

**TABLE 2: CAPITAL STRUCTURE**

**Balance sheet - Step 1 (Table 2(b))**

	Balance sheet in Published financial statements ( C )	Adjustment of banking associates / other entities (*) ( D )	Under regulatory scope of consolidation ( E )
<b>Assets</b>			
Cash and balances with Saudi Central Bank ('SAMA')	10,225,099		10,225,099
Due from banks and other financial institutions	709,685		709,685
Investments, net	38,267,794		38,267,794
Financing, net	139,987,366		139,987,366
Property and equipment and right of use assets, net	2,514,429		2,514,429
Other assets	1,524,954		1,524,954
<b>Total assets</b>	<b>193,229,327</b>	<b>0</b>	<b>193,229,327</b>
<b>Liabilities</b>			
Due to SAMA, banks and other financial institutions	23,224,724		23,224,724
Customers' deposits	132,048,325		132,048,325
Amount due to Mutual Funds' unitholders	503,717		503,717
Other liabilities	6,150,079		6,150,079
<b>Total Liabilities</b>	<b>161,926,845</b>	<b>0</b>	<b>161,926,845</b>
Share capital	20,000,000		20,000,000
Statutory reserve	1,268,845		1,268,845
Other reserves	(273,111)		(273,111)
Retained earnings	5,372,995		5,372,995
Proposed dividend	0		0
Treasury shares	(66,247)		(94,159)
<b>Equity attributable to shareholders of the Bank</b>	<b>26,302,482</b>	<b>0</b>	<b>26,302,482</b>
Tier 1 Sukuk	5,000,000		5,000,000
<b>Total Equity</b>	<b>31,302,482</b>	<b>0</b>	<b>31,302,482</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>193,229,327</b>	<b>0</b>	<b>193,229,327</b>

**TABLE 2: CAPITAL STRUCTURE**

**Balance sheet - Step 2 (Table 2(c))**

	Balance sheet in Published financial statements ( C )	Adjustment of banking associates / other entities ( D )	Under regulatory scope of consolidation ( E )	Reference
<b>Assets</b>				
Cash and balances with Saudi Central Bank ('SAMA')	10,225,099		10,225,099	
Due from banks and other financial institutions	709,685		709,685	
Investments, net	38,267,794		38,267,794	
Financing, net	139,987,366		139,987,366	
of which Collective provisions	2,404,756		2,404,756	A
Property and equipment and right of use assets, net	2,514,429		2,514,429	
Other assets	1,524,954		1,524,954	
<b>Total assets</b>	<b>193,229,327</b>	<b>0</b>	<b>193,229,327</b>	
<b>Liabilities</b>				
Due to SAMA, banks and other financial institutions	23,224,724		23,224,724	
Customers' deposits	132,048,325		132,048,325	
Amount due to Mutual Funds' unitholders	503,717		503,717	
Other liabilities	6,150,079		6,150,079	
<b>Total Liabilities</b>	<b>161,926,845</b>	<b>0</b>	<b>161,926,845</b>	
Paid up share capital	20,000,000		20,000,000	
of which amount eligible for CET1	20,000,000		20,000,000	B
of which amount eligible for AT1	0		0	C
Statutory reserve	1,268,845		1,268,845	D
Other reserves	(273,111)		(273,111)	E
Retained earnings	5,372,995		5,372,995	F
Treasury shares	(66,247)		(66,247)	H
<b>Equity attributable to shareholders of the Bank</b>	<b>26,302,482</b>	<b>0</b>	<b>26,302,482</b>	
Tier 1 Sukuk	5,000,000		5,000,000	I
<b>Total Equity</b>	<b>31,302,482</b>	<b>0</b>	<b>31,302,482</b>	
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>193,229,327</b>	<b>0</b>	<b>193,229,327</b>	

**TABLE 2: CAPITAL STRUCTURE**

Common template (Post 2018) - Step 3 (Table 2d (i))

Source based on reference numbers / letters of the balance sheet under the regulatory scope of consolidation from step 2

