk) (CCR)	153,630,084	154,904,664	12,290,407
2	Of which standardised approach (SA)	153,630,084	154,904,664	12,290,407
3	Of which internal rating-based (IRB) approach	-	-	-
4	Counterparty credit risk	5,138,981	5,058,639	411,118
5	Of which standardised approach for counterparty credit risk (SA-CCR)	5,138,981	5,058,639	411,118
6	Of which internal model method (IMM)	-	-	-
7	Equity positions in banking book under market-based approach	-	-	-
8	Equity investments in funds – look-through approach	4,169,959	5,814,995	333,597
9	Equity investments in funds – mandate-based approach	-	-	-
10	Equity investments in funds – fall-back approach	11,144,331	9,191,951	891,546
11	Settlement risk	-	-	-
12	Securitisation exposures in banking book	-	-	-
13	Of which IRB ratings-based approach (RBA)	-	-	-
14	Of which IRB Supervisory Formula Approach (SFA)	-	-	-
15	Of which SA/simplified supervisory formula approach (SSFA)	-	-	-
16	Market risk	15,260,844	11,996,356	1,220,868
17	Of which standardised approach (SA)	15,260,844	11,996,356	1,220,868
18	Of which internal model approaches (IMM)	-	-	-
19	Operational risk	14,220,800	13,719,047	1,137,664
20	Of which Basic Indicator Approach	-	-	-
21	Of which Standardised Approach	14,220,800	13,719,047	1,137,664
22	Of which Advanced Measurement Approach	-	-	-
23	Amounts below the thresholds for deduction (subject to 250% risk weight)	-	-	-
24	Floor adjustment	-	-	-
25	Total (1+4+7+8+9+10+11+12+16+19+23+24)	203,564,999	200,685,652	16,285,200

Leverage Ratio

LR1 -Summary Comparison of Accounting Assets versus Leverage Ratio Exposure		
	Item	In SR 000
1	Total Consolidated Assets as per published financial statements	231,111,470
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 fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	-
4	Adjustment for derivative financial instruments	(3,720,846)
5	Adjustment for securities financing transactions (i.e. repos and similar secured	-
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of Off-balance sheet exposures)	-
7	Other adjustments	(467,055)
8	Leverage ratio exposure (A)	226,923,569

LR2 -Leverage Ratio Common Disclosure Template		
	Item	SR 000's
On-Balance Sheet Exposures		
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	226,923,569
2	(Relevant Asset amounts deducted in determining Basel III Tier 1 capital)	
3	Total on-balance sheet exposures (sum of lines 1 and 2) (a)	226,923,569
Derivative Exposures		
4	Replacement cost associated with <i>all</i> derivatives transactions (i.e. net of eligible cash variation margin)	3,445,772
5	Add-on amounts for Potential Financial Exposure (PFE) associated with <i>all</i> derivatives transactions	4,102,370
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	-
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	-
8	(Exempted CCP leg of client-cleared trade exposures)	-
9	Adjusted effective notional amount of written credit derivatives	-
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-
11	Total derivative exposures (sum of lines 4 to 10) (b)	7,548,142
Securities Financing Transaction Exposures		
12	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	-
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-
14	Credit Conversion Factor (CCR) exposure for Security Financing Transaction assets	-
15	Agent transaction exposures	-
16	Total securities financing transaction exposures (sum of lines 12 to 15)	-
Other Off-Balance Sheet Exposures		
17	Off-balance sheet exposure at gross notional amount	42,531,679
18	(Adjustments for conversion to credit equivalent amounts)	(15,792,497)
19	Off-balance sheet items (sum of lines 17 and 18) (c)	26,739,182
Capital and Total Exposures		
20	Tier 1 capital (B)	44,176,195
21	Total exposures (sum of lines 3, 11, 16 and 19) (A) = (a+b+c)	261,210,893
Leverage Ratio		
22	Basel III Leverage Ratio*** (C) = (B) / (A)	16.9%

***Current minimum requirement is 3%

Liquidity

LIQ1 - Liquidity Coverage Ratio			
SAR'000		TOTAL UNWEIGHTED VALUE (average)	TOTAL WEIGHTED VALUE (average)
High-quality liquid assets			
1	Total high-quality liquid assets (HQLA)		69,761,208
Cash outflows			
2	Retail deposits and deposits from small business customers, of which:	91,519,442	8,853,131
3	<i>Stable deposits</i>	0	0
4	<i>Less stable deposits</i>	91,519,442	8,853,131
5	Unsecured wholesale funding, of which:	50,368,487	24,845,651
6	<i>Operational deposits (all counterparties) and deposits in networks of cooperative banks</i>	0	0
7	<i>Non-operational deposits (all counterparties)</i>	50,368,487	24,845,651
8	<i>Unsecured debt</i>	0	0
9	Secured wholesale funding		-
10	Additional requirements, of which:	1,265,003	240,951
11	<i>Outflows related to derivative exposures and other collateral requirements</i>	127,168	127,168
12	<i>Outflows related to loss of funding on debt products</i>	0	0
13	<i>Credit and liquidity facilities</i>	1,137,835	113,784
14	Other contractual funding obligations	-	-
15	Other contingent funding obligations	163,378,271	4,527,033
16	TOTAL CASH OUTFLOWS		38,466,766
Cash inflows			
17	Secured lending (eg reverse repos)	-	-
18	Inflows from fully performing exposures	18,143,706	11,451,121
19	Other cash inflows	186,059	186,059
20	TOTAL CASH INFLOWS	18,329,765	11,637,180
			Total Adjusted Value
21	TOTAL HQLA		69,761,208
22	TOTAL NET CASH OUTFLOWS		26,829,586
23	LIQUIDITY COVERAGE RATIO (%)		260%

List of quarterly disclosures not applicable to Samba Financial Group is as follows:

Tables and templates	
	CR8 - RWA flow statements of credit risk exposures under IRB
	CR9 - IRB - Back-testing of probability of default (PD) per portfolio
	CR10 - IRB (specialized lending and equities under the simple risk weight method)
	CCR4 - IRB - CCR exposures by portfolio and PD scale
Counterparty credit risk	CCR7 - RWA flow statements of CCR exposures under the Internal Model Method (IMM)
	MR3 - IMA values for trading portfolios