

Samba Financial Group
Basel III - Pillar 3 Disclosure Report

September 2018

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Liquidity Coverage Ratio

Samba Financial Group			
LIQ1: Liquidity Coverage Ratio (LCR)			
Sep 30, 2018			
<i>All figures are in SAR 000s</i>		TOTAL UNWEIGHTED^a VALUE (average)	TOTAL WEIGHTED^b VALUE (average)
HIGH-QUALITY LIQUID ASSETS			
1	Total High Quality Liquid Assets (HQLA)		62,120,459
CASH OUTFLOWS			
2	Retail deposits and deposits from small business customers, of which:	91,909,359	8,935,914
3	<i>Stable deposits</i>	-	-
4	<i>Less stable deposits</i>	91,909,359	8,935,914
5	Unsecured wholesale funding, of which:	47,152,321	22,645,047
6	<i>Operational deposits (all counterparties) and deposits in networks of cooperative banks</i>	-	-
7	<i>Non-operational deposits (all counterparties)</i>	47,152,321	22,645,047
8	<i>Unsecured debt</i>	-	-
9	Secured wholesale funding		-
10	Additional requirements, of which:	1,710,976	276,674
11	<i>Outflows related to derivative exposures and other collateral requirements</i>	117,308	117,308
12	<i>Outflows related to loss of funding on debt products</i>	-	-
13	<i>Credit and liquidity facilities</i>	1,593,668	159,367
14	Other contractual funding obligations	-	-
15	Other contingent funding obligations	162,017,451	4,476,544
16	TOTAL CASH OUTFLOWS		36,334,180
CASH INFLOWS			
17	Secured lending (e.g. reverse repos)	-	-
18	Inflows from fully performing exposures	16,880,237	10,906,798
19	Other cash inflows	142,026	142,026
20	TOTAL CASH INFLOWS	17,022,263	11,048,824
TOTAL ADJUSTED^c VALUE			
21	TOTAL HQLA		62,120,459
22	TOTAL NET CASH OUTFLOWS		25,285,356
23	LIQUIDITY COVERAGE RATIO (%)		245.68%

- a Unweighted values must be calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows).
- b Weighted values must be calculated after the application of respective haircuts (for HQLA) or inflow and outflow rates (for inflows and outflows).
- c Adjusted values must be calculated after the application of both (i) haircuts and inflow and outflow rates and (ii) any applicable caps (ie cap on Level 2B and Level 2 assets for HQLA and cap on inflows).
- d The quantitative data is presented as a simple average of daily observations, using 3 month daily data points, over the Third Quarter of 2018.

Leverage Ratio

Samba Financial Group
Leverage Ratio Common Disclosure
 Sep 30, 2018

LR1: Summary Comparison of Accounting Assets versus Leverage Ratio Exposure Measure (Table 1)

Row #	Item	In SR 000
1	Total Assets as per published financial statements	228,277,821
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	8,648,153
5	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	-
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of Off-balance sheet exposures)	25,858,346
7	Other adjustments	(41,403)
8	Leverage ratio exposure (A)	262,742,917

LR2: Leverage Ratio Common Disclosure (Table 2)

Row #	Item	In SR 000's
On-Balance Sheet Exposures		
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	224,909,567
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)	224,909,567
Derivative Exposures		
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	3,326,851
5	Add-on amounts for Potential Financial Exposure (PFE) associated with all derivatives transactions	8,648,153
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)	11,975,004
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 **	165,268,548
18	(Adjustments for conversion to credit equivalent amounts)	(139,410,202)
19	Off-balance sheet items (sum of lines 17 and 18) (c)	25,858,346
Capital and Total Exposures		
20	Tier 1 capital (B)	45,096,940
21	Total exposures (sum of lines 3, 11, 16 and 19) (A) = (a+b+c)	262,742,917
Leverage Ratio		
22	Basel III Leverage Ratio*** (C) = (B) / (A)	17.16%

**Includes commitments that are unconditionally cancellable at any time by the Bank or automatic cancellation due to deterioration in a borrower's creditworthiness

