

Samba Financial Group
Basel III - Pillar 3 Disclosure Report

September 2020

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

SAR 000s

KM1: Key metrics (at consolidated group level)						
	Sep 2020	Jun 2020	Mar 2020	Dec 2019	Sep 2019	
Available capital (amounts)						
1	Common Equity Tier 1 (CET1)	49,276,073	48,040,738	45,480,778	46,900,932	45,550,339
1a	Fully loaded ECL accounting model	46,999,400	45,974,739	44,668,607	45,787,038	44,425,225
2	Tier 1	49,280,738	48,045,487	45,485,783	46,907,163	45,556,408
2a	Fully loaded ECL accounting model Tier 1	47,004,065	45,979,488	44,673,612	45,793,269	44,431,294
3	Total capital	50,403,786	49,167,668	46,938,364	48,248,201	46,922,603
3a	Fully loaded ECL accounting model total capital	49,085,272	47,101,669	46,456,257	47,184,033	45,969,108
Risk-weighted assets (amounts)						
4	Total risk-weighted assets (RWA)	258,763,323	257,322,868	246,866,127	228,299,227	215,682,281
Risk-based capital ratios as a percentage of RWA						
5	Common Equity Tier 1 ratio (%)	19.0%	18.7%	18.4%	20.5%	21.1%
5a	Fully loaded ECL accounting model Common Equity Tier 1 (%)	18.2%	17.9%	18.1%	20.1%	20.6%
6	Tier 1 ratio (%)	19.0%	18.7%	18.4%	20.5%	21.1%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	18.2%	17.9%	18.1%	20.1%	20.6%
7	Total capital ratio (%)	19.5%	19.1%	19.0%	21.1%	21.8%
7a	Fully loaded ECL accounting model total capital ratio (%)	19.0%	18.3%	18.8%	20.7%	21.3%
Additional CET1 buffer requirements as a percentage of RWA						
8	Capital conservation buffer requirement (2.5% from 2019) (%)	2.500%	2.500%	2.500%	2.500%	2.500%
9	Countercyclical buffer requirement (%)	0.405%	0.374%	0.309%	0.342%	0.348%
10	Bank G-SIB and/or D-SIB additional requirements (%)	0.500%	0.500%	0.500%	0.500%	0.500%
11	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9 + row 10)	3.405%	3.374%	3.309%	3.342%	3.348%
12	CET1 available after meeting the bank's minimum capital requirements (%)	11.138%	10.795%	10.614%	12.702%	13.271%
Basel III leverage ratio						
13	Total Basel III leverage ratio exposure measure	322,875,664	318,564,862	305,868,051	287,734,032	269,498,346
14	Basel III leverage ratio (%) (row 2 / row 13)	15.3%	15.1%	14.9%	16.3%	16.9%
14a	Fully loaded ECL accounting model Basel III leverage ratio (%) (row 2a / row13)	14.6%	14.4%	14.6%	15.9%	16.5%
Liquidity Coverage Ratio*						
15	Total HQLA	89,437,674	82,429,916	79,106,524	76,278,237	72,005,867
16	Total net cash outflow	32,003,373	34,068,316	30,855,800	33,287,408	27,768,849
17	LCR ratio (%)	279%	242%	256%	229%	259%
Net Stable Funding Ratio						
18	Total available stable funding	200,221,040	190,969,151	182,800,634	185,424,342	163,968,307
19	Total required stable funding	161,152,608	155,034,604	153,773,164	143,215,773	126,573,587
20	NSFR ratio	124%	123%	119%	129%	130%

