

Saudi Central Bank (SAMA)

Pillar 3 Disclosure Requirements Framework

December 2022

البنك المركزي السعودي
SAMA
Saudi Central Bank



Contents

1. Introduction:	4
2. Scope of application:	5
3. Implementation dates:	5
4. Guiding principles of banks' Pillar 3 disclosures:	5
5. Assurance of Pillar 3 data:	6
6. Reporting location:	7
7. Presentation of the disclosure requirements:	7
8. Frequency and timing of disclosures:	9
9. Retrospective disclosures, disclosure of transitional metrics and reporting periods:	10
10. Proprietary and confidential information:	10
11. Qualitative narrative to accompany the disclosure requirements:	10
12. Overview of risk management, key prudential metrics and RWA:	11
13. Comparison of modelled and standardised RWA:	19
14. Composition of capital and TLAC:	25
15. Capital distribution constraints:	44
16. Links between financial statements and regulatory exposures:	46
17- Asset encumbrance:	53
18. Remuneration:	55
19. Credit risk:	60
20. Counterparty credit risk:	85
21. Securitisation:	95
22. Market Risk:	106
23. Credit valuation adjustment risk:	113
24. Operational risk:	120
25. Interest rate risk in the banking book:	127
26. Macroprudential supervisory measures:	131
27. Leverage ratio:	135
28. Liquidity:	142
29. Worked examples:	151
30. Annexure 1: Frequently asked questions (FAQ):	157
31. Annexure 2: Frequency and timing of disclosures:	165

Glossary

SACAP	SAMA's Final Guidance Document Concerning Implementation of Capital Reforms Under Basel III Framework No.341000015689 date 06/02/1434AH, Section A
SCRE	Calculation of the Minimum Capital Requirements for Credit Risk issued by SAMA as part of its adoption of Basel III post-crisis final reforms.
SCCR	Minimum Capital Requirements for Counterparty Credit Risk (CCR) and Credit Valuation Adjustment (CVA) issued by SAMA as part of its adoption of Basel III post-crisis final reforms.
SMAR	Minimum Capital Requirements for market risk issued by SAMA, as part of its adoption of Basel III post-crisis final reforms.
SOPE	Minimum Capital Requirements for operational risk issued by SAMA as part of its adoption of Basel III post-crisis final reforms.
SLEV	Leverage Ratio Framework issued by SAMA as part of its adoption of Basel III post-crisis final reforms.
SLCR	SAMA's Finalized Guidance and Prudential Returns Concerning Amended Liquidity Coverage Ratio (LCR) – Based on BCBS Amendments of January 2013 No.341000107020 date 1434/09/02AH.
SNSF	Guidance Document Concerning BASEL III: The Net Stable Funding Ratio (NSFR) – Based on BCBS Document of October 2014 No.44967/41 date 1439/10/13AH.

Pillar 3 Disclosure Requirements Framework

1. Introduction:

Basel Committee on Banking Supervision issued a document on Basel III: Finalizing post-crisis reforms in December 2017. Which includes the revised disclosure requirements that aims to enhance transparency by setting the minimum requirements for market disclosures of information on the risk management practices and capital adequacy of banks. This will enable market participants to obtain key information on risk exposures, risk management framework, adequacy of regulatory capital of banks, reduces information asymmetry and helps promote comparability of banks' risk profiles within and across jurisdictions. In addition, banks' Pillar 3 disclosure will also facilitate supervisory monitoring while strengthening incentives for banks to implement robust risk management.

Among the key revisions to the Pillar 3 framework include disclosure requirements related to:

- a) Credit risk, operational risk, the leverage ratio and credit valuation adjustment (CVA) risk;
- b) Risk-weighted assets (RWAs) as calculated by the bank's internal models and according to the standardised approaches;
- c) Disclosures related to the revised market risk framework
- d) Overview of risk management framework, RWAs and key prudential metrics; and
- e) Asset encumbrance; and
- f) Capital distribution constraints

This framework is issued by SAMA in exercise of the authority vested in SAMA under the Central Bank Law issued via Royal Decree No. M/36 dated 11/04/1442H, and the Banking Control Law issued 01/01/1386H.

This framework supersedes all circulars/instructions/rules related to Pillar 3 Disclosure Requirements previously issued by SAMA.

2. Scope of application:

- 2.1 Disclosure requirements are an integral part of the Basel framework. Unless otherwise stated, the Tables and Templates are applicable to all domestic banks both on a consolidated basis, which include all branches and subsidiaries, and on a standalone basis.
- 2.2 This framework is not applicable to Foreign Banks Branches operating in the kingdom of Saudi Arabia.
- 2.3 Banks must assess the applicability of the disclosure requirements based on their specific compliance obligations.

3. Implementation dates:

- 3.1 Disclosure requirements will be effective on 01 January 2023.
- 3.2 Disclosure requirements are applicable for Pillar 3 reports related to fiscal periods that include or come after the specific calendar implementation date which means that the first set of templates/tables will cover data as at March 31, 2023.

4. Guiding principles of banks' Pillar 3 disclosures:

- 4.1 Banks should ensure compliance with the following guiding principles which aim to provide a firm foundation for achieving transparent, high-quality Pillar 3 risk disclosures that will enable users to better understand and compare a bank's business and its risks:

Principle 1: Disclosures should be clear

- 4.2 Disclosures should be presented in a form that is understandable to key stakeholders (eg investors, analysts, financial customers and others) and communicated through an accessible medium. Important messages should be highlighted and easy to find. Complex issues should be explained in simple language with important terms defined. Related risk information should be presented together.

Principle 2: Disclosures should be comprehensive

- 4.3 Disclosures should describe a bank's main activities and all significant risks, supported by relevant underlying data and information. Significant changes in risk exposures between reporting periods should be described, together with the appropriate response by management.
- 4.4 Disclosures should provide sufficient information in both qualitative and quantitative terms on a bank's processes and procedures for identifying, measuring

and managing those risks. The level of detail of such disclosure should be proportionate to a bank's complexity.

- 4.5 Approaches to disclosure should be sufficiently flexible to reflect how senior management and the board of directors internally assess and manage risks and strategy, helping users to better understand a bank's risk tolerance/appetite.

Principle 3: Disclosures should be meaningful to users

- 4.6 Disclosures should highlight a bank's most significant current and emerging risks and how those risks are managed, including information that is likely to receive market attention. Where meaningful, linkages must be provided to line items on the balance sheet or the income statement. Disclosures that do not add value to users' understanding or do not communicate useful information should be avoided. Furthermore, information which is no longer meaningful or relevant to users should be removed.

Principle 4: Disclosures should be consistent over time

- 4.7 Disclosures should be consistent over time to enable key stakeholders to identify trends in a bank's risk profile across all significant aspects of its business. Additions, deletions and other important changes in disclosures from previous reports, including those arising from a bank's specific, regulatory or market developments, should be highlighted and explained.

Principle 5: Disclosures should be comparable across banks

- 4.8 The level of detail and the format of presentation of disclosures should enable key stakeholders to perform meaningful comparisons of business activities, prudential metrics, risks and risk management between banks and across jurisdictions.

5. Assurance of Pillar 3 data:

- 5.1 Banks must establish a formal board-approved disclosure policy for Pillar 3 information that sets out the internal controls and procedures for disclosure of such information. The key elements of this policy should be described in the year-end Pillar 3 report or cross-referenced to another location where they are available.
- 5.2 The board of directors and senior management are responsible for establishing and maintaining an effective internal control structure over the disclosure of financial information, including Pillar 3 disclosures. They must also ensure that appropriate review of the disclosures takes place. The information provided by banks under Pillar 3 must be subject, at a minimum, to the same level of internal review and internal control processes as the information provided by banks for their financial

reporting (i.e. the level of assurance must be the same as for information provided within the management discussion and analysis part of the financial report).

- 5.3 One or more senior officers of a bank must attest in writing that all Pillar 3 disclosures have been prepared in accordance with the board-agreed internal control processes.

6. Reporting location:

- 6.1 Banks must publish their Pillar 3 report in a standalone document that provides a readily accessible source of prudential measures for users. The Pillar 3 report may be appended to, or form a discrete section of, a bank's financial reporting, but it must be easily identifiable to users. Signposting of disclosure requirements is permitted in certain circumstances, as set out in section 7.2. Banks must also make available on their websites an archive for 10 years retention period of Pillar 3 reports (quarterly, semi-annual and annual) relating to prior reporting periods.
- 6.2 Banks are required to submit a copy of the disclosures to SAMA via the following email address: BankingDataSection@SAMA.GOV.SA

7. Presentation of the disclosure requirements:

7.1 Templates and tables:

- 7.1.1 The disclosure requirements are presented either in the form of templates or tables. Templates must be completed with quantitative data in accordance with the definitions provided. Tables generally relate to qualitative requirements, but quantitative information is also required in some instances. Banks may choose the format they prefer when presenting the information requested in tables.
- 7.1.2 In line with Principle 3 in section 4.6, the information provided in the templates and tables should be meaningful to users. The disclosure requirements in this document that necessitate an assessment from banks are specifically identified. When preparing these individual tables and templates, banks will need to consider carefully how widely the disclosure requirement should apply. If a bank considers that the information requested in a template or table would not be meaningful to users, for example because the exposures and risk-weighted asset (RWA) amounts are deemed immaterial, it may choose not to disclose part or all of the information requested. In such circumstances, however, the bank will be required to explain in a narrative commentary why it considers such information not to be meaningful to users. It should describe the portfolios

excluded from the disclosure requirement and the aggregate total RWA those portfolios represent.

7.1.3 For templates, the format is designated as either fixed or flexible:

- a) Where the format of a template is described as fixed, banks must complete the fields in accordance with the instructions given. If a row/column is not considered to be relevant to a bank's activities or the required information would not be meaningful to users (eg immaterial from a quantitative perspective), the bank may delete the specific row/column from the template, but the numbering of the subsequent rows and columns must not be altered. Banks may add extra rows and extra columns to fixed format templates if they wish to provide additional detail to a disclosure requirement by adding sub-rows or columns, but the numbering of prescribed rows and columns in the template must not be altered.
- b) Where the format of a template is described as flexible, banks may present the required information either in the format provided in this document or in one that better suits the bank. The format for the presentation of qualitative information in tables is not prescribed. Notwithstanding, banks should comply with the restrictions in presentation, should such restrictions be prescribed in the template (eg Template CCR5 in section 20). In addition, when a customised presentation of the information is used, the bank must provide information comparable with that required in the disclosure requirement (ie at a similar level of granularity as if the template/table were completed as presented in this document).

7.2 Signposting:

7.2.1 Banks may disclose in a document separate from their Pillar 3 report (eg in a bank's annual report or through published regulatory reporting) the templates/tables with a flexible format, and the fixed format templates where the criteria in section 7.2.2 are met. In such circumstances, the bank must signpost clearly in its Pillar 3 report where the disclosure requirements have been published. This signposting in the Pillar 3 report must include:

- a) The title and number of the disclosure requirement;
- b) The full name of the separate document in which the disclosure requirement has been published;
- c) A web link, where relevant; and

d) The page and paragraph number of the separate document where the disclosure requirements can be located.

7.2.2 The disclosure requirements for templates with a fixed format may be disclosed by banks in a separate document other than the Pillar 3 report, provided all of the following criteria are met:

- a) The information contained in the signposted document is equivalent in terms of presentation and content to that required in the fixed template and allows users to make meaningful comparison with information provided by banks disclosing the fixed format templates;
- b) The information contained in the signposted document is based on the same scope of consolidation as the one used in the disclosure requirement;
- c) The disclosure in the signposted document is mandatory; and
- d) SAMA is responsible for ensuring the implementation of the Basel standards is subject to legal constraints in its ability to require the reporting of duplicative information.

7.2.3 Banks can only make use of signposting to another document if the level of assurance on the reliability of data in the separate document are equivalent to, or greater than, the internal assurance level required for the Pillar 3 report (see sections on reporting location and assurance above).

8. Frequency and timing of disclosures:

8.1 The frequencies of disclosure as indicated in the disclosure templates and tables vary between quarterly, semiannual and annual reporting depending upon the nature of the specific disclosure requirement. **Annexure 2 summarizes the frequency and timing of disclosures for each table.**

8.2 **A bank's Pillar 3 report must be published concurrently with its financial report for the corresponding period.** If a Pillar 3 disclosure is required to be published for a period when a bank does not produce any financial report (eg semiannual), disclosures must be published as soon as practicable and the time lag must be no longer than the maximum period of 30 days for quarterly disclosures and 60 days for semiannually and annually disclosures from its regular financial reporting period-ends.

9. Retrospective disclosures, disclosure of transitional metrics and reporting periods:

- 9.1 In templates which require the disclosure of data points for current and previous reporting periods, the disclosure of the data point for the previous period is not required when a metric for a new standard is reported for the first time unless this is explicitly stated in the disclosure requirement.
- 9.2 Unless otherwise specified in the disclosure templates, when a bank is under a transitional regime permitted by the standards, the transitional data should be reported unless the bank already complies with the fully loaded requirements. Banks should clearly state whether the figures disclosed are computed on a transitional or fully-loaded basis. Where applicable, banks under a transitional regime may separately disclose fully-loaded figures in addition to transitional metrics.
- 9.3 Unless otherwise specified in the disclosure templates, the data required for annual, semiannual and quarterly disclosures should be for the corresponding 12-month, six-month and three-month period, respectively.

10. Proprietary and confidential information:

- 10.1 In exceptional cases, where disclosure of certain items required by Pillar 3 may reveal the position of a bank or contravene its legal obligations by making public information that is proprietary or confidential in nature, a bank does not need to disclose those specific items, but must disclose more general information about the subject matter of the requirement instead. It must also explain in the narrative commentary to the disclosure requirement the fact that the specific items of information have not been disclosed and the reasons for this.

11. Qualitative narrative to accompany the disclosure requirements:

- 11.1 Banks should supplement the quantitative information provided in both fixed and flexible templates with a narrative commentary to explain at least any significant changes between reporting periods and any other issues that management considers to be of interest to market participants. The form taken by this additional narrative is at the bank's discretion.
- 11.2 Additional voluntary risk disclosures allow banks to present information relevant to their business model that may not be adequately captured by the standardised requirements. Additional quantitative information that banks choose to disclose must provide sufficient meaningful information to enable market participants to understand and analyse any figures provided. It must also be accompanied by a qualitative discussion. Any additional disclosure must comply with the five guiding principles above.

12. Overview of risk management, key prudential metrics and RWA:

12.1 The disclosure requirements under this section are:

12.1.1 Template KM1 – Key metrics (at consolidated level)

12.1.2 Template KM2 – Key metrics – total loss-absorbing capacity (TLAC) requirements (at resolution group level)

12.1.3 Table OVA – Bank risk management approach

12.1.4 Template OV1 – Overview of risk-weighted assets (RWA)

12.2 The disclosure requirements related to TLAC are not required to be completed by banks unless otherwise specified by SAMA.

12.3 Template KM1 provides users of Pillar 3 data with a time series set of key prudential metrics covering a bank’s available capital (including buffer requirements and ratios), its RWA, leverage ratio, Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR). As set out in circular No.391000029731 dated 15/03/1439 AH, banks are required to publicly disclose whether they are applying a transitional arrangement for the impact of expected credit loss accounting on regulatory capital. If a transitional arrangement is applied, Template KM1 will provide users with information on the impact on the bank’s regulatory capital and leverage ratios compared to the bank’s “fully loaded” capital and leverage ratios had the transitional arrangement not been applied.

12.4 Template KM2 requires global systemically important banks (G-SIBs) to disclose key metrics on TLAC. Template KM2 becomes effective from the TLAC conformance date.

12.5 Table OVA provides information on a bank’s strategy and how senior management and the board of directors assess and manage risks.

12.6 Template OV1 provides an overview of total RWA forming the denominator of the risk-based capital requirements.

Template KM1: Key metrics (at consolidated group level)

Purpose: To provide an overview of a bank's prudential regulatory metrics.

Scope of application: The template is mandatory for all banks.

Content: Key prudential metrics related to risk-based capital ratios, leverage ratio and liquidity standards. Banks are required to disclose each metric's value using the corresponding standard's specifications for the reporting period-end (designated by T in the template below) as well as the four previous quarter-end figures (T-1 to T-4). All metrics are intended to reflect actual bank values for (T), with the exception of "fully loaded expected credit losses (ECL)" metrics, the leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) and metrics designated as "pre-floor" which may not reflect actual values.

Frequency: Quarterly.

Format: Fixed. If banks wish to add rows to provide additional regulatory or financial metrics, they must provide definitions for these metrics and a full explanation of how the metrics are calculated (including the scope of consolidation and the regulatory capital used if relevant). The additional metrics must not replace the metrics in this disclosure requirement.

Accompanying narrative: Banks are expected to supplement the template with a narrative commentary to explain any significant change in each metric's value compared with previous quarters, including the key drivers of such changes (eg whether the changes are due to changes in the regulatory framework, group structure or business model).

Banks that apply transitional arrangement for ECL are expected to supplement the template with the key elements of the transition they use.

		a	b	c	d	e
		T	T-1	T-2	2-3	T-4
Available capital (amounts)						
1	Common Equity Tier 1 (CET1)					
1a	Fully loaded ECL accounting model					
2	Tier 1					
2a	Fully loaded ECL accounting model Tier 1					
3	Total capital					
3a	Fully loaded ECL accounting model total capital					
Risk-weighted assets (amounts)						
4	Total risk-weighted assets (RWA)					
4a	Total risk-weighted assets (pre-floor)					
Risk-based capital ratios as a percentage of RWA						
5	CET1 ratio (%)					
5a	Fully loaded ECL accounting model CET1 (%)					
5b	CET1 ratio (%) (pre-floor ratio)					
6	Tier 1 ratio (%)					
6a	Fully loaded ECL accounting model Tier 1 ratio (%)					
6b	Tier 1 ratio (%) (pre-floor ratio)					
7	Total capital ratio (%)					
7a	Fully loaded ECL accounting model total capital ratio (%)					
7b	Total capital ratio (%) (pre-floor ratio)					
Additional CET1 buffer requirements as a percentage of RWA						
8	Capital conservation buffer requirement (2.5% from 2019) (%)					
9	Countercyclical buffer requirement (%)					
10	Bank G-SIB and/or D-SIB additional requirements (%)					
11	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9 + row 10)					
12	CET1 available after meeting the bank's minimum capital requirements (%)					
Basel III leverage ratio						
13	Total Basel III leverage ratio exposure measure					
14	Basel III leverage ratio (%) (including the impact of any applicable temporary exemption of central bank reserves)					
14a	Fully loaded ECL accounting model Basel III leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) (%)					
14b	Basel III leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves)					
14c	Basel III leverage ratio (%) (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values for SFT assets					
14d	Basel III leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values for SFT assets					
Liquidity Coverage Ratio (LCR)						
15	Total high-quality liquid assets (HQLA)					
16	Total net cash outflow					
17	LCR ratio (%)					
Net Stable Funding Ratio (NSFR)						
18	Total available stable funding					
19	Total required stable funding					
20	NSFR ratio					

Instructions

Row Number	Explanation
4a	For pre-floor total RWA, the disclosed amount should exclude any adjustment made to total RWA from the application of the capital floor.
5a, 6a, 7a, 14a	For fully loaded ECL ratios (%) in rows 5a, 6a, 7a and 14a, the denominator (RWA, Basel III leverage ratio exposure measure) is also "Fully loaded ECL", ie as if ECL transitional arrangements were not applied.
5b, 6b, 7b	For pre-floor risk based ratios in rows 5b, 6b and 7b, the disclosed ratios should exclude the impact of the capital floor in the calculation of RWA.
12	CET1 available after meeting the bank's minimum capital requirements (as a percentage of RWA): it may not necessarily be the difference between row 5 and the Basel III minimum CET1 requirement of 4.5% because CET1 capital may be used to meet the bank's Tier 1 and/or total capital ratio requirements. See instructions to [CC1:68/a].
13	Total Basel III leverage ratio exposure measure: The amounts may reflect period-end values or averages depending on local implementation.
15	Total HQLA: total adjusted value using simple averages of daily observations over the previous quarter (ie the average calculated over a period of, typically, 90 days).
16	Total net cash outflow: total adjusted value using simple averages of daily observations over the previous quarter (ie the average calculated over a period of, typically, 90 days).

Linkages across templates

Amount in [KM1:1/a] is equal to [CC1:29/a]
Amount in [KM1:2/a] is equal to [CC1:45/a]
Amount in [KM1:3/a] is equal to [CC1:59/a]
Amount in [KM1:4/a] is equal to [CC1:60/a] and is equal to [OV1.29/a]
Amount in [KM1:4a/a] is equal to ([OV1.29/a] – [[OV1.28/a])
Amount in [KM1:5/a] is equal to [CC1:61/a]
Amount in [KM1:6/a] is equal to [CC1:62/a]
Amount in [KM1:7/a] is equal to [CC1:63/a]
Amount in [KM1:8/a] is equal to [CC1:65/a]
Amount in [KM1:9/a] is equal to [CC1:66/a]
Amount in [KM1:10/a] is equal to [CC1:67/a]
Amount in [KM1:12/a] is equal to [CC1:68/a]
Amount in [KM1:13/a] is equal to [LR2:24/a] (only if the same calculation basis is used)
Amount in [KM1:14/a] is equal to [LR2:25/a] (only if the same calculation basis is used)
Amount in [KM1:14b/a] is equal to [LR2:25a/a] (only if the same calculation basis is used)
Amount in [KM1:14c/a] is equal to [LR2:31/a]
Amount in [KM1:14d/a] is equal to [LR2:31a/a]
Amount in [KM1:15/a] is equal to [LIQ1:21/b]
Amount in [KM1:16/a] is equal to [LIQ1:22/b]
Amount in [KM1:17/a] is equal to [LIQ1:23/b]
Amount in [KM1:18/a] is equal to [LIQ2:14/e]
Amount in [KM1:19/a] is equal to [LIQ2:33/e]
Amount in [KM1:20/a] is equal to [LIQ2:34/e]

Template KM2: Key metrics - TLAC requirements (at resolution group level)

Purpose: Provide summary information about total loss-absorbing capacity (TLAC) available, and TLAC requirements applied, at resolution group level under the single point of entry and multiple point of entry (MPE) approaches.

Scope of application: The template is mandatory for all resolution groups of G-SIBs.

Content: Key prudential metrics related to TLAC. Banks are required to disclose the figure as of the end of the reporting period (designated by T in the template below) as well as the previous four quarter-ends (designated by T-1 to T-4 in the template below). When the banking group includes more than one resolution group (MPE approach), this template is to be reproduced for each resolution group.

Frequency: Quarterly.

Format: Fixed.

Accompanying narrative: Banks are expected to supplement the template with a narrative commentary to explain any significant change over the reporting period and the key drivers of such changes.

	a	b	c	d	e
	T	T-1	T-2	T-3	T-4
Resolution group 1					
1	Total Loss Absorbing Capacity (TLAC) available				
1a	Fully loaded ECL accounting model TLAC available				
2	Total RWA at the level of the resolution group				
3	TLAC as a percentage of RWA (row1/row2) (%)				
3a	Fully loaded ECL accounting model TLAC as a percentage of fully loaded ECL accounting model RWA (%)				
4	Leverage exposure measure at the level of the resolution group				
5	TLAC as a percentage of leverage exposure measure (row1/row4) (%)				
5a	Fully loaded ECL accounting model TLAC as a percentage of fully loaded ECL accounting model leverage ratio exposure measure (%)				
6a	Does the subordination exemption in the antepenultimate paragraph of Section 11 of the FSB TLAC Term Sheet apply?				
6b	Does the subordination exemption in the penultimate paragraph of Section 11 of the FSB TLAC Term Sheet apply?				
6c	If the capped subordination exemption applies, the amount of funding issued that ranks pari passu with Excluded Liabilities and that is recognised as external TLAC, divided by funding issued that ranks pari passu with Excluded Liabilities and that would be recognised as external TLAC if no cap was applied (%)				

Linkages across templates

Amount in [KM2:1/a] is equal to [resolution group-level TLAC1:22/a]

Amount in [KM2:2/a] is equal to [resolution group-level TLAC1:23/a]

Aggregate amounts in [KM2:2/a] across all resolution groups will not necessarily equal or directly correspond to amount in [KM1:4/a]

Amount in [KM2:3/a] is equal to [resolution group-level TLAC1:25/a]

Amount in [KM2:4/a] is equal to [resolution group-level TLAC1:24/a]

Amount in [KM2:5/a] is equal to [resolution group-level TLAC1:26/a]

[KM2:6a/a] refers to the uncapped exemption in Section 11 of the FSB TLAC Term Sheet in which all liabilities excluded from TLAC specified in Section 10 are statutorily excluded from the scope of the bail-in tool and therefore cannot legally be written down or converted to equity in a bail-in resolution. Possible answers for [KM2:6a/a]: [Yes], [No].

[KM2:6b/a] refers to the capped exemption in Section 11 of the FSB TLAC Term Sheet where SAMA may, under exceptional circumstances specified in the applicable resolution law, exclude or partially exclude from bail-in all of the liabilities excluded from TLAC specified in Section 10, and where the relevant authorities have permitted liabilities that would otherwise be eligible to count as external TLAC but which rank alongside those excluded liabilities in the insolvency creditor hierarchy to contribute a quantum equivalent of up to 2.5% RWA (from 2019) or 3.5% RWA (from 2022). Possible answers for [KM2:6b/a]: [Yes], [No].

Amount in [KM2:6c/a] is equal to [resolution group-level TLAC1:14 divided by TLAC1:13]. This only needs to be completed if the answer to [KM2:6b] is [Yes].

