Saudi Arabian Monetary Agency

Banking Supervision Dept.

8 February 2012

From : Saudi Arabian Monetary Agency

المرفقات ٢٢

To : All Banks

14522/BCS ٧٣٩٠

Attention : Managing Directors, Chief Executive Officers and General Managers

Subject : **SAMA's Prudential Returns Concerning the Monitoring of Basel III Liquidity Risk through the Minimum Regulatory Liquidity Standard Ratios**

A major initiative announced by the Basle Committee in its Basel III reform package issued in December 2010 relates to Minimum Liquidity Ratios Standards to strengthen global liquidity regulations with the goal of promoting a more resilient banking sector. The objective of these reforms is to improve the banking sector's ability to absorb shocks arising from financial and economic stress.

Consequently, the Basle Committee has introduced two *minimum* standards for liquidity. In this regard, the Committee has developed the Liquidity Coverage Ratio (LCR) that will ensure short-term resilience of a bank over 30 days and the Net Stable Funding Ratio (NSFR) that will ensure a time horizon of one year. Furthermore, the BCBS requires the monitoring of these ratios to commence from January 1, 2012, however the LCR and NSFR will be fine tuned into final Regulatory Standards in 2015 and 2018 respectively.

The Agency is now circulating its Guidance Notes and Prudential Returns on the LCR and NSFR in the attached package of SAMA's Prudential Returns. The Basle agreed monitoring period for the LCR and NSFR commences on 1st January 2012. Consequently, all Banks (except foreign bank's branches) will be expected to provide these returns to SAMA on a quarterly basis from quarter ending 31 March 2012 within 30 days of the end of each quarter.

SAMA will continue to amend these Guidance Notes and Prudential Returns as further refinements are received from the BCBS during the monitoring period until the time when the LCR and NSFR are finalized as regulatory ratio in 2015 and 2018 respectively.

Abdulrahman A. Al-Kalaf
Deputy Governor
for Technical Affairs

Attachment # 1

GUIDANCE NOTES

SAMA Prudential Basel III Related Returns Concerning Monitoring of Standard Liquidity Ratios

- Liquidity Coverage Ratio (LCR)
- Net Stable Funding Ratio (NSFR)

Saudi Arabian Monetary Agency
Banking Supervision Department

February 2012

SAMA's
Guidance Document to Monitor Basel Liquidity Coverage Ratio (LCR), and Net Stable Funding Ratio (NSFR)

1. Overview

SAMA wishes to monitor the LCR and NSFR Global Liquidity Ratios. These are based on the Basle Committee for Banking Supervision (BCBS) document dated 16 December 2010 on Supervisory Global Liquidity Standards. The BCBS has developed two *minimum* standards for liquidity, the Liquidity Coverage Ratio (LCR) to ensure adequacy of high quality liquid asset over a month period and the Net Stable Funding Ratio (NSFR) with a time horizon of one year to provide a sustainable maturity structure of assets and liabilities.

These two standards are comprised of specific parameters which are internationally "harmonised" with prescribed values acting as risk weights reflecting sensitivity of such items. For example, in the LCR calculations are the "LCR Run off rates", and in the "NSFR" are the Available Stable Funds (ASF) and Required Stable Funding (RSF) rates". Certain parameters, however, contain elements of national discretion to reflect jurisdiction-specific conditions.

These guidance notes are part of SAMA's detailed work done earlier on the BIS Quantitative Impact Study. SAMA Guidance and Prudential Returns as presented summarize the major elements of the LCR and NSFR ratios, where banks can obtain details from the most current BIS QIS package – component regarding liquidity ratios. Consequently, SAMA's Guidance document has to be read in conjunction with the most recent detailed BIS QIS document detailing both guidance notes and prudential returns for the LCR and NSFR ratios.

The most current Basle QIS package can be obtained from the BIS website: www.bis.org.

It should be noted that the attached SAMA Prudential returns contains a column entitled "Paragraph in document". This is reference to the paragraph in the BCBS document of December 2010 entitled "Basle III: International Framework for Liquidity Risk Measurement, Standards and Monitoring".

2. Frequency and Timing

Banks are expected to report to SAMA on a quarterly basis with the first monitoring returns to be for data as of 31 March 2012 and is to be sent to SAMA by 30 April 2012. Thereafter, the returns will be submitted within 30 days of the end of each quarter.

Liquidity Coverage Ratio

3. Objectives of LCR

Objective

This standard aims to ensure that a bank maintains an adequate level of unencumbered, high-quality liquid assets that can be converted into cash to meet its liquidity needs for a 30 calendar day time horizon under a significantly severe liquidity stress scenario specified by supervisors. At a minimum, the stock of liquid assets should enable the bank to survive for Day 30 of the stress scenario.

Definition of the standard

Stock of High-Quality Liquid Assets / Total net cash outflows over the next 30 calendar days	$\geq$ 100

4. **Other General Details**

4.1 **The Liquidity Coverage Ratio**

The LCR has two components:

A. Value of the stock of high-quality liquid assets in stressed conditions; and

B. Total net cash outflows

A. **Stock of high-quality liquid assets**

The numerator of the LCR is the "stock of high-quality liquid assets". Under the standard, banks must hold a stock of *unencumbered* high-quality liquid assets to cover the total net cash outflows over a 30-day period under a stress scenario. In order to qualify as a "high-quality liquid asset", assets should be liquid in markets during a time of stress.

General Guidance

All assets must be available for the bank to convert into cash at any time to fill funding gaps between cash inflows and outflows during the stressed period. They should be under the control of the specific function or functions charged with managing the liquidity risk of the bank (typically the treasurer).

