



## Basel III Pillar 3 Disclosures

30 September 2023

**Template KM1: Key metrics (at consolidated group level)**

		a	b	c	d	e
		Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
	<b>Available capital (amounts)</b>					
1	Common Equity Tier 1 (CET1)	114,407,893	116,134,516	114,575,644	111,851,304	108,181,493
1a	Fully loaded ECL accounting model CET1	113,533,179	115,259,802	113,700,930	110,539,233	106,869,422
2	Tier 1	128,797,322	130,417,746	131,063,144	127,338,804	123,668,993
2a	Fully loaded ECL accounting model Tier 1	127,922,608	129,543,032	130,188,430	126,026,733	122,356,922
3	Total capital	133,913,433	135,423,316	136,172,244	132,551,726	129,037,552
3a	Fully loaded ECL accounting model total capital	133,038,719	134,548,602	135,297,530	131,239,655	127,725,481
	<b>Risk-weighted assets (amounts)</b>					
4	Total risk-weighted assets (RWA)	699,635,338	684,261,057	705,864,807	696,082,220	691,338,884
4a	Total risk-weighted assets (pre-floor)	699,635,338	684,261,057	705,864,807	696,082,220	691,338,884
	<b>Risk-based capital ratios as a percentage of RWA</b>					
5	CET1 ratio (%)	16.35%	16.97%	16.23%	16.07%	15.65%
5a	Fully loaded ECL accounting model CET1 (%)	16.23%	16.84%	16.11%	15.88%	15.46%
5b	CET1 ratio (%) (pre-floor ratio)	16.35%	16.97%	16.23%	16.07%	15.65%
6	Tier 1 ratio (%)	18.41%	19.06%	18.57%	18.29%	17.89%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	18.28%	18.93%	18.44%	18.11%	17.70%
6b	Tier 1 ratio (%) (pre-floor ratio)	18.41%	19.06%	18.57%	18.29%	17.89%
7	Total capital ratio (%)	19.14%	19.79%	19.29%	19.04%	18.66%
7a	Fully loaded ECL accounting model total capital ratio (%)	19.02%	19.66%	19.17%	18.85%	18.48%
7b	Total capital ratio (%) (pre-floor ratio)	19.14%	19.79%	19.29%	19.04%	18.66%
	<b>Additional CET1 buffer requirements as a percentage of RWA</b>					
8	Capital conservation buffer requirement (2.5% from 2019) (%)	2.50%	2.50%	2.50%	2.50%	2.50%
9	Countercyclical buffer requirement (%)	0.21%	0.17%	0.15%	0.17%	0.17%
10	Bank G-SIB and/or D-SIB additional requirements (%)	1.50%	1.50%	1.50%	1.50%	1.50%
11	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9 + row 10)	4.21%	4.17%	4.15%	4.17%	4.17%
12	CET1 available after meeting the bank's minimum capital requirements (%)	7.64%	8.30%	7.58%	7.40%	6.98%
	<b>Basel III Leverage ratio</b>					
13	Total Basel III leverage ratio exposure measure	1,081,072,019	1,053,731,334	1,052,075,375	985,279,925	998,468,532
14	Basel III leverage ratio (%) (including the impact of any applicable temporary exemption of central bank reserves)	12.32%	12.81%	12.89%	12.92%	12.39%
14a	Fully loaded ECL accounting model Basel III leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) (%)	11.83%	12.29%	12.37%	12.79%	12.25%
14b	Basel III leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves)	11.91%	12.38%	12.46%	N/A	N/A
14c	Basel III leverage ratio (%) (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values for SFT assets	12.32%	12.81%	12.89%	N/A	N/A
14d	Basel III leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values for SFT assets	11.91%	12.38%	12.46%	N/A	N/A
	<b>Liquidity Coverage Ratio (LCR)</b>					
15	Total high-quality liquid assets (HQLA)	172,934,669	173,857,950	172,601,677	179,914,135	174,937,497
16	Total net cash outflow	61,427,863	59,871,365	63,504,882	64,813,952	65,661,176
17	LCR ratio (%)	282%	290%	272%	278%	266%
	<b>Net Stable Funding Ratio (NSFR)</b>					
18	Total available stable funding	662,259,872	651,291,456	654,567,924	634,185,253	653,582,428
19	Total required stable funding	587,671,644	574,568,098	567,036,407	548,702,675	548,725,573
20	NSFR ratio	113%	113%	115%	116%	119%

