Samba Financial Group
Basel III - Pillar 3 Disclosure Report

June 2017

Table of Contents

Capital Structure

Liquidity Coverage Ratio

Leverage Ratio

Risk Weighted Assets

Capital structure

Samba Financial Group

TABLE 2: CAPITAL STRUCTURE

Statement of Financial Position - Step 1 (Table 2(b))

All figures are in SAR 000

	June 30, 2017		
	Statement of Financial Position in Published financial statements	Adjustment of banking associates / other entities	Under regulatory scope of consolidation
Assets			
Cash and balances with central banks	28,719,265	-	28,719,265
Due from banks and other financial institutions	14,671,208	-	14,671,208
Investments, net	56,545,025	-	56,545,025
Loans and advances, net	120,522,323	-	120,522,323
Debt securities			
Trading assets			
Investment in associates			
Derivatives	7,231,905	-	7,231,905
Goodwill	22,604	-	22,604
Other intangible assets / deferred tax	18,044	-	18,044
Property and equipment, net	2,551,422	-	2,551,422
Other assets (excluding goodwill and deferred tax)	798,001	-	798,001
Total Assets	**231,079,797**	**-**	**231,079,797**
Liabilities and Equity			
Liabilities			
Due to banks and other financial institutions	8,050,816	-	8,050,816
Items in the course of collection due to other banks			
Customer deposits	171,273,026	-	171,273,026
Trading liabilities			
Debt securities in issue			
Derivatives	4,091,808		4,091,808
Retirement benefit liabilities			
Taxation liabilities			
Accruals and deferred income			
Borrowings			
Other liabilities	3,787,599	-	3,787,599
Total Liabilities	**187,203,249**	**-**	**187,203,249**
Share capital	18,964,989	-	18,964,989
Statutory reserve	14,554,971	-	14,554,971
Other reserves	166,783	-	166,783
Retained earnings	10,086,128	-	10,086,128
Non-controlling interest	103,677	-	103,677
Proposed dividends	-	-	-
Total Liabilities and Equity	**231,079,797**	**-**	**231,079,797**

Samba Financial Group

TABLE 2: CAPITAL STRUCTURE

Statement of Financial Position - Step 2 (Table 2(c))

All figures are in SAR 000	June 30, 2017 Statement of Financial Position in Published financial statements (C)	Adjustment of banking associates / other entities (D)	Under regulatory scope of consolidation (E)	Reference
Assets				
Cash and balances with central banks	28,719,265	-	28,719,265	
Due from banks and other financial institutions	14,671,208	-	14,671,208	
Investments, net	56,545,025	-	56,545,025	
Loans and advances, net	120,522,323	-	120,522,323	
which is net of credit loss provision - portfolio	*1,131,152*	-	*1,131,152*	A
Debt securities				
Trading assets				
Investment in associates				
Derivatives	7,231,905		7,231,905	
Goodwill	22,604	-	22,604	B
Other intangible assets / deferred tax	18,044	-	18,044	
of which ineligible (to be deducted) deferred tax assets	-	-	-	C
Property and equipment, net	2,551,422	-	2,551,422	
Other assets (excluding goodwill and deferred tax)	798,001	-	798,001	
Total Assets	**231,079,797**	**-**	**231,079,797**	
Liabilities				
Due to banks and other financial institutions	8,050,816	-	8,050,816	
Items in the course of collection due to other banks				
Customer deposits	171,273,026	-	171,273,026	
Trading liabilities				
Debt securities in issue				
Derivatives	4,091,808		4,091,808	
Retirement benefit liabilities				
Taxation liabilities				
Accruals and deferred income				
Borrowings				
Other liabilities	3,787,599	-	3,787,599	
Total Liabilities	**187,203,249**	**-**	**187,203,249**	
Share capital	18,964,989	-	18,964,989	
of which paid in capital	*20,000,000*	-	*20,000,000*	D
of which Investments in own shares (excluding amounts already derecognised under the relevant accounting standards)	*(1,035,011)*	-	*(1,035,011)*	E
Statutory reserve	14,554,971	-	14,554,971	F
Other reserves	166,783	-	166,783	
of which unrealised gains on available for sale financial assets	*283,362*	-	*283,362*	G
of which exchange translation reserve from converting foreign currency subsidiaries and branches to the group currency	*(169,535)*	-	*(169,535)*	H
of which general reserve	*130,000*	-	*130,000*	I
of which cash flow hedge reserve	*(77,044)*	-	*(77,044)*	J
Retained earnings	10,086,128	-	10,086,128	
Non-controlling interest	103,677	-	103,677	
Proposed dividends	-	-	-	K
Total Liabilities and Equity	**231,079,797**	**-**	**231,079,797**	