The assets must be unencumbered and should not be co-mingled with or used as hedges on trading positions, be designated as collateral or be designated as credit enhancements in structured transactions or be designated to cover operational costs (such as rents and salaries). Further, they should be managed with the clear and sole intent for use as a source of contingent funds. A bank is permitted to hedge the price risks associated with ownership of the stock of liquid assets and still include the assets in the stock. If it chooses to hedge the associated risks, the bank should take into account (in the market value applied to each asset) the cash outflow that would arise if the hedge were to be closed out early (in the event of the asset being sold). A bank is not, however, permitted to include as inflows any cash inflows from hedges associated with the stock of liquid assets.

Client pool securities should not be reported as high-quality liquid assets, regardless of whether the bank holds rehypothecation rights to these assets, unless the bank has received such assets through reverse repo contracts with the client, ie as security for cash loans. In the latter case, the assets can be included if they satisfy all necessary criteria, including those of unencumbrance specified in paragraph 27 of the Basel III liquidity rules text. Further, the bank may not include in its stock of high-quality liquid assets any cash or other assets received from any transaction (such as a repo or collateral swap) backed by client pool collateral, unless the bank has received the securities used to back the transaction through a formal reverse repo transaction or collateral swap with its clients. Similarly, a bank should not recognise cash inflows from deposits placed using segregated client money.

As part of the stock, the liquid assets cannot be counted as cash inflows even if they mature within 30 days (ie no double-counting is allowed).

Definition of unencumbered: These are not pledged by the bank (either explicitly or implicitly) to secure, collateralise or credit-enhance any transaction. However, assets that the bank received as collateral in reverse repo and securities financing transactions can be considered as part of the stock if they are held at the bank, have not been rehypothecated, and are legally and contractually available for the bank's use. In addition, assets that have been pledged to the central bank or a public sector entity (PSE) but are not used may be included in the stock. If the bank has deposited both liquid and non-liquid assets in a collateral pool and no assets are specifically assigned as collateral for the secured transaction, the bank may assume that the assets with the lowest liquidity get assigned first: assets that are not eligible for the stock of liquid assets are assumed to be assigned first, then once those assets have been fully assigned, Level 2 assets are assumed to be assigned next. Only after all Level 2 assets are fully assigned too, Level 1 assets are assumed to be assigned.

Definition of high-quality liquid assets

The stock of high-quality liquid assets should comprise of assets which have acceptance. These High quality assets are described in the attached return.

There are two categories of assets that can be included in the stock. "Level 1" assets can be included without limit, while "Level 2" assets can only comprise up to 40% of the stock.

The calculation of the 40% cap should take into account the amounts held in cash or other Level 1 or Level 2 assets.

Criteria of liquid assets: To qualify as a "high quality liquid asset", assets should be liquid in markets during a time of stress and, ideally, be central bank eligible. Such assets should generally possess the fundamental and market-related characteristics specified in paragraphs 22(a) and (b) of the Basel III liquidity rules text. Securities that can be included in the stock of high-quality liquid assets should meet the following common criteria:

- They should neither be issued by, nor be an obligation of, a financial institution or any of its affiliated entities (except in the case of covered bonds which should not be issued by the bank itself or any of its affiliated entities);
- They should be traded in large, deep and active repo or cash markets characterized by a low level of concentration;
- they should have a proven record as a reliable source of liquidity in the markets (repo or sale) even during stressed market conditions; and
- They should ideally be central bank eligible.

Level 1 assets

The following are the major sources of level 1 assets representing the most liquid assets available to a bank to address on a immediate basis any net cash outflows under stressed condition. These are given a weight of 100%.

- Cash
- Central Bank Reserves
    - Part of central bank reserves that can be drawn in times of stress

- Securities with a zero risk weight:
  - Issued by sovereigns
  - Guaranteed by sovereigns
  - Issued or guaranteed by central banks
  - Issued or guaranteed by non-central government PSEs
  - Issued or guaranteed by BIS, IMF, EC, or MDBs
- For non-0% risk-weighted sovereigns:
  - Sovereign or central bank debt securities issued in domestic currencies by the sovereign or central bank in the country in which the liquidity risk is being taken or in the bank's home country
  - Domestic sovereign or central bank debt securities issued in foreign currencies, to the extent that holding of such debt matches the currency needs of the bank's operations in that jurisdiction
- **Total stock of Level 1 assets**
- Adjustment to stock of Level 1 assets
- **Adjusted amount of Level 1 assets**

Level 2 assets

Level 2 assets can be included in the stock of liquid assets, subject to the requirement that they comprise no more than <u>40% of the overall stock</u> after haircuts have been applied.

The following represent the next best available liquid assets which are given a risk weight of 85%. These are:

- Securities with a 20% risk weight:
  - Issued by sovereigns
  - Guaranteed by sovereigns
  - Issued or guaranteed by central banks
  - Issued or guaranteed by non-central government PSEs
  - Issued or guaranteed by MDBs
- Non-financial corporate bonds, rated AA- or better
- Covered bonds, not self-issued, rated AA- or better
- **Total stock of Level 2 assets**
- Adjustment to stock of Level 2 assets: This adjustment refers to the 40% cap as above.
- Adjusted amount of Level 2 assets: Represent the net of adjustments.
- Total stock of High Quality Liquid Assets: Aggregate of Level 1 and Level 2 assets (A).

B. **Total net cash outflows**

B.1 **<u>Cash Outflows</u>**

General Guidance

The term total 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 or types of liabilities and off-balance sheet commitments by the run of rates for weight ranging from 0% to 100% rates at which they are expected to run off or be drawn down. The specific run off rates are described in the specific SAMA Prudential return in attachment # 2.

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 scenario up to an aggregate cap of 75% of total expected cash outflows. For specific details on such weights refer to the BIS document as reference covering the QIS study.

Specific Guidance

Various categories of run off rates are described in the attachment 2

Major Sources of Outflows

A. Outflow, Liquidity Coverage Ratio

   a) Retail Deposit run off
   b) Total Unsecured wholesale funding run off
   c) Total Secured Wholesale funding run off
   d) Additional run off including derivatives payable, undrawn committed credit facilities to various legal entities, other contractual and contingent funding obligations, and other sources of cash outflow.
   e) Total outflows are on aggregate of a total above.

