

ALINMA BANK
(A Saudi Joint Stock Company)

BASEL III Pillar 3 Disclosures
For the Financial Period Ended March 31, 2023

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KM1: Key Metrics (at group consolidated level)

	T	T-1	T-2	T-3	T-4	
	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022	March 31, 2022	
Available capital (amounts)						
1	Common Equity Tier 1 (CET1)	28,585,270	27,358,224	26,844,632	27,069,537	27,180,849
1a	Fully loaded ECL accounting model CET1	28,163,597	26,876,312	26,302,482	26,467,148	26,518,221
2	Tier 1	33,585,270	32,358,224	31,844,632	32,069,537	32,180,849
2a	Fully loaded ECL accounting model Tier 1	33,163,597	31,876,312	31,302,482	31,467,148	31,518,221
3	Total capital	35,807,303	34,364,365	33,763,119	33,850,038	33,891,328
3a	Fully loaded ECL accounting model total capital	35,385,630	33,882,454	33,220,969	33,247,649	33,228,700
Risk-weighted assets (amounts)						
4	Total risk-weighted assets (RWA)	187,719,625	173,603,952	168,236,862	155,145,171	149,234,394
4a	Total risk-weighted assets (pre-floor)	187,719,625	173,603,952	168,236,862	155,145,171	149,234,394
Risk-based capital ratios as a percentage of RWA						
5	CET1 ratio (%)	15.23%	15.76%	15.96%	17.45%	18.21%
5a	Fully loaded ECL accounting model CET1 (%)	15.00%	15.48%	15.63%	17.06%	17.77%
5b	CET1 ratio (%) (pre-floor ratio)	15.23%	15.76%	15.96%	17.45%	18.21%
6	Tier 1 ratio (%)	17.89%	18.64%	18.93%	20.67%	21.56%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	17.67%	18.36%	18.61%	20.28%	21.12%
6b	Tier 1 ratio (%) (pre-floor ratio)	17.89%	18.64%	18.93%	20.67%	21.56%
7	Total capital ratio (%)	19.07%	19.79%	20.07%	21.82%	22.71%
7a	Fully loaded ECL accounting model total capital ratio (%)	18.85%	19.52%	19.75%	21.43%	22.27%
7b	Total capital ratio (%) (pre-floor ratio)	19.07%	19.79%	20.07%	21.82%	22.71%
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 G-SIB and/or D-SIB additional requirements (%)	0.00%	0.00%	0.00%	0.00%	0.00%
11	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9 + row 10)	2.50%	2.50%	2.50%	2.50%	2.50%
12	CET1 available after meeting the bank's minimum capital requirements (%)	12.73%	13.26%	13.46%	14.95%	15.71%

Basel III Leverage ratio						
13	Total Basel III leverage ratio exposure measure	232,782,719	213,546,289	204,402,185	195,357,382	188,265,926
14	Basel III leverage ratio (%) (including the impact of any applicable temporary exemption of central bank reserves)	14.43%	15.15%	15.58%	16.42%	17.09%
14a	Fully loaded ECL accounting model Basel III leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) (%)	14.25%	14.93%	15.31%	16.11%	16.74%
14b	Basel III leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves)	14.25%	14.93%	15.31%	16.11%	16.74%
14c	Basel III leverage ratio (%) (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values for SFT assets	14.43%	15.15%	15.58%	16.42%	17.09%
14d	Basel III leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values for SFT assets	14.25%	15.15%	15.58%	16.42%	17.09%
Liquidity Coverage Ratio (LCR)						
15	Total high-quality liquid assets (HQLA)	34,773,047	35,057,947	35,096,751	35,098,376	33,202,353
16	Total net cash outflow	25,956,495	26,233,967	27,104,959	25,247,968	24,872,016
17	LCR ratio (%)	133.97%	133.64%	129.48%	139.01%	133.49%
Net Stable Funding Ratio (NSFR)						
18	Total available stable funding	142,388,654	133,572,725	125,213,587	125,420,287	122,390,924
19	Total required stable funding	133,058,310	125,854,341	121,324,985	113,520,111	111,128,228
20	NSFR ratio	107.01%	106.13%	103.21%	110.48%	110.13%

Commentary

The increase in the Bank's risk-weighted assets as of March 31, 2023 from December 31, 2022 is attributable to (1) adoption of SAMA's Basel Post-Crisis Reforms guidelines and (2) increase in the Bank's assets.