Table OVA: Bank risk management approach

Purpose: Description of the bank's strategy and how senior management and the board of directors assess and manage risks, enabling users to gain a clear understanding of the bank's risk tolerance/appetite in relation to its main activities and all significant risks.

Scope of application: The template is mandatory for all banks.

Content: Qualitative information.

Frequency: Annual

Format: Flexible

Banks must describe their risk management objectives and policies, in particular:

- (a) How the business model determines and interacts with the overall risk profile (eg the key risks related to the business model and how each of these risks is reflected and described in the risk disclosures) and how the risk profile of the bank interacts with the risk tolerance approved by the board.
The risk governance structure: responsibilities attributed throughout the bank (eg oversight and delegation of authority; breakdown of responsibilities by type of risk, business unit etc); relationships between the structures involved in risk management processes (eg board of directors, executive management, separate risk committee, risk management structure, compliance function, internal audit function).
- (b) Channels to communicate, decline and enforce the risk culture within the bank (eg code of conduct; manuals containing operating limits or procedures to treat violations or breaches of risk thresholds; procedures to raise and share risk issues between business lines and risk functions).
- (c) The scope and main features of risk measurement systems.
- (d) Description of the process of risk information reporting provided to the board and senior management, in particular the scope and main content of reporting on risk exposure.
- (e) Qualitative information on stress testing (eg portfolios subject to stress testing, scenarios adopted and methodologies used, and use of stress testing in risk management).
- (f) The strategies and processes to manage, hedge and mitigate risks that arise from the bank's business model and the processes for monitoring the continuing effectiveness of hedges and mitigants.
- (g)

Template OV1: Overview of RWA

Purpose: To provide an overview of total RWA forming the denominator of the risk-based capital requirements. Further breakdowns of RWA are presented in subsequent parts.

Scope of application: The template is mandatory for all banks.

Content: RWA and capital requirements under Pillar 1. Pillar 2 requirements should not be included.

Frequency: Quarterly.

Format: Fixed.

Accompanying narrative: Banks are expected to identify and explain the drivers behind differences in reporting periods T and T-1 where these differences are significant.

When minimum capital requirements in column (c) do not correspond to 8% of RWA in column (a), banks must explain the adjustments made. If the bank uses the internal model method (IMM) for its equity exposures under the market-based approach, it must provide annually a description of the main characteristics of its internal model.

		a	b	c
		RWA		Minimum capital requirements
		T	T-1	T
1	Credit risk (excluding counterparty credit risk)			
2	Of which: standardised approach (SA)			
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)			
7	Of which: standardised approach for counterparty credit risk			
8	Of which: IMM			
9	Of which: other CCR			
10	Credit valuation adjustment (CVA)			
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			
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			
21	Of which: standardised approach (SA)			
22	Of which: internal model approach (IMA)			
23	Capital charge for switch between trading book and banking book			
24	Operational risk			
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)			

Definitions and instructions

RWA: risk-weighted assets according to the Basel framework and as reported in accordance with the subsequent parts of this standard. Where the regulatory framework does not refer to RWA but directly to capital charges (eg for market risk and operational risk), banks should indicate the derived RWA number (ie by multiplying capital charge by 12.5).

RWA (T-1): risk-weighted assets as reported in the previous Pillar 3 report (ie at the end of the previous quarter).

Minimum capital requirement T: Pillar 1 capital requirements at the reporting date. This will normally be $RWA * 8\%$ but may differ if a floor is applicable or adjustments (such as scaling factors) are applied at jurisdiction level.

Row number	Explanation
1	Credit risk (excluding counterparty credit risk): RWA and capital requirements according to the credit risk standard of the Basel framework (SCRE), with the exceptions of RWA and capital requirements related to: (i) counterparty credit risk (reported in row 6); (ii) equity positions (reported in row 11 to 14); (iii) settlement risk (reported in row 15); (iv) securitisation positions subject to the securitisation regulatory framework, including securitisation exposures in the banking book (reported in row 16); and (v) amounts below the thresholds for deduction (reported in row 25).
2	Of which: standardised approach: RWA and capital requirements according to the standardised approach to credit risk (as specified in SCRE5 to SCRE9).
3 and 5	Of which: (foundation/advanced) internal rating based approaches: RWA and capital requirements according to the F-IRB approach and/or A-IRB approach (as specified in SCRE10 to SCRE16 with the exception of SCRE13).
4	Of which: supervisory slotting approach: RWA and capital requirements according to the supervisory slotting approach (as specified in SCRE13).
6 to 9	Counterparty credit risk: RWA and capital charges according to the counterparty credit risk chapters of the Basel framework (SCCR3 to SCCR10).
10	Credit valuation adjustment: RWA and capital charge requirements according to SCCR11.
11	Equity positions under the simple risk weight approach and internal models method: the amounts in row 11 correspond to RWA where the bank applies the simple risk weight approach or the internal model method, which remain available during the five-year linear phase-in arrangement as specified in SCRE17.2. Equity positions under the PD/LGD approach during the five-year linear phase-in arrangement should be reported in row 3. Where the regulatory treatment of equities is in accordance with the standardised approach, the corresponding RWA are reported in Template CR4 and included in row 2 of this template.
12	Equity investments in funds - look-through approach: RWA and capital requirements calculated in accordance with SCRE24.
13	Equity investments in funds - mandate-based approach: RWA and capital requirements calculated in accordance with SCRE24.
14	Equity investments in funds - fall-back approach: RWA and capital requirements calculated in accordance with SCRE24.
15	Settlement risk: the amounts correspond to the requirements in SCRE25.
16 to 19	Securitisation exposures in banking book: the amounts correspond to capital requirements applicable to the securitisation exposures in the banking book. The RWA amounts must be derived from the capital requirements (which include the impact of the cap in accordance with SCRE18.50 to SCRE18.55, and do not systematically correspond to the RWA reported in Templates SEC3 and SEC4, which are before application of the cap).
20	Market risk: the amounts reported in row 20 correspond to the RWA and capital requirements in the market risk standard (MAR), with the exception of amounts that relate to CVA risk (as specified in SCCR11 and reported in row 10). They also include capital charges for securitisation positions booked in the trading book but exclude the counterparty credit risk capital charges (reported in row 6 of this template). The RWA for market risk correspond to the capital charge times 12.5.
21	Of which: standardised approach: RWA and capital requirements according to the market risk standardised approach, including capital requirements for securitisation positions booked in the trading book.
22	Of which: Internal Models Approach: RWA and capital requirements according to the market risk IMA.
23	Capital charge for switch between trading book and banking book: outstanding accumulated capital surcharge imposed on the bank in accordance with Basel Framework "Risk-based capital requirements" (Boundary between the banking book and trading book) 25.14 and 25.15, when the total capital charge (across banking book and trading book) of a bank is reduced as a result of the instruments being switched between the trading book and the banking book at the bank's discretion and after their original designation. The outstanding accumulated capital surcharge takes into account any adjustment due to run-off as the positions mature or expire, in a manner agreed with SAMA.
24	Operational risk: the amounts corresponding to the minimum capital requirements for operational risk as specified in the operational risk standard (SOPE).
25	Amounts below the thresholds for deduction (subject to 250% risk weight): the amounts correspond to items subject to a 250% risk weight according to SACAP4.4. They include significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation and below the threshold for deduction, after application of the 250% risk weight.
26	Output floor applied: the output floor (expressed as a percentage) applied by the bank in its computation of the floor adjustment value in rows 27 and 28.
27	Floor adjustment (before the application of transitional cap): the impact of the output floor before the application of the transitional cap, based on the output floor applied in row 26, in terms of the increase in RWA.
28	Floor adjustment (after the application of transitional cap): the impact of the output floor after the application of the transitional cap, based on the output floor applied in row 26, in terms of the increase in RWA. The figure disclosed in this row takes into account the transitional cap (if any) applied by SAMA, which will limit the increase in RWA to 25% of the bank's RWA before the application of the output floor.
29	The bank's total RWA.

Linkages across templates

Amount in [OV1:2/a] is equal to [CR4:12/e]

Amount in [OV1:3/a] and [OV1:5/a] is equal to the sum of [CR6: Total (all portfolios)/i]

Amount in [OV1:6/a] is equal to the sum of [CCR1:6/f+CCR8:1/b+CCR8:11/b]

Amount in [OV1:16/c] is equal to the sum of [SEC3:1/n + SEC3:1/o + SEC3:1/p + SEC3:1/q] + [SEC4:1/n + SEC4:1/o + SEC4:1/p + SEC4:1/q]

Amount in [OV1:21/c] is equal to [MR1:12/a]

Amount in [OV1:22/c] is equal to [MR2:12]

13. Comparison of modelled and standardised RWA:

13.1 This chapter covers disclosures on RWA calculated according to the full standardised approach as compared to the actual RWA at the risk level, and for credit risk at asset class and sub-asset class levels. **The disclosure requirements related in this section are not required to be completed by banks unless SAMA approve the bank to use the IRB and/or IMA approach.**

13.2 The disclosure requirements under this section are:

13.2.1 Template CMS1 – Comparison of modelled and standardised RWA at risk level

13.2.2 Template CMS2 – Comparison of modelled and standardised RWA for credit risk at asset class level

13.3 Template CMS1 provides the disclosure of RWA calculated according to the full standardised approach as compared to actual RWA at risk level. Template CMS2 further elaborates on the comparison between RWA computed under the standardised and the internally modelled approaches by focusing on RWA for credit risk at asset class and sub-asset class levels.

Template CMS1 – Comparison of modelled and standardised RWA at risk level

Purpose: To compare full standardised risk-weighted assets (RWA) against modelled RWA for banks which have received SAMA’s approval to use internal models in accordance with the Basel framework. The disclosure also provides the full standardised RWA amount that is the base of the output floor as defined in Basel Framework “Risk-based capital requirements” (calculation of minimum risk-based capital requirements) as specified in the Output floor to be issued by SAMA.

Scope of application: The template is mandatory for all banks using internal models.

Content: RWA.

Frequency: Quarterly.

Format: Fixed.

Accompanying narrative: Banks are expected to explain the main drivers of difference (eg asset class or sub-asset class of a particular risk category, key assumptions underlying parameter estimations, national implementation differences) between the internally modelled RWA disclosed that are used to calculate their capital ratios and RWA disclosed under the full standardised approach that would be used should the banks not be allowed to use internal models. Explanation should be specific and, where appropriate, might be supplemented with quantitative information. In particular, if the RWA for securitisation exposures in the banking book are a main driver of the difference, banks are expected to explain the extent to which they are using each of the three potential approaches (SEC-ERBA, SEC-SA and 1,250% risk weight) for calculating SA RWA for securitisation exposures.

		a	b	c	d
		RWA			
		RWA for modelled approaches banks which have received SAMA approval to use internal model	RWA for portfolios where standardised approaches are used	Total Actual RWA (a + b) (ie RWA which banks report as current requirements)	RWA calculated using full standardised approach (ie RWA used in capital floor computation)
1	Credit risk (excluding counterparty credit risk)				
2	Counterparty credit risk				
3	Credit valuation adjustment				
4	Securitisation exposures in the banking book				
5	Market risk				
6	Operational risk				
7	Residual RWA				
8	Total				

Definitions and instructions

Rows:

Credit risk (excluding counterparty credit risk, credit valuation adjustments and securitisation exposures in the banking book) (row 1):

Definition of standardised approach: The standardised approach for credit risk. When calculating the degree of credit risk mitigation, banks must use the simple approach or the comprehensive approach with standard supervisory haircuts. This also includes failed trades and non-delivery-versus-payment transactions as set out in SCRE25.

The prohibition on the use of the IRB approach for equity exposures will be subject to a five-year linear phase-in arrangement as specified in SCRE17.2. During the phase-in period, the risk weight for equity exposures used to calculate the RWA reported in column (a) will be the greater of: (i) the risk weight as calculated under the IRB approach, and (ii) the risk weight set for the linear phase-in arrangement under the standardised approach for credit risk

RWA for modelled approaches that banks have SAMA approval to use (cell 1/a): For exposures where the RWA is not computed based on the standardised approach described above (ie subject to the credit risk IRB approaches (Foundation Internal Ratings-Based (F-IRB), Advanced Internal Ratings-Based (A-IRB) and supervisory slotting approaches of the credit risk framework). The row excludes all positions subject to SCRE18 to SCRE23, including securitisation exposures in the banking book (which are reported in row 4) and capital requirements relating to a counterparty credit risk charge, which are reported in row 2.

RWA for portfolios where standardised approaches are used (cell 1/b): RWA which result from applying the above-described standardised approach.

RWA for portfolios where standardised approaches are used (cell 1/b): RWA which result from applying the above-described standardised approach.

Total actual RWA (cell 1/c): The sum of cells 1/a and 1/b.

RWA calculated using full standardised approach (cell 1/d): RWA as would result from applying the above-described standardised approach to all exposures giving rise to the RWA reported in cell 1/c.

Counterparty credit risk (row 2):

Definition of standardised approach: To calculate the exposure for derivatives, banks must use the standardised approach for measuring counterparty credit risk (SA-CCR). The exposure amounts must then be multiplied by the relevant borrower risk weight using the standardised approach for credit risk to calculate RWA under the standardised approach for credit risk.

RWA for modelled approaches that banks have SAMA approval to use (cell 2/a): For exposures where the RWA is not computed based on the standardised approach described above.

RWA for portfolios where standardised approaches are used (cell 2/b): RWA which result from applying the above-described standardised approach.

Total actual RWA (cell 2/c): The sum of cells 2/a and 2/b.

RWA calculated using full standardised approach (cell 2/d): RWA as would result from applying the above-described standardised approach to all exposures giving rise to the RWA reported in cell 2/c.

Credit valuation adjustment (row 3):

Definition of standardised approach: The standardised approach for CVA (SA-CVA), the basic approach (BA-CVA) or 100% of a bank's counterparty credit risk capital requirements (depending on which approach the bank uses for CVA risk).

Total actual RWA (cell 3/c) and RWA calculated using full standardised approach (cell 3/d): RWA according to the standardised approach described above.

Securitisation exposures in the banking book (row 4):

Definition of standardised approach: The external ratings-based approach (SEC-ERBA), the standardised approach (SEC-SA) or a risk weight of 1,250%.

RWA for modelled approaches that banks have SAMA approval to use (cell 4/a): For exposures where the RWA is computed based on the SEC-IRBA or SEC-IAA.

RWA for portfolios where standardised approaches are used (cell 4/b): RWA which result from applying the above-described standardised approach.

Total actual RWA (cell 4/c): The sum of cells 4/a and 4/b.

RWA calculated using full standardised approach (cell 4/d): RWA as would result from applying the above-described standardised approach to all exposures giving rise to the RWA reported in cell 4/c.

Market risk (row 5):

Definition of standardised approach: The standardised approach for market risk. The SEC-ERBA, SEC-SA or a risk weight of 1,250% must also be used when determining the default risk charge component for securitisations held in the trading book.

RWA for modelled approaches that banks have SAMA approval to use (cell 5/a): For exposures where the RWA is not computed based on the standardised approach described above.

RWA for portfolios where standardised approaches are used (cell 5/b): RWA which result from applying the above-described standardised approach.

Total actual RWA (cell 5/c): The sum of cells 5/a and 5/b.

RWA calculated using full standardised approach (cell 5/d): RWA as would result from applying the above-described standardised approach to all exposures giving rise to the RWA reported in cell 5/c.

Operational risk (row 6):

Definition of standardised approach: The standardised approach for operational risk.

Total actual RWA (cell 6/c) and RWA calculated using full standardised approach (cell 6/d): RWA according to the revised standardised approach for operational risk.

Residual RWA (row 7):

Total actual RWA (cell 7/c) and RWA calculated using full standardised approach (cell 7/d): RWA not captured within rows 1 to 6 (ie the RWA arising from equity investments in funds (rows 12 to 14 in Template OV1), settlement risk (row 15 in Template OV1), capital charge for switch between trading book and banking book (row 23 in Template OV1) and amounts below the thresholds for deduction (row 25 in Template OV1)).

Total (row 8):

RWA for modelled approaches that banks have SAMA approval to use (cell 8/a): The total sum of cells 1/a, 2/a, 4/a and 5/a.

RWA for portfolios where standardised approaches are used (cell 8/b): The total sum of cells 1/b, 2/b, 3/b, 4/b, 5/b, 6/b and 7/b.

Total actual RWA (cell 8/c): The bank's total RWA before the output floor adjustment. The total sum of cells 1/c, 2/c, 3/c, 4/c, 5/c, 6/c and 7/c.

RWA calculated using full standardised approach (cell 8/d): The bank's RWA that are the base of the output floor, as specified in the Output floor to be issued by SAMA (ie amount before multiplication by 72.5%). The total sum of cells 1/d, 2/d, 3/d, 4/d, 5/d, 6/d and 7/d. Disclosed numbers in rows 1 to 7 are calculated purely for comparison purposes and do not represent requirements under the Basel framework.

Linkages across templates

[CMS1: 1/c] is equal to [OV1:1/a]
 [CMS1: 2/c] is equal to [OV1:6/a]
 [CMS1:3/c] is equal to [OV1:10/a]
 [CMS1: 4/c] is equal to [OV1:16/a]
 [CMS1: 5/c] is equal to [OV1:20/a]
 [CMS1:5/d] is equal to [MR2:12/a] multiplied by 12.5
 [CMS1:6/c] is equal to [OV1:24/a]

Template CMS2 – Comparison of modelled and standardised RWA for credit risk at asset class level

Purpose: To compare risk-weighted assets (RWA) calculated according to the standardised approach (SA) for credit risk at the asset class level against the corresponding RWA figure calculated using the approaches (including both the standardised and IRB approach for credit risk and the supervisory slotting approach) that banks have SAMA approval to use in accordance with the Basel framework for credit risk.

Scope of application: The template is mandatory for all banks using internal models for credit risk. Similar to row 1 of Template CMS1, it excludes counterparty credit risk, credit valuation adjustments and securitisation exposures in the banking book.

Content: RWA.

Frequency: Semiannual.

Format: Fixed. The columns are fixed, but the portfolio breakdowns in the rows will be set by SAMA to reflect the exposure classes required under national implementation of IRB and SA. Banks are encouraged to add rows to show where significant differences occur.

Accompanying narrative: Banks are expected to explain the main drivers of differences between the internally modelled amounts disclosed that are used to calculate their capital ratios and amounts disclosed should the banks apply the standardised approach. Where differences are attributable to mapping between IRB and SA, banks are encouraged to provide explanation and estimated materiality.

		a	b	c	d
		RWA			
		RWA for modelled approaches that banks have SAMA approval to use	RWA for column (a) if re-computed using the standardised approach	Total Actual RWA (ie RWA which banks report as current requirements)	RWA calculated using full standardised approach (ie RWA used in the base of the output floor)
1	Sovereign				
	Of which: categorised as MDB/PSE in SA				
2	Banks and other financial institutions				
3	Equity ¹				
4	Purchased receivables				
5	Corporates				
	Of which: F-IRB is applied				
	Of which: A-IRB is applied				
6	Retail				
	Of which: qualifying revolving retail				
	Of which: other retail				
	Of which: retail residential mortgages				
7	Specialised lending				
	Of which: income-producing real estate and high volatility commercial real estate				

¹ The prohibition on the use of the IRB approach for equity exposures will be subject to a five-year linear phase-in arrangement as specified in SCRE17.2. During the phase-in period, the risk weight for equity exposures (to be reported in column (a)) will be the greater of: (i) the risk weight as calculated under the IRB approach, and (ii) the risk weight set for the linear phase-in arrangement under the standardised approach for credit risk. Column (b) should reflect the corresponding RWA for these exposures based on the phased-in standardised approach. After the phase-in period, columns (a) and (b) for equity exposures should both be empty.

8	Others				
9	Total				

Definitions and instructions

Columns:

RWA for modelled approaches that banks have SAMA approval to use (*column (a)*): Represents the portion of RWA according to the IRB approach for credit risk as specified in **SCRE10 to SCRE16**.

Corresponding standardised approach RWA for column (a) (*column (b)*): RWA equivalent as derived under the standardised approach.

Total actual RWA (column (c)): Represents the sum of the RWA for modelled approaches that banks have SAMA approval to use and the RWA *under standardised approaches*.

RWA calculated using full standardised approach (column (d)): Total RWA assuming the full standardised approach applied at asset class level.

Disclosed numbers for each asset class are calculated purely for comparison purposes and do not represent requirements under the Basel framework.

Linkages across templates

[CMS2:9/a] is equal to [CMS1:1/a]

[CMS2:9/c] is equal to [CMS1:1/c]

[CMS2:9/d] is equal to [CMS1:1/d]

14. Composition of capital and TLAC:

14.1 The disclosures described in this chapter cover the composition of regulatory capital, the main features of regulatory capital instruments and, for global systemically important banks, the composition of total loss-absorbing capacity and the creditor hierarchies of material subgroups and resolution entities. **The disclosure requirements related to TLAC only, are not required to be completed by banks unless otherwise specified by SAMA.**

14.2 The disclosure requirements set out in this chapter are:

14.2.1 Table CCA – Main features of regulatory capital instruments and of other total loss-absorbing capacity (TLAC) - eligible instruments

14.2.2 Template CC1 – Composition of regulatory capital

14.2.3 Template CC2 – Reconciliation of regulatory capital to balance sheet

14.2.4 Template TLAC1 – TLAC composition for global systemically important banks (G-SIBs) (at resolution group level)

14.2.5 Template TLAC2 – Material subgroup entity – creditor ranking at legal entity level

14.2.6 Template TLAC3 – Resolution entity – creditor ranking at legal entity level

14.3 The following table and templates must be completed by all banks:

14.3.1 Table CCA details the main features of a bank's regulatory capital instruments and other TLAC-eligible instruments, where applicable. This table should be posted on a bank's website, with the web link referenced in the bank's Pillar 3 report to facilitate users' access to the required disclosure. Table CCA represents the minimum level of disclosure that banks are required to report in respect of each regulatory capital instrument and, where applicable, other TLAC-eligible instruments issued.²

² In this context, "other TLAC-eligible instruments" are instruments other than regulatory capital instruments issued by G-SIBs that meet the TLAC eligibility criteria.

14.3.2 Template CC1 details the composition of a bank's regulatory capital.

14.3.3 Template CC2 provides users of Pillar 3 data with a reconciliation between the scope of a bank's accounting consolidation, as per published financial statements, and the scope of its regulatory consolidation.

14.4 The following additional templates must be completed by banks which have been designated as G-SIBs:

14.4.1 Template TLAC1 provides details of the TLAC positions of G-SIB resolution groups. This disclosure requirement applies to all G-SIBs at the resolution group level. For single point of entry G-SIBs, there is only one resolution group. This means that they only need to complete Template TLAC1 once to report their TLAC positions.

14.4.2 Templates TLAC2 and TLAC3 present information on creditor rankings at the legal entity level for material subgroup entities (ie entities that are part of a material subgroup) which have issued internal TLAC to one or more resolution entities, and also for resolution entities. These templates provide information on the amount and residual maturity of TLAC and on the instruments issued by resolution entities and material subgroup entities that rank pari passu with, or junior to, TLAC instruments.

14.5 Templates TLAC1, TLAC2 and TLAC3 become effective from the TLAC conformance date.

14.6 Through the following three-step approach, all banks are required to show the link between the balance sheet in their published financial statements and the numbers disclosed in Template CC1:

14.6.1 Step 1: Disclose the reported balance sheet under the regulatory scope of consolidation in Template CC2. If the scopes of regulatory consolidation and accounting consolidation are identical for a particular banking group, banks should state in Template CC2 that there is no difference and move on to Step 2. Where the accounting and regulatory scopes of consolidation differ, banks are required to disclose the list of those legal entities that are included within the accounting scope of consolidation, but excluded from the regulatory scope of consolidation or, alternatively, any legal entities included in the regulatory consolidation that are not included in the accounting scope of consolidation. This will enable users of Pillar 3 data to consider any risks posed by unconsolidated subsidiaries. If some entities are included in both the regulatory and accounting scopes of consolidation, but the method of consolidation differs between these two scopes, banks are required to list the relevant legal entities separately and explain the

differences in the consolidation methods. For each legal entity that is required to be disclosed in this requirement, a bank must also disclose the total assets and equity on the entity's balance sheet and a description of the entity's principal activities.

14.6.2 Step 2: Expand the lines of the balance sheet under the regulatory scope of consolidation in Template CC2 to display all of the components that are used in Template CC1. It should be noted that banks will only need to expand elements of the balance sheet to the extent necessary to determine the components that are used in Template CC1 (eg if all of the paid-in capital of the bank meets the requirements to be included in Common Equity Tier 1 (CET1) capital, the bank would not need to expand this line). The level of disclosure should be proportionate to the complexity of the bank's balance sheet and its capital structure.

14.6.3 Step 3: Map each of the components that are disclosed in Template CC2 in Step 2 to the composition of capital disclosure set out in Template CC1.