- It should be noted that each of the above major source of cash outflows have a number of component with each having their own weight. These weight are to be multiplied by the expected cash flow amount. The precise run off rates are described in attachment 2.

B.2 **Cash inflows**

General Guidance

When considering its available cash inflows, a bank should only include contractual inflows from outstanding exposures that are fully performing and for which the bank has no reason to expect a default within the 30-day time horizon.

Banks need to monitor the concentration of expected inflows across wholesale counterparties in the context of their liquidity management in order to ensure that the liquidity position of banks is not overly dependent on the arrival of expected inflows from one or a limited number of wholesale counterparties.

Total expected contractual cash inflows are calculated by multiplying the outstanding balances of various categories of contractual receivables by the or weight reflecting the stability at which they are expected to flow in under a stressed scenario. These range from 0% to 100% and are reflected in the attached returns.

Items must not be double counted – ie if included as part of the "stock of high-quality liquid assets" (section A), the assets cannot also be reported as cash inflows.

When considering its available cash inflows, the bank should only include contractual inflows from outstanding exposures that are fully performing and for which the bank has no reason to expect a default within the 30-day time horizon (Basel III liquidity rules text, paragraph 105). Pre-payments on loans (not due within 30 days) and payments on loans without fixed amortisation dates (such as revolving credit cards) should not be included in the inflows.

Specific Guidance

The main sources of cash inflows are given below and are also described in SAMA's Prudential return concerning inflows relevant to the LCR calculation.

1. Reverse repo and securities borrowing
2. Other inflows by counterparty
3. Other cash inflows

It should be noted that each source of cash inflows has sub-components. Further, each source has a risk weight which must be multiplied with the amount of the expected cash inflow factor or weight. Details on these specific sub-component and their related risk weight is described in the attached Prudential Returns (attachment # 2).

Cap on total inflows: In order to prevent banks from relying solely on anticipated inflows to meet their liquidity requirement, and also to ensure a minimum level of liquid asset holdings, the amount of inflows that can offset outflows is capped at 75% of total expected cash outflows as calculated in the standard. This requires that a bank must maintain a minimum amount of stock of liquid assets equal to 25% of the outflows.

Total net cash outflows over the next 30 calendar days = outflows – Min {inflows; 75% of outflows}

Liquidity Coverage Ratio	=	<u>Stock of High Quality Liquid Assets (A)</u> Net Cash Outflows over the Next 30 days (B1-B2)
= A/B1-B2		

C. Net Stable Funding Ratio

C.1 Overview and Objectives

To promote more medium and long-term funding of the assets and activities of a bank, the Committee has developed the Net Stable Funding Ratio (NSFR). This ratio establishes a minimum acceptable amount of stable funding based on the liquidity characteristics of an institution's assets and activities over a one year horizon. This standard is designed to act as a minimum mechanism to complement the LCR and promote structural changes in the liquidity risk profiles of bank to prevent short-term funding mismatches and move toward more stable, longer-term funding of assets and business activities.

In particular, the NSFR standard is structured to ensure that long term assets are funded with at least a minimum amount of stable liabilities in relation to their liquidity risk profiles. The NSFR aims to limit over-reliance on short-term wholesale funding during times of buoyant market liquidity and encourage better assessment of liquidity risk across all on- and off-balance sheet items. In addition, the NSFR approach offsets incentives for bank to fund their stock of liquid assets with short-term funds that mature just outside the 30-day horizon for that standard.

The basis of the NSFR as given below is that the amount of Available Stable Funding (ASF) is more than the Required Stable Funding (RSF) or is a minimum of 100% over 1 year. In the ASF calculation are the various source of funding represented by capital, deposits and other sources are multiplied by weight representing the availability of stable funds (ASF). These range up to 100%.

C.2 *Definition of the NSFR*

$$\frac{\textbf{Available amount of stable funding (ASF)}}{\textbf{Required amount of stable funding (RSF)}} > 100\%$$

C.3 Available Stable Funding

A. General Notes

Please refer to SAMA's Prudential Return relating to the Net Stable Funding ratio described in attachment # 2.

The available amount of stable funding is calculated by first assigning the **carrying value** (ie **prior to the application of any ASF factors)** to a bank's equity and liabilities.

- Bank should report all equity and liabilities to the appropriate columns based on maturity.
- All sources of funds including Deposits with fixed term should be allocated to the appropriate columns.

B. <u>**Specific Guidance**</u>

a) **Components of Available Stable Funding**

Specific ASF factors are documented in the SAMA's Prudential Return concerning the Net Stable Funding Ratio in attachment 2.

<u>Major Sources of Stable Funding (ASF)</u>

- The total amount of capital, including both Tier 1 and Tier 2 as defined in existing global capital standards issued by the Committee.

- The total amount of any preferred stock not included in Tier 2 that has an effective remaining maturity of one year or greater taking into account any explicit or embedded options that would reduce the expected maturity to less than one year.

- Tier 1 and Tier 2 capital (Basel III 2022)
- "Stable" (as defined in the LCR) demand and/or term deposits from retail and small business customers
- "Less stable" (as defined in the LCR) demand and/or term deposits from retail and small business customers
- Unsecured and/or subordinated debt securities issued
- Unsecured funding from non-financial corporates
- Unsecured funding from sovereigns/central banks/PSEs/MDBs
- Unsecured Funding from other legal entities (including financial corporates and financial institutions)
- Total ASF

All other liabilities and equity categories not included in the above categories.

4.2.2 <u>**Component of Required Stable Funding (RSF)**</u>

<u>**General Guidance**</u>

Specific RSF factors are described in the SAMA's Prudential Return covering the Net Stable Funding Ratio in attachment 2.

The required amount of stable funding is calculated by first assigning the **carrying value** of an institution's assets to the categories below. The amount assigned to each category is to be multiplied by an RSF factor and the total RSF is the sum of the weighted amounts.