Samba Financial Group

TABLE 2: CAPITAL STRUCTURE

Common Template (transition) - Step 3 (Table 2(d)) i

(From January 2013 to 2018 identical to post 2018) With amount subject to Pre- Basel III Treatment

All figures are in SAR 000

		June 30, 2017		
		Components of regulatory capital reported by the bank	Amounts subject to Pre - Basel III treatment	Source based on reference numbers / letters of the balance sheet under the regulatory scope of consolidation from step 2
	Common Equity Tier 1 Capital: Instruments and Reserves			
1	Directly issued qualifying common share capital (and equivalent for non-joint stock companies) plus related stock surplus	20,000,000		D
2	Retained earnings	10,086,128		
3	Accumulated other comprehensive income (and other reserves)	14,721,754		F+G+H+I+J+K
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)			
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	29,874		
6	**Common Equity Tier 1 capital before regulatory adjustments**	**44,837,756**		
	Common Equity Tier 1 Capital: Regulatory Adjustments			
7	Prudential valuation adjustments			
8	Goodwill (net of related tax liability)	22,604		B
9	Other intangibles other than mortgage-servicing rights (net of related tax liability)			
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	0		C
11	Cash-flow hedge reserve	(77,044)		J
12	Shortfall of provisions to expected losses			
13	Securitisation gain on sale (as set out in paragraph 562 of Basel II framework)			
14	Gains and losses due to changes in own credit risk on fair valued liabilities			
15	Defined-benefit pension fund net assets			
16	Investments in own shares (if not already netted off paid-in capital on reported balance sheet)	1,035,011		E
17	Reciprocal cross-holdings in common equity			
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)			
19	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)			
20	Mortgage servicing rights (amount above 10% threshold)			
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)			
22	Amount exceeding the 15% threshold			
23	of which: significant investments in the common stock of financials			
24	of which: mortgage servicing rights			
25	of which: deferred tax assets arising from temporary differences			
26	National specific regulatory adjustments			
	REGULATORY ADJUSTMENTS APPLIED TO COMMON EQUITY TIER 1 IN RESPECT OF AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT			
	OF WHICH: [INSERT NAME OF ADJUSTMENT]			
	OF WHICH:…			
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions			
28	**Total regulatory adjustments to Common equity Tier 1**	**980,571**		
29	**Common Equity Tier 1 capital (CET1)**	**43,857,185**		
	Additional Tier 1 capital: instruments			
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus			
31	of which: classified as equity under applicable accounting standards			
32	of which: classified as liabilities under applicable accounting standards			
33	Directly issued capital instruments subject to phase out from Additional Tier 1			
34	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	6,802		
35	of which: instruments issued by subsidiaries subject to phase out			
36	**Additional Tier 1 capital before regulatory adjustments**	**6,802**		
	Additional Tier 1 Capital: Regulatory Adjustments			
37	Investments in own Additional Tier 1 instruments			
38	Reciprocal cross-holdings in Additional Tier 1 instruments			
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)			
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)			
41	National specific regulatory adjustments			
	REGULATORY ADJUSTMENTS APPLIED TO ADDITIONAL TIER 1 IN RESPECT OF AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT			
	OF WHICH: [INSERT NAME OF ADJUSTMENT]			
	OF WHICH: …			
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions			
43	Total regulatory adjustments to Additional Tier 1 capital	-		
44	**Additional Tier 1 capital (AT1)**	**6,802**		
45	**Tier 1 capital (T1 = CET1 + AT1)**	**43,863,987**		

Samba Financial Group

TABLE 2: CAPITAL STRUCTURE

Common Template (transition) - Step 3 (Table 2(d)) ii

(From January 2013 to 2018 identical to post 2018) With amount subject to Pre- Basel III Treatment

