

Pillar III Disclosures

Al Rajhi Bank



Mar 31, 2022

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
4. Composition of capital and TLAC	CCA	Main features of regulatory capital instruments and of other TLAC-eligible instruments	Yes

OV1: Overview of RWA

	a	b	c
	RWA		Minimum capital requirements
	Mar-22	Dec-21	Mar-22
SAR '000s			
Credit risk (excluding counterparty credit risk) (CCR)	405,397,970	384,490,928	32,431,838
Of which standardised approach (SA)	405,397,970	384,490,928	32,431,838
Of which internal rating-based (IRB) approach	-	-	-
Counterparty credit risk	704,276	924,277	56,342
Of which standardised approach for counterparty credit risk (SA-CCR)	704,276	924,277	56,342
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	2,798,763	2,414,738	223,901
Of which standardised approach (SA)	2,798,763	2,414,738	223,901
Of which internal model approaches (IMM)	-	-	-
Operational risk	37,798,847	37,798,847	3,023,908
Of which Basic Indicator Approach	-	-	-
Of which Standardised Approach	37,798,847	37,798,847	3,023,908
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)	446,699,856	425,628,790	35,735,989

- Credit RWA increased mainly due to increase in financing portfolio.
- Market risk increased due to increase in net open position in foreign currency.
- The minimum capital requirements applied in column C is 8%.

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

		a	b	c	d	e
	SAR '000s	Mar-22	Dec-21	Sep-21	Jun-21	Mar-21
Available capital (amounts)						
1	Common Equity Tier 1 (CET1)	74,483,643	70,191,539	66,519,221	62,552,759	59,222,145
1a	Fully loaded ECL accounting model	71,841,179	67,308,851	63,636,533	59,670,071	59,222,145
2	Tier 1	80,983,643	70,191,539	66,519,221	62,552,759	59,222,145
2a	Fully loaded accounting model Tier 1	78,341,179	67,308,851	63,636,533	59,670,071	59,222,145
3	Total capital	86,059,921	75,009,229	71,004,381	66,728,512	63,100,846
3a	Fully loaded ECL accounting model total capital	83,417,457	72,126,541	68,121,693	63,845,824	63,100,846
Risk-weighted assets (amounts)						
4	Total risk-weighted assets (RWA)	446,699,856	425,628,790	395,765,556	370,826,095	353,498,271
4a	Total risk-weighted assets (pre-floor)	446,699,856	425,628,790	395,765,556	370,826,095	353,498,271
Risk-based capital ratios as a percentage of RWA						
5	Common Equity Tier 1 ratio (%)	16.67%	16.49%	16.81%	16.87%	16.75%
5a	Fully loaded ECL accounting model CET1 (%)	16.08%	15.81%	16.08%	16.09%	16.75%
6	Tier 1 ratio (%)	18.13%	16.49%	16.81%	16.87%	16.75%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	17.54%	15.81%	16.08%	16.09%	16.75%
7	Total capital ratio (%)	19.27%	17.62%	17.94%	17.99%	17.85%
7a	Fully loaded ECL accounting model total capital ratio (%)	18.67%	16.95%	17.21%	17.22%	17.85%
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 buffer 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 (%)	5.67%	5.49%	5.81%	5.87%	5.75%
Basel III Leverage Ratio						
13	Total Basel III leverage ratio measure	673,489,447	637,968,559	593,602,031	555,205,300	528,559,513
14	Basel III leverage ratio (%) (row 2/row 13)	12.02%	11.00%	11.21%	11.27%	11.20%
14a	Fully loaded ECL accounting model Basel III leverage ratio (%) (row 2A/row 13)	11.63%	10.55%	10.72%	10.75%	11.20%
Liquidity Coverage Ratio¹						
15	Total HQLA	99,428,326	94,787,976	93,066,326	87,715,610	79,694,564
16	Total net cash outflow	80,084,849	78,358,520	74,433,433	69,515,667	56,317,327
17	LCR ratio (%)	124.15%	120.97%	125.03%	126.18%	141.51%
Net Stable Funding Ratio						
18	Total available stable funding	474,705,710	458,494,554	428,239,559	403,423,861	385,042,244
19	Total required stable funding ²	431,286,771	401,940,132	379,568,440	355,933,724	332,045,854
20	NSFR ratio (%)	110.07%	114.07%	112.82%	113.34%	115.96%