Treatment of maturity

- Banks should allocate all assets to the appropriate columns based on their residual maturity.

- Asset maturities should be treated at their residual maturity or amortisation schedules rather than behavioural maturities.

Specific Guidance

Each component given below has a specific RSF factors described in SAMA's Prudential Returns. Major categories of Required Stable Funding (RSF) elements include the following:

- Cash
- Gold
- Short-term unsecured instruments and transactions with outstanding maturities of less than one year, of which are:
  - Encumbered for periods ≥1 year
- Securities eligible for Level 1 of the LCR stock of liquid assets
  - Unencumbered
  - Encumbered
- Securities eligible for Level 2 of the LCR stock of liquid assets
- Equities listed on major exchange, not issued by financial institutions
- Corporate bonds, rated A+ to A-
- Loans to non-financial corporate clients, sovereigns, central banks, PSEs and MDBs having a remaining maturity of less than one year
- Residential mortgages of any maturity that would qualify for the 35% or lower risk weight under the Basel II standardised approach for credit risk
- Other loans, excluding loans to financial insitutions, with a remaining maturity of one year or greater that would qualify for the 35% or lower risk weight under the Basel II standardised approach for credit risk
- Other loans to retail and small business customers having a remaining maturity of less than one year
- Net derivatives receivables
- All other assets not included in the above categories

- Conditionally revocable and irrevocable credit and liquidity facilities

- Other classifications

Attachment # 2

SAMA's Prudential Returns For Monitoring Liquidity Ratios Under the Basel III Framework

- Liquidity Coverage Ratio
- Net Stable Funding Ratio

All Amount in SR 000's

	A	B	C	D	E	F	G	H	I	J
1		LCR								
2		**A) Stock of high quality liquid assets**								
3		**a) Level 1 assets**								
4										
5			Paragraph nr in rules doc	Amount/ market value			Weight	Weighted amount		
6		Cash	40 (a)				1.00			
7		Central bank reserves; of which:								
8		part of central bank reserves that can be drawn in times of stress	40 (b)				1.00			
9		Check: row 8 ≤ row 7								
10		Securities with a zero risk weight:	40 (c)							
11		issued by sovereigns	40 (c)				1.00			
12		guaranteed by sovereigns	40 (c)				1.00			
13		issued or guaranteed by central banks	40 (c)				1.00			
14		issued or guaranteed by non-central government PSEs	40 (c)				1.00			
15		issued or guaranteed by BIS, IMF, EC, or MDBs	40 (c)				1.00			
16		For non-0% risk-weighted sovereigns:								
17		sovereign or central bank debt securities issued in domestic currencies by the sovereign or central bank in the country in which the liquidity risk is being taken or in the bank's home country	40 (d)				1.00			
18		domestic sovereign or central bank debt securities issued in foreign currencies, to the extent that holding of such debt matches the currency needs of the bank's operations in that jurisdiction	40 (e)				1.00			
19		[illegible]	39							
20		Adjustment to stock of Level 1 assets	37							
21		[illegible]	37							
22		**b) Level 2 assets**								
23			Paragraph nr in rules doc	Market value			Weight	Weighted amount		
24		Securities with a 20% risk weight:	42 (a)							
25		issued by sovereigns	42 (a)				0.85			
26		guaranteed by sovereigns	42 (a)				0.85			
27		issued or guaranteed by central banks	42 (a)				0.85			
28		issued or guaranteed by non-central government PSEs	42 (a)				0.85			
29		issued or guaranteed by MDBs	42 (a)				0.85			
30		Non-financial corporate bonds, rated AA- or better	42 (b)				0.85			
31		Covered bonds, not self-issued, rated AA- or better	42 (b)				0.85			
32		**Total stock of Level 2 assets**	**42 (a),(b)**							
33		Adjustment to stock of Level 2 assets	37							
34		Adjusted amount of Level 2 assets	37				0.85			
35		Adjustment to stock of high quality liquid assets due to cap on Level 2 assets	36–37, 41							
36		**c) Total stock of high quality liquid assets**								
37								Weighted amount		
38		**Total stock of high quality liquid assets**								
39										
40			Paragraph nr in rules doc	Market value						
41				Level 1	Level 2					
42		Assets held at the entity level, but excluded from the consolidated stock of high quality liquid assets	30, 193–194							
43		of which, can be included in the consolidated stock by the time the standard is implemented								
44		Check: row 43 ≤ row 42								
45		Assets excluded from the stock of high quality liquid assets due to operational restrictions as per pargaphs 28 and 29 of the rules text	28-29							
46		of which, can be brought back into the qualifying stock by the time the standard is implemented								
47		Check: row 46 ≤ row 45								

All Amount in SR 000's

	A / B	C	D	E	F	G	H	I	J
48	**d) Treatment for jurisdictions with insufficient liquid assets**								
49									
50	**Panel d) to be filled in in your jurisdiction:**	No							
51									
52		Paragraph nr in rules doc	Amount			Weight	Weighted amount		
53	Option 1 – Contractual committed liquidity facilities from the relevant central bank	47				0.00			
54	Option 2 – Foreign currency liquid assets; of which:	48							
55	Level 1 assets					0.00			
56	Level 2 assets					0.00			
57	Option 3 – Additional use of Level 2 assets at a higher haircut	49				0.00			
58	Total usage of alternative treatment (post-haircut) before applying the cap								
59	Cap on usage of alternative treatment								
60	Total usage of alternative treatment (post-haircut) after applying the cap								
61	**e) Total stock of high quality liquid assets plus usage of alternative treatment**								
62									
63	Total stock of high quality liquid assets plus usage of alternative treatment								
64									
65	**B) Net cash outflows**								
66	**1) Cash outflows**								
67	**a) Retail deposit run-off**								
68		Paragraph nr in rules doc	Amount			Weight	Weighted amount		
69	Total retail deposits:								
70	Insured deposits; of which:								
71	in transactional accounts	56, 58				0.05			
72	in non-transactional accounts with established relationships that make deposit withdrawal highly unlikely	56				0.05			
73	in non-transactional and non-relationship accounts	57				0.10			
74	Uninsured deposits	57				0.10			
75	Additional deposit categories with higher run-off rates as specified by supervisor	57							
76	Category 1					0.00			
77	Category 2					0.00			
78	Category 3					0.00			
79	Fixed-term deposits (treated as having >30 day remaining maturity); of which:	62, 64							
80	With a supervisory run-off rate	64				0.00			
81	Without a supervisory run-off rate	62				0.00			
82	**Total retail deposits run-off**								