**Template OV1: Overview of RWA**

		a	b	c
		RWA		Minimum capital requirements
		Sep-23	Jun-23	Sep-23
1	Credit risk (excluding counterparty credit risk)	573,581,032	567,042,741	45,886,483
2	Of which: standardised approach (SA)	573,581,032	567,042,741	45,886,483
3	Of which: foundation internal ratings-based (F-IRB) approach			
4	Of which: supervisory slotting approach			
5	Of which: advanced internal ratings-based (A-IRB) approach			
6	Counterparty credit risk (CCR)	7,616,796	7,582,259	609,344
7	Of which: standardised approach for counterparty credit risk	7,616,796	7,582,259	609,344
8	Of which: IMM			
9	Of which: other CCR			
10	Credit valuation adjustment (CVA)	8,416,357	8,126,678	673,309
11	Equity positions under the simple risk weight approach and the internal model method during the five-year linear phase-in period			
12	Equity investments in funds – look-through approach	33,655,528	30,375,604	2,692,442
13	Equity investments in funds – mandate-based approach			
14	Equity investments in funds – fall-back approach	5,350,417	4,719,352	428,033
15	Settlement risk			
16	Securitisation exposures in banking book	1,738,864	1,515,972	139,109
17	Of which: securitisation IRB approach (SEC-IRBA)			
18	Of which: securitisation external ratings-based approach (SEC-ERBA), including internal assessment approach (IAA)	1,738,864	1,515,972	139,109
19	Of which: securitisation standardised approach (SEC-SA)			
20	Market risk	31,993,330	27,615,436	2,559,466
21	Of which: standardised approach (SA)	31,993,330	27,615,436	2,559,466
22	Of which: internal model approach (IMA)			
23	Capital charge for switch between trading book and banking book			
24	Operational risk	37,283,015	37,283,015	2,982,641
25	Amounts below the thresholds for deduction (subject to 250% risk weight)			
26	Output floor applied			
27	Floor adjustment (before application of transitional cap)			
28	Floor adjustment (after application of transitional cap)			
29	Total (1 + 6 + 10 + 11 + 12 + 13 + 14 + 15 + 16 + 20 + 23 + 24 + 25 + 28)	699,635,338	684,261,057	55,970,827

## Template CVA4: RWA flow statements of CVA risk exposures under SA-CVA

(In SAR thousands)		a
1	<b>Total RWA for CVA at previous quarter-end</b>	<b>8,126,678</b>
2	<b>Total RWA for CVA at end of reporting period</b>	<b>8,416,357</b>

(In SAR thousands)	a	b	c	d	e
Geographical breakdown	Countercyclical capital buffer rate	Exposure values and/or risk-weighted assets (RWA) used in the computation of the countercyclical capital buffer		Bank-specific countercyclical capital buffer rate	Countercyclical capital buffer amount
		Exposure values	RWA		
Luxembourg	0.50%	1,326,547	174,774	874	
France	0.50%	826,858	170,731	854	
Germany	0.75%	328,641	91,374	685	
Netherlands	1.00%	659,135	606,483	6,065	
United Kingdom	2.00%	19,387,452	5,142,308	102,846	
Australia	1.00%	16,828	16,723	167	
Hong Kong	1.00%	623,640	372,403	3,724	
Sweden	2.00%	2,339	1,170	23	
Others	2.50%	66,879,677	44,071,727	1,101,793	
Sum		90,051,116	50,647,694	1,217,032	
Total		737,466,374	568,520,904	0.21%	1,217,032

(In SAR thousands)		a
1	Total consolidated assets as per published financial statements	1,027,132,627
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 securitised exposures that meet the operational requirements for the recognition of risk transference	
4	Adjustments for temporary exemption of central bank reserves (if applicable)	
5	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	(3,148,588)
6	Adjustments for regular-way purchases and sales of financial assets subject to trade date accounting	
7	Adjustments for eligible cash pooling transactions	
8	Adjustments for derivative financial instruments	(5,484,730)
9	Adjustment for securities financing transactions (ie repurchase agreements and similar secured lending)	
10	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	103,346,809
11	Adjustments for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital	
12	Other adjustments	(40,774,100)
<b>13</b>	<b>Leverage ratio exposure measure</b>	<b>1,081,072,019</b>