All figures are in SAR 000

		June 30, 2017		
		Components of regulatory capital reported by the bank	**Amounts subject to Pre - Basel III treatment**	**Source based on reference numbers / letters of the balance sheet under the regulatory scope of consolidation from step 2**
	Tier 2 capital: instruments and provisions			
46	Directly issued qualifying Tier 2 instruments plus related stock surplus			
47	*Directly issued capital instruments subject to phase out from Tier 2*			
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	7,649		
49	*of which: instruments issued by subsidiaries subject to phase out*			
50	Provisions	1,131,152		A
51	**Tier 2 capital before regulatory adjustments**	**1,138,801**		
	Tier 2 capital: regulatory adjustments			
52	Investments in own Tier 2 instruments			
53	Reciprocal cross-holdings in Tier 2 instruments			
54	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)			
55	Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)			
56	National specific regulatory adjustments			
	REGULATORY ADJUSTMENTS APPLIED TO TIER 2 IN RESPECT OF AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT			
	OF WHICH: [INSERT NAME OF ADJUSTMENT]			
	OF WHICH: …			
57	Total regulatory adjustments to Tier 2 capital	0		
58	Tier 2 capital (T2)	1,138,801		
59	Total capital (TC = T1 + T2)	45,002,788		
	RISK WEIGHTED ASSETS IN REPECT OF AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT			
	OF WHICH: [INSERT NAME OF ADJUSTMENT]			
	OF WHICH: …			
60	Total risk weighted assets	228,981,479		
	Capital Ratios			
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	19.2%		
62	Tier 1 (as a percentage of risk weighted assets)	19.2%		
63	**Total capital (as a percentage of risk weighted assets)**	**19.7%**		
64	Institution specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus countercyclical buffer requirements plus G-SIB buffer requirement expressed as a percentage of risk weighted assets)	6.750%		
65	of which: capital conservation buffer requirement	1.250%		
66	of which: bank specific countercyclical buffer requirement	0.0%		
67	of which: D-SIB buffer requirement	1.0%		
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)	14.7%		
	National minima (if different from Basel 3)			
69	National Common Equity Tier 1 minimum ratio (if different from Basel 3 minimum)	n/a		
70	National Tier 1 minimum ratio (if different from Basel 3 minimum)	n/a		
71	National total capital minimum ratio (if different from Basel 3 minimum)	n/a		
	Amounts below the thresholds for deduction (before risk weighting)			
72	Non-significant investments in the capital of other financials	2,351,961		
73	Significant investments in the common stock of financials			
74	Mortgage servicing rights (net of related tax liability)			
75	Deferred tax assets arising from temporary differences (net of related tax liability)	-		
	Applicable caps on the inclusion of provisions in Tier 2			
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	1,131,152		
77	Cap on inclusion of provisions in Tier 2 under standardised approach	2,562,352		
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)			
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach			
	Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)			
80	Current cap on CET1 instruments subject to phase out arrangements			
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)			
82	Current cap on AT1 instruments subject to phase out arrangements			
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)			
84	Current cap on T2 instruments subject to phase out arrangements			
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)			

Note: Items which are not applicable have been left blank.

Samba Financial Group		
TABLE 2: CAPITAL STRUCTURE		
Main Features of Regulatory Capital Instruments - (Table 2(e))		
1	Issuer	Samba Financial Group
2	Unique identifier (e.g. CUSPIN, ISIN or Bloomberg identifier for private placement)	SAMBA:AB
3	Governing law(s) of the instrument	Saudi Arabia
	Regulatory treatment	
4	Transitional Basel III rules	Not Applicable
5	Post-transitional Basel III rules	Not Applicable
6	Eligible at solo/lgroup/group&solo	Group
7	Instrument type	Ordinary Shares
8	Amount recognized in regulatory capital (SAR in millions, as of June 30, 2017)	20000
9	Par value of instrument (SAR)	10
10	Accounting classification	Equity
11	Original date of issuance	July 12, 1980
12	Perpetual or dated	Perpetual
13	Original maturity date	No maturity
14	Issuer call subject to prior supervisory approval	Not Applicable
15	Option call date, contingent call dates and redemption amount	Not Applicable
16	Subsequent call dates if applicable	Not Applicable
	Coupons / dividends	
17	Fixed or Floating dividend/coupon	Not Applicable
18	Coupon rate and any related index	Not Applicable
19	Existence of a dividend stopper	Not Applicable
20	Fully discretionary, partially discretionary or mandatory	Not Applicable
21	Existence of step up or other incentive to redeem	Not Applicable
22	Non cumulative or cumulative	Not Applicable
23	Convertible or non-convertible	
24	If convertible, conversion trigger (s)	Not Applicable
25	If convertible, fully or partially	Not Applicable
26	If convertible, conversion rate	Not Applicable
27	If convertible, mandatory or optional conversion	Not Applicable
28	If convertible, specify instrument type convertible into	Not Applicable
29	If convertible, specify issuer of instrument it converts into	Not Applicable
30	Write-down feature	
31	If write-down, write-down trigger (s)	Not Applicable
32	If write-down, full or partial	Not Applicable
33	If write-down, permanent or temporary	Not Applicable
34	If temporary write-down, description of the write-up mechanism	Not Applicable
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Not Applicable
36	Non-compliant transitioned features	Not Applicable
37	If yes, specify non-compliant features	Not Applicable