All Amount in SR 000's

	A	B	C	D	E	F	G	H	I	J
83		**b) Unsecured wholesale funding run-off**								
84			Paragraph nr in rules doc	Amount			Weight	Weighted amount		
85		Total unsecured wholesale funding	65–83							
86		Total funding provided by small business customers; of which:	69–71							
87		Insured deposits; of which:	69							
88		in transactional accounts	69				0.05			
89		in non-transactional accounts with established relationships that make deposit withdrawal highly unlikely	69				0.05			
90		in non-transactional and non-relationship accounts	69				0.10			
91		Uninsured deposits	69				0.10			
92		Additional deposit categories with higher run-off rates as specified by supervisor	69							
93		Category 1					0.00			
94		Category 2					0.00			
95		Category 3					0.00			
96		Fixed-term deposits (treated as having >30 day maturity); of which:	71							
97		With a supervisory run-off rate	71				0.00			
98		Without supervisory run-off rate	71				0.00			
99		Total operational deposits; of which:	72–78							
100		provided by non-financial corporates	72–78							
101		insured	78				0.05			
102		uninsured	72–77				0.25			
103		provided by sovereigns, central banks, PSEs and MDBs	72–77							
104		insured	78				0.05			
105		uninsured	72–77				0.25			
106		provided by banks	72–77				0.25			
107		provided by other financial institutions and other legal entities	72–77				0.25			
108		Total non-operational deposits; of which	79–82							
109		provided by non-financial corporates	81				0.75			
110		provided by sovereigns, central banks, PSEs and MDBs	81				0.75			
111		provided by members of the institutional networks of cooperative (or otherwise named) banks	79				0.25			
112		provided by other banks	82				1.00			
113		provided by other financial institutions and other legal entities	82				1.00			
114		Unsecured debt issuance	83				1.00			
115		Additional balances required to be installed in central bank reserves					1.00			
116		**Total unsecured wholesale funding run-off**								
117										
118		Of the non-operational deposits reported above, amounts that could be considered operational in nature but per the rules text have been excluded due to:								
119		correspondent banking activity	74							
120		Check: row 119 ≤ sum of rows 112 and 113								
121		prime brokerage services	74							
122		Check: row 121 ≤ sum of rows 112 and 113								
123		excess balances in operational accounts that could be withdrawn and would leave enough funds to fulfil operational requirements	72							
124		Check: row 123 ≤ sum of rows 109 to 115								
125		**c) Secured funding run-off**								
126			Paragraph nr in rules doc	Amount received	Market value of extended collateral		Weight	Weighted amount		
127		Transactions backed by Level 1 assets	86–87				0.00			
128		Transactions backed by Level 2 assets	86–87				0.15			
129		Transactions backed by other assets:	86–87							
130		where the counterparties are domestic sovereigns, central banks or 20% risk weight PSEs	86–87				0.25			
131		with other counterparties	86–87				1.00			
132		**Total secured wholesale funding run-off**								

All Amount in SR 000's

	A	B	C	D	E	F	G	H	I	J
133		**d) Additional requirements**								
134			Paragraph nr in rules doc	Amount			Weight	Weighted amount		
135		Net known derivatives payables (=0 if net receivable)	88				1.00			
136		Check: Line 135 = 0 if line 215>0								
137		Increased liquidity needs due to downgrade triggers in derviatives and other financing transactions	89				1.00			
138		Increased liquidity needs related to the potential for valuation changes on posted collateral securing derivative and other transactions:	90							
139		Cash and Level 1 liquid assets					0.00			
140		For other collateral (ie all non-Level 1 collateral)					0.20			
141		Loss of funding on ABS and other structured financing instruments issued by the bank, excluding covered bonds	91				1.00			
142		Loss of funding on ABCP, conduits, SIVs and other such financing activities; of which:	92							
143		debt maturing ≤ 30 days	92				1.00			
144		with embedded options in financing arrangements	92				1.00			
145		other potential loss of such funding	92				1.00			
146		Loss of funding on covered bonds issued by the bank	91				1.00			
147		Undrawn committed credit and liquidity facilities to retail and small business customers	97 (a)				0.05			
148		Undrawn committed credit facilities to								
149		non-financial corporates	97 (b)				0.10			
150		sovereigns, central banks, PSEs and MDBs	97 (b)				0.10			
151		Undrawn committed liquidity facilities to								
152		non-financial corporates	97 (c)				1.00			
153		sovereigns, central banks, PSEs and MDBs	97 (c)				1.00			
154		Undrawn committed credit and liquidity facilities to other legal entities	97 (d)				1.00			
155										
156		**Other contractual obligations to extend funds to:**	Paragraph nr in rules doc	Amount	roll-over of inflows	excess outflows	Weight	Weighted amount		
157		financial institutions	98				1.00			
158		retail clients	99							
159		small business customers	99							
160		non-financial corporates	99							
161		other clients	99							
162		retail, small business customers, non-financials and other clients					1.00			
163		**Total contractual obligations to extend funds in excess of 50% roll-over assumption**								
164										
165								Weighted amount		
166		**Total additional requirements run-off**								
167										
168		**Other contingent funding obligations**	Paragraph nr in rules doc	Amount			Weight	Weighted amount		
169		Unconditionally revocable "uncommitted" credit and liquidity facilities	103				0.00			
170		Guarantees	103				0.00			
171		Letters of credit	103				0.00			
172		Other trade finance instruments	103				0.00			
173		Non-contractual obligations:	103							
174		Debt-buy back requests (incl related conduits)	103				0.00			
175		Structured products	103				0.00			
176		Managed funds	103				0.00			
177		Other non-contractual obligations	103				0.00			
178		Outstanding debt securities with remaining maturity > 30 days	103				0.00			
179		Increased liquidity needs relating to market valuation changes on derivatives or other transactions	103				0.00			
180		Other contractual cash outflows	104				1.00			
181		**Total run-off on other contingent funding obligations**								