## Template LR2: Leverage ratio common disclosure template

(In SAR thousands)		a	b
		Q3 2023	Q2 2023
<b>On-balance sheet exposures</b>			
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	1,001,336,827	972,780,044
2	Gross-up for derivatives collateral provided where deducted from balance sheet assets pursuant to the operative accounting framework		
3	(Deductions of receivable assets for cash variation margin provided in derivatives transactions)	(3,148,588)	(2,142,000)
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)		
5	(Specific and general provisions associated with on-balance sheet exposures that are deducted from Tier 1 capital)		
6	(Asset amounts deducted in determining Tier 1 capital and regulatory adjustments)	(40,774,100)	(40,979,170)
7	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 to 6)	957,414,139	929,658,874
<b>Derivative exposures</b>			
8	Replacement cost associated with <i>all</i> derivatives transactions (where applicable net of eligible cash variation margin, with bilateral netting and/or the specific treatment for client cleared derivatives)	13,096,965	9,976,761
9	Add-on amounts for potential future exposure associated with <i>all</i> derivatives transactions	7,214,105	7,099,986
10	(Exempted central counterparty (CCP) leg of client-cleared trade exposures)		
11	Adjusted effective notional amount of written credit derivatives		
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)		
13	Total derivative exposures (sum of rows 8 to 12)	20,311,070	17,076,747
<b>Securities financing transaction exposures</b>			
14	Gross SFT assets (with no recognition of netting), after adjustment for sale accounting transactions		
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)		
16	Counterparty credit risk exposure for SFT assets		
17	Agent transaction exposures		
18	Total securities financing transaction exposures (sum of rows 14 to 17)		
<b>Other off-balance sheet exposures</b>			
19	Off-balance sheet exposure at gross notional amount	280,040,144	301,966,413
20	(Adjustments for conversion to credit equivalent amounts)	(176,693,335)	(194,970,700)
21	(Specific and general provisions associated with off-balance sheet exposures deducted in determining Tier 1 capital)		
22	Off-balance sheet items (sum of rows 19 to 21)	103,346,809	106,995,713
<b>Capital and total exposures</b>			
23	Tier 1 capital	128,797,322	130,417,746
24	Total exposures (sum of rows 7, 13, 18 and 22)	1,081,072,019	1,053,731,334
<b>Leverage ratio</b>			
25	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)	12.32%	12.81%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	11.91%	12.38%
26	National minimum leverage ratio requirement	3%	3%
27	Applicable leverage buffers	9%	9%
<b>Disclosure of mean values</b>			
28	Mean value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables		
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables		
30	Total exposures (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)		
30a	Total exposures (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)		
31	Basel III leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)		
31a	Basel III leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)		

## Template LIQ1: Liquidity Coverage Ratio (LCR)

(In SAR thousands)		a	b
		Total unweighted value (average)	Total unweighted value (average)
<b>High-quality liquid assets</b>			
1	Total HQLA		172,934,669
<b>Cash outflows</b>			
2	<b>Retail deposits and deposits from small business customers, of which:</b>	<b>345,486,917</b>	<b>32,180,621</b>
3	Stable deposits		
4	Less stable deposits	321,806,212	32,180,621
5	<b>Unsecured wholesale funding, of which:</b>	<b>138,560,360</b>	<b>64,840,662</b>
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	-	-
7	Non-operational deposits (all counterparties)	138,512,622	64,792,925
8	Unsecured debt	47,738	47,738
9	<b>Secured wholesale funding</b>		<b>6,115,051</b>
10	<b>Additional requirements, of which:</b>	<b>14,727,591</b>	<b>1,723,299</b>
11	Outflows related to derivative exposures and other collateral requirements	278,377	278,377
12	Outflows related to loss of funding on debt products	-	-
13	Credit and liquidity facilities	14,449,214	1,444,921
14	<b>Other contractual funding obligations</b>	-	-
15	<b>Other contingent funding obligations</b>	125,085,505	2,661,773
16	<b>TOTAL CASH OUTFLOWS</b>		<b>107,521,405</b>
<b>Cash inflows</b>			
17	<b>Secured lending (eg reverse repos)</b>	-	-
18	<b>Inflows from fully performing exposures</b>	<b>101,358,700</b>	<b>46,093,542</b>
19	Other cash inflows	14,681,434,599	-
20	<b>TOTAL CASH INFLOWS</b>	14,782,793,299	46,093,542
			<b>Total adjusted value</b>
21	<b>Total HQLA</b>		172,934,669
22	<b>Total net cash outflows</b>		61,427,863
23	<b>Liquidity Coverage Ratio (%)</b>		281.52%

The average LCR is calculated by taking a simple average of monthly figures based on daily average balances beginning from July 1st, 2023 to September 30, 2023.

During the period, the Bank held an average of 99% of its High Quality Liquid Assets (HQLAs) in securities with a 0% risk weight, issued or guaranteed by sovereigns, central banks and supranational entities. The remaining 1% of HQLAs held a 20% risk weight from securities guaranteed by sovereigns and non-financial corporate bonds rated AA- or better.