Liquidity Coverage Ratio

Introduction

The Liquidity Coverage Ratio (LCR) report for Samba Financial Group ("Samba" or "the bank") has been prepared in accordance with the public/ market disclosure requirements and guidelines in respect of the Liquidity Coverage Ratio Disclosure Standards as published by the Saudi Arabian Monetary Authority (SAMA) in August 2014.

The purpose of this document is to disclose both qualitative and quantitative information regarding Samba's liquidity position, LCR results and internal liquidity risk measurement and management processes.

Liquidity risk is defined as the risk that a bank does not have enough financial resources to meet its obligation and commitments to a customer, creditor, or investor as they fall due. It is the risk to earnings or capital arising from a bank's inability to meet its obligations when they come due without incurring unacceptable losses. It generally arises from either an inadequate liabilities profile or a bank's failure to recognize or address changes in market conditions that affect its ability to liquidate assets (i.e. convert them to cash) quickly and with minimal loss in value. The objectives of liquidity management are to ensure that all maturing obligations and commitments are paid fully promptly.

Samba Financial Group's Board of Directors has the overall responsibility of bank's liquidity risk management for ensuring the risk exposures are maintained at prudent levels. To this end, it has established an appropriate liquidity risk management framework for the management of the bank's funding and liquidity management requirements. To assist in overseeing the risks to which Samba is exposed, the Board appoints Board Committees and defines their terms of reference. The Executive Committee of the Samba Board of Directors formulates high level strategies and policies and monitors the bank's risk profile on an ongoing basis. The bank's liquidity risk policies are designed to identify and quantify these risks, set appropriate limits in line with the defined risk appetite, ensure effective control and monitor adherence to appropriate limits. The bank's Asset and Liabilities Committee (ALCO) is responsible for monitoring and management of liquidity, the balance sheet and market risks while the Market Risk Policy Committee (MRPC) is the management body for market and liquidity risk issues, including establishing and updating policies and guidelines, reviewing and approving market risk limits, assumptions and exceptions.

Samba manages liquidity risk by setting conservative loans to deposits ratio, maintaining adequate reserves, high quality liquid assets, banking facilities and reserve borrowing facilities and continuously monitoring forecast and actual cash flows. The bank's appetite for funding liquidity risk (i.e. funding of longer tenor assets by shorter contractual tenor liabilities) is expressed in the liquidity risk limits framework. This limits framework also includes liquidity ratio targets that set the appetite for funding diversification (in terms of funding sources and tenor), minimum holdings of liquid assets, large fund providers and cross currency funding which also act as early warning indicators of structural balance sheet changes. Appetite for risk is also constrained by the requirement to be fully liquid under adverse scenarios. This is assessed through regular stress scenario analyses covering market-wide events, entity specific events and a combination of the two.

The risk appetite as expressed in the liquidity risk limits framework is also aligned with the regulatory risk framework which mandates compliance with the two key risk measures, Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR).

Liquidity Coverage Ratio (LCR)

The LCR is one of two minimum standards for funding liquidity (the other being the Net Stable Funding Ratio – NSFR) introduced by Basel III, to promote short-term resilience of a bank's liquidity risk profile by ensuring that it has sufficient High Quality Liquid Assets (HQLA) to survive a significant stress scenario lasting for one month.

The LCR has two components:

(a) Value of the stock of HQLA in stressed conditions; and
(b) Total net cash outflows, calculated according to the scenario parameters outlined in the Basel III LCR standards document[1].

The LCR is defined as:

$$\frac{\text{Stock of HQLA}}{\text{Total net cash outflows over the next 30 calendar days}} \geq 100\%$$

The LCR has been fully effective from 1st January 2015 with the minimum requirement set at 60% and rising in equal annual steps to reach 100% by 1st January 2019.