All Amount in SR 000's

	A	B	C	D	E	F	G	H	I	J
182		**e) Total cash outflows**								
183										
184		Total cash outflows								
185		**2) Cash inflows**								
186		**a) Reverse repo and securities borrowing**								
187			Paragraph nr in rules doc	Amount extended	Market value of received colllateral		Weight	Weighted amount		
188		Reverse repo and other secured lending or securities borrowing transactions maturing ≤ 30 days	108–109							
189		Of which collateral **is not** re-used (ie is not rehypothecated) to cover the reporting institutions outright short positions in transactions in which the collateral is tied up for > 30 days	108–109							
190		Transactions backed by Level 1 assets	108–109				0.00			
191		Transactions backed by Level 2 assets	108–109				0.15			
192		Transactions backed by other collateral	108–109				1.00			
193		Of which collateral **is re-used** (ie is rehypothecated) in transactions to cover the reporting insitution's outright short positions in which the collateral is tied up for > 30 days	108–109							
194		Transactions backed by Level 1 assets	108–109				0.00			
195		Transactions backed by Level 2 assets	108–109				0.00			
196		Transactions backed by other collateral	108–109				0.00			
197		**Total inflows on reverse repo and securities borrowing transactions**								
198		**b) Other inflows by counterparty**								
199										
200			Paragraph nr in rules doc	Amount			Weight	Weighted amount		
201		Contractual inflows due in ≤ 30 days on fully performing loans:								
202		Retail customers	113				0.50			
203		Small business customers	113				0.50			
204		Non-financial corporates	114				0.50			
205		Financial institutions, of which	114							
206		operational relationship deposits	115				0.00			
207		deposits at the centralised institution of an institutional network that receive 25% run-off	116				0.00			
208		all payments on other loans and deposits due in ≤ 30 days	114				1.00			
209		Other entities	114				0.50			
210		**Total of other inflows by counterparty**								
211		**c) Other cash inflows**								
212										
213			Paragraph nr in rules doc	Amount			Weight	Weighted amount		
214		Other cash inflows								
215		Net known derivatives receivables	117				1.00			
216		Check: row 215 = 0 if row 135>0								
217		Contractual inflows from securities maturing ≤ 30 days, not included anywhere above	114				1.00			
218		Other contractual cash inflows	118				0.00			
219		**Total of other cash inflows**								

All Amount in SR 000's

	A	B	C	D	E	F	G	H	I	J
220		**d) Total cash inflows**								
221										
222			Paragraph nr in rules doc	Amount			Weight	Weighted amount		
223		Total cash inflows before applying the cap	107							
224		Cap on cash inflows	50, 107				0.75			
225		[redacted]								
226										
227		**C) Collateral swaps**								
228										
229			Paragraph nr in rules doc	Market value of collateral lent	Market value of collateral borrowed		Weight outflows	Weighted amount outflows	Weight inflows	Weighted amount inflows
230		Collateral swaps maturing ≤ 30 days:								
231		Of which the borrowed assets **are not** re-used (ie are not rehypothecated) to cover short positions in transactions in which the assets are tied up for > 30 days								
232		Level 1 assets are lent and Level 1 assets are borrowed	36–37, 41, 85, 109				0.00		0.00	
233		Level 1 assets are lent and Level 2 assets are borrowed	36–37, 41, 85, 109						0.15	
234		Level 1 assets are lent and other assets are borrowed	36–37, 41, 85, 109						1.00	
235		Level 2 assets are lent and Level 1 assets are borrowed	36–37, 41, 85, 109				0.15			
236		Level 2 assets are lent and Level 2 assets are borrowed	36–37, 41, 85, 109				0.15		0.15	
237		Level 2 assets are lent and other assets are borrowed	36–37, 41, 85, 109						0.85	
238		Other assets are lent and Level 1 assets are borrowed	36–37, 41, 85, 109				1.00			
239		Other assets are lent and Level 2 assets are borrowed	36–37, 41, 85, 109				0.85			
240		Other assets are lent and other assets are borrowed	36–37, 41, 85, 109				0.00		0.00	
241		Of which the borrowed assets **are re-used** (ie are rehypothecated) in transactions to cover short positions in which the assets are tied up for > 30 days								
242		Level 1 assets are lent and Level 1 assets are borrowed	36–37, 41, 85, 109				0.00		0.00	
243		Level 1 assets are lent and Level 2 assets are borrowed	36–37, 41, 85, 109						0.00	
244		Level 1 assets are lent and other assets are borrowed	36–37, 41, 85, 109						0.00	
245		Level 2 assets are lent and Level 1 assets are borrowed	36–37, 41, 85, 109				0.15			
246		Level 2 assets are lent and Level 2 assets are borrowed	36–37, 41, 85, 109				0.00		0.00	
247		Level 2 assets are lent and other assets are borrowed	36–37, 41, 85, 109						0.00	
248		Other assets are lent and Level 1 assets are borrowed	36–37, 41, 85, 109				1.00			
249		Other assets are lent and Level 2 assets are borrowed	36–37, 41, 85, 109				0.85			
250		Other assets are lent and other assets are borrowed	36–37, 41, 85, 109				0.00		0.00	
251		**Total outflows and total inflows from collateral swaps**								
252										
253		Addition / Reduction		Addition	Reduction					
254		Adjustments to Level 1 assets due to collateral swaps								
255		Adjustments to Level 2 assets due to collateral swaps								
256										
257		**D) LCR**								
258										
259		Total stock of high quality liquid assets plus usage of alternative treatment								
260		Net cash outflows								
261		[redacted]								
262										

