

Pillar III Disclosures

Al Rajhi Bank



September 30, 2019



Section	#	Tables and templates	Applicable
1. Overview of Risk Management and RWA	OV1	Overview of RWA	Yes
	KM1	Key Metrics	Yes
2. Leverage Ratio	LR1	Summary comparison of accounting assets vs leverage ratio exposure	Yes
	LR2	Leverage ratio common disclosure template	Yes
3. Liquidity	LIQ1	Liquidity Coverage Ratio	Yes

OV1: Overview of RWA

SAR '000s	a	b	c
	RWA		Minimum capital requirements
	Sep-19	Jun-19	Sep-19
Credit risk (excluding counterparty credit risk) (CCR)	230,543,998	225,327,954	18,443,520
Of which standardised approach (SA)	230,543,998	225,327,954	18,443,520
Of which internal rating-based (IRB) approach	-	-	-
Counterparty credit risk	-	-	-
Of which standardised approach for counterparty credit risk (SA-CCR)	-	-	-
Of which internal model method (IMM)	-	-	-
Equity positions in banking book under market-based approach	-	-	-
Equity investments in funds – look-through approach	-	-	-
Equity investments in funds – mandate-based approach	-	-	-
Equity investments in funds – fall-back approach	-	-	-
Settlement risk	-	-	-
Securitisation exposures in banking book	-	-	-
Of which IRB ratings-based approach (RBA)	-	-	-
Of which IRB Supervisory Formula Approach (SFA)	-	-	-
Of which SA/simplified supervisory formula approach (SSFA)	-	-	-
Market risk	7,827,894	4,367,467	626,232
Of which standardised approach (SA)	7,827,894	4,367,467	626,232
Of which internal model approaches (IMM)	-	-	-
Operational risk	28,094,351	28,094,351	2,247,548
Of which Basic Indicator Approach	-	-	-
Of which Standardised Approach	28,094,351	28,094,351	2,247,548
Of which Advanced Measurement Approach	-	-	-
Amounts below the thresholds for deduction (subject to 250% risk weight)	-	-	-
Floor adjustment	-	-	-
Total (1+4+7+8+9+10+11+12+16+19+23+24)	266,466,243	257,789,772	21,317,300

- Credit RWAs slightly increased due to increase in Corporate and Residential Mortgages exposures.
- The minimum capital requirements applied in column C is 8%.
- The Bank uses Standardized approach to measure capital requirements on the Equity exposure. IMM does not apply.



KM1: Key metrics (at consolidated group level): Overview of risk management, key prudential metrics and RWA categories

SAR '000s		a	b	c	d	e
		Sep-19	Jun-19	Mar-19	Dec-18	Sep-18
Available capital (amounts)						
1	Common Equity Tier 1 (CET1)	49,180,839	50,139,702	51,260,014	48,554,020	51,975,056
1a	Fully loaded ECL accounting model	-	-	-	-	-
2	Tier 1	49,180,839	50,139,702	51,260,014	48,554,020	51,975,056
2a	Fully loaded accounting model Tier 1	49,180,839	50,139,702	51,260,014	48,554,020	51,975,056
3	Total capital	52,062,639	52,957,036	54,086,747	51,332,884	54,732,279
3a	Fully loaded ECL accounting model total capital	52,062,639	52,957,036	54,086,747	51,332,884	54,732,279
Risk-weighted assets (amounts)						
4	Total risk-weighted assets (RWA)	266,466,243	257,789,772	259,355,581	254,506,310	252,629,862
4a	Total risk-weighted assets (pre-floor)	266,466,243	257,789,772	259,355,581	254,506,310	252,629,862
Risk-based capital ratios as a percentage of RWA						
5	Common Equity Tier 1 ratio (%)	18.46%	19.45%	19.76%	19.08%	20.57%
5a	Fully loaded ECL accounting model CET1 (%)	0.00%	0.00%	0.00%	0.00%	0.00%
6	Tier 1 ratio (%)	18.46%	19.45%	19.76%	19.08%	20.57%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	18.46%	19.45%	19.76%	19.08%	20.57%
7	Total capital ratio (%)	19.54%	20.54%	20.85%	20.17%	21.67%
7a	Fully loaded ECL accounting model total capital ratio (%)	19.54%	20.54%	20.85%	20.17%	21.67%
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 bugger requirement (%)	0.00%	0.00%	0.00%	0.00%	0.00%
10	Bank 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)	3.00%	3.00%	3.00%	3.00%	3.00%
12	CET1 available after meeting the bank's minimum capital requirements (%)	10.46%	11.45%	11.76%	11.08%	12.57%
Basel III Leverage Ratio						
13	Total Basel III leverage ratio measure	381,696,738	383,290,676	377,927,998	377,675,579	369,122,730
14	Basel III leverage ratio (%) (row 2/row 13)	12.88%	13.08%	13.56%	12.90%	14.08%
14a	Fully loaded ECL accounting model Basel III leverage ratio (%) (row 2A/row 13)	12.88%	13.08%	13.56%	12.90%	14.08%
14b	Basel III leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves)	12.88%	13.08%	13.56%	12.90%	14.08%
Liquidity Coverage Ratio¹						
15	Total HQLA	70,742,460	73,462,009	72,216,087	69,421,856	75,479,798
16	Total net cash outflow	40,476,398	42,794,812	39,521,810	35,335,318	39,827,024
17	LCR ratio (%)	175%	172%	183%	196%	190%
Net Stable Funding Ratio						
18	Total available stable funding	293,134,467	292,898,709	288,889,269	281,442,784	286,617,087
19	Total required stable funding ²	224,311,588	216,589,131	213,453,516	211,272,724	203,524,865
20	NSFR ratio (%)	131%	135%	135%	133%	141%