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

Purpose: Provide a description of the main features of a bank's regulatory capital instruments and other TLAC-eligible instruments, as applicable, that are recognised as part of its capital base / TLAC resources.
Scope of application: The template is mandatory for all banks. In addition to completing the template for all regulatory capital instruments, G-SIB resolution entities should complete the template (including lines 3a and 34a) for all other TLAC-eligible instruments that are recognised as external TLAC resources by the resolution entities, starting from the TLAC conformance date. Internal TLAC instruments and other senior debt instruments are not covered in this template.
Content: Quantitative and qualitative information as required.
Frequency: Table CCA should be posted on a bank's website. It should be updated whenever the bank issues or repays a capital instrument (or other TLAC-eligible instrument where applicable), and whenever there is a redemption, conversion/writedown or other material change in the nature of an existing instrument. Updates should, at a minimum, be made semiannually. Banks should include the web link in each Pillar 3 report to the issuances made over the previous period.
Format: Flexible.
Accompanying information: Banks are required to make available on their websites the full terms and conditions of all instruments included in regulatory capital and TLAC.

		a
		Quantitative / qualitative information
1	Issuer	
2	Unique identifier (eg Committee on Uniform Security Identification Procedures (CUSIP), International Securities Identification Number (ISIN) or Bloomberg identifier for private placement)	
3	Governing law(s) of the instrument	
3a	Means by which enforceability requirement of Section 13 of the TLAC Term Sheet is achieved (for other TLAC-eligible instruments governed by foreign law)	
4	Transitional Basel III rules	
5	Post-transitional Basel III rules	
6	Eligible at solo/group/group and solo	
7	Instrument type (refer to SACAP)	
8	Amount recognised in regulatory capital (currency in millions, as of most recent reporting date)	
9	Par value of instrument	
10	Accounting classification	
11	Original date of issuance	
12	Perpetual or dated	
13	Original maturity date	
14	Issuer call subject to prior SAMA approval	
15	Optional call date, contingent call dates and redemption amount	
16	Subsequent call dates, if applicable	
	<i>Coupons / dividends</i>	
17	Fixed or floating dividend/coupon	
18	Coupon rate and any related index	
19	Existence of a dividend stopper	
20	Fully discretionary, partially discretionary or mandatory	
21	Existence of step-up or other incentive to redeem	
22	Non-cumulative or cumulative	
23	Convertible or non-convertible	
24	If convertible, conversion trigger(s)	
25	If convertible, fully or partially	
26	If convertible, conversion rate	

27	If convertible, mandatory or optional conversion	
28	If convertible, specify instrument type convertible into	
29	If convertible, specify issuer of instrument it converts into	
30	Writedown feature	
31	If writedown, writedown trigger(s)	
32	If writedown, full or partial	
33	If writedown, permanent or temporary	
34	If temporary write-down, description of writeup mechanism	
34a	Type of subordination	
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument in the insolvency creditor hierarchy of the legal entity concerned).	
36	Non-compliant transitioned features	
37	If yes, specify non-compliant features	

Instructions

Banks are required to complete the template for each outstanding regulatory capital instrument and, in the case of G-SIBs, TLAC-eligible instruments (banks should insert "NA" if the question is not applicable).

Banks are required to report each instrument, including common shares, in a separate column of the template, such that the completed Table CCA would provide a "main features report" that summarises all of the regulatory capital and TLAC-eligible instruments of the banking group. G-SIBs disclosing these instruments should group them under three sections (horizontally along the table) to indicate whether they are for meeting (i) only capital (but not TLAC) requirements; (ii) both capital and TLAC requirements; or (iii) only TLAC (but not capital) requirements.

Row number	Explanation	Format / list of options (where relevant)
1	Identifies issuer legal entity.	Free text
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement).	Free text
3	Specifies the governing law(s) of the instrument.	Free text
3a	Other TLAC-eligible instruments governed by foreign law (ie a law other than that of the home jurisdiction of a resolution entity) include a clause in the contractual provisions whereby investors expressly submit to, and provide consent to the application of, the use of resolution tools in relation to the instrument by the home authority notwithstanding any provision of foreign law to the contrary, unless there is equivalent binding statutory provision for cross-border recognition of resolution actions. Select "NA" where the governing law of the instrument is the same as that of the country of incorporation of the resolution entity.	Disclosure: [Contractual] [Statutory] [NA]
4	Specifies the regulatory capital treatment during the Basel III transitional phase (ie the component of capital from which the instrument is being phased out).	Disclosure: [Common Equity Tier 1] [Additional Tier 1] [Tier 2]
5	Specifies regulatory capital treatment under Basel III rules not taking into account transitional treatment.	Disclosure: [Common Equity Tier 1] [Additional Tier 1] [Tier 2] [Ineligible]
6	Specifies the level(s) within the group at which the instrument is included in capital.	Disclosure: [Solo] [Group] [Solo and Group]
7	Specifies instrument type, varying by jurisdiction. Helps provide more granular understanding of features, particularly during transition.	Disclosure: refer to SACAP.
8	Specifies amount recognised in regulatory capital.	Free text
9	Par value of instrument.	Free text
10	Specifies accounting classification. Helps to assess loss-absorbency.	Disclosure: [Shareholders' equity] [Liability - amortised cost] [Liability - fair value option] [Non-controlling interest in consolidated subsidiary]
11	Specifies date of issuance.	Free text
12	Specifies whether dated or perpetual.	Disclosure: [Perpetual] [Dated]
13	For dated instrument, specifies original maturity date (day, month and year). For perpetual instrument, enter "no maturity".	Free text
14	Specifies whether there is an issuer call option.	Disclosure: [Yes] [No]
15	For instrument with issuer call option, specifies: (i) the first date of call if the instrument has a call option on a specific date (day, month and year); (ii) the instrument has a tax and/or regulatory event call; and (iii) the redemption price.	Free text
16	Specifies the existence and frequency of subsequent call dates, if applicable.	Free text
17	Specifies whether the coupon/dividend is fixed over the life of the instrument, floating over the life of the instrument, currently fixed but will move to a floating rate in the future, or currently floating but will move to a fixed rate in the future.	Disclosure: [Fixed], [Floating] [Fixed to floating], [Floating to fixed]
18	Specifies the coupon rate of the instrument and any related index that the coupon/dividend rate references.	Free text

19	Specifies whether the non-payment of a coupon or dividend on the instrument prohibits the payment of dividends on common shares (ie whether there is a dividend-stopper).	Disclosure: [Yes] [No]
20	Specifies whether the issuer has full, partial or no discretion over whether a coupon/dividend is paid. If the bank has full discretion to cancel coupon/dividend payments under all circumstances, it must select "fully discretionary" (including when there is a dividend-stopper that does not have the effect of preventing the bank from cancelling payments on the instrument). If there are conditions that must be met before payment can be cancelled (eg capital below a certain threshold), the bank must select "partially discretionary". If the bank is unable to cancel the payment outside of insolvency, the bank must select "mandatory".	Disclosure: [Fully discretionary] [Partially discretionary] [Mandatory]
21	Specifies whether there is a step-up or other incentive to redeem.	Disclosure: [Yes] [No]
22	Specifies whether dividends/coupons are cumulative or non-cumulative.	Disclosure: [Non-cumulative] [Cumulative]
23	Specifies whether the instrument is convertible.	Disclosure: [Convertible] [Non-convertible]
24	Specifies the conditions under which the instrument will convert, including point of non-viability. Where one or more authorities have the ability to trigger conversion, the authorities should be listed. For each of the authorities it should be stated whether the legal basis for the authority to trigger conversion is provided by the terms of the contract of the instrument (a contractual approach) or statutory means (a statutory approach).	Free text
25	For conversion trigger separately, specifies whether the instrument will: (i) always convert fully; (ii) may convert fully or partially; or (iii) will always convert partially.	Free text referencing one of the options above
26	Specifies the rate of conversion into the more loss-absorbent instrument.	Free text
27	For convertible instruments, specifies whether conversion is mandatory or optional.	Disclosure: [Mandatory] [Optional] [NA]
28	For convertible instruments, specifies the instrument type it is convertible into.	Disclosure: [Common Equity Tier 1] [Additional Tier 1] [Tier 2] [Other]
29	If convertible, specifies the issuer of the instrument into which it converts.	Free text
30	Specifies whether there is a writedown feature.	Disclosure: [Yes] [No]
31	Specifies the trigger at which writedown occurs, including point of non-viability. Where one or more authorities have the ability to trigger writedown, the authorities should be listed. For each of the authorities it should be stated whether the legal basis for the authority to trigger conversion is provided by the terms of the contract of the instrument (a contractual approach) or statutory means (a statutory approach).	Free text
32	For each writedown trigger separately, specifies whether the instrument will: (i) always be written down fully; (ii) may be written down partially; or (iii) will always be written down partially.	Free text referencing one of the options above
33	For writedown instruments, specifies whether writedown is permanent or temporary.	Disclosure: [Permanent] [Temporary] [NA]
34	For instruments that have a temporary writedown, description of writeup mechanism.	Free text
34a	Type of subordination.	Disclosure: [Structural] [Statutory] [Contractual] [Exemption from subordination]
35	Specifies instrument to which it is most immediately subordinate. Where applicable, banks should specify the column numbers of the instruments in the completed main features template to which the instrument is most immediately subordinate. In the case of structural subordination, "NA" should be entered.	Free text
36	Specifies whether there are non-compliant features.	Disclosure: [Yes] [No]
37	If there are non-compliant features, specifies which ones.	Free text

Template CC1 - Composition of regulatory capital

Purpose: Provide a breakdown of the constituent elements of a bank's capital.

Scope of application: The template is mandatory for all banks at the consolidated level.

Content: Breakdown of regulatory capital according to the scope of regulatory consolidation

Frequency: Semiannual.

Format: Fixed.

Accompanying narrative: Banks are expected to supplement the template with a narrative commentary to explain any significant changes over the reporting period and the key drivers of such change.

		a	b
		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
	Common Equity Tier 1 capital: instruments and reserves		
1	Directly issued qualifying common share (and equivalent for non-joint stock companies) capital plus related stock surplus		h
2	Retained earnings		
3	Accumulated other comprehensive income (and other reserves)		
4	<i>Directly issued capital subject to phase-out from CET1 capital (only applicable to non-joint stock companies)</i>		
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1 capital)		
6	Common Equity Tier 1 capital before regulatory adjustments		
	Common Equity Tier 1 capital: regulatory adjustments		
7	Prudent valuation adjustments		
8	Goodwill (net of related tax liability)		a minus d
9	Other intangibles other than mortgage servicing rights (MSR) (net of related tax liability)		b minus e
10	Deferred tax assets (DTA) 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 SACAP4.1.4)		
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 subtracted from paid-in capital on reported balance sheet)		
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, 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 (amount above 10% threshold)		

20	MSR (amount above 10% threshold)		c minus f minus 10% threshold
21	DTA 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: MSR		
25	Of which: DTA arising from temporary differences		
26	National specific regulatory adjustments		
27	Regulatory adjustments applied to Common Equity Tier 1 capital due to insufficient Additional Tier 1 and Tier 2 capital to cover deductions		
28	Total regulatory adjustments to Common Equity Tier 1 capital		
29	Common Equity Tier 1 capital (CET1)		
	Additional Tier 1 capital: instruments		
30	Directly issued qualifying additional Tier 1 instruments plus related stock surplus		i
31	Of which: classified as equity under applicable accounting standards		
32	Of which: classified as liabilities under applicable accounting standards		
33	<i>Directly issued capital instruments subject to phase-out from additional Tier 1 capital</i>		
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 additional Tier 1 capital)		
35	<i>Of which: instruments issued by subsidiaries subject to phase-out</i>		
36	Additional Tier 1 capital before regulatory adjustments		
	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, 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		
41	National specific regulatory adjustments		
42	Regulatory adjustments applied to additional Tier 1 capital due to insufficient Tier 2 capital to cover deductions		
43	Total regulatory adjustments to additional Tier 1 capital		
44	Additional Tier 1 capital (AT1)		
45	Tier 1 capital (T1 = CET1 + AT1)		
	Tier 2 capital: instruments and provisions		
46	Directly issued qualifying Tier 2 instruments plus related stock surplus		

47	<i>Directly issued capital instruments subject to phase-out from Tier 2 capital</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		
51	Tier 2 capital before regulatory adjustments		
	Tier 2 capital: regulatory adjustments		
52	Investments in own Tier 2 instruments		
53	Reciprocal cross-holdings in Tier 2 instruments and other TLAC liabilities		
54	Investments in the capital and other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)		
54a	Investments in the other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation and where the bank does not own more than 10% of the issued common share capital of the entity: amount previously designated for the 5% threshold but that no longer meets the conditions (for G-SIBs only)		
55	Significant investments in the capital and other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)		
56	National specific regulatory adjustments		
57	Total regulatory adjustments to Tier 2 capital		
58	Tier 2 capital		
59	Total regulatory capital (= Tier 1 + Tier2)		
60	Total risk-weighted assets		
	Capital adequacy ratios and buffers		
61	Common Equity Tier 1 capital (as a percentage of risk-weighted assets)		
62	Tier 1 capital (as a percentage of risk-weighted assets)		
63	Total capital (as a percentage of risk-weighted assets)		
64	Institution-specific buffer requirement (capital conservation buffer plus countercyclical buffer requirements plus higher loss absorbency requirement, expressed as a percentage of risk-weighted assets)		
65	Of which: capital conservation buffer requirement		
66	Of which: bank-specific countercyclical buffer requirement		
67	Of which: higher loss absorbency requirement		
68	Common Equity Tier 1 capital (as a percentage of risk-weighted assets) available after meeting the bank's minimum capital requirements		
	National minima (if different from Basel III)		
69	National minimum Common Equity Tier 1 capital adequacy ratio (if different from Basel III minimum)		
70	National minimum Tier 1 capital adequacy ratio (if different from Basel III minimum)		

71	National minimum Total capital adequacy ratio (if different from Basel III minimum)		
Amounts below the thresholds for deduction (before risk-weighting)			
72	Non-significant investments in the capital and other TLAC liabilities of other financial entities		
73	Significant investments in the common stock of financial entities		
74	MSR (net of related tax liability)		
75	DTA arising from temporary differences (net of related tax liability)		
Applicable caps on the inclusion of provisions in Tier 2 capital			
76	Provisions eligible for inclusion in Tier 2 capital in respect of exposures subject to standardised approach (prior to application of cap)		
77	Cap on inclusion of provisions in Tier 2 capital under standardised approach		
78	Provisions eligible for inclusion in Tier 2 capital in respect of exposures subject to internal ratings-based approach (prior to application of cap)		
79	Cap for inclusion of provisions in Tier 2 capital under internal ratings-based approach		
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)			
80	<i>Current cap on CET1 instruments subject to phase-out arrangements</i>		
81	<i>Amount excluded from CET1 capital due to cap (excess over cap after redemptions and maturities)</i>		
82	<i>Current cap on AT1 instruments subject to phase-out arrangements</i>		
83	<i>Amount excluded from AT1 capital due to cap (excess over cap after redemptions and maturities)</i>		
84	<i>Current cap on Tier 2 instruments subject to phase-out arrangements</i>		
85	<i>Amount excluded from Tier 2 capital due to cap (excess over cap after redemptions and maturities)</i>		

Instructions

- (i) Rows in italics will be deleted after all the ineligible capital instruments have been fully phased out (ie from 1 January 2022 onwards).
- (ii) The reconciliation requirements included in Template CC2 result in the decomposition of certain regulatory adjustments. For example, the disclosure template below includes the adjustment "Goodwill net of related tax liability". The reconciliation requirements will lead to the disclosure of both the goodwill component and the related tax liability component of this regulatory adjustment.

(iii) Shading:

- Each dark grey row introduces a new section detailing a certain component of regulatory capital.
- Light grey rows with no thick border represent the sum cells in the relevant section.
- Light grey rows with a thick border show the main components of regulatory capital and the capital adequacy ratios.

Columns

Source: Banks are required to complete column b to show the source of every major input, which is to be cross-referenced to the corresponding rows in Template CC2.

Rows

Set out in the following table is an explanation of each row of the template above. Regarding the regulatory adjustments, banks are required to report deductions from capital as positive numbers and additions to capital as negative numbers. For example, goodwill (row 8) should be reported as a positive number, as should gains due to the change in the own credit risk of the bank (row 14). However, losses due to the change in the own credit risk of the bank should be reported as a negative number as these are added back in the calculation of CET1 capital.

Row number	Explanation
1	Instruments issued by the parent company of the reporting group that meet all of the CET1 capital entry criteria set out in SACAP2.2.1. This should be equal to the sum of common stock (and related surplus only) and other instruments for non-joint stock companies, both of which must meet the common stock criteria. This should be net of treasury stock and other investments in own shares to the extent that these are already derecognised on the balance sheet under the relevant accounting standards. Other paid-in capital elements must be excluded. All minority interest must be excluded.
2	Retained earnings, prior to all regulatory adjustments. In accordance with SACAP2.2.1, this row should include interim profit and loss that has met any audit, verification or review procedures that SAMA has put in place. Dividends are to be removed in accordance with the applicable accounting standards, ie they should be removed from this row when they are removed from the balance sheet of the bank.
3	Accumulated other comprehensive income and other disclosed reserves, prior to all regulatory adjustments.
4	Directly issued capital instruments subject to phase-out from CET1 capital in accordance with the requirements of SACAP5.7. This is only applicable to non-joint stock companies. Banks structured as joint stock companies must report zero in this row.
5	Common share capital issued by subsidiaries and held by third parties. Only the amount that is eligible for inclusion in group CET1 capital should be reported here, as determined by the application of SACAP3.1 (see SACAP Annex #7 for an example of the calculation).
6	Sum of rows 1 to 5.

7	Prudent valuation adjustments according to the requirements of Basel Framework “prudent valuation guidance” (Adjustment to the current valuation of less liquid positions for regulatory capital purposes), taking into account the guidance set out in <i>Supervisory guidance for assessing banks’ financial instrument fair value practices</i> , April 2009 (in particular Principle 10).
8	Goodwill net of related tax liability, as set out in SACAP4.1.1.
9	Other intangibles other than MSR (net of related tax liability), as set out in SACAP4.1.1.
10	DTA that rely on future profitability excluding those arising from temporary differences (net of related tax liability), as set out in SACAP4.1.2.
11	The element of the cash flow hedge reserve described in SACAP4.1.3.
12	Shortfall of provisions to expected losses as described in SACAP4.1.4.
13	Securitisation gain on sale (as set out in SACAP4.1.4).
14	Gains and losses due to changes in own credit risk on fair valued liabilities, as described in SACAP4.1.4.
15	Defined benefit pension fund net assets, the amount to be deducted as set out in SACAP4.1.5.
16	Investments in own shares (if not already subtracted from paid-in capital on reported balance sheet), as set out in SACAP4.1.6.
17	Reciprocal cross-holdings in common equity, as set out in SACAP4.1.7.
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation and where the bank does not own more than 10% of the issued share capital, net of eligible short positions and amount above 10% threshold. Amount to be deducted from CET1 capital calculated in accordance with SACAP4.2.
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 and amount above 10% threshold. Amount to be deducted from CET1 capital calculated in accordance with SACAP4.3 to SACAP4.4.
20	MSR (amount above 10% threshold), amount to be deducted from CET1 capital in accordance with SACAP4.4.
21	DTA arising from temporary differences (amount above 10% threshold, net of related tax liability), amount to be deducted from CET1 capital in accordance with SACAP4.4.
22	Total amount by which the three threshold items exceed the 15% threshold, excluding amounts reported in rows 19-21, calculated in accordance with SACAP4.4.
23	The amount reported in row 22 that relates to significant investments in the common stock of financials.
24	The amount reported in row 22 that relates to MSR.
25	The amount reported in row 22 that relates to DTA arising from temporary differences.
26	Any national specific regulatory adjustments that SAMA requires to be applied to CET1 capital in addition to the Basel III minimum set of adjustments. Refer to SACAP for guidance.
27	Regulatory adjustments applied to CET1 capital due to insufficient AT1 capital to cover deductions. If the amount reported in row 43 exceeds the amount reported in row 36, the excess is to be reported here.
28	Total regulatory adjustments to CET1 capital, to be calculated as the sum of rows 7-22 plus rows 26-7.
29	CET1 capital, to be calculated as row 6 minus row 28.
30	Instruments issued by the parent company of the reporting group that meet all of the AT1 capital entry criteria set out in SACAP2.2.2 and any related stock surplus as set out in SACAP2.2.2. All instruments issued by subsidiaries of the consolidated group should be excluded from this row. This row may include AT1 capital issued by an SPV of the parent company only if it meets the requirements set out in SACAP3.3.
31	The amount in row 30 classified as equity under applicable accounting standards.
32	The amount in row 30 classified as liabilities under applicable accounting standards.
33	Directly issued capital instruments subject to phase-out from AT1 capital in accordance with the requirements of SACAP5.7.
34	AT1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties, the amount allowed in group AT1 capital in accordance with SACAP3.2.
35	The amount reported in row 34 that relates to instruments subject to phase-out from AT1 capital in accordance with the requirements of SACAP5.7.
36	The sum of rows 30, 33 and 34.
37	Investments in own AT1 instruments, amount to be deducted from AT1 capital in accordance with SACAP4.1.6.
38	Reciprocal cross-holdings in AT1 instruments, amount to be deducted from AT1 capital in accordance with SACAP4.1.7.
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation and where the bank does not own more than 10% of the issued common share capital of the entity, net of eligible short positions and amount above 10% threshold. Amount to be deducted from AT1 capital calculated in accordance with SACAP4.2.
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. Amount to be deducted from AT1 capital in accordance with SACAP4.3.
41	Any national specific regulatory adjustments that SAMA requires to be applied to AT1 capital in addition to the Basel III minimum set of adjustments. Refer to SACAP for guidance.
42	Regulatory adjustments applied to AT1 capital due to insufficient Tier 2 capital to cover deductions. If the amount reported in row 57 exceeds the amount reported in row 51, the excess is to be reported here.
43	The sum of rows 37-42.
44	AT1 capital, to be calculated as row 36 minus row 43.
45	Tier 1 capital, to be calculated as row 29 plus row 44.
46	Instruments issued by the parent company of the reporting group that meet all of the Tier 2 capital criteria set out in SACAP2.2.3 and any related stock surplus as set out in SACAP2.2.3. All instruments issued by subsidiaries of the consolidated group should be excluded from this row. This row may include Tier 2 capital issued by an SPV of the parent company only if it meets the requirements set out in SACAP3.3.
47	Directly issued capital instruments subject to phase-out from Tier 2 capital in accordance with the requirements of SACAP5.7.
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 capital), in accordance with SACAP3.3.
49	The amount reported in row 48 that relates to instruments subject to phase-out from Tier 2 capital in accordance with the requirements of SACAP5.7.

50	Provisions included in Tier 2 capital, calculated in accordance with SACAP2.2.3.
51	The sum of rows 46-8 and row 50.
52	Investments in own Tier 2 instruments, amount to be deducted from Tier 2 capital in accordance with SACAP4.1.6.
53	Reciprocal cross-holdings in Tier 2 capital instruments and other TLAC liabilities, amount to be deducted from Tier 2 capital in accordance with SACAP4.1.7.
54	Investments in the capital instruments and other TLAC liabilities 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 in excess of the 10% threshold that is to be deducted from Tier 2 capital in accordance with SACAP4.2. For non-G-SIBs, any amount reported in this row will reflect other TLAC liabilities not covered by the 5% threshold and that cannot be absorbed by the 10% threshold. For G-SIBs, the 5% threshold is subject to additional conditions; deductions in excess of the 5% threshold are reported instead in 54a.
54a	(This row is for G-SIBs only.) Investments in other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation and where the bank does not own more than 10% of the issued common share capital of the entity, previously designated for the 5% threshold but no longer meeting the conditions under paragraph 80a of the TLAC holdings standard, measured on a gross long basis. The amount to be deducted will be the amount of other TLAC liabilities designated to the 5% threshold but not sold within 30 business days, no longer held in the trading book or now exceeding the 5% threshold (eg in the instance of decreasing CET1 capital). Note that, for G-SIBs, amounts designated to this threshold may not subsequently be moved to the 10% threshold. This row does not apply to non-G-SIBs, to whom these conditions on the use of the 5% threshold do not apply.
55	Significant investments in the capital and other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions), amount to be deducted from Tier 2 capital in accordance with SACAP4.3.
56	Any national specific regulatory adjustments that SAMA requires to be applied to Tier 2 capital in addition to the Basel III minimum set of adjustments. Refer to SACAP for guidance.
57	The sum of rows 52-6.
58	Tier 2 capital, to be calculated as row 51 minus row 57.
59	Total capital, to be calculated as row 45 plus row 58.
60	Total risk-weighted assets of the reporting group.
61	CET1 capital adequacy ratio (as a percentage of risk-weighted assets), to be calculated as row 29 divided by row 60 (expressed as a percentage).
62	Tier 1 capital adequacy ratio (as a percentage of risk-weighted assets), to be calculated as row 45 divided by row 60 (expressed as a percentage).
63	Total capital adequacy ratio (as a percentage of risk-weighted assets), to be calculated as row 59 divided by row 60 (expressed as a percentage).
64	Bank-specific buffer requirement (capital conservation buffer plus countercyclical buffer requirements plus higher loss absorbency requirement, expressed as a percentage of risk-weighted assets). If an MPE G-SIB resolution entity is not subject to a buffer requirement at that scope of consolidation, then it should enter zero.
65	The amount in row 64 (expressed as a percentage of risk-weighted assets) that relates to the capital conservation buffer, ie banks will report 2.5% here.
66	The amount in row 64 (expressed as a percentage of risk-weighted assets) that relates to the bank-specific countercyclical buffer requirement.
67	The amount in row 64 (expressed as a percentage of risk-weighted assets) that relates to the bank's higher loss absorbency requirement, if applicable.
68	CET1 capital (as a percentage of risk-weighted assets) available after meeting the bank's minimum capital requirements. To be calculated as the CET1 capital adequacy ratio of the bank (row 61) less the ratio of RWA of any common equity used to meet the bank's minimum CET1, Tier 1 and Total capital requirements. For example, suppose a bank has 100 RWA, 10 CET1 capital, 1.5 additional Tier 1 capital and no Tier 2 capital. Since it does not have any Tier 2 capital, it will have to earmark its CET1 capital to meet the 8% minimum capital requirement. The net CET1 capital left to meet other requirements (which could include Pillar 2, buffers or TLAC requirements) will be $10 - 4.5 - 2 = 3.5$.
69	National minimum CET1 capital adequacy ratio (if different from Basel III minimum). Refer to SACAP for guidance.
70	National minimum Tier 1 capital adequacy ratio (if different from Basel III minimum). Refer to SACAP for guidance.
71	National minimum Total capital adequacy ratio (if different from Basel III minimum). Refer to SACAP for guidance.
72	Investments in the capital instruments and other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation where the bank does not own more than 10% of the issued common share capital of the entity (in accordance with SACAP4.2.
73	Significant investments in the common stock of financial entities, the total amount of such holdings that are not reported in row 19 and row 23.
74	MSR, the total amount of such holdings that are not reported in row 20 and row 24.
75	DTA arising from temporary differences, the total amount of such holdings that are not reported in row 21 and row 25.
76	Provisions eligible for inclusion in Tier 2 capital in respect of exposures subject to standardised approach, calculated in accordance with SACAP2.2.3, prior to the application of the cap.
77	Cap on inclusion of provisions in Tier 2 capital under the standardised approach, calculated in accordance with SACAP2.2.3.
78	Provisions eligible for inclusion in Tier 2 capital in respect of exposures subject to the internal ratings-based approach, calculated in accordance with SACAP2.2.3, prior to the application of the cap.
79	Cap on inclusion of provisions in Tier 2 capital under the internal ratings-based approach, calculated in accordance with SACAP2.2.3.
80	Current cap on CET1 instruments subject to phase-out arrangements; see SACAP5.7.
81	Amount excluded from CET1 capital due to cap (excess over cap after redemptions and maturities); see SACAP5.7.
82	Current cap on AT1 instruments subject to phase-out arrangements; see SACAP5.7.
83	Amount excluded from AT1 capital due to cap (excess over cap after redemptions and maturities); see SACAP5.7.
84	Current cap on Tier 2 capital instruments subject to phase-out arrangements; see SACAP5.7.
85	Amount excluded from Tier 2 capital due to cap (excess over cap after redemptions and maturities); see SACAP5.7.