All Amount in SR 000's

NSFR

A) Available Stable Funding

	B	C	D	E	F	G	I	J	L	M	N
4		Amount									
5		< 3 months	≥ 3 months to < 6 months	≥ 6 months to < 9 months	≥ 9 months to < 1 year	≥1 year	ASF Factor <1yr	ASF Factor ≥1 year	Calculated ASF <1yr	Calculated ASF ≥1 year	Calculated Total ASF
6	Tier 1 and Tier 2 capital (Basel III 2022)							1.00			
7	Check: row 6 = D44+D45 in the General Info tab										
8	Preferred stock not included above							1.00			
9	"Stable" (as defined in the LCR) demand and/or term deposits from retail and small business customers						0.90	1.00			
10	"Less stable" (as defined in the LCR) demand and/or term deposits from retail and small business customers						0.80	1.00			
11	Unsecured and/or subordinated debt securities issued						0.00	1.00			
12	Unsecured funding from non-financial corporates						0.50	1.00			
13	Of which is an operational deposit as defined in the LCR										
14	Check: row 13 < row 12 for each column										
15	Unsecured funding from sovereigns/central banks/PSEs/MDBs						0.50	1.00			
16	Of which is an operational deposit as defined in the LCR										
17	Check: row 16< row 15 for each column										
18	Unsecured Funding from other legal entities (including financial corporates and financial institutions)						0.00	1.00			
19	Of which is an operational deposit as defined in the LCR										
20	Check: row 19 < row 18 for each column										
21	Statutory minimum deposits from members of an institutional network of cooperative banks						See FN 32	1.00			
22	Secured borrowings and liabilities (including secured term deposits)						0.00	1.00			
23	Net derivatives payables							0.00			
24	All other liabilities and equity categories not included above							0.00			
25									Total ASF		
26											

All Amount in SR 000's

	B	C	D	E	F	G	I	J	L	M	N
27	**B. Required Stable Funding**										
28	**1) On balance sheet items**										
29											
30		Amount					RSF	RSF	Calculated RSF <1yr	Calculated RSF ≥1 year	Calculated Total RSF
31		< 3 months	≥ 3 months to < 6	≥ 6 months to < 9	≥ 9 months to < 1	≥1 year	Factor <1yr	Factor ≥1 year			
32	Cash						0.00				
33	Short-term unsecured instruments and transactions with outstanding maturities of less than one year, of which are:										
34	Unencumbered						0.00				
35	Encumbered										
36	encumbered for periods <3 months						0.00				
37	encumbered for periods ≥ 3 months to <6 months						0.00				
38	encumbered for periods ≥ 6 months to < 9 months						0.00				
39	encumbered for periods ≥ 9 months to <1 year						0.00				
40	encumbered for periods ≥1 year						1.00				
41	Check: sum of rows 36 to 40 for each column should equal the corresponding column in row 35										
42	Securities with stated remaining maturities of less than one year with no embedded options that would increase the expected maturity to one year or greater										
43	Unencumbered						0.00				
44	Encumbered										
45	encumbered for periods <3 months						0.00				
46	encumbered for periods ≥ 3 months to <6 months						0.00				
47	encumbered for periods ≥ 6 months to < 9 months						0.00				
48	encumbered for periods ≥ 9 months to <1 year						0.00				
49	encumbered for periods ≥1 year						1.00				
50	Check: sum of rows 45 to 49 for each column should equal the corresponding column in row 44										
51	Securities held where the institution has an offsetting reverse repurchase transaction when the security on each transaction has the same unique identifier (eg ISIN number or CUSIP)										
52	Unencumbered						0.00	0.00			
53	Encumbered										
54	encumbered for periods <3 months						0.00	0.00			
55	encumbered for periods ≥ 3 months to <6 months						0.00	0.00			
56	encumbered for periods ≥ 6 months to < 9 months						0.00	0.00			
57	encumbered for periods ≥ 9 months to <1 year						0.00	0.00			
58	encumbered for periods ≥1 year						1.00	1.00			
59	Check: sum of rows 54 to 58 for each column should equal the corresponding column in row 53										
60	Loans to financial entities and financial corporates with effective remaining maturities of less than one year that are not renewable and for which the lender has an irrevocable right to call										
61	Unencumbered						0.00				
62	Encumbered										
63	encumbered for periods <3 months						0.00				
64	encumbered for periods ≥ 3 months to <6 months						0.00				
65	encumbered for periods ≥ 6 months to < 9 months						0.00				
66	encumbered for periods ≥ 9 months to <1 year						0.00				
67	encumbered for periods ≥1 year						1.00				
68	Check: sum of rows 63 to 67 for each column should equal the corresponding column in row 62										