The majority of the bank's weighted cash outflows are attributable to non-financial corporates at 44% of outflows. Whereas retail and small Businesses' deposits held 30%, and bank placements at 15%. SNB's derivatives positions are not significant, as most transactions are conducted on a back-to-back basis with limited open positions being taken. The Group's main activities are conducted in SAR USD, and TRY. The peg between SAR and USD currencies enhances the funding ability and provides the flexibility to interchange between both currencies.

Additionally, following regulatory guidelines, LCR is monitored separately for all significant currencies to ensure the liquidity ratios are met at all times in either currency, SAR, USD and TRY.

The average Q3-2023 LCR is 281.52% as compared to Q2-2023 LCR was 290.39%, a decrease of 8.86%. The decrease in the average LCR between the two periods is primarily due to decreased in weighted average level 2A assets and increased in net cash outflow.



## Template LIQ2: Net Stable Funding Ratio (NSFR)

		a	b	c	d	e
(In SAR thousands)		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1 year	≥ 1 year	
<b>Available stable funding (ASF) item</b>						
1	Capital:	-	-	-	176,129,342	176,129,342
2	Regulatory capital				155,749,088	155,749,088
3	Other capital instruments				20,380,254	20,380,254
4	Retail deposits and deposits from small business customers:	317,327,027	32,835,588	7,093,737	2,346,920	323,877,637
5	Stable deposits					
6	Less stable deposits	317,327,027	32,835,588	7,093,737	2,346,920	323,877,637
7	Wholesale funding:	166,466,150	99,195,105	1,225,379	1,762,631	135,205,948
8	Operational deposits	4,879,934				2,439,967
9	Other wholesale funding	161,586,216	99,195,105	1,225,379	1,762,631	132,765,981
10	Liabilities with matching interdependent assets	-	-	-	-	-
11	Other liabilities:	-	192,887,638	1,791,018	26,151,435	27,046,945
12	NSFR derivative liabilities				-	
13	All other liabilities and equity not included in the above categories	-	192,887,638	1,791,018	26,151,435	27,046,945
14	<b>Total ASF</b>					662,259,872
<b>Required stable funding (RSF) item</b>						
15	Total NSFR high-quality liquid assets (HQLA)					13,564,373
16	Deposits held at other financial institutions for operational purposes	12,100,504	25,416,902	-	16,696,681	35,455,384
17	Performing loans and securities:	14,373,031	218,216,627	39,108,495	362,559,229	447,945,138
18	Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	-
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	3,170,983	-	-	475,647
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	-	212,324,097	34,280,467	328,458,710	402,492,186
21	With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk	-	-	-	-	-
22	Performing residential mortgages, of which:	-	-	-	-	-
23	With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk	-	-	-	-	-
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	14,373,031	2,721,547	4,828,028	34,100,519	44,977,305
25	Assets with matching interdependent liabilities	-	-	-	-	0
26	Other assets:	43,233,142	145,284,173	-	87,339,256	89,536,729
27	Physical traded commodities, including gold	99,059				84,200
28	Assets posted as initial margin for derivative contracts and contributions to default funds of central counterparties				1,415,594	1,203,255
29	NSFR derivative assets				910,019	910,019
30	NSFR derivative liabilities before deduction of variation margin posted				-	-
31	All other assets not included in the above categories	43,134,083	-	-	87,339,256	87,339,256
32	Off-balance sheet items		142,958,560			1,170,019
33	<b>Total RSF</b>					587,671,644
34	<b>Net Stable Funding Ratio (%)</b>					112.69%

As at the end of September 2023, the Bank held a balance of 27% of its Available Stable Funding (ASF) in capital, with a 100% ASF factor, comprised of regulatory and other capital instruments. The majority of Available Stable Funding was held as retail and SME deposits at 49%, with a 90% ASF factor, 20% of ASF was in wholesale funding, with a 50% ASF factor and the remaining balances were held as other liabilities with different ASF factors.

The Required Stable Funding (RSF) at the end of September 2023 is predominantly comprised of performing loans and securities holding 76% of the total Required Stable Funding, with various RSF factors. Of these loans, were performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to financial institutions at 69% of the total Required Stable Funding. The remaining composition of RSF held weights in HQLA's, deposits held at other financial institutions, other assets and off balance sheet items.

A comparison with last quarter's NSFR is presented in the following table:

<b>Description</b>	<b>September-23</b>	<b>Jun-23</b>
<b>NSFR</b>	<b>112.69%</b>	<b>113.35%</b>

The Net Stable Funding Ratio as of September 2023 is 112.69%. A decrease of 66 basis points as compared to June 2023 113.35%.