	1st January 2015	1st January 2016	1st January 2017	1st January 2018	1st January 2019
Minimum LCR	60%	70%	80%	90%	100%

Average LCR for 2Q 2017 was 212%, which is well above the regulatory minimum threshold of 80% for 2017 as well as the 100% threshold which becomes fully effective in January 2019. This reflects SAMBA's substantial holdings of High Quality Liquid Assets as well as its large base of customer deposits.

High Quality Liquid Assets (HQLA)

HQLA comprises of assets that can be easily and immediately converted into cash at little or no loss of value. There are two categories of assets that can be included in the stock of HQLA. Level 1 assets can be included without limit at no haircut and comprises of coins and banknotes, central bank reserves, Saudi government securities, high quality foreign sovereigns, multilateral development banks and supra nationals. Level 2 assets can be included, subject to the requirement that they comprise no more than 40% of the overall stock of HQLA after haircuts have been applied. This may comprise of certain qualifying government securities, public sector and corporate bonds. For the quarter ended June 2017, the stock of HQLA comprises of 100% Level 1 assets.

Net Cash Outflows

Net cash outflows is defined as the total expected cash outflows minus total expected cash inflows in the specified stress scenario for the subsequent 30 calendar days. Total expected cash outflows are calculated by multiplying the outstanding balances of various categories of liabilities and off-balance sheet commitments by the rates at which they are expected to run off or drawn down. Total expected cash inflows are calculated by multiplying the outstanding balances of various categories of contractual receivables by the rates at which they are expected to flow in under the stress scenario up to an aggregate cap of 75% of total expected cash outflows.

[1] Basel III: International framework for liquidity risk measurement, standards and monitoring - January 2013

Samba Financial Group

Liquidity Coverage Ratio (LCR) Common Disclosure Prudential Return

June 30, 2017

All figures are in SAR 000s		TOTAL UNWEIGHTED[a] VALUE (average)	TOTAL WEIGHTED[b] VALUE (average)
	HIGH-QUALITY LIQUID ASSETS		
1	**Total High Quality Liquid Assets (HQLA)**		**63,217,267**
	CASH OUTFLOWS		
2	Retail deposits and deposits from small business customers, of which:	98,638,972	9,580,846
3	*Stable deposits*	-	-
4	*Less stable deposits*	98,638,972	9,580,846
5	Unsecured wholesale funding, of which:	52,033,432	27,164,755
6	*Operational deposits (all counterparties) and deposits in networks of cooperative banks*	-	-
7	*Non-operational deposits (all counterparties)*	52,033,432	27,164,755
8	*Unsecured debt*	-	-
9	Secured wholesale funding		-
10	Additional requirements, of which:	3,157,170	500,607
11	*Outflows related to derivative exposures and other collateral requirements*	205,433	205,433
12	*Outflows related to loss of funding on debt products*	-	-
13	*Credit and liquidity facilities*	2,951,737	295,174
14	Other contractual funding obligations	-	-
15	Other contingent funding obligations	168,639,704	4,635,699
16	**TOTAL CASH OUTFLOWS**		**41,881,907**
	CASH INFLOWS		
17	Secured lending (e.g. reverse repos)	-	-
18	Inflows from fully performing exposures	18,564,550	11,701,257
19	Other cash inflows	313,416	313,416
20	**TOTAL CASH INFLOWS**	**18,877,966**	**12,014,673**
			TOTAL ADJUSTED[c] VALUE
21	**TOTAL HQLA**		**63,217,267**
22	**TOTAL NET CASH OUTFLOWS**		**29,867,234**
23	**LIQUIDITY COVERAGE RATIO (%)**		**212%**

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 application of respective haircuts (for HQLA) or inflow and outflow rates (for inflows and outflows).

c Adjusted values must be calculated after application of both (i) haircuts and inflow and outflow rates and (ii) any applicable caps (i.e. cap on Level 2B and Levels 2 assets for HQLA and cap on inflows).

d The quantitative data is presented as a simple average of monthly observations, using 3 data points, over the second quarter of 2017.