Template CC2 - Reconciliation of regulatory capital to balance sheet

Purpose: Enable users to identify the differences between the scope of accounting consolidation and the scope of regulatory consolidation, and to show the link between a bank's balance sheet in its published financial statements and the numbers that are used in the composition of capital disclosure template set out in Template CCI.

Scope of application: The template is mandatory for all banks.

Content: Carrying values (corresponding to the values reported in financial statements).

Frequency: Semiannual.

Format: Flexible (but the rows must align with the presentation of the bank's financial report).

Accompanying narrative: Banks are expected to supplement the template with a narrative commentary to explain any significant changes in the expanded balance sheet items over the reporting period and the key drivers of such change. Narrative commentary to significant changes in other balance sheet items could be found in Table LIA.

	a	b	c
	Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
	As at period-end	As at period-end	
Assets			
Cash and balances at central banks			
Items in the course of collection from other banks			
Trading portfolio assets			
Financial assets designated at fair value			
Derivative financial instruments			
Loans and advances to banks			
Loans and advances to customers			
Reverse repurchase agreements and other similar secured lending			
Available for sale financial investments			
Current and deferred tax assets			
Prepayments, accrued income and other assets			
Investments in associates and joint ventures			
Goodwill and intangible assets			
Of which: goodwill			a
Of which: other intangibles (excluding MSR)			b
Of which: MSR			c
Property, plant and equipment			
Total assets			
Liabilities			
Deposits from banks			
Items in the course of collection due to other banks			
Customer accounts			
Repurchase agreements and other similar secured borrowing			
Trading portfolio liabilities			
Financial liabilities designated at fair value			
Derivative financial instruments			
Debt securities in issue			
Accruals, deferred income and other liabilities			
Current and deferred tax liabilities			
Of which: deferred tax liabilities (DTL) related to goodwill			d
Of which: DTL related to intangible assets (excluding MSR)			e
Of which: DTL related to MSR			f

Subordinated liabilities			
Provisions			
Retirement benefit liabilities			
Total liabilities			
Shareholders' equity			
Paid-in share capital			
Of which: amount eligible for CET1 capital			h
Of which: amount eligible for AT1 capital			i
Retained earnings			
Accumulated other comprehensive income			
Total shareholders' equity			

Columns

Banks are required to take their balance sheet in their published financial statements (numbers reported in column a above) and report the numbers when the regulatory scope of consolidation is applied (numbers reported in column b above)..

If there are rows in the balance sheet under the regulatory scope of consolidation that are not present in the published financial statements, banks are required to add these and give a value of zero in column a.

If a bank's scope of accounting consolidation and its scope of regulatory consolidation are exactly the same, columns a and b should be merged and this fact should be clearly disclosed.

Rows

Similar to Template LI1, the rows in the above template should follow the balance sheet presentation used by the bank in its financial statements, on which basis the bank is required to expand the balance sheet to identify all the items that are disclosed in Template CC1. Set out above (ie items a to i) are some examples of items that may need to be expanded for a particular banking group. Disclosure should be proportionate to the complexity of the bank's balance sheet. Each item must be given a reference number/letter in column c that is used as cross-reference to column b of Template CC1.

Linkages across templates

- (i) The amounts in columns a and b in Template CC2 before balance sheet expansion (ie before Step 2) should be identical to columns a and b in Template LI1.
- (ii) Each expanded item is to be cross-referenced to the corresponding items in Template CC1.

Template TLAC1: TLAC composition for G-SIBs (at resolution group level)

Purpose: Provide details of the composition of a G-SIB's TLAC.

Scope of application: This template is mandatory for all G-SIBs. It should be completed at the level of each resolution group within a G-SIB.

Content: Carrying values (corresponding to the values reported in financial statements).

Frequency: Semiannual.

Format: Fixed.

Accompanying narrative: G-SIBs are expected to supplement the template with a narrative commentary to explain any significant changes over the reporting period and the key drivers of any such change(s). Qualitative narrative on the G-SIB resolution strategy, including the approach (SPE or multiple point of entry (MPE)) and structure to which the resolution measures are applied, may be included to help understand the templates.

		a
		Amounts
	Regulatory capital elements of TLAC and adjustments	
1	Common Equity Tier 1 (CET1) capital	
2	Additional Tier 1 (AT1) capital before TLAC adjustments	
3	AT1 capital ineligible as TLAC as issued out of subsidiaries to third parties	
4	Other adjustments	
5	AT1 instruments eligible under the TLAC framework	
6	Tier 2 capital before TLAC adjustments	
7	Amortised portion of Tier 2 instruments where remaining maturity > 1 year	
8	Tier 2 capital ineligible as TLAC as issued out of subsidiaries to third parties	
9	Other adjustments	
10	Tier 2 instruments eligible under the TLAC framework	
11	TLAC arising from regulatory capital	
	Non-regulatory capital elements of TLAC	
12	External TLAC instruments issued directly by the bank and subordinated to excluded liabilities	
13	External TLAC instruments issued directly by the bank which are not subordinated to excluded liabilities but meet all other TLAC Term Sheet requirements	
14	Of which: amount eligible as TLAC after application of the caps	
15	External TLAC instruments issued by funding vehicles prior to 1 January 2022	
16	Eligible ex ante commitments to recapitalise a G-SIB in resolution	
17	TLAC arising from non-regulatory capital instruments before adjustments	
	Non-regulatory capital elements of TLAC: adjustments	
18	TLAC before deductions	
19	Deductions of exposures between MPE resolution groups that correspond to items eligible for TLAC (not applicable to single point of entry G-SIBs)	
20	Deduction of investments in own other TLAC liabilities	
21	Other adjustments to TLAC	

22	TLAC after deductions	
	Risk-weighted assets (RWA) and leverage exposure measure for TLAC purposes	
23	Total RWA adjusted as permitted under the TLAC regime	
24	Leverage exposure measure	
	TLAC ratios and buffers	
25	TLAC (as a percentage of RWA adjusted as permitted under the TLAC regime)	
26	TLAC (as a percentage of leverage exposure)	
27	CET1 (as a percentage of RWA) available after meeting the resolution group's minimum capital and TLAC requirements	
28	Bank-specific buffer requirement (capital conservation buffer plus countercyclical buffer requirements plus higher loss-absorbency requirement, expressed as a percentage of RWA)	
29	Of which: capital conservation buffer requirement	
30	Of which: bank-specific countercyclical buffer requirement	
31	Of which: higher loss-absorbency requirement	

Instructions

For SPE G-SIBs, where the resolution group is the same as the regulatory scope of consolidation for Basel III regulatory capital, those rows that refer to regulatory capital before adjustments coincide with information provided under Template CC1. For MPE G-SIBs, information is provided for each resolution group. Aggregation of capital and total RWA for capital purposes across resolution groups will not necessarily equal or directly correspond to values reported for regulatory capital and RWA under Template CC1.

The TLAC position related to the regulatory capital of the resolution group shall include only capital instruments issued by entities belonging to the resolution group. Similarly, the TLAC position is based on the RWA (adjusted as permitted under Section 3 of the TLAC Term Sheet) and leverage ratio exposure measures calculated at the level of the resolution group. Regarding the shading:

- Each dark grey row introduces a new section detailing a certain component of TLAC.
- The light grey rows with no thick border represent the sum cells in the relevant section.
- The light grey rows with a thick border show the main components of TLAC.

The following table explains each row of the above template. Regarding the regulatory adjustments, banks are required to report deductions from capital or TLAC as positive numbers and additions to capital or TLAC as negative numbers. For example, the amortised portion of Tier 2 where remaining maturity is greater than one year (row 7) should be reported as a negative number (as it adds back in the calculation of Tier 2 instruments eligible as TLAC), while Tier 2 capital ineligible as TLAC (row 8) should be reported as a positive number.

Row number	Explanation
1	CET1 capital of the resolution group, calculated in line with the Basel III and TLAC frameworks.
2	AT 1 capital. This row will provide information on the AT1 capital of the resolution group, calculated in line with the SACAP standard and the TLAC framework.
3	AT1 instruments issued out of subsidiaries to third parties that are ineligible as TLAC. According to Section 8c of the TLAC Term Sheet, such instruments could be recognised to meet minimum TLAC until 31 December 2021. An amount (equal to that reported in row 34 in Template CC1) should thus be reported only starting from 1 January 2022.
4	Other elements of AT1 capital that are ineligible as TLAC (excluding those already incorporated in row 3).
5	AT1 instruments eligible under the TLAC framework, to be calculated as row 2 minus rows 3 and 4.
6	Tier 2 capital of the resolution group, calculated in line with the Basel III and TLAC frameworks.
7	Amortised portion of Tier 2 instruments where remaining maturity is greater than one year. This row recognises that as long as the remaining maturity of a Tier 2 instrument is above the one-year residual maturity requirement of the TLAC Term Sheet, the full amount may be included in TLAC, even if the instrument is partially derecognised in regulatory capital via the requirement to amortise the instrument in the five years before maturity. Only the amount not recognised in regulatory capital but meeting all TLAC eligibility criteria should be reported in this row.
8	Tier 2 instruments issued out of subsidiaries to third parties that are ineligible as TLAC. According to Section 8c of the TLAC Term Sheet, such instruments could be recognised to meet minimum TLAC until 31 December 2021. An amount (equal to that reported in row 48 of Template CC1) should thus be reported only starting from 1 January 2022.
9	Other elements of Tier 2 capital that are ineligible as TLAC (excluding those that are already incorporated in row 8).

10	Tier 2 instruments eligible under the TLAC framework, to be calculated as: row 6 + row 7 - row 8 - row 9.
11	TLAC arising from regulatory capital, to be calculated as: row 1 + row 5 + row 10.
12	External TLAC instruments issued directly by the resolution entity and subordinated to excluded liabilities. The amount reported in this row must meet the subordination requirements set out in points (a) to (c) of Section 11 of the TLAC Term Sheet, or be exempt from the requirement by meeting the conditions set out in points (i) to (iv) of the same section.
13	External TLAC instruments issued directly by the resolution entity that are not subordinated to Excluded Liabilities but meet the other TLAC Term Sheet requirements. The amount reported in this row should be those subject to recognition as a result of the application of the penultimate and antepenultimate paragraphs of Section 11 of the TLAC Term Sheet. The full amounts should be reported in this row, ie without applying the 2.5% and 3.5% caps set out in the penultimate paragraph.
14	The amount reported in row 13 above after the application of the 2.5% and 3.5% caps set out in the penultimate paragraph of Section 11 of the TLAC Term Sheet.
15	External TLAC instrument issued by a funding vehicle prior to 1 January 2022. Amounts issued after 1 January 2022 are not eligible as TLAC and should not be reported here.
16	Eligible ex ante commitments to recapitalise a G-SIB in resolution, subject to the conditions set out in the second paragraph of Section 7 of the TLAC Term Sheet.
17	Non-regulatory capital elements of TLAC before adjustments. To be calculated as: row 12 + row 14 + row 15 + row 16.
18	TLAC before adjustments. To be calculated as: row 11 + row 17.
19	Deductions of exposures between MPE G-SIB resolution groups that correspond to items eligible for TLAC (not applicable for SPE G-SIBs). All amounts reported in this row should correspond to deductions applied after the appropriate adjustments agreed by the crisis management group (CMG) (following the penultimate paragraph of Section 3 of the TLAC Term Sheet, the CMG shall discuss and, where appropriate and consistent with the resolution strategy, agree on the allocation of the deduction).
20	Deductions of investments in own other TLAC liabilities; amount to be deducted from TLAC resources in accordance with SACAP4.1.6.
21	Other adjustments to TLAC.
22	TLAC of the resolution group (as the case may be) after deductions. To be calculated as: row 18 - row 19 - row 20 - row 21.
23	Total RWA of the resolution group under the TLAC regime. For SPE G-SIBs, this information is based on the consolidated figure, so the amount reported in this row will coincide with that in row 60 of Template CC1.
24	Leverage exposure measure of the resolution group (denominator of leverage ratio).
25	TLAC ratio (as a percentage of RWA for TLAC purposes), to be calculated as row 22 divided by row 23.
26	TLAC ratio (as a percentage of leverage exposure measure), to be calculated as row 22 divided by row 24.
27	CET1 capital (as a percentage of RWA) available after meeting the resolution group's minimum capital requirements and TLAC requirement. To be calculated as the CET1 capital adequacy ratio, less any common equity (as a percentage of RWA) used to meet CET1, Tier 1, and Total minimum capital and TLAC requirements. For example, suppose a resolution group (that is subject to regulatory capital requirements) has 100 RWA, 10 CET1 capital, 1.5 AT1 capital, no Tier 2 capital and 9 non-regulatory capital TLAC-eligible instruments. The resolution group will have to earmark its CET1 capital to meet the 8% minimum capital requirement and 18% minimum TLAC requirement. The net CET1 capital left to meet other requirements (which could include Pillar 2 or buffers) will be $10 - 4.5 - 2 - 1 = 2.5$.
28	Bank-specific buffer requirement (capital conservation buffer plus countercyclical buffer requirements plus G-SIB buffer requirement, expressed as a percentage of RWA). Calculated as the sum of: (i) the G-SIB's capital conservation buffer; (ii) the G-SIB's specific countercyclical buffer requirement calculated in accordance with SACAP; and (iii) the higher loss-absorbency requirement as set out in SACAP. Not applicable to individual resolution groups of an MPE G-SIB, unless the relevant authority imposes buffer requirements at the level of consolidation and requires such disclosure.
29	The amount in row 28 (expressed as a percentage of RWA) that relates to the capital conservation buffer, ie G-SIBs will report 2.5% here. Not applicable to individual resolution groups of an MPE G-SIB, unless otherwise required by the relevant authority.
30	The amount in row 28 (expressed as a percentage of RWA) that relates to the G-SIB's specific countercyclical buffer requirement. Not applicable to individual resolution groups of an MPE G-SIB, unless otherwise required by the relevant authority.
31	The amount in row 28 (expressed as a percentage of RWA) that relates to the higher loss-absorbency requirement. Not applicable to individual resolution groups of an MPE G-SIB, unless otherwise required by the relevant authority.

Template TLAC2 - Material subgroup entity - creditor ranking at legal entity level

Purpose: Provide creditors with information regarding their ranking in the liabilities structure of a material subgroup entity (ie an entity that is part of a material subgroup) which has issued internal TLAC to a G-SIB resolution entity.

Scope of application: The template is mandatory for all G-SIBs. It is to be completed in respect of every material subgroup entity within each resolution group of a G-SIB, as defined by the FSB TLAC Term Sheet, on a legal entity basis. G-SIBs should group the templates according to the resolution group to which the material subgroup entities belong (whose positions are represented in the templates) belong, in a manner that makes it clear to which resolution entity they have exposures.

Content: Nominal values.

Frequency: Semiannual.

Format: Fixed (number and description of each column under "Creditor ranking" depending on the liabilities structure of a material subgroup entity).

Accompanying narrative: Where appropriate, banks should provide bank- or jurisdiction-specific information relating to credit hierarchies.

		Creditor ranking						Sum of 1 to <i>n</i>	
		1	1	2	2	-	<i>n</i>		<i>n</i>
		(most junior)	(most junior)				(most senior)		(most senior)
1	Is the resolution entity the creditor/investor? (yes or no)					-			
2	Description of creditor ranking (free text)								
3	Total capital and liabilities net of credit risk mitigation					-			
4	Subset of row 3 that are excluded liabilities					-			
5	Total capital and liabilities less excluded liabilities (row 3 minus row 4)					-			
6	Subset of row 5 that are eligible as TLAC					-			
7	Subset of row 6 with 1 year ≤ residual maturity < 2 years					-			
8	Subset of row 6 with 2 years ≤ residual maturity < 5 years					-			
9	Subset of row 6 with 5 years ≤ residual maturity < 10 years					-			
10	Subset of row 6 with residual maturity ≥ 10 years, but excluded perpetual securities					-			
11	Subset of row 6 that is perpetual securities								

Template TLAC3 - Resolution entity - creditor ranking at legal entity level

Purpose: Provide creditors with information regarding their ranking in the liabilities structure of each G-SIB resolution entity.

Scope of application: The template is to be completed in respect of every resolution entity within the G-SIB, as defined by the TLAC standard, on a legal entity basis.

Content: Nominal values.

Frequency: Semiannual.

Format: Fixed (number and description of each column under "Creditor ranking" depending on the liabilities structure of a resolution entity).

Accompanying narrative: Where appropriate, banks should provide bank- or jurisdiction-specific information relating to credit hierarchies.

	Description of creditor ranking (free text)	Creditor ranking				Sum of 1 to <i>n</i>
		1	2	-	<i>n</i>	
		(most junior)			(most senior)	
1	Description of creditor ranking (free text)					
2	Total capital and liabilities net of credit risk mitigation			-		
3	Subset of row 2 that are excluded liabilities			-		
4	Total capital and liabilities less excluded liabilities (row 2 minus row 3)			-		
5	Subset of row 4 that are <i>potentially</i> eligible as TLAC			-		
6	Subset of row 5 with 1 year ≤ residual maturity < 2 years			-		
7	Subset of row 5 with 2 years ≤ residual maturity < 5 years			-		
8	Subset of row 5 with 5 years ≤ residual maturity < 10 years			-		
9	Subset of row 5 with residual maturity ≥ 10 years, but excluding perpetual securities			-		
10	Subset of row 5 that is perpetual securities			-		

Definitions and instructions

This template is the same as Template TLAC 2 except that no information is collected regarding exposures to the resolution entity (since the template describes the resolution entity itself). This means that there will only be one column for each layer of the creditor hierarchy.

Row 5 represents the subset of the amounts reported in row 4 that are TLAC-eligible according to the FSB TLAC Term Sheet (eg those that have a residual maturity of at least one year, are unsecured and if redeemable are not redeemable without SAMA approval). For the purposes of reporting this amount, the 2.5% cap (3.5% from 2022) on the exemption from the subordination requirement under the penultimate paragraph of Section 11 of the TLAC Term Sheet should be disappplied. That is, amounts that are ineligible solely as a result of the 2.5% cap (3.5%) should be included in full in row 5 together with amounts that are receiving recognition as TLAC. See also the second paragraph in Section 7 of the FSB TLAC Term Sheet.

15. Capital distribution constraints:

- 15.1 The disclosure requirement under this section is: Template CDC - Capital distribution constraints.
- 15.2 Template CDC provides the common equity tier 1 (CET1) capital ratios that would trigger capital distribution constraints. This disclosure extends to leverage ratio in the case of G-SIBs.

Template CDC: Capital distribution constraints

Purpose: To provide disclosure of the capital ratio(s) below which capital distribution constraints are triggered as required under the Basel framework (i.e. risk-based, leverage, etc.) to allow meaningful assessment by market participants of the likelihood of capital distributions becoming restricted.

Scope of application The table is mandatory for banks. Where applicable, the template may include additional rows to accommodate other national requirements that could trigger capital distribution constraints.

Content: Quantitative information. Includes the CET1 capital ratio that would trigger capital distribution constraints when taking into account (i) CET1 capital that banks must maintain to meet the minimum CET1 capital ratio, applicable risk based buffer requirements (i.e. capital conservation buffer, G-SIB surcharge and countercyclical capital buffer) and Pillar 2 capital requirements (if CET1 capital is required); (ii) CET1 capital that banks must maintain to meet the minimum regulatory capital ratios and any CET1 capital used to meet Tier 1 capital, total capital and TLAC³ requirements, applicable risk-based buffer requirements (i.e. capital conservation buffer, G-SIB surcharge and countercyclical capital buffer) and Pillar 2 capital requirements (if CET1 capital is required); and (iii) the leverage ratio inclusive of leverage ratio buffer requirement.

Frequency: Annual.

Format: Fixed.

Accompanying narrative: In cases where capital distribution constraints have been imposed, banks should describe the constraints imposed. In addition, banks shall provide a link to the SAMA's website, where the characteristics governing capital distribution constraints are set out (eg stacking hierarchy of buffers, relevant time frame between breach of buffer and application of constraints, definition of earnings and distributable profits used to calculate restrictions). Further, banks may choose to provide any additional information they consider to be relevant for understanding the stated figures.

		a	b
		CET1 capital ratio that would trigger capital distribution constraints (%)	Current CET1 capital ratio (%)
1	CET1 minimum requirement plus Basel III buffers (not taking into account CET1 capital used to meet other minimum regulatory capital/ TLAC ratios)		
2	CET1 capital plus Basel III buffers (taking into account CET1 capital used to meet other minimum regulatory capital/ TLAC ratios)		
		Leverage ratio that would trigger capital distribution constraints (%)	Current leverage ratio (%)
3	[Applicable only for G-SIBs] Leverage ratio		

Instructions

Row Number	Explanation
1	CET1 minimum plus Basel III buffers (not taking into account CET1 capital used to meet other minimum regulatory capital/TLAC ratios): CET1 capital ratio which would trigger capital distribution constraints, should the bank's CET1 capital ratio fall below this level. The ratio takes into account only CET1 capital that banks must maintain to meet the minimum CET1 capital ratio (4.5%), applicable risk-based buffer requirements (i.e. capital conservation buffer (2.5%), G-SIB surcharge and countercyclical capital buffer) and Pillar 2 capital requirements (if CET1 capital is required). The ratio does not take into account instances where the bank has used its CET1 capital to meet its other minimum regulatory ratios (i.e. Tier 1 capital, total capital and/or TLAC requirements), which could increase the CET1 capital ratio which the bank has to meet in order to prevent capital distribution constraints from being triggered.
2	CET1 minimum plus Basel III buffers (taking into account CET1 capital used to meet other minimum regulatory capital/TLAC ratios): CET1 capital ratio which would trigger capital distribution constraints, should the bank's CET1 capital ratio fall below this level. The ratio takes into account CET1 capital that banks must maintain to meet the minimum regulatory ratios (ie CET1, Tier 1, total capital requirements and TLAC requirements), applicable risk-based buffer requirements (i.e. capital conservation buffer (2.5%), G-SIB surcharge and countercyclical capital buffer) and Pillar 2 capital requirements (if CET1 capital is required).
3	Leverage ratio: Leverage ratio which would trigger capital distribution constraints, should the bank's leverage ratio fall below this level.

Linkages across templates

Amount in [CDC:1/b] is equal to [KM1:5/a]

Amount in [CDC:3/b] is equal to [KM1:14/a]

³ SACAP9.1 (B) states that Common Equity Tier 1 must first be used to meet the minimum capital and TLAC requirements if necessary (including the 6% Tier 1, 8% total capital and 18% TLAC requirements), before the remainder can contribute to the capital conservation buffer.

16. Links between financial statements and regulatory exposures:

16.1 This chapter describes requirements for banks to disclose reconciliations between elements of the calculation of regulatory capital to audited financial statements.

16.2 The disclosure requirements set out in this chapter are:

16.2.1 Table LIA – Explanations of differences between accounting and regulatory exposure amounts

16.2.2 Template LI1 – Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories

16.2.3 Template LI2 – Main sources of differences between regulatory exposure amounts and carrying values in financial statements

16.2.4 Template PV1 – Prudent valuation adjustments (PVAs)

16.3 Table LIA provides qualitative explanations on the differences observed between accounting carrying value (as defined in Template LI1) and amounts considered for regulatory purposes (as defined in Template LI2) under each framework.