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	657,628,150
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	1,082,811
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)	14,778,487
7	Other adjustments	-
8	Leverage ratio exposure	673,489,447

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)	657,628,150
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)	657,628,150
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	1,082,811
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)	1,082,811
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	29,112,934
18	(Adjustments for conversion to credit equivalent amounts)	(14,334,447)
19	Off-balance sheet items (sum of lines 17 and 18)	14,778,487
Capital and total exposures		
20	Tier 1 capital	80,983,643
21	Total exposures (sum of lines 3, 11, 16 and 19)	673,489,447
Leverage ratio		
22	Basel III leverage ratio	12.02%

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)	-	99,428,326
CASH OUTFLOWS			
2	Retail deposits and deposits from small business customer, of which:	269,113,252	22,080,721
3	Stable deposits	-	-
4	Less stable deposits	269,113,252	22,080,721
5	Unsecured wholesale funding, of which:	166,314,926	70,482,760
6	Operational deposits (all counterparties)	-	-
7	Non-Operational deposits (all counterparties)	166,314,926	70,482,760
8	Unsecured debt	-	-
9	Secured wholesale funding	-	-
10	Additional requirements, of which:	27,925,884	1,129,685
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	13,394,600	1,311,987
14	Other contractual funding obligations	-	-
15	Other contingent funding obligations	14,531,284	290,626
16	TOTAL CASH OUTFLOWS		94,166,094
CASH INFLOWS			
17	Secured lending (e.g. reverse repos)	-	-
18	Inflows from fully performing exposures	23,618,964	14,072,216
19	Other cash inflows	9,029	9,029
20	TOTAL CASH INFLOWS		14,081,245
TOTAL ADJUSTED VALUE			
21	TOTAL HQLA		99,428,326
22	TOTAL NET CASH OUTFLOWS		80,084,849
23	LIQUIDITY COVERAGE RATIO (%)		124.15%

- Figures presented in the table are average of Q1 2022.
- 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).

CCA: Main features of regulatory capital instruments and of other TLAC-eligible instruments

		Quantitative / qualitative information
1	Issuer	Al Rajhi Banking and Investment Corporation
2	Unique identifier	SA15GVK0J130
3	Governing law(s) of the instrument	Laws of Kingdom of Saudi Arabia
4	Transitional Basel III rules	Additional Tier 1
5	Post-transitional Basel III rules	Eligible
6	Eligible at solo/group/group and solo	Group and Solo
7	Instrument type	Subordinated
8	Amount recognised in regulatory capital (currency in millions, as of most recent reporting date)	SAR 6,500 Million
9	Par value of instrument	SAR 1 Million
10	Accounting classification	Shareholders' equity
11	Original date of issuance	23 rd January 2022
12	Perpetual or dated	Perpetual
13	Original maturity date	No maturity
14	Issuer call subject to prior supervisory approval	Yes
15	Optional call date, contingent call dates and redemption amount	23 January 2027
16	Subsequent call dates, if applicable	Following the first call date, any profit distribution date thereafter
17	Fixed or floating dividend/coupon	Fixed to floating
18	Coupon rate and any related index	3.5% per annum fixed rate payable quarterly from the issue date excluding the reset date. The return rate shall thereafter reset on the reset date.
19	Existence of a dividend stopper	Yes
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary
21	Existence of step-up or other incentive to redeem	No
22	Non-cumulative or cumulative	Non-cumulative
23	Convertible or non-convertible	Nonconvertible
24	If convertible, conversion trigger(s)	N/A
25	If convertible, fully or partially	N/A
26	If convertible, conversion rate	N/A
27	If convertible, mandatory or optional conversion	N/A
28	If convertible, specify instrument type convertible into	N/A
29	If convertible, specify issuer of instrument it converts into	N/A
30	Writedown feature	Yes
31	If writedown, writedown trigger(s)	Non-Viability Event
32	If writedown, full or partial	Partial
33	If writedown, permanent or temporary	Permanent
34	If temporary write-own, description of writeup mechanism	N/A
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument in the insolvency creditor hierarchy of the legal entity concerned).	The financial instrument is junior to senior creditors and Tier 2 capital instruments
36	Non-compliant transitioned features	No
37	If yes, specify non-compliant features	N/A