Leverage Ratio

Samba Financial Group
Leverage Ratio Common Disclosure
June 30, 2017

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	231,094,035
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	1,539,807
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)	28,345,953
7	Other adjustments	(2,462,464)
8	**Leverage ratio exposure (A)**	**258,517,331**

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)	223,642,909
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)**	**223,642,909**
	Derivative Exposures	
4	Replacement cost associated with *all* derivatives transactions (i.e. net of eligible cash variation margin)	7,231,905
5	Add-on amounts for Potential Financial Exposure (PFE) associated with *all* derivatives transactions	1,539,807
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)	(2,243,243)
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)**	**6,528,469**
	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 **	172,700,640
18	(Adjustments for conversion to credit equivalent amounts)	(144,354,687)
19	**Off-balance sheet items (sum of lines 17 and 18) (c)**	**28,345,953**
	Capital and Total Exposures	
20	**Tier 1 capital (B)**	**43,863,987**
21	**Total exposures (sum of lines 3, 11, 16 and 19) (A) = (a+b+c)**	**258,517,331**
	Leverage Ratio	
22	**Basel III Leverage Ratio*** (C) = (B) / (A)**	**16.97%**

***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%*

Reconciliation of Material Differences between Bank's Total Assets & On Balance Sheet Exposures (Table 5)

Row #	Item	In SR 000's
1	Total Assets on Financial Statements	231,094,035
2	Total On balance sheet assets Row # 1 on Table 2	223,642,909
3	**Difference between 1 and 2 above (see explanation below)**	**7,451,126**

Row #	Explanation	
1	Positive Fair value of Derivatives being disclosed under Row # 4	7,231,905
2	Other adjustments/eliminations	219,221
		7,451,126

Risk Weighted Assets

Overview of Risk Weighted Assets

SAR 000s

Samba Financial Group					
B.2 - Template OV1: Overview of RWA					
		Risk Weighted Assets (RWA)		**Minimum capital requirements**
		Jun 2017	**Mar 2017**	**Jun 2017**
1	Credit risk (excluding counterparty credit risk) (CCR)	160,034,183	161,210,589	12,802,735
2	Of which standardised approach (SA)	160,034,183	161,210,589	12,802,735
3	Of which internal rating-based (IRB) approach	-	-	-
4	Counterparty credit risk	9,804,942	11,913,234	784,395
5	Of which standardised approach for counterparty credit risk (SA-CCR)	9,804,942	11,913,234	784,395
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	Equity investments in funds – mandate-based approach	-	-	-
10	Equity investments in funds – fall-back approach	32,201,796	31,864,373	2,576,144
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	13,636,938	13,384,713	1,090,955
17	Of which standardised approach (SA)	13,636,938	13,384,713	1,090,955
18	Of which internal model approaches (IMM)	-		-
19	Operational risk	13,303,620	13,303,620	1,064,290
20	Of which Basic Indicator Approach	-	-	-
21	Of which Standardised Approach	13,303,620	13,303,620	1,064,290
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)**	**228,981,479**	**231,676,529**	**18,318,518**

Credit Risk

SAR 000s

B.7 - Template CR1: Credit quality of assets		Gross carrying values of		Allowances/ impairments	Net values
		Defaulted exposures (a)	Non-defaulted exposures (b)	(c)	(a+b+c)
1	Loans	1,219,608	121,269,700	1,966,985	120,522,323
2	Debt Securities	-	53,378,715	-	53,378,715
3	Off-balance sheet exposures	-	46,364,894	-	46,364,894
4	**Total**	**1,219,608**	**221,013,309**	**1,966,985**	**220,265,932**

"Default" is broadly defined as either non-payment of a material financial obligation persisting for 90 days or occurrence of events that would lead the bank to consider that the Obligor is unlikely to service its credit obligations to the bank.

SAR 000s

B.8 - Template CR2: Changes in stock of defaulted loans and debt securities		
1	**Defaulted loans and debt securities at end of the previous reporting period - Dec 2016**	**1,216,041**
2	Add: Loans and debt securities that have defaulted since the last reporting period	7,271
3	Less: Returned to non-defaulted status	0
4	Less: Amounts written off	0
5	Add/Less: Other changes	(3,704)
6	**Defaulted loans and debt securities at end of the reporting period - Jun 2017**	**1,219,608**

SAR 000s

B.11 - Template CR3: Credit risk mitigation techniques – overview		Exposures unsecured: carrying amount	Exposures secured by collateral	Exposures secured by collateral, of which: secured amount	Exposures secured by financial guarantees	Exposures secured by financial guarantees, of which: secured amount	Exposures secured by credit derivatives	Exposures secured by credit derivatives, of which: secured amount
1	Loans	114,831,647	5,690,676	279,732	-	-	-	-
2	Debt securities	53,378,715	-	-	-	-	-	-
3	**Total**	**168,210,362**	**5,690,676**	**279,732**	**-**	**-**	**-**	**-**
4	Of which defaulted	1,219,608	-	-	-	-	-	-