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

SAR 000s

OV1: Overview of RWA				
		Risk Weighted Assets (RWA)		Minimum capital requirements
		Sep 2020	Jun 2020	Sep 2020
1	Credit risk (excluding counterparty credit risk) (CCR)	196,121,946	193,270,409	15,689,756
2	Of which standardised approach (SA)	196,121,946	193,270,409	15,689,756
3	Of which internal rating-based (IRB) approach	-	-	-
4	Counterparty credit risk	7,126,069	10,495,092	570,086
5	Of which standardised approach for counterparty credit risk (SA-CCR)	7,126,069	10,495,092	570,086
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	9,177,517	5,084,331	734,201
9	Equity investments in funds – mandate-based approach	-	-	-
10	Equity investments in funds – fall-back approach	12,777,641	13,872,823	1,022,211
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	18,903,221	19,943,285	1,512,258
17	Of which standardised approach (SA)	18,903,221	19,943,285	1,512,258
18	Of which internal model approaches (IMM)	-	-	-
19	Operational risk	14,656,928	14,656,928	1,172,554
20	Of which Basic Indicator Approach	-	-	-
21	Of which Standardised Approach	14,656,928	14,656,928	1,172,554
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)	258,763,323	257,322,868	20,701,066

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	289,585,292
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	(6,801,392)
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	315,275
8	Leverage ratio exposure (A)	283,099,175

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)	282,783,900
2	(Relevant Asset amounts deducted in determining Basel III Tier 1 capital)	315,275
3	Total on-balance sheet exposures (sum of lines 1 and 2) (a)	283,099,175
Derivative Exposures		
4	Replacement cost associated with <i>all</i> derivatives transactions (i.e. net of eligible cash variation margin)	6,801,392
5	Add-on amounts for Potential Financial Exposure (PFE) associated with <i>all</i> derivatives transactions	6,155,097
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)	12,956,489
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	195,099,505
18	(Adjustments for conversion to credit equivalent amounts)	(168,279,505)
19	Off-balance sheet items (sum of lines 17 and 18) (c)	26,820,000
Capital and Total Exposures		
20	Tier 1 capital (B)	49,280,738
21	Total exposures (sum of lines 3, 11, 16 and 19) (A) = (a+b+c)	322,875,664
Leverage Ratio		
22	Basel III Leverage Ratio*** (C) = (B) / (A)	15.3%

***Current minimum requirement is 3%

Liquidity

SAR 000s

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)		89,437,674
Cash outflows			
2	Retail deposits and deposits from small business customers, of which:	97,408,991	9,284,789
3	<i>Stable deposits</i>	0	0
4	<i>Less stable deposits</i>	97,408,991	9,284,789
5	Unsecured wholesale funding, of which:	65,811,005	31,319,324
6	<i>Operational deposits (all counterparties) and deposits in networks of cooperative banks</i>	0	0
7	<i>Non-operational deposits (all counterparties)</i>	65,786,115	31,294,433
8	<i>Unsecured debt</i>	24890.68151	24890.68151
9	Secured wholesale funding		-
10	Additional requirements, of which:	1,470,471	280,456
11	<i>Outflows related to derivative exposures and other collateral requirements</i>	148,232	148,232
12	<i>Outflows related to loss of funding on debt products</i>	0	0
13	<i>Credit and liquidity facilities</i>	1,322,239	132,224
14	Other contractual funding obligations	0	0
15	Other contingent funding obligations	191,475,320	5,363,345
16	TOTAL CASH OUTFLOWS		46,247,914
Cash inflows			
17	Secured lending (eg reverse repos)	0	0
18	Inflows from fully performing exposures	26,836,727	14,023,556
19	Other cash inflows	220,985	220,985
20	TOTAL CASH INFLOWS	27,057,711	14,244,540
			Total Adjusted Value
21	TOTAL HQLA		89,437,674
22	TOTAL NET CASH OUTFLOWS		32,003,373
23	LIQUIDITY COVERAGE RATIO (%)		279%

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

Tables and templates	
Overview of risk management, key prudential metrics and RWA	KM2 – Key Metrics – TLAC requirements
Credit Risk	CR8 - RWA flow statements of credit risk exposures under IRB
Counterparty credit risk	CCR7 - RWA flow statements of CCR exposures under the Internal Model Method (IMM)
Market Risk	MR3 - IMA values for trading portfolios