Table LIA: Explanations of differences between accounting and regulatory exposure amounts

Purpose: Provide qualitative explanations on the differences observed between accounting carrying value (as defined in Template LI1) and amounts considered for regulatory purposes (as defined in Template LI2) under each framework.

Scope of application: The template is mandatory for all banks.

Content: Qualitative information.

Frequency: Annual.

Format: Flexible.

Banks must explain the origins of the differences between accounting amounts, as reported in financial statements amounts and regulatory exposure amounts, as displayed in Templates LI1 and LI2.

(a) Banks must explain the origins of any significant differences between the amounts in columns (a) and (b) in Template LI1.

(b) Banks must explain the origins of differences between carrying values and amounts considered for regulatory purposes shown in Template LI2.

In accordance with the implementation of the guidance on prudent valuation (see Basel Framework “prudent valuation guidance”), banks must describe systems and controls to ensure that the valuation estimates are prudent and reliable. Disclosure must include:

- (c)
- Valuation methodologies, including an explanation of how far mark-to-market and mark-to-model methodologies are used.
 - Description of the independent price verification process.
 - Procedures for valuation adjustments or reserves (including a description of the process and the methodology for valuing trading positions by type of instrument).

Banks with insurance subsidiaries must disclose:

- (d)
- The national regulatory approach used with respect to insurance entities in determining a bank's reported capital positions (ie deduction of investments in insurance subsidiaries or alternative approaches, as discussed in Basel Framework “Scope and definitions” Banking, securities and other financial subsidiaries (Insurance entities); and
 - Any surplus capital in insurance subsidiaries recognized when calculating the bank's capital adequacy (see Basel Framework “Scope and definitions” Banking, securities and other financial subsidiaries (Insurance entities)).

Template LI1: Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories

Purpose: Columns (a) and (b) enable users to identify the differences between the scope of accounting consolidation and the scope of regulatory consolidation; and columns (c)-(g) break down how the amounts reported in banks' financial statements (rows) correspond to regulatory risk categories.

Scope of application: The template is mandatory for all banks.

Content: Carrying values (corresponding to the values reported in financial statements).

Frequency: Annual.

Format: Flexible (but the rows must align with the presentation of the bank's financial report).

Accompanying narrative: See Table LIA. Banks are expected to provide qualitative explanation on items that are subject to regulatory capital charges in more than one risk category.

	a	b	c	d	e	f	g
	Carrying values as reported in published financial statements	Carrying values under scope of regulatory consolidation	Carrying values of items:				
			Subject to credit risk framework	Subject to counterparty credit risk framework	Subject to the securitization framework	Subject to the market risk framework	Not subject to capital requirements or subject to deduction from capital
Assets							
Cash and balances at central banks							
Items in the course of collection from other banks							
Trading portfolio assets							
Financial assets designated at fair value							
Derivative financial instruments							
Loans and advances to banks							
Loans and advances to customers							
Reverse repurchase agreements and other similar secured lending							
Available for sale financial investments							
-.							
Total assets							
Liabilities							
Deposits from banks							
Items in the course of collection due to other banks							
Customer accounts							
Repurchase agreements and other similar secured borrowings							
Trading portfolio liabilities							
Financial liabilities designated at fair value							
Derivative financial instruments							
-.							
Total liabilities							

Instructions**Rows**

The rows must strictly follow the balance sheet presentation used by the bank in its financial reporting.

Columns

If a bank's scope of accounting consolidation and its scope of regulatory consolidation are exactly the same, columns (a) and (b) should be merged.

The breakdown of regulatory categories (c) to (f) corresponds to the breakdown prescribed in the rest of SDIS, ie column (c) corresponds to the carrying values of items other than off-balance sheet items reported in section 19 column (d) corresponds to the carrying values of items other than off-balance sheet items reported in section 20, column (e) corresponds to carrying values of items in the banking book other than off-balance sheet items reported in section 21 and column (f) corresponds to the carrying values of items other than off-balance sheet items reported in section 22.

Column (g) includes amounts not subject to capital requirements according to the Basel framework or subject to deductions from regulatory capital.

Note: Where a single item attracts capital charges according to more than one risk category framework, it should be reported in all columns that it attracts a capital charge. As a consequence, the sum of amounts in columns (c) to (g) may not equal the amounts in column (b) as some items may be subject to regulatory capital charges in more than one risk category.

For example, derivative assets/liabilities held in the regulatory trading book may relate to both column (d) and column (f). In such circumstances, the sum of the values in columns (c)-(g) would not equal to that in column (b). When amounts disclosed in two or more different columns are material and result in a difference between column (b) and the sum of columns (c)-(g), the reasons for this difference should be explained by banks in the accompanying narrative.

Template LI2: Main sources of differences between regulatory exposure amounts and carrying values in financial statements

Purpose: Provide information on the main sources of differences (other than due to different scopes of consolidation which are shown in Template LI1) between the financial statements' carrying value amounts and the exposure amounts used for regulatory purposes.

Scope of application: The template is mandatory for all banks.

Content: Carrying values that correspond to values reported in financial statements but according to the scope of regulatory consolidation (rows 1-3) and amounts considered for regulatory exposure purposes (row 10).

Frequency: Annual.

Format: Flexible. Row headings shown below are provided for illustrative purposes only and should be adapted by the bank to describe the most meaningful drivers for differences between its financial statement carrying values and the amounts considered for regulatory purposes.

Accompanying narrative: See Table LIA.

		a	b	c	d	e
		Total	Items subject to:			
			Credit risk framework	Securitization framework	Counterparty credit risk framework	Market risk framework
1	Asset carrying value amount under scope of regulatory consolidation (as per Template LI1)					
2	Liabilities carrying value amount under regulatory scope of consolidation (as per Template LI1)					
3	Total net amount under regulatory scope of consolidation (Row 1 - Row 2)					
4	Off-balance sheet amounts					
5	Differences in valuations					
6	Differences due to different netting rules, other than those already included in row 2					
7	Differences due to consideration of provisions					
8	Differences due to prudential filters					
9	⋮					
10	Exposure amounts considered for regulatory purposes					

Instructions

Amounts in rows 1 and 2, columns (b)-(e) correspond to the amounts in columns (c)-(f) of Template LI1.

Row 1 of Template LI2 includes only assets that are risk-weighted under the Basel framework, while row 2 includes liabilities that are considered for the application of the risk weighting requirements, either as short positions, trading or derivative liabilities, or through the application of the netting rules to calculate the net position of assets to be risk-weighted. These liabilities are not included in column (g) in Template LI1. Assets that are risk-weighted under the Basel framework include assets that are not deducted from capital because they are under the applicable thresholds or due to the netting with liabilities.

Off-balance sheet amounts include off-balance sheet original exposure in column (a) and the amounts subject to regulatory framework, after application of the credit conversion factors (CCFs) where relevant in columns (b)-(d).

Column (a) is not necessarily equal to the sum of columns (b)-(e) due to assets being risk-weighted more than once (see Template LI1). In addition, exposure values used for risk weighting may differ under each risk framework depending on whether standardized approaches or internal models are used in the computation of this exposure value. Therefore, for any type of risk framework, the exposure values under different regulatory approaches can be presented separately in each of the columns if a separate presentation eases the reconciliation of the exposure values for banks.

The breakdown of columns in regulatory risk categories (b)-(e) corresponds to the breakdown prescribed in the rest of the document, ie column (b) credit risk corresponds to the exposures reported in section 19, column (c) corresponds to the exposures reported in section 21, column (d) corresponds to exposures reported in section 20, and column (e) corresponds to the exposures reported in section 22.

Differences due to consideration of provisions: The exposure values under row 1 are the carrying amounts and hence net of provisions (ie specific and general provisions, as set out in SACAP2.2.3). Nevertheless, exposures under the foundation internal ratings-based (F-IRB) and advanced internal ratings-based (A-IRB) approaches are risk-weighted gross of provisions. Row 7 therefore is the re-inclusion of general and specific provisions in the carrying amount of exposures in the F-IRB and A-IRB approaches so that the carrying amount of those exposures is reconciled with their regulatory exposure value. Row 7 may also include the elements qualifying as general provisions that may have been deducted from the carrying amount of

exposures under the standardized approach and that therefore need to be reintegrated in the regulatory exposure value of those exposures. Any differences between the accounting impairment and the regulatory provisions under the Basel framework that have an impact on the exposure amounts considered for regulatory purposes should also be included in row 7.

Exposure amounts considered for regulatory purposes: The expression designates the aggregate amount considered as a starting point of the RWA calculation for each of the risk categories. Under the credit risk framework this should correspond either to the exposure amount applied in the standardized approach for credit risk (see SCORE5) or to the exposures at default (EAD) in the IRB approach for credit risk (see SCORE12.29); securitization exposures should be defined as in the securitization framework (see SCORE18.4 and SCORE18.5); and counterparty credit exposures are defined as the EAD considered for counterparty credit risk purposes (see SCCR5).

Linkages across templates

Template LI2 is focused on assets in the regulatory scope of consolidation that are subject to the regulatory framework. Therefore, column (g) in Template LI1, which includes the elements of the balance sheet that are not subject to the regulatory framework, is not included in Template LI2. The following linkage holds: column (a) in Template LI2 = column (b) in Template LI1 - column (g) in Template LI1.

Template PV1: Prudent valuation adjustments (PVAs)

Purpose: Provide a breakdown of the constituent elements of a bank's PVAs according to the requirements of Basel Framework "prudent valuation guidance", taking into account SAMA's circular No. 301000000768 on Supervisory guidance for assessing banks' financial instrument fair value practices, July 2009.

Scope of application: The template is mandatory for all banks which record PVAs.

Content: PVAs for all assets measured at fair value (marked to market or marked to model) and for which PVAs are required. Assets can be non-derivative or derivative instruments.

Frequency: Annual.

Format: Fixed. The row number cannot be altered. Rows which are not applicable to the reporting bank should be filled with "0" and the reason why they are not applicable should be explained in the accompanying narrative.

Accompanying narrative: Banks are expected to supplement the template with a narrative commentary to explain any significant changes over the reporting period and the key drivers of such changes. In particular, banks are expected to detail "Other adjustments", where significant, and to define them when they are not listed in the Basel framework. Banks are also expected to explain the types of financial instruments for which the highest amounts of PVAs are observed.

		a	b	c	d	e	f	g	h
		Equity	Interest rates	Foreign exchange	Credit	Commodities	Total	Of which: in the trading book	Of which: in the banking book
1	Closeout uncertainty, of which:								
2	<i>Mid-market value</i>								
3	<i>Closeout cost</i>								
4	<i>Concentration</i>								
5	Early termination								
6	Model risk								
7	Operational risk								
8	Investing and funding costs								
9	Unearned credit spreads								
10	Future administrative costs								
11	Other								
12	Total adjustment								

Definitions and instructions

Row number	Explanation
3	<i>Closeout cost:</i> PVAs required to take account of the valuation uncertainty to adjust for the fact that the position level valuations calculated do not reflect an exit price for the position or portfolio (for example, where such valuations are calibrated to a mid-market price).
4	<i>Concentration:</i> PVAs over and above market price and closeout costs that would be required to get to a prudent exit price for positions that are larger than the size of positions for which the valuation has been calculated (i.e. cases where the aggregate position held by the bank is larger than normal traded volume or larger than the position sizes on which observable quotes or trades that are used to calibrate the price or inputs used by the core valuation model are based).
5	<i>Early termination:</i> PVAs to take into account the potential losses arising from contractual or non-contractual early terminations of customer trades that are not reflected in the valuation.
6	<i>Model risk:</i> PVAs to take into account valuation model risk which arises due to: (i) the potential existence of a range of different models or model calibrations which are used by users of Pillar 3 data; (ii) the lack of a firm exit price for the specific product being valued; (iii) the use of an incorrect valuation methodology; (iv) the risk of using unobservable and possibly incorrect calibration parameters; or (v) the fact that market or product factors are not captured by the core valuation model.
7	<i>Operational risk:</i> PVAs to take into account the potential losses that may be incurred as a result of operational risk related to valuation processes.
8	<i>Investing and funding costs:</i> PVAs to reflect the valuation uncertainty in the funding costs that other users of Pillar 3 data would factor into the exit price for a position or portfolio. It includes funding valuation adjustments on derivatives exposures.
9	<i>Unearned credit spreads:</i> PVAs to take account of the valuation uncertainty in the adjustment necessary to include the current value of expected losses due to counterparty default on derivative positions, including the valuation uncertainty on CVA.
10	<i>Future administrative costs:</i> PVAs to take into account the administrative costs and future hedging costs over the expected life of the exposures for which a direct exit price is not applied for the closeout costs. This valuation adjustment has to include the operational costs arising from hedging, administration and settlement of contracts in the portfolio. The future administrative costs are incurred by the portfolio or position but are not reflected in the core valuation model or the prices used to calibrate inputs to that model.
11	<i>Other:</i> "Other" PVAs which are required to take into account factors that will influence the exit price but which do not fall in any of the categories listed in Basel Framework "prudent valuation guidance" (Introduction). These should be described by banks in the narrative commentary that supports the disclosure.

Linkages across templates

[PV1:12/f] is equal to [CC1:7/a]

17- Asset encumbrance:

- 17.1 The disclosure requirement under this section is: Template ENC – Asset encumbrance.
- 17.2 Template ENC provides information on the encumbered and unencumbered assets of a bank.
- 17.3 The definition of “encumbered assets” in Template ENC is different to that under LCR30 for on-balance sheet assets. Specifically, the definition of “encumbered assets” in Template ENC excludes the aspect of asset monetization. Under Template ENC, “encumbered assets” are assets that the bank is restricted or prevented from liquidating, selling, transferring or assigning, due to regulatory, contractual or other limitations.

Template ENC: Asset encumbrance

Purpose: To provide the amount of encumbered and unencumbered assets.

Scope of application The template is mandatory for all banks.

Content: Carrying amount for encumbered and unencumbered assets on the balance sheet using period-end values. Banks must use the specific definition of “encumbered assets” set out in the instructions below in making the disclosure. The scope of consolidation for the purposes of this disclosure requirement should be a bank’s regulatory scope of consolidation, but including its securitization exposures.

Frequency: Semiannual.

Format: Fixed. Banks should always complete columns (a), (b) and (c).

Banks should group any assets used in central bank facilities with other encumbered and unencumbered assets, as appropriate.

Accompanying narrative: Banks are expected to supplement the template with a narrative commentary to explain

(i) any significant change in the amount of encumbered and unencumbered assets from the previous disclosure; (ii) as applicable, any definition of the amounts of encumbered and/or unencumbered assets broken down by types of transaction/category; and (iii) any other relevant information necessary to understand the context of the disclosed figures.

	a	b	c
	Encumbered assets	Unencumbered assets	Total
The assets on the balance sheet would be disaggregated; there can be as much disaggregation as desired			

Definitions

The definitions are specific to this template and are not applicable for other parts of the Basel framework.

Encumbered assets: Encumbered assets are assets that the bank is restricted or prevented from liquidating, selling, transferring or assigning due to legal, regulatory, contractual or other limitations. The definition of “encumbered assets” in Template ENC is different than that under the Liquidity Coverage Ratio for on-balance sheet assets. Specifically, the definition of “encumbered assets” in Template ENC excludes the aspect of asset monetization. For an unencumbered asset to qualify as high-quality liquid assets, the LCR requires a bank to have the ability to monetize that asset during the stress period such that the bank can meet net cash outflows.

Unencumbered assets: Unencumbered assets are assets which do not meet the definition of encumbered.

Instructions

Total (in column (c)): Sum of encumbered and unencumbered assets. The scope of consolidation for the purposes of this disclosure requirement should be based on a bank’s regulatory scope of consolidation, but including its securitization exposures.

18. Remuneration:

- 18.1 The disclosures described in this chapter provide information on a bank's remuneration policy, the fixed and variable remuneration awarded during the financial year, details of any special payments made, and information on a bank's total outstanding deferred and retained remuneration.
- 18.2 The disclosure requirements under this section are:
- 18.2.1 Table REMA – Remuneration policy
 - 18.2.2 Template REM1 – Remuneration awarded during financial year
 - 18.2.3 Template REM2 – Special payments
 - 18.2.4 Template REM3 – Deferred remuneration
- 18.3 Table REMA provides information on a bank's remuneration policy as well as key features of the remuneration system.
- 18.4 Templates REM1, REM2 and REM3 provide information on a bank's fixed and variable remuneration awarded during the financial year, details of any special payments made, and information on a bank's total outstanding deferred and retained remuneration, respectively.
- 18.5 The disclosure requirements should be published annually. When it is not possible for the remuneration disclosures to be made at the same time as the publication of a bank's annual report, the disclosures should be made as soon as possible thereafter.

Table REMA: Remuneration policy

Purpose: Describe the bank's remuneration policy as well as key features of the remuneration system to allow meaningful assessments by users of Pillar 3 data of banks' compensation practices.

Scope of application: The table is mandatory for all banks.

Content: Qualitative information.

Frequency: Annual

Format: Flexible.

Banks must describe the main elements of their remuneration system and how they develop this system. In particular, the following elements, where relevant, should be described:

Qualitative disclosures

Information relating to the bodies that oversee remuneration. Disclosures should include:

- (a)
 - Name, composition and mandate of the main body overseeing remuneration.
 - External consultants whose advice has been sought, the body by which they were commissioned, and in what areas of the remuneration process.
 - A description of the scope of the bank's remuneration policy (eg by regions, business lines), including the extent to which it is applicable to foreign subsidiaries and branches.
 - A description of the types of employees considered as material risk-takers and as senior managers.

Information relating to the design and structure of remuneration processes. Disclosures should include:

- (b)
 - An overview of the key features and objectives of remuneration policy.
 - Whether the remuneration committee reviewed the firm's remuneration policy during the past year, and if so, an overview of any changes that were made, the reasons for those changes and their impact on remuneration.
 - A discussion of how the bank ensures that risk and compliance employees are remunerated independently of the businesses they oversee.

- (c) Description of the ways in which current and future risks are taken into account in the remuneration processes. Disclosures should include an overview of the key risks, their measurement and how these measures affect remuneration.

Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration. Disclosures should include:

- (d)
 - An overview of main performance metrics for bank, top-level business lines and individuals.
 - A discussion of how amounts of individual remuneration are linked to bank-wide and individual performance.
 - A discussion of the measures the bank will in general implement to adjust remuneration in the event that performance metrics are weak, including the bank's criteria for determining "weak" performance metrics.

Description of the ways in which the bank seeks to adjust remuneration to take account of longer-term performance. Disclosures should include:

- (e)
 - A discussion of the bank's policy on deferral and vesting of variable remuneration and, if the fraction of variable remuneration that is deferred differs across employees or groups of employees, a description of the factors that determine the fraction and their relative importance.
 - A discussion of the bank's policy and criteria for adjusting deferred remuneration before vesting and after vesting through clawback arrangements, subject to the relevant laws in Saudi Arabia.

Description of the different forms of variable remuneration that the bank utilizes and the rationale for using these different forms. Disclosures should include:

- (f)
 - An overview of the forms of variable remuneration offered (ie cash, shares and share-linked instruments and other forms).
 - A discussion of the use of the different forms of variable remuneration and, if the mix of different forms of variable remuneration differs across employees or groups of employees, a description the factors that determine the mix and their relative importance.

Template REM1: Remuneration awarded during the financial year

Purpose: Provide quantitative information on remuneration for the financial year.

Scope of application: The template is mandatory for all banks.

Content: Quantitative information.

Frequency: Annual

Format: Flexible.

Accompanying narrative: Banks may supplement the template with a narrative commentary to explain any significant movements over the reporting period and the key drivers of such movements.

		a	b
	Remuneration amount	Senior management, as defined in SAMA circular No.42081293 date 21/11/1442AH	Other material risk-takers
1	Fixed remuneration	Number of employees	
2		Total fixed remuneration (rows 3 + 5 + 7)	
3		Of which: cash-based	
4		Of which: deferred	
5		Of which: shares or other share-linked instruments	
6		Of which: deferred	
7		Of which: other forms	
8		Of which: deferred	
9	Variable remuneration	Number of employees	
10		Total variable remuneration (rows 11 + 13 + 15)	
11		Of which: cash-based	
12		Of which: deferred	
13		Of which: shares or other share-linked instruments	
14		Of which: deferred	
15		Of which: other forms	
16		Of which: deferred	
17	Total remuneration (rows 2 + 10)		

Definitions and instructions

Senior management and other material risk-takers categories in columns (a) and (b) must correspond to the type of employees described in Table REMA.

Other forms of remuneration in rows 7 and 15 must be described in Table REMA and, if needed, in the accompanying narrative.

Template REM2: Special payments

Purpose: Provide quantitative information on special payments for the financial year.

Scope of application: The template is mandatory for all banks.

Content: Quantitative information.

Frequency: Annual.

Format: Flexible.

Accompanying narrative: Banks may supplement the template with a narrative commentary to explain any significant movements over the reporting period and the key drivers of such movements.

Special payments	Guaranteed bonuses		Sign-on awards		Severance payments	
	Number of employees	Total amount	Number of employees	Total amount	Number of employees	Total amount
Senior management						
Other material risk-takers						

Definitions and instructions

Senior management and other material risk-takers categories in rows 1 and 2 must correspond to the type of employees described in Table REMA.

Guaranteed bonuses are payments of guaranteed bonuses during the financial year.

Sign-on awards are payments allocated to employees upon recruitment during the financial year.

Severance payments are payments allocated to employees dismissed during the financial year.

Template REM3: Deferred remuneration

Purpose: Provide quantitative information on deferred and retained remuneration.

Scope of application: The template is mandatory for all banks.

Content: Quantitative information.

Frequency: Annual.

Format: Flexible.

Accompanying narrative: Banks may supplement the template with a narrative commentary to explain any significant movements over the reporting period and the key drivers of such movements.

	a	b	c	d	e
Deferred and retained remuneration	Total amount of outstanding deferred remuneration	Of which: total amount of outstanding deferred and retained remuneration exposed to ex post explicit and/or implicit adjustment	Total amount of amendment during the year due to ex post explicit adjustments	Total amount of amendment during the year due to ex post implicit adjustments	Total amount of deferred remuneration paid out in the financial year
Senior management					
Cash					
Shares					
Cash-linked instruments					
Other					
Other material risk-takers					
Cash					
Shares					
Cash-linked instruments					
Other					
Total					

Definitions

Outstanding exposed to ex post explicit adjustment: Part of the deferred and retained remuneration that is subject to direct adjustment clauses (for instance, subject to malus, clawbacks or similar reversal or downward revaluations of awards).

Outstanding exposed to ex post implicit adjustment: Part of the deferred and retained remuneration that is subject to adjustment clauses that could change the remuneration, due to the fact that they are linked to the performance of other indicators (for instance, fluctuation in the value of shares performance or performance units).

In columns (a) and (b), the amounts at reporting date (cumulated over the last years) are expected. In columns (c)-(e), movements during the financial year are expected. While columns (c) and (d) show the movements specifically related to column (b), column (e) shows payments that have affected column (a).

19. Credit risk:

19.1 The scope of section 19 includes items subject to risk-weighted assets (RWA) for credit risk as defined in Basel Framework “Risk-based capital requirements” (Calculation of Minimum risk-based capital requirements) 20.6(1), i.e. excluding:

19.1.1 All positions subject to the securitization regulatory framework, including those that are included in the banking book for regulatory purposes, which are reported in section 21.

19.1.2 Capital requirements relating to counterparty credit risk, which are reported in section 20. General information about credit risk:

19.2 The disclosure requirements under this section are:

19.2.1 General information about credit risk:

- a. Table CRA - General qualitative information about credit risk
- b. Template CR1 - Credit quality of assets
- c. Template CR2 - Changes in stock of defaulted loans and debt securities
- d. Table CRB - Additional disclosure related to the credit quality of assets
- e. Table CRB-A - Additional disclosure related to prudential treatment of problem assets

19.2.2 Credit risk mitigation:

- f. Table CRC - Qualitative disclosure related to credit risk mitigation techniques
- g. Template CR3 - Credit risk mitigation techniques – overview

19.2.3 Credit risk under standardized approach:

- h. Table CRD - Qualitative disclosure on banks' use of external credit ratings under the standardised approach for credit risk
- i. Template CR4 - Standardised approach - Credit risk exposure and credit risk mitigation effects
- j. Template CR5 - Standardised approach - Exposures by asset classes and risk weights

19.2.4 Credit risk under internal risk-based approaches. **The disclosure requirements related in this section are not required to be completed by banks unless SAMA approve the bank to use the IRB approach.**

- k. Table CRE - Qualitative disclosure related to internal ratings-based (IRB) models
- l. Template CR6 - IRB - Credit risk exposures by portfolio and probability of default (PD) range
- m. Template CR7 - IRB - Effect on RWA of credit derivatives used as credit risk mitigation (CRM) techniques
- n. Template CR8 - RWA flow statements of credit risk exposures under IRB
- o. Template CR9 - IRB - Backtesting of PD per portfolio
- p. Template CR10 - IRB (specialised lending and equities under the simple risk weight method)

Table CRA: General qualitative information about credit risk

Purpose: Describe the main characteristics and elements of credit risk management (business model and credit risk profile, organization and functions involved in credit risk management, risk management reporting).

Scope of application: The table is mandatory for all banks.

Content: Qualitative information.

Frequency: Annual.

Format: Flexible.

Banks must describe their risk management objectives and policies for credit risk, focusing in particular on:

- (a) How the business model translates into the components of the bank's credit risk profile

- (b) Criteria and approach used for defining credit risk management policy and for setting credit risk limits

- (c) Structure and organization of the credit risk management and control function

- (d) Relationships between the credit risk management, risk control, compliance and internal audit functions

- (e) Scope and main content of the reporting on credit risk exposure and on the credit risk management function to the executive management and to the board of directors

Template CR1: Credit quality of assets

Purpose: Provide a comprehensive picture of the credit quality of a bank's (on- and off-balance sheet) assets.