OV1: Overview of RWA

		a	b	c
		RWA		Minimum capital requirements
		T	T-1	T
		Mar 31, 2023	Dec 31, 2022	Mar 31, 2023
1	Credit risk (excluding counterparty credit risk)	176,183,723	159,288,485	14,094,698
2	Of which: standardised approach (SA)	176,183,723	159,288,485	14,094,698
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)	378,786	31,721	30,303
7	Of which: standardised approach for counterparty credit risk	378,786	31,721	30,303
8	Of which: IMM	-	-	-
9	Of which: other CCR	-	-	-
10	Credit valuation adjustment (CVA)	378,786	-	30,303
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	1,578,928	1,171,089	126,314
13	Equity investments in funds – mandate-based approach	-	-	-
14	Equity investments in funds – fall-back approach	-	-	-
15	Settlement risk	-	-	-
16	Securitisation exposures in banking book	-	-	-
17	Of which: securitisation IRB approach (SEC-IRBA)	-	-	-
18	Of which: securitisation external ratings-based approach (SEC-ERBA), including internal assessment approach (IAA)	-	-	-
19	Of which: securitisation standardised approach (SEC-SA)	-	-	-
20	Market risk	3,158,785	399,339	252,703
21	Of which: standardised approach (SA)	3,158,785	399,339	252,703
22	Of which: internal model approach (IMA)	-	-	-
23	Capital charge for switch between trading book and banking book	-	-	-
24	Operational risk	6,040,617	12,713,318	483,249
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)	187,719,625	173,603,952	15,017,570

LR1 – Summary comparison of accounting assets vs leverage ratio exposure measure

		a March 31, 2023
1	Total consolidated assets as per published financial statements	213,749,258
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	-
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	291,759
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)	18,533,600
11	Adjustments for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital	(1,728,557)
12	Other adjustments	1,936,659
13	Leverage ratio exposure measure	232,782,719

LR2- Leverage ratio common disclosure template

		Mar 31, 2023	Dec 31, 2022
		T	T-1
On-balance sheet exposures			
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	217,775,778	204,304,099
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)	-	-
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)	(1,728,557)	(1,658,015)
6	(Asset amounts deducted in determining Tier 1 capital and regulatory adjustments)	(2,089,861)	(2,209,857)
7	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 to 6)	213,957,360	200,436,227
Derivative exposures			
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)	41,539	15,376
9	Add-on amounts for potential future exposure associated with <i>all</i> derivatives transactions	250,220	16,345
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)	291,759	31,721
Securities financing transaction exposures			
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)	-	-
Other off-balance sheet exposures			
19	Off-balance sheet exposure at gross notional amount	62,430,953	23,599,752
20	(Adjustments for conversion to credit equivalent amounts)	(43,897,354)	(10,521,413)
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)	18,533,600	13,078,339
Capital and total exposures			
23	Tier 1 capital	33,585,270	32,358,224
24	Total exposures (sum of rows 7, 13, 18 and 22)	232,782,719	213,546,287

Leverage ratio

25	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)	14.43%	15.15%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	14.25%	14.93%
26	National minimum leverage ratio requirement	3.00%	3.00%
27	Applicable leverage buffers	0.00%	0.00%

Disclosure of mean values

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)	232,782,719	213,546,287
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)	232,782,719	213,546,287
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)	14.43%	15.15%
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)	14.43%	15.15%

LIQ1 – Liquidity Coverage Ratio (LCR)

For the quarter ended March 31, 2023

		a	b
		Total unweighted value (average)	Total weighted value (average)
High-quality liquid assets			
1	Total HQLA		34,773,047
Cash outflows			
2	Retail deposits and deposits from small business customers, of which:	44,856,021	3,679,505
3	Stable deposits	16,121,946	806,097
4	Less stable deposits	28,734,075	2,873,407
5	Unsecured wholesale funding, of which:	59,808,260	25,156,342
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	-	-
7	Non-operational deposits (all counterparties)	56,791,078	22,139,159
8	Unsecured debt	3,017,182	3,017,182
9	Secured wholesale funding		-
10	Additional requirements, of which:	59,126,924	1,740,944
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	59,126,924	1,740,944
14	Other contractual funding obligations	-	-
15	Other contingent funding obligations	-	-
16	TOTAL CASH OUTFLOWS		30,576,790
Cash inflows			
17	Secured lending (eg reverse repos)	-	-
18	Inflows from fully performing exposures	8,198,761	4,620,295
19	Other cash inflows	-	-
20	TOTAL CASH INFLOWS	8,198,761	4,620,295
			Total adjusted value
21	Total HQLA		34,773,047
22	Total net cash outflows		25,956,495
23	Liquidity Coverage Ratio (%)		133.97%