

Pillar III Disclosures

Al Rajhi Bank



March 31, 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
	Mar-19	Dec-18	Mar-19
Credit risk (excluding counterparty credit risk) (CCR)	226,139,707	222,309,112	18,091,096
Of which standardised approach (SA)	226,139,707	222,309,112	18,091,096
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	5,122,523	4,102,847	409,802
Of which standardised approach (SA)	5,122,523	4,102,847	409,802
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)	259,356,581	254,506,310	20,748,446

- 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
		Mar-19	Dec-18	Sep-18	Jun-18	Mar-18
Available capital (amounts)						
1	Common Equity Tier 1 (CET1)	51,260,014	48,554,020	51,975,056	52,790,511	50,440,219
1a	Fully loaded ECL accounting model	-	-	-	-	-
2	Tier 1	51,260,014	48,554,020	51,975,056	52,790,511	50,440,219
2a	Fully loaded accounting model Tier 1	51,260,014	48,554,020	51,975,056	52,790,511	50,440,219
3	Total capital	54,086,747	51,332,884	54,732,279	55,504,495	53,118,197
3a	Fully loaded ECL accounting model total capital	54,086,747	51,332,884	54,732,279	55,504,495	53,118,197
Risk-weighted assets (amounts)						
4	Total risk-weighted assets (RWA)	259,355,581	254,506,310	252,629,862	249,355,478	246,707,255
4a	Total risk-weighted assets (pre-floor)	259,355,581	254,506,310	252,629,862	249,355,478	246,707,255
Risk-based capital ratios as a percentage of RWA						
5	Common Equity Tier 1 ratio (%)	19.76	19.08%	20.57%	21.17%	20.45%
5a	Fully loaded ECL accounting model CET1 (%)	0.00%	0.00%	0.00%	0.00%	0.00%
6	Tier 1 ratio (%)	19.76%	19.08%	20.57%	21.17%	20.45%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	19.76%	19.08%	20.57%	21.17%	20.45%
7	Total capital ratio (%)	20.85%	20.17%	21.67%	22.26%	21.53%
7a	Fully loaded ECL accounting model total capital ratio (%)	20.85%	20.17%	21.67%	22.26%	21.53%
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 (%)	11.76%	11.08%	12.57%	13.17%	12.45%
Basel III Leverage Ratio						
13	Total Basel III leverage ratio measure	377,927,998	377,675,579	369,122,730	360,339,055	362,766,055
14	Basel III leverage ratio (%) (row 2/row 13)	13.56%	12.90%	14.1%	14.7%	13.9%
14a	Fully loaded ECL accounting model Basel III leverage ratio (%) (row 2A/row 13)	13.56%	12.90%	14.1%	14.7%	13.9%
14b	Basel III leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves)	13.56%	12.90%	14.1%	14.7%	13.9%
Liquidity Coverage Ratio¹						
15	Total HQLA	72,216,087	69,421,856	75,479,798	74,515,615	75,745,675
16	Total net cash outflow	39,521,810	35,335,318	39,827,024	35,828,464	34,512,233
17	LCR ratio (%)	183%	196%	190%	208%	219%
Net Stable Funding Ratio						
18	Total available stable funding	288,889,269	281,442,784	286,617,087	285,395,570	284,725,537
19	Total required stable funding ²	213,453,516	211,272,724	203,524,865	200,649,042	192,548,314
20	NSFR ratio (%)	135%	133%	141%	142%	148%

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	363,339,800
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)	6,629,149
7	Other adjustments ³	7,959,049
8	Leverage ratio exposure	377,927,998

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)	371,298,849
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)	371,298,849
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	15,594,397
18	(Adjustments for conversion to credit equivalent amounts)	(8,965,248)
19	Off-balance sheet items (sum of lines 17 and 18)	6,629,149
Capital and total exposures		
20	Tier 1 capital	51,260,014
21	Total exposures (sum of lines 3, 11, 16 and 19)	377,927,998
Leverage ratio		
22	Basel III leverage ratio	13.56%

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:	217,684,277	21,768,427
3	Stable deposits	-	-
4	Less stable deposits	217,684,277	21,768,427
5	Unsecured wholesale funding, of which:	68,132,507	27,883,703
6	Operational deposits (all counterparties)	-	-
7	Non-Operational deposits (all counterparties)	68,132,507	27,883,703
8	Unsecured debt	-	-
9	Secured wholesale funding	-	-
10	Additional requirements, of which:	7,960,641	796,064
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	7,960,641	796,064
14	Other contractual funding obligations	-	-
15	Other contingent funding obligations	6,048,545	120,970
16	TOTAL CASH OUTFLOWS	-	50,569,166
CASH INFLOWS			
17	Secured lending (e.g. reverse repos)	-	-
18	Inflows from fully performing exposures	18,103,210	11,047,356
19	Other cash inflows	-	-
20	TOTAL CASH INFLOWS	18,103,210	11,047,356
TOTAL ADJUSTED VALUE			
21	TOTAL HQLA	-	72,216,087
22	TOTAL NET CASH OUTFLOWS	-	39,521,810
23	LIQUIDITY COVERAGE RATIO (%)		183%

- 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).