Scope of application: The template is mandatory for all banks. Columns d, e and f are only applicable for banks that have adopted an ECL accounting model.

Content: Carrying values (corresponding to the accounting values reported in financial statements but according to the scope of regulatory consolidation).

Frequency: Semiannual.

Format: Fixed.

Accompanying narrative: Banks must include their definition of default in an accompanying narrative.

		a	b	c	d	e	f	g
		Gross carrying values of		Allowances/ impairments	Of which ECL accounting provisions for credit losses on SA exposures		Of which ECL accounting provisions for credit losses on IRB exposures	Net values (a+b-c)
		Defaulted exposures	Non-defaulted exposures		Allocated in regulatory category of Specific	Allocated in regulatory category of General		
1	Loans							
2	Debt Securities							
3	Off-balance sheet exposures							
4	Total							

Definitions

Gross carrying values: on- and off-balance sheet items that give rise to a credit risk exposure according to the Basel framework. On-balance sheet items include loans and debt securities. Off-balance sheet items must be measured according to the following criteria: (a) guarantees given - the maximum amount that the bank would have to pay if the guarantee were called. The amount must be gross of any credit conversion factor (CCF) or credit risk mitigation (CRM) techniques. (b) Irrevocable loan commitments - total amount that the bank has committed to lend. The amount must be gross of any CCF or CRM techniques. Revocable loan commitments must not be included. The gross value is the accounting value before any allowance/impairments but after considering write-offs. Banks must not take into account any credit risk mitigation technique.

Write-offs for the purpose of this template are related to a direct reduction of the carrying amount when the entity has no reasonable expectations of recovery.

Defaulted exposures: banks should use the definition of default that they also use for regulatory purposes. Banks must provide this definition of default in the accompanying narrative. For a bank using the standardized approach for credit risk, the default exposures in Templates CR1 and CR2 should correspond to exposures that are "past due for more than 90 days", as stated in SCRE7.96.

Non-defaulted exposures: any exposure not meeting the above definition of default.

Allowances/impairments: are those that are considered "credit-impaired" in the meaning of IFRS 9 Appendix A.

Accounting provisions for credit losses: total amount of provisions, made via an allowance against impaired and not impaired exposures according to the applicable accounting framework. For example, when the accounting framework is IFRS 9, "impaired exposures" are those that are considered "credit-impaired" in the meaning of IFRS 9 Appendix A. When the accounting framework is US GAAP, "impaired exposures" are those exposures for which credit losses are measured under ASC Topic 326 and for which the bank has recorded a partial write-off/write-down.

Banks must fill in column d to f in accordance with the categorization of accounting provisions distinguishing those meeting the conditions to be categorized in general provisions, as defined in SACAP2.2.3, and those that are categorized as specific provisions. This categorization must be consistent with information provided in Table CRB.

Net values: Total gross value less allowances/impairments.

Debt securities: Debt securities exclude equity investments subject to the credit risk framework. However, banks may add a row between rows 2 and 3 for "other investment" (if needed) and explain in the accompanying narrative.

Linkages across templates

Amount in [CR1:1/g] is equal to the sum [CR3:1/a] + [CR3:1/b].

Amount in [CR1:2/g] is equal to the sum [CR3:2/a] + [CR3:2/b].

Amount in [CR1:4/a] is equal to [CR2:6/a], only when (i) there is zero defaulted off-balance sheet exposure or SAMA has exercised its discretion to include off-balance sheet exposures in Template CR2.

Table CR2: Changes in stock of defaulted loans and debt securities

Purpose: Identify the changes in a bank's stock of defaulted exposures, the flows between non-defaulted and defaulted exposure categories and reductions in the stock of defaulted exposures due to write-offs.

Scope of application: The template is mandatory for all banks.

Content: Carrying values.

Frequency: Semiannual.

Format: Fixed.

Accompanying narrative: Banks should explain the drivers of any significant changes in the amounts of defaulted exposures from the previous reporting period and any significant movement between defaulted and non-defaulted loans.

Banks should disclose in their accompanying narrative whether defaulted exposures include off-balance sheet items.

	a
1 Defaulted loans and debt securities at end of the previous reporting period	
2 Loans and debt securities that have defaulted since the last reporting period	
3 Returned to non-defaulted status	
4 Amounts written off	
5 Other changes	
6 Defaulted loans and debt securities at end of the reporting period (1+2-3-4+5)	

Definitions

Defaulted exposure: such exposures must be reported net of write-offs and gross of (ie ignoring) allowances/impairments. For a bank using the standardised approach for credit risk, the default exposures in Templates CR1 and CR2 should correspond to exposures that are "past due for more than 90 days", as stated in SCRE7.96.

Loans and debt securities that have defaulted since the last reporting period: refers to any loan or debt securities that became marked as defaulted during the reporting period.

Return to non-defaulted status: refers to loans or debt securities that returned to non-default status during the reporting period.

Amounts written off: both total and partial write-offs.

Other changes: balancing items that are necessary to enable total to reconcile.

Table CRB: Additional disclosure related to the credit quality of assets

Purpose: Supplement the quantitative templates with information on the credit quality of a bank's assets.

Scope of application: The table is mandatory for all banks.

Content: Additional qualitative and quantitative information (carrying values).

Frequency: Annual.

Format: Flexible.

Banks must provide the following disclosures:

Qualitative disclosures

- (a) The scope and definitions of "past due" and "impaired" exposures used for accounting purposes and the differences, if any, between the definition of past due and default for accounting and regulatory purposes. When the accounting framework is IFRS 9, "impaired exposures" are those that are considered "credit-impaired" in the meaning of IFRS 9 Appendix A.
- (b) The extent of past-due exposures (more than 90 days) that are not considered to be impaired and the reasons for this.
- (c) Description of methods used for determining accounting provisions for credit losses. In addition, banks that have adopted an ECL accounting model must provide information on the rationale for categorisation of ECL accounting provisions in general and specific categories for standardised approach exposures.
- (d) The bank's own definition of a restructured exposure. Banks should disclose the definition of restructured exposures they use (which may be a definition from the local accounting or regulatory framework).

Quantitative disclosures

- (e) Breakdown of exposures by geographical areas, industry and residual maturity.
- (f) Amounts of impaired exposures (according to the definition used by the bank for accounting purposes) and related accounting provisions, broken down by geographical areas and industry.
- (g) Ageing analysis of accounting past-due exposures.
- (h) Breakdown of restructured exposures between impaired and not impaired exposures.

Table CRB-A – Additional disclosure related to prudential treatment of problem assets

Purpose: To supplement the quantitative templates with additional information related to non-performing exposures and forbearance.

Scope of application: The table is mandatory for banks.

Content: Qualitative and quantitative information (carrying values corresponding to the accounting values reported in financial statements but according to the regulatory scope of consolidation)

Frequency: Annual.

Format: Flexible.

Banks must provide the following disclosures:

Qualitative disclosures

- a) The bank’s own definition of non-performing exposures. The bank should specify in particular if it is using the definition provided in the guidelines on prudential treatment of problem assets (hereafter in this table referred to as SAMA’s Rules on Management of Problem No. 41033343, January 2020. And provide a discussion on the implementation of its definition, including the materiality threshold used to categorise exposures as past due, the exit criteria of the non-performing category (providing information on a probation period, if relevant), together with any useful information for users’ understanding of this categorisation. This would include a discussion of any differences or unique processes for the categorisation of corporate and retail loans.
- b) The bank’s own definition of a forbome exposure. The bank should specify in particular if it is using the definition provided in the Guidelines and provide a discussion on the implementation of its definition, including the exit criteria of the restructured or forbome category (providing information on the probation period, if relevant), together with any useful information for users’ understanding of this categorisation. This would include a discussion of any differences or unique processes for the catagorisation of corporate and retail loans.⁴

Quantitative disclosures

- c) Gross carrying value of total performing as well as non-performing exposures, broken down first by debt securities, loans and off-balance sheet exposures. Loans should be further broken down by corporate and retail exposures. Non-performing exposures should in addition be split into (i) defaulted exposures and/or impaired exposures;⁵ (ii) exposures that are not defaulted/impaired exposures but are more than 90 days past due; and (iii) other exposures where there is evidence that full repayment is unlikely without the bank’s realisation of collateral (which would include exposures that are not defaulted/impaired and are not more than 90 days past due but for which payment is unlikely without the bank’s realisation of collateral, even if the exposures are not past due). Value adjustments and provisions⁶ or non-performing exposures should also be disclosed.
- d) Gross carrying values of restructured/forborne exposures broken down first by debt securities, loans and off-balance sheet exposures. Loans should be further broken down by corporate and retail exposures to enable an understanding of material differences in the level of risk among different portfolios (eg retail exposures secured by real estate/mortgages, revolving exposures, SMEs, other retail). Exposures should, in addition, be split into performing and non-performing, and impaired and not impaired exposures. Value adjustments and provisions for non-performing exposures should also be disclosed.

⁴ Banks are allowed to (i) merge row (d) of Table CRB with row (b) of Table CRB-A and (ii) merge row (h) of Table CRB with row (d) of Table CRB-A if and only if the bank uses a common definition for restructured and forbome exposures. The bank should clarify in the disclosure that they are applying a common definition for restructured and forbome exposures. In such case, the bank should also specify in the accompanying narrative that it uses a common definition for restructured exposures and forbome exposures that therefore, information disclosed regarding requirements of row (b) and row (d) of Table CRB-A have been merged with the row (d) and row (h) of Table CRB, respectively.

⁵ When the accounting framework is IFRS 9, “impaired exposures” are those that are considered “credit-impaired” in the meaning of IFRS 9 Appendix A.

⁶ Please refer to paragraph 33 of the Guidelines, where it is stated: “these value adjustments and provisions refer to both the allowance for credit losses and direct reductions of the outstanding of an exposure to reflect a decline in the counterparty’s creditworthiness”. For banks not applying the Guidelines, please refer to the definition of accounting provisions included in Template CR1, which is in line with paragraph 33 of the Guidelines.

Definitions

Gross carrying values: on- and off-balance sheet items that give rise to a credit risk exposure according to the finalised Basel III framework.

On-balance sheet items include loans and debt securities. Off-balance sheet items must be measured according to the following criteria:

- a) Guarantees given – the maximum amount that the bank would have to pay if the guarantee were called. The amount must be gross of any credit conversion factor (CCF) or credit risk mitigation (CRM) techniques.

 - b) Irrevocable loan commitments – the total amount that the bank has committed to lend. The amount must be gross of any CCF or CRM techniques. Revocable loan commitments must not be included. The gross value is the accounting value before any allowance/impairments but after considering write-offs. Banks must not take into account any CRM technique.
-

Table CRC: Qualitative disclosure related to credit risk mitigation techniques

Purpose: Provide qualitative information on the mitigation of credit risk.

Scope of application: The table is mandatory for all banks.

Content: Qualitative information.

Frequency: Annual.

Format: Flexible.

Banks must disclose:

(a) Core features of policies and processes for, and an indication of the extent to which the bank makes use of, on- and off-balance sheet netting.

(b) Core features of policies and processes for collateral evaluation and management.

Information about market or credit risk concentrations under the credit risk mitigation instruments used (ie by guarantor type, collateral and credit derivative providers).

(c) Banks should disclose a meaningful breakdown of their credit derivative providers, and set the level of granularity of this breakdown in accordance with section 10. For instance, banks are not required to identify their derivative counterparties nominally if the name of the counterparty is considered to be confidential information. Instead, the credit derivative exposure can be broken down by rating class or by type of counterparty (eg banks, other financial institutions, non-financial institutions).

Table CR3: Credit risk mitigation techniques - overview

Purpose: Disclose the extent of use of credit risk mitigation techniques.

Scope of application: The table is mandatory for all banks.

Content: Carrying values. Banks must include all CRM techniques used to reduce capital requirements and disclose all secured exposures, irrespective of whether the standardised or IRB approach is used for RWA calculation.

Please refer to section 28.3 for an illustration on how the template should be completed.

Frequency: Semiannual.

Format: Fixed. Where banks are unable to categorise exposures secured by collateral, financial guarantees or credit derivative into "loans" and "debt securities", they can either (i) merge two corresponding cells, or (ii) divide the amount by the pro-rata weight of gross carrying values; they must explain which method they have used.

Accompanying narrative: Banks are expected to supplement the template with a narrative commentary to explain any significant changes over the reporting period and the key drivers of such changes.

		a	b	c	d	e
		Exposures unsecured: carrying amount	Exposures to be secured	Exposures secured by collateral	Exposures secured by financial guarantees	Exposures secured by credit derivatives
1	Loans					
2	Debt securities					
3	Total					
4	Of which defaulted					

Definitions

Exposures unsecured- carrying amount: carrying amount of exposures (net of allowances/impairments) that do not benefit from a credit risk mitigation technique.

Exposures to be secured: carrying amount of exposures which have at least one credit risk mitigation mechanism (collateral, financial guarantees, credit derivatives) associated with them. The allocation of the carrying amount of multi-secured exposures to their different credit risk mitigation mechanisms is made by order of priority, starting with the credit risk mitigation mechanism expected to be called first in the event of loss, and within the limits of the carrying amount of the secured exposures.

Exposures secured by collateral: carrying amount of exposures (net of allowances/impairments) partly or totally secured by collateral. In case an exposure is secured by collateral and other credit risk mitigation mechanism(s), the carrying amount of the exposures secured by collateral is the remaining share of the exposure secured by collateral after consideration of the shares of the exposure already secured by other mitigation mechanisms expected to be called beforehand in the event of a loss, without considering overcollateralisation.

Exposures secured by financial guarantees: carrying amount of exposures (net of allowances/impairments) partly or totally secured by financial guarantees. In case an exposure is secured by financial guarantees and other credit risk mitigation mechanism, the carrying amount of the exposure secured by financial guarantees is the remaining share of the exposure secured by financial guarantees after consideration of the shares of the exposure already secured by other mitigation mechanisms expected to be called beforehand in the event of a loss, without considering overcollateralisation.

Table CRD: Qualitative disclosure on banks' use of external credit ratings under the standardised approach for credit risk

Purpose: Supplement the information on a bank's use of the standardised approach with qualitative data on the use of external ratings.

Scope of application: The table is mandatory for all banks that: (a) use the credit risk standardised approach (or the simplified standardised approach); and (b) make use of external credit ratings for their RWA calculation.

In order to provide meaningful information to users, the bank may choose not to disclose the information requested in the table if the exposures and RWA amounts are negligible. It is however required to explain why it considers the information not to be meaningful to users, including a description of the portfolios concerned and the aggregate total RWA these portfolios represent.

Content: Qualitative information.

Frequency: Annual.

Format: Flexible.

A. For portfolios that are risk-weighted under the standardised approach for credit risk, banks must disclose the following information:

(a) Names of the external credit assessment institutions (ECAIs);

(b) The asset classes for which each ECAI is used;

(c) A description of the process used to transfer the issuer to issue credit ratings onto comparable assets in the banking book (see SCRE8.16 to SCRE8.18); and

(d) The alignment of the alphanumeric scale of each agency used with risk buckets (as per SAMA circular No. B.C.S 242, issued April 11, 2007).

Template CR4: Standardised approach – credit risk exposure and credit risk mitigation (CRM) effects

Purpose: To illustrate the effect of CRM (comprehensive and simple approach) on capital requirement calculations under the standardised approach for credit risk. RWA density provides a synthetic metric on the riskiness of each portfolio.

Scope of application: The template is mandatory for banks using the standardised approach for credit risk.

Subject to SAMA approval of the immateriality of the asset class, banks that intend to adopt a phased rollout of the IRB approach may apply the standardised approach to certain asset classes. In circumstances where exposures and RWA amounts subject to the standardised approach may be considered to be negligible, and disclosure of this information to users would not provide any meaningful information, the bank may choose not to disclose the template for the exposures treated under the standardised approach. The bank must, however, explain why it considers the information not to be meaningful to users. The explanation must include a description of the exposures included in the respective portfolios and the aggregate total of RWA from such exposures.

Content: Regulatory exposure amounts

Frequency: Semiannual.

Format: Fixed. The columns and rows cannot be altered unless SAMA make policy changes to the asset classes as defined under the finalised Basel III framework.

Accompanying narrative: Banks are expected to supplement the template with a narrative commentary to explain any significant change over the reporting period and the key drivers of such changes. Banks should describe the sequence in which CCFs, provisioning and credit risk mitigation measures are applied.

		a	b	c	d	e	f
		Exposures before CCF and CRM		Exposures post-CCF and post-CRM		RWA and RWA density	
	Asset classes	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						
2	Non-central government public sector entities						
3	Multilateral development banks						
4	Banks						
	Of which: securities firms and other financial institutions						
5	Covered bonds						
6	Corporates						
	Of which: securities firms and other financial institutions						
	Of which: specialised lending						
7	Subordinated debt, equity and other capital						
8	Retail						
	MSMEs						
9	Real estate						
	Of which: general RR						
	Of which: IPRRE						
	Of which: general CRE						
	Of which: IPCR						
	Of which: land acquisition, development and construction						
10	Defaulted exposures						
11	Other assets						
12	Total						

Definitions**Rows:**

General residential real estate (General RRE): refers to regulatory residential real estate exposures that are not materially dependent on cash flows generated by the property as set out in SCRE7.74 and SCRE7.75, and any residential real estate exposures covered by SCRE7.81.

Income-producing residential real estate (IPRRE): refers to regulatory residential real estate exposures that are materially dependent on cash flows generated by the property as set out in SCRE7.76, and any residential real estate exposures covered by SCRE7.81.

General commercial real estate (General CRE): refers to regulatory commercial real estate exposures that are not materially dependent on cash flows generated by the property as set out in SCRE7.77 and SCRE7.78, and any commercial real estate exposures covered by SCRE7.81.

Income-producing commercial real estate (IPCRE): refers to regulatory commercial real estate exposures that are materially dependent on cash flows generated by the property as set out in SCRE7.79 and any commercial real estate exposures covered by SCRE7.81.

Land acquisition, development and construction: refers to exposures subject to the risk weights set out SCRE7.82 and SCRE7.83.

Other assets: refers to assets subject to specific risk weight as set out in SCRE7.102.

Columns:

Exposures before credit conversion factors (CCF) and CRM - On-balance sheet amount: Banks must disclose the regulatory exposure amount (net of specific provisions, including partial write-offs) under the regulatory scope of consolidation gross of (ie before taking into account) the effect of CRM techniques.

Exposures before CCF and CRM - Off-balance sheet amount: Banks must disclose the exposure value, gross of CCFs and the effect of CRM techniques under the regulatory scope of consolidation.

Exposures post-CCF and post-CRM: This is the amount to which the capital requirements are applied. It is a net credit equivalent amount, after CRM techniques and CCF have been applied.

RWA density: Total risk-weighted assets/exposures post-CCF and post-CRM (ie column (e) / (column (c) + column (d))), expressed as a percentage.

Linkages across templates:

Amount in [CR4:12/c] + [CR4:12/d] is equal to amount in [CR5: Exposure amounts and CCFs applied to off-balance sheet exposures, categorised based on risk bucket of converted exposures 11/d].

Template CR5: Standardised approach - exposures by asset classes and risk weights

Purpose: To present the breakdown of credit risk exposures under the standardised approach by asset class and risk weight (corresponding to the riskiness attributed to the exposure according to standardised approach).

Scope of application: The template is mandatory for banks using the standardised approach.

Subject to SAMA approval of the immateriality of the asset class, banks that intend to adopt a phased rollout of the internal ratings-based (IRB) approach may apply the standardised approach to certain asset classes. In circumstances where exposures and RWA amounts subject to the standardised approach may be considered to be negligible, and disclosure of this information would not provide any meaningful information to users, the bank may choose not to disclose the template for the exposures treated under the standardised approach. The bank must, however, explain why it considers the information not to be meaningful to users. The explanation must include a description of the exposures included in the respective portfolios and the aggregate total of RWA from such exposures.

Content: Regulatory exposure amounts.

Frequency: Semiannual.

Format: Fixed. The columns and rows cannot be altered unless SAMA make policy changes to the asset classes as defined under the finalised Basel III framework.

Accompanying narrative: Banks are expected to supplement the template with a narrative commentary to explain any significant change over the reporting period and the key drivers of such changes. Banks should describe the sequence in which CCFs, provisioning and credit risk mitigation measures are applied.

1		0%	20%	50%	100%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)				
	Sovereigns and their central banks											
2		20%	50%	100%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)					
	Non-central government public sector entities											
3		0%	20%	30%	50%	100%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)			
	Multilateral development banks											
4		20%	30%	40%	50%	75%	100%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)		
	Banks											
	Of which: securities firms and other financial institutions											
5		10%	15%	50%	20%	25%	50%	100%	Other	Total credit exposure amount (post-CCF and post-CRM)		
	Covered bonds											
6		20%	50%	65%	75%	80%	85%	100%	130%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)
	Corporates/including corporate SMEs											
	Of which: securities firms and other financial institutions											

	Of which: specialised lending																				
7					100%	150%	250% ⁷	400% ⁷	Other	Total credit exposure amount (post-CCF and post-CRM)											
	Subordinated debt, equity and other capital ⁸																				
8		45%	75%	100%	Other												Total credit exposure amount (post-CCF and post-CRM)				
	Retail																				
	MSMEs ⁹																				

	0%	20%	25%	30%	35%	40%	45%	50%	60%	65%	70%	75%	85%	90%	100%	105%	110%	150%	Others	Total credit exposure amount (post-CCF and post-CRM)	
9 Real estate																					
Of which: general RRE																					
Of which: no loan splitting applied																					
Of which: loan splitting applied (secured)																					
Of which: loan splitting applied (unsecured)																					
Of which: IPRRE																					
Of which: general CRE																					

⁷ The prohibition on the use of the IRB approach for equity exposures will be subject to a five-year linear phase-in arrangement from 1 January 2022 (please see SCRE17.1 and SCRE17.2). During this phase-in period, the risk weight for equity exposures will be the greater of: (i) the risk weight as calculated under the IRB approach, and (ii) the risk weight set for the linear phase-in arrangement under the standardised approach for credit risk. Alternatively, SAMA may require banks to apply the fully phased-in standardised approach treatment from the date of implementation of this standard. Accordingly, for disclosure purposes, banks that continue to apply the IRB approach during the phase-in period should report their equity exposures in either the 250% or the 400% column, according to whether the respective equity exposures are speculative unlisted equities or all other equities.

⁸ For disclosure purposes, banks that use the standardised approach for credit risk during the transitional period should report their equity exposures according to whether they would be classified as “other equity holdings” (250%) or “speculative unlisted equity” (400%). Risk weights disclosed for “speculative unlisted equity exposures” and “other equity holdings” should reflect the actual risk weights applied to these exposures in a particular year (please refer to the respective transitional arrangements set out in SCRE17.1)

⁹ Defined as per SAMA circular No.381000094106 dated 06/09/1438.

Of which: no loan splitting applied																				
Of which: loan splitting applied (secured)																				
Of which: loan splitting applied (unsecured)																				
Of which: IPCRE																				
Of which: land acquisition, development and construction																				

		50%	100%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)	
10	Defaulted exposures						
		0%	20%	100%	1250%	Other	Total credit exposure amount (post-CCF and post-CRM)
11	Other assets						

Exposure amounts and CCFs applied to off-balance sheet exposures, categorised based on risk bucket of converted exposures

	Risk weight	a	b	cd
		<i>On-balance sheet exposure</i>	<i>Off-balance sheet exposure (pre-CCF)</i>	<i>Weighted average CCF*Exposure (post-CCF and post-CRM)</i>
1	<i>Less than 40%</i>			
2	<i>40-70%</i>			
3	<i>75%</i>			
4	<i>85%</i>			
5	<i>90-100%</i>			
6	<i>105-130%</i>			
7	<i>150%</i>			
8	<i>250%</i>			
9	<i>400%</i>			
10	<i>1,250%</i>			
11	<i>Total exposures</i>			

* Weighting is based on off-balance sheet exposure (pre-CCF).

Definitions

Loan splitting: refers to the approaches set out in SCRE7.75 and SCRE7.78.

Total credit exposure amount (post-CCF and post-CRM): the amount used for the capital requirements calculation (for both on- and off-balance sheet amounts), therefore net of specific provisions (including partial write-offs) and after CRM techniques and CCF have been applied but before the application of the relevant risk weights.

Defaulted exposures: correspond to the unsecured portion of any loan past due for more than 90 days or represent an exposure to a defaulted borrower, as defined in SCRE7.96.

Other assets: refers to assets subject to specific risk weighting as set out in SCRE7.102.

Template CRE: Qualitative disclosure related to IRB models

Purpose: Provide additional information on IRB models used to compute RWA.

Scope of application: he table is mandatory for banks using A-IRB or F-IRB approaches for some or all of their exposures.

To provide meaningful information to users, the bank must describe the main characteristics of the models used at the group-wide level (according to the scope of regulatory consolidation) and explain how the scope of models described was determined. The commentary must include the percentage of RWA covered by the models for each of the bank's regulatory portfolios.

Content: Qualitative information.

Frequency: Annual.

Format: Flexible.