SAR 000s

B.13 - Template CR4: Standardised approach – credit risk exposure and Credit Risk Mitigation (CRM) effects							
	Asset classes	Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1	Sovereigns and their central banks	57,664,745	-	41,577,545	-	118,424	0.3%
2	Non-central government public sector	5,512,178	80	5,512,178	80	2,756,129	50.0%
3	Multilateral development banks	1,682,924	-	1,682,924	-	-	0.0%
4	Banks	26,282,711	4,239,872	26,278,961	1,912,738	12,329,337	43.7%
5	Securities firms	-	-	-	-	-	0.0%
6	Corporates	94,962,811	39,832,835	94,550,738	25,405,896	119,494,185	99.6%
7	Regulatory retail portfolios	13,528,347		13,528,347		10,146,260	75.0%
8	Secured by residential property	4,787,262	-	4,787,262	-	3,590,447	75.0%
9	Secured by commercial real estate	-	-	-	-	-	0.0%
10	Equity	2,576,144	-	2,576,144	-	32,201,796	1250.0%
11	Past-due loans	696,350	-	696,350	-	888,725	127.6%
12	Higher-risk categories	-	-	-	-	-	0.0%
13	Other assets	27,947,046	2,292,107	27,938,481	89,826	10,710,676	38.2%
14	**Total**	**235,640,519**	**46,364,894**	**219,128,931**	**27,408,540**	**192,235,979**	**78.0%**

SAR 000s

B.14 - Template CR5: Standardised approach – exposures by asset class and risk weights									
	Asset classes/ Risk weight*	0%	20%	50%	75%	100%	150%	Others	Total credit exposures amount (post CCF and post-CRM)
1	Sovereigns and their central banks	41,357,579	3,058	198,192	-	18,716	-	-	41,577,545
2	Non-central government public sector entities (PSEs)	-	-	5,512,258	-	-	-	-	5,512,258
3	Multilateral development banks (MDBs)	1,682,924	-	-	-	-	-	-	1,682,924
4	Banks	-	6,041,984	22,091,661	-	58,054	-	-	28,191,699
5	Securities firms	-	-	-	-	-	-	-	-
6	Corporates	-	-	396,897	-	119,559,737	-	-	119,956,634
7	Regulatory retail portfolios	-	-	-	13,528,347	-	-	-	13,528,347
8	Secured by residential property	-	-	-	4,787,262	-	-	-	4,787,262
9	Secured by commercial real estate	-	-	-	-	-	-	-	-
10	Equity	-	-	-	-	-	-	2,576,144	2,576,144
11	Past-due loans	-	-	-	-	311,599	384,751	-	696,350
12	Higher-risk categories	-	-	-	-	-	-	-	-
13	Other assets	17,564,580	-	-	-	10,463,727	-	-	28,028,306
14	**Total**	**60,605,083**	**6,045,041**	**28,199,008**	**18,315,610**	**130,411,833**	**384,751**	**2,576,144**	**246,537,470**

Counterparty Credit Risk

SAR 000s

B.22 - Template CCR1: Analysis of counterparty credit risk (CCR)[1] exposure by approach		Replacement cost	Potential future exposure	EEPE	Alpha used for computing regulatory EAD	EAD post-CRM	RWA
1	SA-CCR (for derivatives)	3,563,330	1,099,862		1.4	6,528,470	4,396,246
2	Internal Model Method (for derivatives and SFTs)			-	-	-	-
3	Simple Approach for credit risk mitigation (for SFTs)					-	-
4	Comprehensive Approach for credit risk mitigation (for SFTs)					-	-
5	VaR for SFTs					-	-
6	**Total**						**4,396,246**

SAR 000s

B.23 - Template CCR2: Credit valuation adjustment (CVA) capital charge		EAD post-CRM	RWA
	Total portfolios subject to the Advanced CVA capital charge	-	-
1	(i) VaR component (including the 3×multiplier)		-
2	(ii) Stressed VaR component (including the 3×multiplier)		-
3	All portfolios subject to the Standardised CVA capital charge	5,538,914	5,408,696
4	**Total subject to the CVA capital charge**	**5,538,914**	**5,408,696**

SAR 000s

B.24 - Template CCR3: Standardised approach – CCR exposures by regulatory portfolio and risk weights