¹ LCR computed as Quarterly Average.

² Includes Off Balance sheet component which is added to the Required Stable Funding (RSF).



LR1: Summary comparison of accounting assets vs leverage ratio exposure

TABLE 1: LEVERAGE DISCLOSURE		
Summary comparison of accounting assets versus leverage ratio exposure measure		Table 1
Row #	Item	SAR '000s
1	Total consolidated assets as per published financial statements	368,284,183
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 recognized on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	-
4	Adjustments for derivative financial instruments	-
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)	6,118,533
7	Other adjustments ³	7,294,022
8	Leverage ratio exposure	381,696,738

LR2: Leverage ratio common disclosure template

TABLE 2: LEVERAGE DISCLOSURE		
#	Item	SAR '000s
On-balance sheet exposures		
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	375,578,205
2	(Relevant Asset amounts deducted in determining Basel III Tier 1 capital)	-
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	375,578,205
Derivative Exposures		
4	Replacement cost associated with all derivatives transactions (ie net of eligible cash variation margin)	-
5	Add-on amounts for Potential Financial Exposure (PFE) associated with all derivatives transactions	-
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)	-
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 (SFT) 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	15,145,435
18	(Adjustments for conversion to credit equivalent amounts)	(9,026,902)
19	Off-balance sheet items (sum of lines 17 and 18)	6,118,533
Capital and total exposures		
20	Tier 1 capital	49,180,839
21	Total exposures (sum of lines 3, 11, 16 and 19)	381,696,738
Leverage ratio		
22	Basel III leverage ratio	12.88%

³ Other adjustments are due to consideration of credit provisions and other provisions.



LIQ1: Liquidity Coverage Ratio (LCR)

SAR '000s

		TOTAL UNWEIGHTED VALUE (Average)	TOTAL WEIGHTED VALUE (Average)
HIGH-QUALITY LIQUID ASSETS			
1	Total high-quality liquid assets (HQLA)		72,216,087
CASH OUTFLOWS			
2	Retail deposits and deposits from small business customer, of which:	223,172,179	22,292,095
3	Stable deposits	-	-
4	Less stable deposits	223,172,179	22,292,095
5	Unsecured wholesale funding, of which:	73,008,310	29,473,082
6	Operational deposits (all counterparties)	-	-
7	Non-Operational deposits (all counterparties)	73,008,310	29,473,082
8	Unsecured debt	-	-
9	Secured wholesale funding	-	-
10	Additional requirements, of which:	7,666,516	757,264
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	7,666,516	757,264
14	Other contractual funding obligations	-	-
15	Other contingent funding obligations	6,348,180	126,964
16	TOTAL CASH OUTFLOWS	-	52,649,405
CASH INFLOWS			
17	Secured lending (e.g. reverse repos)	-	-
18	Inflows from fully performing exposures	20,900,401	12,173,007
19	Other cash inflows	-	-
20	TOTAL CASH INFLOWS	20,900,401	12,173,007
TOTAL ADJUSTED VALUE			
21	TOTAL HQLA	-	70,742,460
22	TOTAL NET CASH OUTFLOWS	-	40,476,398
23	LIQUIDITY COVERAGE RATIO (%)		175%

- Data is presented as simple daily average of the 1st quarter of 2019.
- Saudi Arabian Monetary Agency requires banks to maintain minimum LCR of 100%.
- Un-weighted values are calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows).
- Weighted values are calculated after the application of respective haircuts (for HQLA) or inflow and outflow rates (for inflows and outflows).
- Adjusted values are calculated after the application of both (i) haircuts and inflow and outflow rates and (ii) any applicable caps (i.e., cap on Level 2B and Level 2 assets for HQLA and cap on inflows).