Banks must provide the following information on their use of IRB models:

- (a) Internal model development, controls and changes: role of the functions involved in the development, approval and subsequent changes of the credit risk models.
- (b) Relationships between risk management function and internal audit function and procedure to ensure the independence of the function in charge of the review of the models from the functions responsible for the development of the models.
- (c) Scope and main content of the reporting related to credit risk models.
Scope of the supervisor's acceptance of approach.
- (d) The "scope of the supervisor's acceptance of approach" refers to the scope of internal models approved by SAMA in terms of entities within the group (if applicable), portfolios and exposure classes, with a breakdown between foundation IRB (F-IRB) and advanced IRB (A-IRB), if applicable.
- (e) For each of the portfolios, the bank must indicate the part of EAD within the group (in percentage of total EAD) covered by standardised, F-IRB and A-IRB approach and the part of portfolios that are involved in a roll-out plan.
- (f) The number of key models used with respect to each portfolio, with a brief discussion of the main differences among the models within the same portfolios.
Description of the main characteristics of the approved models:
 - (i) definitions, methods and data for estimation and validation of PD (eg how PDs are estimated for low default portfolios; if there are regulatory floors; the drivers for differences observed between PD and actual default rates at least for the last three periods);
- (g) and where applicable:
 - (ii) LGD (eg methods to calculate downturn LGD; how LGDs are estimated for low default portfolio; the time lapse between the default event and the closure of the exposure);
 - (iii) credit conversion factors, including assumptions employed in the derivation of these variables;

Template CR6: IRB - Credit risk exposures by portfolio and PD range

Purpose: Provide main parameters used for the calculation of capital requirements for IRB models. The purpose of disclosing these parameters is to enhance the transparency of banks' RWA calculations and the reliability of regulatory measures.

Scope of application: The template is mandatory for banks using either the F-IRB or the A-IRB approach for some or all of their exposures.

Content: Columns (a) and (b) are based on accounting carrying values and columns (c) to (l) are regulatory values. All are based on the scope of regulatory consolidation.

Frequency: Semiannual.

Format: Fixed.

Accompanying narrative: Banks are expected to supplement the template with a narrative to explain the effect of credit derivatives on RWAs.

	PD scale	a	b	c	d	e	f	g	h	i	j	k	l
		Original on-balance sheet gross exposure	Off-balance sheet exposures pre CCF	Average CCF	EAD post CRM and post-CCF	Average PD	Number of obligors	Average LGD	Average maturity	RWA	RWA density	EL	Provisions
Portfolio X													
	0.00 to <0.15												
	0.15 to <0.25												
	0.25 to <0.50												
	0.50 to <0.75												
	0.75 to <2.50												
	2.50 to <10.00												
	10.00 to <100.00												
	100.00 (Default)												
	Sub-total												
Total (all portfolios)													

Definitions

Rows

Portfolio X includes the following prudential portfolios for the FIRB approach: (i) Sovereign; (ii) Banks; (iii) Corporate; (iv) Corporate - Specialised Lending; (v) Purchased receivables, and the following prudential portfolios for the AIRB approach: (i) Sovereign; (ii) Banks; (iii) Corporate; (iv) Corporate - Specialised Lending; (v) Retail - qualifying revolving (QRRE); (vi) Retail - Residential mortgage exposures; (vii) Retail - SME; (viii) Other retail exposures; (ix) Purchased receivables. Information on F-IRB and A-IRB portfolios, respectively, must be reported in two separate templates.

Default: The data on defaulted exposures may be further broken down according to SAMA's definitions for categories of defaulted exposures.

Columns

PD scale: Exposures shall be broken down according to the PD scale used in the template instead of the PD scale used by banks in their RWA calculation. Banks must map the PD scale they use in the RWA calculations into the PD scale provided in the template.

Original on-balance sheet gross exposure: amount of the on-balance sheet exposure gross of accounting provisions (before taking into account the effect of credit risk mitigation techniques).

Off-balance sheet exposure pre conversion factor: exposure value without taking into account value adjustments and provisions, conversion factors and the effect of credit risk mitigation techniques.

Average CCF: EAD post-conversion factor for off-balance sheet exposure to total off-balance sheet exposure preconversion factor.

EAD post-CRM: the amount relevant for the capital requirements calculation.

Number of obligors: corresponds to the number of individual PDs in this band. Approximation (round number) is acceptable.

Average PD: obligor grade PD weighted by EAD.

Average LGD: the obligor grade LGD weighted by EAD. The LGD must be net of any CRM effect.

Average maturity: the obligor maturity in years weighted by EAD; this parameter needs to be filled in only when it is used for the RWA calculation.

RWA density: Total risk-weighted assets to EAD post-CRM.

EL: the expected losses as calculated according to SCRE13.8 to SCRE13.12 and SCRE15.2 to SCRE15.3.

Provisions: provisions calculated according to SCRE15.4.

Template CR7: IRB - Effect on RWA of credit derivatives used as CRM techniques

Purpose: Illustrate the effect of credit derivatives on the IRB approach capital requirements' calculations. The pre-credit derivatives RWA before taking account of credit derivatives mitigation effect has been selected to assess the impact of credit derivatives on RWA. This is irrespective of how the CRM technique feeds into the RWA calculation.

Scope of application: The template is mandatory for banks using the A-IRB and/or F-IRB approaches for some or all of their exposures.

Content: Risk-weighted assets (subject to credit risk treatment).

Frequency: Semiannual.

Format: Fixed.

Accompanying narrative: Banks should supplement the template with a narrative commentary to explain the effect of credit derivatives on the bank's RWAs.

		a	b
		Pre-credit derivatives RWA	Actual RWA
1	Sovereign - F-IRB		
2	Sovereign - A-IRB		
3	Banks - F-IRB		
4	Banks - A-IRB		
5	Corporate - F-IRB		
6	Corporate - A-IRB		
7	Specialised lending - F-IRB		
8	Specialised lending - A-IRB		
9	Retail - qualifying revolving (QRRE)		
10	Retail - residential mortgage exposures		
11	Retail -MSMEs		
12	Other retail exposures		
13	Equity - F-IRB		
14	Equity - A-IRB		
15	Purchased receivables - F-IRB		
16	Purchased receivables - A-IRB		
17	Total		

Pre-credit derivatives RWA: hypothetical RWA calculated assuming the absence of recognition of the credit derivative as a CRM technique.

Actual RWA: RWA calculated taking into account the CRM technique impact of the credit derivative.

Template CR8: RWA flow statements of credit risk exposures under IRB

Purpose: Present a flow statement explaining variations in the credit RWA determined under an IRB approach.

Scope of application: The template is mandatory for banks using the A-IRB and/or F-IRB approaches.

Content: Risk-weighted assets corresponding to credit risk only (counterparty credit risk excluded). Changes in RWA amounts over the reporting period for each of the key drivers should be based on a bank's reasonable estimation of the figure.

Frequency: Quarterly.

Format: Fixed. Columns and rows 1 and 9 cannot be altered. Banks may add additional rows between rows 7 and 8 to disclose additional elements that contribute significantly to RWA variations.

Accompanying narrative: Banks should supplement the template with a narrative commentary to explain any significant change over the reporting period and the key drivers of such changes.

		a
		RWA amounts
1	RWA as at end of previous reporting period	
2	Asset size	
3	Asset quality	
4	Model updates	
5	Methodology and policy	
6	Acquisitions and disposals	
7	Foreign exchange movements	
8	Other	
9	RWA as at end of reporting period	

Asset size: organic changes in book size and composition (including origination of new businesses and maturing loans) but excluding changes in book size due to acquisitions and disposal of entities.

Asset quality: changes in the assessed quality of the bank's assets due to changes in borrower risk, such as rating grade migration or similar effects.

Model updates: changes due to model implementation, changes in model scope, or any changes intended to address model weaknesses.

Methodology and policy: changes due to methodological changes in calculations driven by regulatory policy changes, including both revisions to existing regulations and new regulations.

Acquisitions and disposals: changes in book sizes due to acquisitions and disposal of entities.

Foreign exchange movements: changes driven by market movements such as foreign exchange movements.

Other: this category must be used to capture changes that cannot be attributed to any other category. Banks should add additional rows between rows 7 and 8 to disclose other material drivers of RWA movements over the reporting period.

Template CR9: IRB - Backtesting of probability of default (PD) per portfolio

Purpose: Provide backtesting data to validate the reliability of PD calculations. In particular, the template compares the PD used in IRB capital calculations with the effective default rates of bank obligors. A minimum five-year average annual default rate is required to compare the PD with a "more stable" default rate, although a bank may use a longer historical period that is consistent with its actual risk management practices.

Scope of application: The template is mandatory for banks using the A-IRB and/or F-IRB approaches. Where a bank makes use of a F-IRB approach for certain exposures and an A-IRB approach for others, it must disclose two separate sets of portfolio breakdown in separate templates.

To provide meaningful information to users on the backtesting of their internal models through this template, the bank must include in this template the key models used at the group-wide level (according to the scope of regulatory consolidation) and explain how the scope of models described was determined. The commentary must include the percentage of RWA covered by the models for which backtesting results are shown here for each of the bank's regulatory portfolios.

The models to be disclosed refer to any model, or combination of models, approved SAMA, for the generation of the PD used for calculating capital requirements under the IRB approach. This may include the model that is used to assign a risk rating to an obligor, and/or the model that calibrates the internal ratings to the PD scale.

Content: Modelling parameters used in IRB calculation.

Frequency: Annual.

Format: Flexible.

Accompanying narrative: Banks are expected to supplement the template with a narrative commentary to explain any significant changes over the reporting period and the key drivers of such changes. Banks may wish to supplement the template when disclosing the amount of exposure and the number of obligors whose defaulted exposures have been cured in the year.

a	b	c	d	e	f		g	h	i
Portfolio X*	PD Range	External rating equivalent	Weighted average PD	Arithmetic average PD by obligors	Number of obligors		Defaulted obligors in the year	of which: new defaulted obligors in the year	Average historical annual default rate
					End of previous year	End of the year			

* The dimension *Portfolio X* includes the following prudential portfolios for the F-IRB approach:

(i) Sovereign; (ii) Banks; (iii) Corporate; (iv) Corporate - Specialised lending; (v) Purchased receivables, and the following prudential portfolios for the A-IRB approach:

(i) Sovereign; (ii) Banks; (iii) Corporate; (iv) Corporate - Specialised Lending; (v) Retail - QRRE; (vi) Retail - Residential mortgage exposures; (vii) Retail - SME; (viii) Other retail exposures; (ix) Purchased receivables.

External rating equivalent: refers to external ratings that may be available for retail borrowers. This may, for instance, be the case for small or medium-sized entities (SMEs) that fit the requirements to be included in the retail portfolios which could have an external rating, or a credit score or a range of credit scores provided by a consumer credit bureau. One column has to be filled in for each rating agency authorised for prudential purposes in the jurisdictions where the bank operates. However, where such external ratings are not available, they need not be provided.

Weighted average PD: the same as reported in Template CR6. These are the estimated PDs assigned by the internal model authorised under the IRB approaches. The PD values are EAD-weighted and the "weight" is the EAD at the beginning of the period.

Arithmetic average PD by obligors: PD within range by number of obligor within the range. The average PD by obligors is the simple average: Arithmetic average PD = sum of PDs of all accounts (transactions) / number of accounts.

Number of obligors: two sets of information are required: (i) the number of obligors at the end of the previous year; (ii) the number of obligors at the end of the year subject to reporting;

Defaulted obligors in the year: number of defaulted obligors during the year; *of which: new obligors defaulted in the year:* number of obligors having defaulted during the last 12-month period that were not funded at the end of the previous financial year;

Average historical annual default rate: the five-year average of the annual default rate (obligors at the beginning of each year that are defaulted during that year/total obligor hold at the beginning of the year) is a minimum. The bank may use a longer historical period that is consistent with the bank's actual risk management practices. The disclosed average historical annual default rate disclosed should be before the application of the margin of conservatism.

Template CR10: IRB (specialised lending under the slotting approach)

Purpose: To provide quantitative disclosures of banks' specialised lending exposures using the supervisory slotting approach.

Scope of application: The template is mandatory for banks using the supervisory slotting approach. The breakdown by regulatory categories included in the template is indicative, as the data included in the template are provided by banks according to applicable domestic regulation.

Content: Carrying values, exposure amounts and RWA

Frequency: Semiannual.

Format: Flexible.

Accompanying narrative: Banks are expected to supplement the template with a narrative commentary to explain any significant changes over the reporting period and the key drivers of such changes.

Specialised lending											
Other than HVCRE											
Regulatory categories	Residual maturity	On-balance sheet amount	Off-balance sheet amount	RW	Exposure amount					RWA	Expected losses
					PF	OF	CF	IPRE	Total		
Strong	Less than 2.5 years			50%							
	Equal to or more than 2.5 years			70%							
Good	Less than 2.5 years			70%							
	Equal to or more than 2.5 years			90%							
Satisfactory				115%							
Weak				250%							
Default				-							
Total											
HVCRE											
Regulatory categories	Residual maturity	On-balance sheet amount	Off-balance sheet amount	RW	Exposure amount					RWA	Expected losses
Strong	Less than 2.5 years			70%							
	Equal to or more than 2.5 years			95%							
Good	Less than 2.5 years			95%							
	Equal to or more than 2.5 years			120%							
Satisfactory				140%							
Weak				250%							
Default				-							
Total											

Definitions

HVCRE: high-volatility commercial real estate.

On-balance sheet amount: banks must disclose the amount of exposure (net of allowances and write-offs) under the regulatory scope of consolidation.

Off-balance sheet amount: banks must disclose the exposure value without taking into account conversion factors and the effect of credit risk mitigation techniques.

Exposure amount: the amount relevant for the capital requirement's calculation, therefore after CRM techniques and CCF have been applied.

Expected losses: amount of expected losses calculated according to SCRE13.8 to SCRE13.12.

PF: project finance. PF: project finance. OF: object finance.

CF: commodities finance.

IPRRE: income-producing residential real estate.

20. Counterparty credit risk:

20.1 This section includes all exposures in the banking book and trading book that are subject to a counterparty credit risk charge, including the charges applied to exposures to central counterparties (CCPs).¹⁰

20.2 The disclosure requirements under this section are:

20.2.1 Table CCRA – Qualitative disclosure related to CCR

20.2.2 Template CCR1 – Analysis of CCR exposures by approach

20.2.3 Template CCR3 – Standardised approach – CCR exposures by regulatory portfolio and risk weights

20.2.4 Template CCR4 – IRB – CCR exposures by portfolio and probability-of-default (PD) scale

20.2.5 Template CCR5 – Composition of collateral for CCR exposures

20.2.6 Template CCR6 – Credit derivatives exposures

20.2.7 Template CCR7 – RWA flow statements of CCR exposures under the internal models method (IMM)

20.2.8 Template CCR8 – Exposures to central counterparties

¹⁰ The relevant sections of the Basel framework are in SCCR3 to SCCR9 and SCCR11.

Table CCRA: Qualitative disclosure related to CCR

Purpose: Describe the main characteristics of counterparty credit risk management (eg operating limits, use of guarantees and other credit risk mitigation (CRM) techniques, impacts of own credit downgrading).

Scope of application: The table is mandatory for all banks.

Content: Qualitative information.

Frequency: Annual.

Format: Flexible.

Banks must provide risk management objectives and policies related to counterparty credit risk, including:

- (a) The method used to assign the operating limits defined in terms of internal capital for counterparty credit exposures and for CCP exposures;

 - (b) Policies relating to guarantees and other risk mitigants and assessments concerning counterparty risk, including exposures towards CCPs;

 - (c) Policies with respect to wrong-way risk exposures;

 - (d) The impact in terms of the amount of collateral that the bank would be required to provide given a credit rating downgrade.
-

Template CCR1: Analysis of CCR exposures by approach

Purpose: Provide a comprehensive view of the methods used to calculate counterparty credit risk regulatory requirements and the main parameters used within each method.

Scope of application: The template is mandatory for all banks.

Content: Regulatory exposures, RWA and parameters used for RWA calculations for all exposures subject to the counterparty credit risk framework (excluding CVA charges or exposures cleared through a CCP).

Frequency: Semiannual.

Format: Fixed.

Accompanying narrative: Banks are expected to supplement the template with a narrative commentary to explain any significant changes over the reporting period and the key drivers of such changes.

		a	b	c	d	e	f
		Replacement cost	Potential future exposure	Effective EPE	Alpha used for computing regulatory EAD	EAD post-CRM	RWA
1	SA-CCR (for derivatives)				1.4		
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	Value-at-risk (VaR) for SFTs						
6	Total						

Definitions

SA-CCR (for derivatives): Banks should report SA-CCR in row 1.

Replacement Cost (RC): For trades that are not subject to margining requirements, the RC is the loss that would occur if a counterparty were to default and was closed out of its transactions immediately. For margined trades, it is the loss that would occur if a counterparty were to default at present or at a future date, assuming that the closeout and replacement of transactions occur instantaneously. However, closeout of a trade upon a counterparty default may not be instantaneous. The replacement cost under the standardised approach for measuring counterparty credit risk exposures is described in SCCR6.

Potential Future Exposure is any potential increase in exposure between the present and up to the end of the margin period of risk. The potential future exposure for the standardised approach is described in SCCR3.

Effective Expected Positive Exposure (EPE) is the weighted average over time of the effective expected exposure over the first year, or, if all the contracts in the netting set mature before one year, over the time period of the longest-maturity contract in the netting set where the weights are the proportion that an individual expected exposure represents of the entire time interval (see SCCR3).

EAD post-CRM: exposure at default. This refers to the amount relevant for the capital requirements calculation having applied CRM techniques, credit valuation adjustments according to SCCR5.10 and specific wrong-way adjustments (see SCCR7).

Template CCR3: Standardised approach - CCR exposures by regulatory portfolio and risk weights

Purpose: Provide a breakdown of counterparty credit risk exposures calculated according to the standardised approach: by portfolio (type of counterparties) and by risk weight (riskiness attributed according to standardised approach).

Scope of application: The template is mandatory for all banks using the credit risk standardised approach to compute RWA for counterparty credit risk exposures, irrespective of the CCR approach used to determine exposure at default.

If a bank deems that the information requested in this template is not meaningful to users because the exposures and RWA amounts are negligible, the bank may choose not to disclose the template. The bank is, however, required to explain in a narrative commentary why it considers the information not to be meaningful to users, including a description of the exposures in the portfolios concerned and the aggregate total of RWAs amount from such exposures.

Content: Credit exposure amounts.

Frequency: Semiannual.

Format: Fixed.

Accompanying narrative: Banks are expected to supplement the template with a narrative commentary to explain any significant changes over the reporting period and the key drivers of such changes.

	a	b	c	d	e	f	g	h	i
Risk weight*→	0%	10%	20%	50%	75%	100%	150%	Others	Total credit exposure
Regulatory portfolio*↓									
Sovereigns									
Non-central government public sector entities									
Multilateral development banks									
Banks									
Securities firms									
Corporates									
Regulatory retail portfolios									
Other assets									
Total									

*The breakdown by risk weight and regulatory portfolio included in the template is for illustrative purposes. Banks may complete the template with the breakdown of asset classes according to the local implementation of the Basel framework.

Total credit exposure: the amount relevant for the capital requirements calculation, having applied CRM techniques.

Other assets: the amount excludes exposures to CCPs, which are reported in Template CCR8.

Template CCR4: IRB - CCR exposures by portfolio and PD scale

Purpose: Provide all relevant parameters used for the calculation of counterparty credit risk capital requirements for IRB models.

Scope of application: The template is mandatory for banks using an advanced IRB (A-IRB) or foundation IRB (F-IRB) approach to compute RWA for counterparty credit risk exposures, whatever CCR approach is used to determine exposure at default. Where a bank makes use of an FIRB approach for certain exposures and an AIRB approach for others, it must disclose two separate sets of portfolio breakdown in two separate templates.

To provide meaningful information, the bank must include in this template the key models used at the group-wide level (according to the scope of regulatory consolidation) and explain how the scope of models described in this template was determined. The commentary must include the percentage of RWAs covered by the models shown here for each of the bank's regulatory portfolios.

Content: RWA and parameters used in RWA calculations for exposures subject to the counterparty credit risk framework (excluding CVA charges or exposures cleared through a CCP) and where the credit risk approach used to compute RWA is an IRB approach.

Frequency: Semiannual.

Format: Fixed. Columns and PD scales in the rows are fixed. However, the portfolio breakdown shown in the rows will be set by SAMA to reflect the exposure categories required under local implementations of IRB approaches.

Accompanying narrative: Banks are expected to supplement the template with a narrative commentary to explain any significant changes over the reporting period and the key drivers of such changes.

	PD scale	a	b	c	d	e	f	g
		EAD post-CRM	average PD	Number of obligors	Average LGD	Average maturity	RWA	RWA density
Portfolio X								
	0.00 to <0.15							
	0.15 to <0.25							
	0.25 to <0.50							
	0.50 to <0.75							
	0.75 to <2.50							
	2.50 to <10.00							
	10.00 to <100.00							
	100.00 (Default)							
	Sub-total							
Total (sum of portfolios)								

Definitions

Rows

Portfolio X refers to the following prudential portfolios for the FIRB approach: (i) Sovereign; (ii) Banks; (iii) Corporate; and the following prudential portfolios for the AIRB approach: (i) Sovereign; (ii) Banks; (iii) Corporate. The information on FIRB and AIRB portfolios must be reported in separate templates.

Default: The data on defaulted exposures may be further broken down according to a SAMA's definitions for categories of defaulted exposures.

Columns

PD scale: Exposures shall be broken down according to the PD scale used in the template instead of the PD scale used by banks in their RWA calculation. Banks must map the PD scale they use in the RWA calculations to the PD scale provided in the template;

EAD post-CRM: exposure at default. The amount relevant for the capital requirements calculation, having applied the CCR approach and CRM techniques, but gross of accounting provisions;

Number of obligors: corresponds to the number of individual PDs in this band. Approximation (round number) is acceptable;

Average PD: obligor grade PD weighted by EAD;

Average loss-given-default (LGD): the obligor grade LGD weighted by EAD. The LGD must be net of any CRM effect;

Average maturity: the obligor maturity weighted by EAD;

RWA density: Total RWA to EAD post-CRM.

Template CCR5: Composition of collateral for CCR exposure

Purpose: Provide a breakdown of all types of collateral posted or received by banks to support or reduce the counterparty credit risk exposures related to derivative transactions or to SFTs, including transactions cleared through a CCP.

Scope of application: The template is mandatory for all banks.

Content: Carrying values of collateral used in derivative transactions or SFTs, whether or not the transactions are cleared through a CCP and whether or not the collateral is posted to a CCP.

Please refer to section 29.1 for an illustration on how the template should be completed.

Frequency: Semiannual.

Format: Flexible (the columns cannot be altered but the rows are flexible).

Accompanying narrative: Banks are expected to supplement the template with a narrative commentary to explain any significant changes over the reporting period and the key drivers of such changes.

	a	b	c	d	e	f
	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						
Domestic sovereign debt						
Other sovereign debt						
Government agency debt						
Corporate bonds						
Equity securities						
Other collateral						
Total						

Definitions

Collateral used is defined as referring to both legs of the transaction. Example: a bank transfers securities to a third party, and the third party in turn posts collateral to the bank. The bank reports both legs of the transaction. The collateral received is reported in column (e), while the collateral posted by the bank is reported in column (f). The fair value of collateral received or posted must be after any haircut. This means the value of collateral received will be reduced by the haircut (ie $C(1 - H_s)$) and collateral posted will be increased after the haircut (ie $E(1 + H_s)$).

Segregated refers to collateral which is held in a bankruptcy-remote manner according to the description included in SCCR8.18 to SCCR8.23.

Unsegregated refers to collateral that is not held in a bankruptcy-remote manner.

Domestic sovereign debt refers to the sovereign debt of the jurisdiction of incorporation of the bank, or, when disclosures are made on a consolidated basis, the jurisdiction of incorporation of the parent company.

Domestic currency refers to items of collateral that are denominated in the bank's (consolidated) reporting currency and not the transaction currency.

Template CCR6: Credit derivatives exposures

Purpose: Illustrate the extent of a bank's exposures to credit derivative transactions broken down between derivatives bought or sold.

Scope of application: This template is mandatory for all banks.

Content: Notional derivative amounts (before any netting) and fair values.

Frequency: Semiannual.

Format: Flexible (the columns are fixed but the rows are flexible).

Accompanying narrative: Banks are expected to supplement the template with a narrative commentary to explain any significant changes over the reporting period and the key drivers of such changes.

	a	b
	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)		

Template CCR7: RWA flow statements of CCR exposures under Internal Model Method (IMM)

Purpose: Present a flow statement explaining changes in counterparty credit risk RWA determined under the Internal Model Method for counterparty credit risk (derivatives and SFTs).

Scope of application: The template is mandatory for all banks using the IMM for measuring exposure at default of exposures subject to the counterparty credit risk framework, irrespective of the credit risk approach used to compute RWA from exposures at default.

Content: Risk-weighted assets corresponding to counterparty credit risk (credit risk shown in Template CR8 is excluded). Changes in RWA amounts over the reporting period for each of the key drivers should be based on a bank's reasonable estimation of the figure.

Frequency: Quarterly.

Format: Fixed. Columns and rows 1 and 9 are fixed. Banks may add additional rows between rows 7 and 8 to disclose additional elements that contribute to RWA variations.

Accompanying narrative: Banks are expected to supplement the template with a narrative commentary to explain any significant change over the reporting period and the key drivers of such changes.

		a
		Amounts
1	RWA as at end of previous reporting period	
2	Asset size	
3	Credit quality of counterparties	
4	Model updates (IMM only)	
5	Methodology and policy (IMM only)	
6	Acquisitions and disposals	
7	Foreign exchange movements	
8	Other	
9	RWA as at end of current reporting period	

Asset size: organic changes in book size and composition (including origination of new businesses and maturing exposures) but excluding changes in book size due to acquisitions and disposal of entities.