Regulatory portfolio/ Risk weight	0%	20%	50%	100%	Total credit exposures
Sovereigns and their central banks	341	-	-	-	341
Non-central government public sector entities	-	-	-	-	-
Multilateral development banks (MDBs)	-	-	-	-	-
Banks	-	479,866	2,533,550	-	3,013,417
Securities firms	-	122,436	766,534	-	888,969
Corporates	-	-	-	2,625,743	2,625,743
Regulatory retail portfolios	-	-	-	-	-
Other assets	-	-	-	-	-
Total	**341**	**602,302**	**3,300,084**	**2,625,743**	**6,528,470**

SAR 000s

B.26 - Template CCR5: Composition of collateral for CCR exposure

	Collateral used in derivative transactions				Collateral used in SFTs	
	Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received	Fair value of posted collateral
	Segregated	Unsegregated	Segregated	Unsegregated		
Cash – domestic currency	-	-	-	-	-	-
Cash – other currencies	198,690	-	2,243,243	-	-	-
Domestic sovereign debt	-	-	-	-	-	-
Other sovereign debt	-	-	-	-	-	-
Government agency debt	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	**198,690**	**-**	**2,243,243**	**-**	**-**	**-**

SAR 000s

B.27 - Template CCR6: Credit derivatives exposures

	Protection bought	Protection sold
Notionals		
Single-name credit default swaps	-	-
Index credit default swaps	-	-
Total return swaps	-	-
Credit options	-	-
Other credit derivatives	-	-
Total notionals	-	-
Fair values	-	-
Positive fair value (asset)	-	-
Negative fair value (liability)	-	-

Securitisation

SAR 000s

B.32 - Template SEC2: Securitisation exposures in the trading book										
		Bank acts as originator			**Bank acts as sponsor**			**Banks acts as investor**		
		Traditional	**Synthetic**	**Sub-total**	**Traditional**	**Synthetic**	**Sub-total**	**Traditional**	**Synthetic**	**Sub-total**
1	**Retail (total) – of which**	-	-	-	-	-	-	-	-	-
2	residential mortgage									
3	credit card									
4	other retail exposures									
5	re-securitisation									
6	**Wholesale (total) – of which**	-	-	-	-	-	-	**65,038**	**28,450**	**93,489**
7	loans to corporates							65,038	28,450	93,489
8	commercial mortgage									
9	lease and receivables									
10	other wholesale									
11	re-securitisation									

Market Risk

SAR 000s

B.37 - Template MR1: Market risk under standardised		
		RWA
	Outright products	**12,548,112**
1	Interest rate risk (general and specific)	2,569,375
2	Equity risk (general and specific)	5,723,725
3	Foreign exchange risk	4,255,013
4	Commodity risk	-
	Options	**995,338**
5	Simplified approach	-
6	Delta-plus method	995,338
7	Scenario approach	-
8	**Securitisation**	**93,489**
9	**Total**	**13,636,938**

Interest Rate Risk in the Banking Book

SAR 000s

200bp Interest Rate Shocks for currencies with more than 5% of Assets or Liabilities	
Rate Shocks	**Change in earnings**
Upward rate shocks:	
SAR	(3,407,539)
USD	(310,736)
EUR	32,285
Downward rate shocks:	
SAR	3,349,659
USD	262,958
EUR	(4,022)

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

	Templates	Ref #
Credit risk	CR6 - IRB - Credit risk exposures by portfolio and PD range	B.16
	CR7 - IRB - Effect on RWA of credit derivatives used as CRM techniques	B.17
	CR8 - RWA flow statements of credit risk exposures under IRB	B.18
	CR10 - IRB (specialised lending and equities under the simple risk weight method)	B.20
Counterparty credit risk	CCR4 - IRB - CCR exposures by portfolio and PD scale	B.25
	CCR7 - RWA flow statements of CCR exposures under the Internal Model Method (IMM)	B.28
	CCR8 - Exposures to central counterparties	B.29
Securitisation	SEC1 - Securitisation exposures in the banking book	B.31
	SEC3 - Securitisation exposures in the banking book and associated regulatory capital requirements - bank acting as originator or as sponsor	B.33
	SEC4 - Securitisation exposures in the banking book and associated capital requirements - bank acting as investor	B.34
Market risk	MR2 - RWA flow statements of market risk exposures under an IMA	B.38
	MR3 - IMA values for trading portfolios	B.39
	MR4 - Comparison of VaR estimates with gains/losses	B.40