Components of regulatory capital reported by the bank

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
2	Retained earnings	5,915,145
3	Accumulated other comprehensive income (and other reserves)	995,734
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)	-
6	<b>Common Equity Tier 1 capital before regulatory adjustments</b>	<b>26,910,879</b>
Common Equity Tier 1 capital: Regulatory adjustments		
7	Prudential valuation adjustments	-
8	Goodwill (net of related tax liability)	-
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)	-
11	Cash-flow hedge reserve	-
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)	(66,247)
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% thresh	-
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	-
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	-
28	<b>Total regulatory adjustments to Common equity Tier 1</b>	<b>(66,247)</b>
29	<b>Common Equity Tier 1 capital (CET1)</b>	<b>26,844,632</b>
Additional Tier 1 capital: instruments		
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	5,000,000
31	of which: classified as equity under applicable accounting standards	5,000,000
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)	-
35	of which: instruments issued by subsidiaries subject to phase out	-
36	<b>Additional Tier 1 capital before regulatory adjustments</b>	<b>5,000,000</b>
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% scope of regulatory consolidation (net of eligible short positions)	-
40	National specific regulatory adjustments	-
41	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-
42	Total regulatory adjustments to Additional Tier 1 capital	-
43	<b>Additional Tier 1 capital (AT1)</b>	<b>5,000,000</b>
44	<b>Tier 1 capital (T1 = CET1 + AT1)</b>	<b>31,844,632</b>

B

F

D+E+G

H

I

**TABLE 2: CAPITAL STRUCTURE**

Common template (Post 2018) - Step 3 (Table 2d (ii))

	Components <sup>1</sup> of regulatory capital reported by the bank	Source based on reference numbers / letters of the balance sheet under the regulatory scope of consolidation from step 2
<b>Tier 2 capital: instruments and provisions</b>		
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	-
47	<i>Directly issued capital instruments subject to phase out from Tier 2</i>	-
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)	-
49	<i>of which: instruments issued by subsidiaries subject to phase out</i>	-
50	Provisions	1,918,487
51	<b>Tier 2 capital before regulatory adjustments</b>	<b>1,918,487</b>
<b>Tier 2 capital: regulatory adjustments</b>		
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 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	-
57	<b>Total regulatory adjustments to Tier 2 capital</b>	-
58	<b>Tier 2 capital (T2)</b>	<b>1,918,487</b>
59	<b>Total capital (TC = T1 + T2)</b>	<b>33,763,119</b>
60	<b>Total risk weighted assets</b>	<b>168,236,862</b>
<b>Capital ratios</b>		
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	15.96%
62	Tier 1 (as a percentage of risk weighted assets)	18.93%
63	<b>Total capital (as a percentage of risk weighted assets)</b>	<b>20.07%</b>
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)	-
65	<i>of which: capital conservation buffer requirement</i>	-
66	<i>of which: bank specific countercyclical buffer requirement</i>	-
67	<i>of which: G-SIB buffer requirement</i>	-
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)	-
<b>National minima (if different from Basel 3)</b>		
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
<b>Amounts below the thresholds for deduction (before risk weighting)</b>		
72	Non-significant investments in the capital of other financials	-
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)	-
<b>Applicable caps on the inclusion of provisions in Tier 2</b>		
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	2,404,756
77	Cap on inclusion of provisions in Tier 2 under standardised approach	1,918,487
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	-
<b>Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)</b>		
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 are to be left blank.

## TABLE 2: CAPITAL STRUCTURE

### Main features template of regulatory capital instruments-(Table 2(e))

On July 1, 2021, the Bank through a Shariah compliant arrangement issued Tier 1 Sukuk (the "Sukuk"), amounting to SAR 5 billion. The issuance was approved by the regulatory authorities and the Board of Directors of the Bank.

These Sukuks are perpetual securities in respect of which there is no fixed redemption dates and represents an undivided ownership interest of the Sukuk-holders in the Sukuk assets, with each Sakk constituting an unsecured, conditional and subordinated obligation of the Bank classified under equity. However, the Bank shall have the exclusive right to redeem or call the Sukuks in a specific period of time, subject to the terms and conditions stipulated in the Sukuk Agreement.

These securities also allow the Bank to write-down (in whole or in part) any amounts due to the holders in the event of non-viability with the approval of SAMA.

The applicable profit rate is 4% per annum from date of issue up to 2026 and is subjected to reset every 5 years. The applicable profit on the Sukuks is payable quarterly in arrears on each periodic distribution date, except upon the occurrence of a non-payment event or non-payment election by the Bank, whereby the Bank may at its sole discretion (subject to certain terms and conditions) elect not to make any distributions. Such non-payment event or non-payment election are not considered to be events of default and the amounts not paid thereof shall not be cumulative or compound with any future distributions.