All Amount in SR 000's

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
69		Securities eligible for Level 1 of the LCR stock of liquid assets													
70		Unencumbered							0.00	0.05					
71		Encumbered													
72		encumbered for periods <3 months							0.00	0.05					
73		encumbered for periods ≥ 3 months to <6 months							0.00	0.05					
74		encumbered for periods ≥ 6 months to < 9 months							0.00	0.05					
75		encumbered for periods ≥ 9 months to <1 year							0.00	0.05					
76		encumbered for periods ≥1 year							1.00	1.00					
77		Check: sum of rows 72 to 76 for each column should equal the corresponding column in row 71													
78		Securities eligible for Level 2 of the LCR stock of liquid assets													
79		Unencumbered							0.00	0.20					
80		Encumbered													
81		encumbered for periods <3 months							0.00	0.20					
82		encumbered for periods ≥ 3 months to <6 months							0.00	0.20					
83		encumbered for periods ≥ 6 months to < 9 months							0.00	0.20					
84		encumbered for periods ≥ 9 months to <1 year							0.00	0.20					
85		encumbered for periods ≥1 year							1.00	1.00					
86		Check: sum of rows 81 to 85 for each column should equal the corresponding column in row 80													
87		Gold													
88		Unencumbered								0.50					
89		Encumbered													
90		encumbered for periods <3 months								0.50					
91		encumbered for periods ≥ 3 months to <6 months								0.50					
92		encumbered for periods ≥ 6 months to < 9 months								0.50					
93		encumbered for periods ≥ 9 months to <1 year								0.50					
94		encumbered for periods ≥1 year								1.00					
95		Check: sum of rows 90 to 94 for each column should equal the corresponding column in row 89													
96		Equities listed on major exchange, not issued by financial institutions													
97		Unencumbered								0.50					
98		Encumbered													
99		encumbered for periods <3 months								0.50					
100		encumbered for periods ≥ 3 months to <6 months								0.50					
101		encumbered for periods ≥ 6 months to < 9 months								0.50					
102		encumbered for periods ≥ 9 months to <1 year								0.50					
103		encumbered for periods ≥1 year								1.00					
104		Check: sum of rows 99 to 103 for each column should equal the corresponding column in row 98													
105		Corporate bonds, rated A+ to A-													
106		Unencumbered							0.00	0.50					
107		Encumbered													
108		encumbered for periods <3 months							0.00	0.50					
109		encumbered for periods ≥ 3 months to <6 months							0.00	0.50					
110		encumbered for periods ≥ 6 months to < 9 months							0.00	0.50					
111		encumbered for periods ≥ 9 months to <1 year							0.00	0.50					
112		encumbered for periods ≥1 year							1.00	1.00					
113		Check: sum of rows 108 to 112 for each column should equal the corresponding column in row 107													

All Amount in SR 000's

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
114		Covered bonds, not self issued, rated A+ to A-													
115		Unencumbered							0.00	0.50					
116		Encumbered													
117		encumbered for periods <3 months							0.00	0.50					
118		encumbered for periods ≥ 3 months to <6 months							0.00	0.50					
119		encumbered for periods ≥ 6 months to < 9 months							0.00	0.50					
120		encumbered for periods ≥ 9 months to <1 year							0.00	0.50					
121		encumbered for periods ≥1 year							1.00	1.00					
122		Check: sum of rows 117 to 121 for each column should equal the corresponding column in row 116													
123		Loans to non-financial corporate clients, sovereigns, central banks, PSEs and MDBs having a remaining maturity of less than one year													
124		Unencumbered							0.50						
125		Encumbered													
126		encumbered for periods <3 months							0.50						
127		encumbered for periods ≥ 3 months to <6 months							0.50						
128		encumbered for periods ≥ 6 months to < 9 months							0.50						
129		encumbered for periods ≥ 9 months to <1 year							0.50						
130		encumbered for periods ≥1 year							1.00						
131		Check: sum of rows 126 to 130 for each column should equal the corresponding column in row 125													
132		Residential mortgages of any maturity that would qualify for the 35% or lower risk weight under the Basel II standardised approach for credit risk													
133		Unencumbered							0.65	0.65					
134		Encumbered													
135		encumbered for periods <3 months							0.65	0.65					
136		encumbered for periods ≥ 3 months to <6 months							0.65	0.65					
137		encumbered for periods ≥ 6 months to < 9 months							0.65	0.65					
138		encumbered for periods ≥ 9 months to <1 year							0.65	0.65					
139		encumbered for periods ≥1 year							1.00	1.00					
140		Check: sum of rows 135 to 139 for each column should equal the corresponding column in row 134													
141		Other loans, excluding loans to financial insitutions, with a remaining maturity of one year or greater that would qualify for the 35% or lower risk weight under the Basel II standardised approach for credit risk													
142		Unencumbered								0.65					
143		Encumbered													
144		encumbered for periods <3 months								0.65					
145		encumbered for periods ≥ 3 months to <6 months								0.65					
146		encumbered for periods ≥ 6 months to < 9 months								0.65					
147		encumbered for periods ≥ 9 months to <1 year								0.65					
148		encumbered for periods ≥1 year								1.00					
149		Check: sum of rows 144 to 148 for each column should equal the corresponding column in row 143													
150		Other loans to retail and small business customers having a remaining maturity of less than one year													
151		Unencumbered							0.85						
152		Encumbered													
153		encumbered for periods <3 months							0.85						
154		encumbered for periods ≥ 3 months to <6 months							0.85						
155		encumbered for periods ≥ 6 months to < 9 months							0.85						
156		encumbered for periods ≥ 9 months to <1 year							0.85						
157		encumbered for periods ≥1 year							1.00						
158		Check: sum of rows 153 to 157 for each column should equal the corresponding column in row 152													
159		Net derivatives receivables								1.00					
160		Items deducted from Tier 1 and Tier 2 capital under fully implemented Basel III rules								0.00					
161		All other assets not included in the above categories								1.00					

All Amount in SR 000's

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
162		**2. Off Balance Sheet Items**													
163															
164			Amount						RSF Factor					Calculated Total RSF	
165		Conditionally revocable and irrevocable credit and liquidity facilities							0.05						
166		Unconditionally revocable "uncommitted" credit and liquidity facilities							0.00						
167		Guarantees							0.00						
168		Letters of credit							0.00						
169		Other trade finance instruments							0.00						
170		Non-contractual obligations, such as:													
171		Debt-buy back requests (incl related conduits)							0.00						
172		Structured products							0.00						
173		Managed funds							0.00						
174		Other non-contractual obligations							0.00						
175												Total RSF			
176															
177		**C) NSFR**													
178															
179												Net stable funding ratio			
180															