***Current minimum requirement is 3%

Risk Weighted Assets

SAR 000s

Samba Financial Group					
KM1: Key metrics (at consolidated group level)					
	Sep 2018	Jun 2018	Mar 2018	Dec 2017	Sep 2017
Available capital (amounts)					
1 Common Equity Tier 1 (CET1)	45,090,301	45,571,875	45,595,181	44,616,565	43,546,425
1a Fully loaded ECL accounting model	42,930,460	43,444,657	43,489,652	-	-
2 Tier 1	45,096,939	45,578,572	45,600,736	44,622,638	43,551,793
2a Fully loaded ECL accounting model Tier 1	42,937,098	43,451,354	43,495,207	-	-
3 Total capital	46,375,650	46,856,137	46,873,816	45,749,323	44,678,864
3a Fully loaded ECL accounting model total capital	44,524,643	45,036,463	45,033,424	-	-
Risk-weighted assets (amounts)					
4 Total risk-weighted assets (RWA)	203,920,967	200,832,052	208,983,101	216,413,971	226,713,191
Risk-based capital ratios as a percentage of RWA					
5 Common Equity Tier 1 ratio (%)	22.11%	22.69%	21.82%	20.62%	19.21%
5a Fully loaded ECL accounting model Common Equity Tier 1 (%)	21.05%	21.63%	20.81%	-	-
6 Tier 1 ratio (%)	22.11%	22.69%	21.82%	20.62%	19.21%
6a Fully loaded ECL accounting model Tier 1 ratio (%)	21.06%	21.64%	20.81%	-	-
7 Total capital ratio (%)	22.74%	23.33%	22.43%	21.14%	19.71%
7a Fully loaded ECL accounting model total capital ratio (%)	21.83%	22.42%	21.55%	-	-
Additional CET1 buffer requirements as a percentage of RWA					
8 Capital conservation buffer requirement (2.5% from 2019) (%)	1.88%	1.88%	1.88%	1.25%	1.25%
9 Countercyclical buffer requirement (%)	0.367%	0.367%	0.358%	0.307%	0.337%
10 Bank G-SIB and/or D-SIB additional requirements (%)	0.50%	0.50%	1.00%	1.00%	1.00%
11 Total of bank CET1 specific buffer requirements (%) (row 8 + row 9 + row 10)	2.74%	2.74%	3.23%	2.56%	2.59%
12 CET1 available after meeting the bank's minimum capital requirements (%)	14.87%	15.45%	14.08%	13.56%	12.12%
Basel III leverage ratio					
13 Total Basel III leverage ratio exposure measure	262,742,916	260,143,590	264,060,970	261,325,591	262,927,456
14 Basel III leverage ratio (%) (row 2 / row 13)	17.16%	17.52%	17.27%	17.08%	16.56%
14a Fully loaded ECL accounting model Basel III leverage ratio (%) (row 2a / row13)	16.34%	16.70%	16.47%	-	-
Liquidity Coverage Ratio					
15 Total HQLA	62,120,459	60,163,621	70,265,169	65,552,918	62,313,691
16 Total net cash outflow	25,285,356	22,862,760	25,127,415	28,161,560	31,069,732
17 LCR ratio (%)	245.68%	263.15%	279.64%	232.77%	200.56%
Net Stable Funding Ratio					
18 Total available stable funding	164,657,623	164,153,804	169,034,009	161,377,880	161,955,375
19 Total required stable funding	126,485,182	131,112,858	125,047,398	123,092,972	123,280,412
20 NSFR ratio	130.18%	125.20%	135.18%	131.10%	131.37%

Overview of Risk Weighted Assets

SAR 000s

Samba Financial Group				
OV1: Overview of RWA				
		Risk Weighted Assets (RWA)		Minimum capital requirements
		Sep 2018	Jun 2018	Sep 2018
1	Credit risk (excluding counterparty credit risk) (CCR)	154,951,918	156,152,393	12,396,153
2	Of which standardised approach (SA)	154,951,918	156,152,393	12,396,153
3	Of which internal rating-based (IRB) approach	-	-	-
4	Counterparty credit risk	8,512,075	8,682,889	680,966
5	Of which standardised approach for counterparty credit risk (SA-CCR)	8,512,075	8,682,889	680,966
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	5,959,039	5,612,289	476,723
9	Equity investments in funds – mandate-based approach	-	-	-
10	Equity investments in funds – fall-back approach	9,103,215	7,655,631	728,257
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	11,675,673	9,009,803	934,054
17	Of which standardised approach (SA)	11,675,673	9,009,803	934,054
18	Of which internal model approaches (IMM)	-	-	-
19	Operational risk	13,719,047	13,719,047	1,097,524
20	Of which Basic Indicator Approach	-	-	-
21	Of which Standardised Approach	13,719,047	13,719,047	1,097,524
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)	203,920,967	200,832,052	16,313,677

List of semi-annual disclosures not applicable to Samba Financial Group is as follows:

	Templates	Ref #
Credit risk	CR8 - RWA flow statements of credit risk exposures under IRB	B.18
Counterparty credit risk	CCR7 - RWA flow statements of CCR exposures under the Internal Model Method (IMM)	B.28