Credit quality of counterparties: changes in the assessed quality of the bank's counterparties as measured under the credit risk framework, whatever approach the bank uses. This row also includes potential changes due to IRB models when the bank uses an IRB approach.

Model updates: changes due to model implementation, changes in model scope, or any changes intended to address model weaknesses. This row addresses only changes in the IMM model.

Methodology and policy: changes due to methodological changes in calculations driven by regulatory policy changes, such as new regulations (only in the IMM model).

Acquisitions and disposals: changes in book sizes due to acquisitions and disposal of entities.

Foreign exchange movements: changes driven by changes in FX rates.

Other: this category is intended to be used to capture changes that cannot be attributed to the above categories. Banks should add additional rows between rows 7 and 8 to disclose other material drivers of RWA movements over the reporting period.

Template CCR8: Exposures to central counterparties

Purpose: Provide a comprehensive picture of the bank's exposures to central counterparties. In particular, the template includes all types of exposures (due to operations, margins, contributions to default funds) and related capital requirements.

Scope of application: The template is mandatory for all banks.

Content: Exposures at default and risk-weighted assets corresponding to exposures to central counterparties.

Frequency: Semiannual.

Format: Fixed. Banks are requested to provide a breakdown of the exposures by central counterparties (qualifying, as defined below, or not qualifying).

Accompanying narrative: Banks are expected to supplement the template with a narrative commentary to explain any significant changes over the reporting period and the key drivers of such changes.

		a	b
		EAD (post-CRM)	RWA
1	Exposures to QCCPs (total)		
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which		
3	(i) OTC derivatives		
4	(ii) Exchange-traded derivatives		
5	(iii) Securities financing transactions		
6	(iv) Netting sets where cross-product netting has been approved		
7	Segregated initial margin		
8	Non-segregated initial margin		
9	Pre-funded default fund contributions		
10	Unfunded default fund contributions		
11	Exposures to non-QCCPs (total)		
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which		
13	(i) OTC derivatives		
14	(ii) Exchange-traded derivatives		
15	(iii) Securities financing transactions		
16	(iv) Netting sets where cross-product netting has been approved		
17	Segregated initial margin		
18	Non-segregated initial margin		
19	Pre-funded default fund contributions		
20	Unfunded default fund contributions		

Definitions

Exposures to central counterparties: This includes any trades where the economic effect is equivalent to having a trade with the CCP (eg a direct clearing member acting as an agent or a principal in a client-cleared trade). These trades are described in SCCR8.7 to SCCR8.23.

EAD post-CRM: exposure at default. The amount relevant for the capital requirements calculation, having applied CRM techniques, credit valuation adjustments according to SCCR5.10 and specific wrong-way adjustments (see SCCR7).

A qualifying central counterparty (QCCP) is an entity that is licensed to operate as a CCP (including a licence granted by way of confirming an exemption), and is permitted by the appropriate regulator/overseer to operate as such with respect to the products offered. This is subject to the provision that the CCP is based and prudentially supervised in a jurisdiction where the relevant regulator/overseer has established, and publicly indicated, that it applies to the CCP on an ongoing basis, domestic rules and regulations that are consistent with the Committee on Payments and Market Infrastructures and International Organization of Securities Commissions' Principles for Financial Market Infrastructures. See SCCR8 for the comprehensive definition and associated criteria.

Initial margin means a clearing member's or client's funded collateral posted to the CCP to mitigate the potential future credit exposure of the CCP to the clearing member arising from the possible future change in the value of their transactions. For the purposes of this template, initial margin does not include contributions to a CCP for mutualised loss-sharing arrangements (ie in cases where a CCP uses initial margin to mutualise losses among the clearing members, it will be treated as a default fund exposure).

Prefunded default fund contributions are prefunded clearing member contributions towards, or underwriting of, a CCP's mutualised loss-sharing arrangements.

Unfunded default fund contributions are unfunded clearing member contributions towards, or underwriting of, a CCP's mutualised loss-sharing arrangements. If a bank is not a clearing member but a client of a clearing member, it should include its exposures to unfunded default fund contributions if applicable. Otherwise, banks should leave this row empty and explain the reason in the accompanying narrative.

Segregated refers to collateral which is held in a bankruptcy-remote manner according to the description included in SCCR8.18 to SCCR8.23.

Unsegregated refers to collateral that is not held in a bankruptcy-remote manner.

21. Securitisation:

21.1 This chapter describes the disclosure requirements applying to securitisation exposures.

21.2 The scope of this section:¹¹

21.2.1 Covers all securitisation exposures¹² in Table SECA and in templates SEC1 and SEC2;

21.2.2 Focuses on banking book securitisation exposures subject to capital charges according to the securitisation framework in templates SEC3 and SEC4; and

21.2.3 Excludes capital charges related to securitisation positions in the trading book that are reported in section 22.

21.3 Only securitisation exposures that the bank treats under the securitisation framework (SCRE18 to SCRE22) are disclosed in templates SEC3 and SEC4. For banks acting as originators, this implies that the criteria for risk transfer recognition as described in SCRE18.24 to SCRE18.29 are met. Conversely, all securitisation exposures, including those that do not meet the risk transfer recognition criteria, are reported in templates SEC1 and SEC2. As a result, templates SEC1 and SEC2 may include exposures that are subject to capital requirements according to both the credit risk and market risk frameworks and that are also included in other parts of the Pillar 3 report. The purpose is to provide a comprehensive view of banks' securitisation activities. There is no double-counting of capital requirements as templates SEC3 and SEC4 are limited to exposures subject to the securitisation framework.

21.4 The disclosure requirements under this section are:

21.4.1 Table SECA – Qualitative disclosure requirements related to securitisation exposures

¹¹ Unless stated otherwise, all terms used in section 21 are used consistently with the definitions in SCRE18.

¹² Securitisation refers to the definition of what constitutes a securitisation under the Basel framework. Securitisation exposures correspond to securitisation exposures as defined in the Basel framework. According to this framework, securitisation exposures can include, but are not restricted to, the following: asset-backed securities, mortgage-backed securities, credit enhancements, liquidity facilities, interest rate or currency swaps, credit derivatives and tranching cover as described in SCRE9. Reserve accounts, such as cash collateral accounts, recorded as an asset by the originating bank must also be treated as securitisation exposures. Securitisation exposures refer to retained or purchased exposures and not to underlying pools.

- 21.4.2 Template SEC1 – Securitisation exposures in the banking book
- 21.4.3 Template SEC2 – Securitisation exposures in the trading book
- 21.4.4 Template SEC3 – Securitisation exposures in the banking book and associated regulatory capital requirements – bank acting as originator or as sponsor
- 21.4.5 Template SEC4 – Securitisation exposures in the banking book and associated capital requirements – bank acting as investor

Table SECA: Qualitative disclosure requirements related to securitisation exposures

Purpose: Provide qualitative information on a bank's strategy and risk management with respect to its securitisation activities.

Scope of application: The table is mandatory for all banks with securitisation exposures.

Content: Qualitative information.

Frequency: Annually.

Format: Flexible.

Qualitative disclosures

(A) Banks must describe their risk management objectives and policies for securitisation activities and main features of these activities according to the framework below. If a bank holds securitisation positions reflected both in the regulatory banking book and in the regulatory trading book, the bank must describe each of the following points by distinguishing activities in each of the regulatory books.

(a) The bank's objectives in relation to securitisation and re-securitisation activity, including the extent to which these activities transfer credit risk of the underlying securitised exposures away from the bank to other entities, the type of risks assumed and the types of risks retained. The bank must provide a list of:

- special purpose entities (SPEs) where the bank acts as sponsor (but not as an originator such as an Asset Backed Commercial Paper (ABCP) conduit), indicating whether the bank consolidates the SPEs into its scope of regulatory consolidation. A bank would generally be considered a "sponsor" if it, in fact or in substance, manages or advises the programme, places securities into the market, or provides liquidity and/or credit enhancements. The programme may include, for example, ABCP conduit programmes and structured investment vehicles.
- affiliated entities (i) that the bank manages or advises and (ii) that invest either in the securitisation exposures that the bank has securitised or in SPEs that the bank sponsors.
- a list of entities to which the bank provides implicit support and the associated capital impact for each of them (as required in SCRE18.14 and SCRE18.49).

(c) Summary of the bank's accounting policies for securitisation activities. Where relevant, banks are expected to distinguish securitisation exposures from re-securitisation exposures.

(d) If applicable, the names of external credit assessment institution (ECAIs) used for securitisations and the types of securitisation exposure for which each agency is used.

If applicable, describe the process for implementing the Basel internal assessment approach (IAA). The description should include:

- structure of the internal assessment process and relation between internal assessment and external ratings, including information on ECAIs as referenced in item (d) of this table.
- control mechanisms for the internal assessment process including discussion of independence, accountability, and internal assessment process review.
- the exposure type to which the internal assessment process is applied; and stress factors used for determining credit enhancement levels, by exposure type. For example, credit cards, home equity, auto, and securitisation exposures detailed by underlying exposure type and security type (eg residential mortgage-backed securities, commercial mortgage-backed securities, asset-backed securities, collateralised debt obligations) etc.

(f) Banks must describe the use of internal assessment other than for SEC-IAA capital purposes.

Template SEC1: Securitisation exposures in the banking book

Purpose: Present a bank's securitisation exposures in its banking book.

Scope of application: The template is mandatory for all banks with securitisation exposures in the banking book.

Content: Carrying values. In this template, securitisation exposures include securitisation exposures even where criteria for recognition of risk transference are not met. Refer to SAMA circular No.371000112753 date 28/10/1437AH on Simple, Transparent and Comparable (STC).

Frequency: Semiannually.

Format: Flexible. Banks may in particular modify the breakdown and order proposed in rows if another breakdown (eg whether or not criteria for recognition of risk transference are met) would be more appropriate to reflect their activities. Originating and sponsoring activities may be presented together.

Accompanying narrative: Banks are expected to supplement the template with a narrative commentary to explain any significant changes over the reporting period and the key drivers of such changes.

		a	b	c	d	e	f	g	h	i	j	k	l
		Bank acts as originator				Bank acts as sponsor				Banks acts as investor			
		Traditional	Of which simple, transparent and comparable (STC)	Synthetic	Sub-total	Traditional	Of which STC	Synthetic	Sub-total	Traditional	Of which STC	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												
7	loans to corporates												
8	commercial mortgage												
9	lease and receivables												
10	other wholesale												
11	re-securitisation												

Definitions

(i) When the "*bank acts as originator*" the securitisation exposures are the retained positions, even where not eligible for the securitisation framework due to the absence of significant and effective risk transfer (which may be presented separately).

(ii) When "*the bank acts as sponsor*", the securitisation exposures include exposures to commercial paper conduits to which the bank provides programme-wide enhancements, liquidity and other facilities. Where the bank acts both as originator and sponsor, it must avoid double-counting. In this regard, the bank can merge the two columns of "bank acts as originator" and "bank acts as sponsor" and use "bank acts as originator/sponsor" columns.

(iii) Securitisation exposures when "*the bank acts as an investor*" are the investment positions purchased in third-party deals.

Synthetic transactions: if the bank has purchased protection it must report the net exposure amounts to which it is exposed under columns originator/sponsor (ie the amount that is not secured). If the bank has sold protection, the exposure amount of the credit protection must be reported in the "investor" column.

Re-securitisation: all securitisation exposures related to re-securitisation must be completed in rows "re-securitisation", and not in the preceding rows (by type of underlying asset) which contain only securitisation exposures other than re-securitisation.

Template SEC2: Securitisation exposures in the trading book

Purpose: Present a bank's securitisation exposures in its trading book.

Scope of application: The template is mandatory for all banks with securitisation exposures in the trading book. In this template, securitisation exposures include securitisation exposures even where criteria for recognition of risk transference are not met.

Content: Carrying values.

Frequency: Semiannually.

Format: Flexible. Banks may in particular modify the breakdown and order proposed in rows if another breakdown (eg whether or not criteria for recognition of risk transference are met) would be more appropriate to reflect their activities. Originating and sponsoring activities may be presented together.

Accompanying narrative: Banks are expected to supplement the template with a narrative commentary to explain any significant changes over the reporting period and the key drivers of such changes.

		a	b	c	d	e	f	g	h	i	j	k	l
		Bank acts as originator				Bank acts as sponsor				Banks acts as investor			
		Traditional	Of which STC	Synthetic	Sub- total	Traditional	Of which STC	Synthetic	Sub- total	Traditional	Of which STC	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												
7	loans to corporates												
8	commercial mortgage												
9	lease and receivables												
10	other wholesale												
11	re-securitisation												

Definitions

(i) When the "*bank acts as originator*" the securitisation exposures are the retained positions, even where not eligible to the securitisation framework due to absence of significant and effective risk transfer (which may be presented separately).

(ii) When "*the bank acts as sponsor*", the securitisation exposures include exposures to commercial paper conduits to which the bank provides programme-wide enhancements, liquidity and other facilities. Where the bank acts both as originator and sponsor, it must avoid double-counting. In this regard, the bank can merge two columns of "bank acts as originator" and "bank acts as sponsor" and use "bank acts as originator/sponsor" columns.

(iii) Securitisation exposures when "*the bank acts as an investor*" are the investment positions purchased in third-party deals.

Synthetic transactions: if the bank has purchased protection it must report the net exposure amounts to which it is exposed under columns originator/sponsor (ie the amount that is not secured). If the bank has sold protection, the exposure amount of the credit protection must be reported in the "investor" column.

Re-securitisation: all securitisation exposures related to re-securitisation must be completed in rows "re-securitisation", and not in the preceding rows (by type of underlying asset) which contain only securitisation exposures other than re-securitisation.

Template SEC3: Securitisation exposures in the banking book and associated regulatory capital requirements - bank acting as originator or as sponsor

Purpose: Present securitisation exposures in the banking book when the bank acts as originator or sponsor and the associated capital requirements.

Scope of application: The template is mandatory for all banks with securitisation exposures as sponsor or originator.

Content: Exposure amounts, risk-weighted assets and capital requirements. This template contains originator or sponsor exposures that are treated under the securitisation framework.

Frequency: Semiannual.

Format: Fixed.

Accompanying narrative: Banks are expected to supplement the template with a narrative commentary to explain any significant changes over the reporting period and the key drivers of such changes.

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
		Exposure values (by risk weight bands)				Exposure values (by regulatory approach)				RWA (by regulatory approach)				Capital charge after cap				
		≤20%	>20% to 50%	>50% to 100%	>100% to <1250% RW	1250%	SEC-IRBA	SEC-ERBA and SEC-IAA	SEC-SA	1250%	SEC-IRBA	SEC-ERBA and SEC-IAA	SEC-SA	1250%	SEC-IRBA	SEC-ERBA and SEC-IAA	SEC-SA	1250%
1	Total exposures																	
2	Traditional securitisation																	
3	Of which securitisation																	
4	Of which retail underlying																	
5	Of which STC																	
6	Of which wholesale																	
7	Of which STC																	
8	Of which re-securitisation																	
9	Synthetic securitisation																	
10	Of which securitisation																	
11	Of which retail underlying																	
12	Of which wholesale																	
13	Of which re-securitisation																	

Definitions

Columns (a) to (e) are defined in relation to regulatory risk weights.

Columns (f) to (q) correspond to regulatory approach used. "1250%" covers securitisation exposures to which none of the approaches laid out in SCRE18.42 to SCRE18.48 can be applied.

Capital charge after cap will refer to capital charge after application of the cap as described in SCRE18.50 to SCRE18.55.

Template SEC4: Securitisation exposures in the banking book and associated capital requirements - bank acting as investor

Purpose: Present securitisation exposures in the banking book where the bank acts as investor and the associated capital requirements.

Scope of application: The template is mandatory for all banks having securitisation exposures as investor.

Content: Exposure amounts, risk-weighted assets and capital requirements. This template contains investor exposures that are treated under the securitisation framework.

Frequency: Semiannual.

Format: Fixed.

Accompanying narrative: Banks are expected to supplement the template with a narrative commentary to explain any significant changes over the reporting period and the key drivers of such changes.

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
		Exposure values (by risk weight bands)					Exposure values (by regulatory approach)				RWA (by regulatory approach)				Capital charge after cap			
		≤20%	>20% to 50%	>50% to 100%	>100% to <1250%	1250%	SEC-IRBA	SEC-ERBA and SEC-IAA	SEC-SA	1250%	SEC-IRB A	SEC-ERBA and SEC-IAA	SEC-SA	1250%	SEC-IRB A	SEC-ERBA and SEC-IAA	SEC-SA	1250%
1	Total exposures																	
2	Traditional securitisation																	
3	Of which securitisation																	
4	Of which retail underlying																	
5	Of which STC																	
6	Of which wholesale																	
7	Of which STC																	
8	Of which re-securitisation																	
9	Synthetic securitisation																	
10	Of which securitisation																	
11	Of which retail underlying																	
12	Of which wholesale																	
13	Of which re-securitisation																	

Definitions

Columns (a) to (e) are defined in relation to regulatory risk weights.

Columns (f) to (q) correspond to regulatory approach used. "1250%" covers securitisation exposures to which none of the approaches laid out in SCRE18.42 to SCRE18.48 can be applied

Capital charge after cap will refer to capital charge after application of the cap as described in SCRE18.50 to SCRE18.55.

22. Market Risk:

22.1 The market risk section includes the market risk capital requirements calculated for trading book and banking book exposures that are subject to market risk capital requirements in SMAR2 to SMAR13. It also includes capital requirements for securitisation positions held in the trading book. However, it excludes the counterparty credit risk capital requirements that apply to the same exposures, which are reported in section 20.

22.2 The disclosure requirements under this section are:

22.2.1 General information about market risk:

- a. Table MRA - General qualitative disclosure requirements related to market risk under the standardised approach
- b. Template MR1 - Market risk under the standardised approach

22.2.2 Market risk under the internal models approach (IMA). **The disclosure requirements related in this section are not required to be completed by banks unless SAMA approves the bank to use the IMA approach.**

- a. Table MRB - Qualitative disclosures for banks using the IMA
- b. Template MR2 - Market risk IMA per risk type

22.2.3 Market risk under the simplified standardised approach (SSA)

- a. Template MR3 - Market risk under the simplified standardised approach

22.2.1 General information about market risk:

Table MRA: General qualitative disclosure requirements related to market risk

Purpose: Provide a description of the risk management objectives and policies for market risk as defined in SMAR3.1.

Scope of application: The table is mandatory for all banks that are subject to the market risk framework.

Content: Quantitative information.

Frequency: Annual.

Format: Flexible.

Banks must describe their risk management objectives and policies for market risk according to the framework as follows:

(a) Strategies and processes of the bank, which must include an explanation and/or a description of:

- The bank's strategic objectives in undertaking trading activities, as well as the processes implemented to identify, measure, monitor and control the bank's market risks, including policies for hedging risk and the strategies/processes for monitoring the continuing effectiveness of hedges.
 - Policies for determining whether a position is designated as trading, including the definition of stale positions and the risk management policies for monitoring those positions. In addition, banks should describe cases where instruments are assigned to the trading or banking book contrary to the general presumptions of their instrument category and the market and gross fair value of such cases, as well as cases where instruments have been moved from one book to the other since the last reporting period, including the gross fair value of such cases and the reason for the move.
 - Description of internal risk transfer activities, including the types of internal risk transfer desk (SMAR5)
-

(b) The structure and organisation of the market risk management function, including a description of the market risk governance structure established to implement the strategies and processes of the bank discussed in row (a) above.

(c) The scope and nature of risk reporting and/or measurement systems.

Table MR1: Market risk under the standardised approach

Purpose: Provide the components of the capital requirements under the standardised approach for market risk.

Scope of application: The template is mandatory for banks having part or all of their market risk capital requirements measured according to the standardised approach. For banks that use the internal models approach (IMA), the standardised approach capital requirement in this template must be calculated based on the portfolios in trading desks that do not use the IMA (ie trading desks that are not deemed eligible to use the IMA per the terms of SMAR10.4).

Content: Capital requirements (as defined in SMAR6 to SMAR9).

Frequency: Semiannual.

Format: Fixed. Additional rows can be added for the breakdown of other risks.

Accompanying narrative: Banks are expected to supplement the template with a narrative commentary to explain any significant change over the reporting period and the key drivers of such changes. In particular, the narrative should inform about changes in the scope of application, including changes due to trading desks for which capital requirements are calculated using the standardised approach.

		a
		Capital requirement in standardised approach
1	General interest rate risk	
2	Equity risk	
3	Commodity risk	
4	Foreign exchange risk	
5	Credit spread risk - non-securitisations	
6	Credit spread risk - securitisations (non-correlation trading portfolio)	
7	Credit spread risk - securitisation (correlation trading portfolio)	
8	Default risk - non-securitisations	
9	Default risk - securitisations (non-correlation trading portfolio)	
10	Default risk - securitisations (correlation trading portfolio)	
11	Residual risk add-on	
12	Total	

Linkages across templates

[MR1 12/a] is equal to [OV1 21/c]

22.2.2 Market risk under the internal models approach (IMA):

Table MRB: Qualitative disclosures for banks using the IMA

Purpose: Provide the scope, main characteristics and key modelling choices of the different models used for the capital requirement computation of market risks using the IMA.

Scope of application: The table is mandatory for all banks using the IMA to calculate the market risk capital requirements. To provide meaningful information to users on a bank's use of internal models, the bank must describe the main characteristics of the models used at the group-wide level (according to the scope of regulatory consolidation) and explain the extent to which they represent all the models used at the group-wide level. The commentary must include the percentage of capital requirements covered by the models described for each of the regulatory models (expected shortfall (ES), default risk capital (DRC) requirement and stressed expected shortfall (SES) for non-modellable risk factors (NMRFs)).

Content: Quantitative information.

Frequency: Annual.

Format: Flexible.

(A) Banks must provide a general description of the trading desk structure (as defined in SMAR4) and types of instruments included in the IMA trading desks.

(B) For ES models, banks must provide the following information:

- (a) A description of trading desks covered by the ES models. Where applicable, banks must also describe the main trading desks not included in ES regulatory calculations (due to lack of historical data or model constraints) and treated under other measures (such as specific treatments allowed in some jurisdictions).
- (b) The soundness criteria on which the internal capital adequacy assessment is based (eg forward-looking stress testing) and a description of the methodologies used to achieve a capital adequacy assessment that is consistent with the soundness standards.
- (c) A general description of the ES model(s). For example, banks may describe whether the model(s) is (are) based on historical simulation, Monte Carlo simulations or other appropriate analytical methods and the observation period for ES based on stressed observations (ES_{RS}).
- (d) The frequency by which model data is updated.
- (e) A description of the ES calculation based on current and stressed observations. For example, banks should describe the reduced set of risk factors used to calibrate the period of stress the share of the variations in the full ES that is explained by the reduced set of risk factors, and the observation period used to identify the most stressful 12 months.

(C) SES

- (a) A general description of each methodology used to achieve a capital assessment for categories of NMRFs that is consistent with the required soundness standard.

(D) Banks using internal models to determine the DRC must provide the following information:

- (a) A general description of the methodology: Information about the characteristics and scope of the value-at-risk (VaR) and whether different models are used for different exposure classes. For example, banks may describe the range of probability of default (PD) by obligors on the different types of positions, the approaches used to correct market-implied PDs as applicable, the treatment of netting, basis risk between long and short exposures of different obligors, mismatch between a position and its hedge and concentrations that can arise within and across product classes during stressed conditions.
- (b) The methodology used to achieve a capital assessment that is consistent with both the required soundness standard and SMAR13.18 to SMAR13.39.

(E) Validation of models and modelling processes

- (a) The approaches used in the validation of the models and modelling processes, describing general approaches used and the types of assumptions and benchmarks on which they rely.

Table MR2: Market risk for banks using the IMA

Purpose: Provide the components of the capital requirement under the IMA for market risk.

Scope of application: The template is mandatory for banks using the IMA for part or all of their market risk for regulatory capital calculations.

Content: Capital requirement calculation (as defined in SMAR13) at the group-wide level (according to the scope of regulatory consolidation).

Frequency: Quarterly.

Format: Fixed.

Accompanying narrative: Banks must report the components of their total capital requirement that are included for their most recent measure and the components that are included for their average of the previous 60 days for ES, IMCC and SES, and 12 weeks for DRC. Banks must also provide a comparison of VaR estimates with actual gains/losses experienced by the bank, with analysis of important “outliers” in backtest results. Banks are also expected to include the corresponding figures at the previous quarter in this template and explain any significant changes in the current figures in the narrative section.

		a	b	c	d	e	f	g
		At the current quarter					At the previous quarter	
		Risk measure: for previous 60 days / 12 weeks:				Number of backtesting exceptions	Risk measure: for previous 60 days / 12 weeks	
		Most recent	Average	High	Low	VaR measure 99.0%	Most recent	Average
1	Unconstrained expected shortfall							
2	ES for the regulatory risk classes							
3		General interest rate risk						
4		Equity risk						
5		Commodity risk						
6		Foreign exchange risk						
7		Credit spread risk						
7	Constrained expected shortfall							
8	IMCC (0.5*Unconstrained ES+0.5*constrained risk class ES)							
9	Capital requirement for non-modellable risk factors; SES							
10	Default risk capital requirement							
11	Capital surcharge for amber trading desks							
12	Capital requirements for green and amber trading desks (including capital surcharge)							
13	Total SA capital requirements for trading desks ineligible to use the IMA as reported in MR1 (C _U)							
14	Difference in capital requirements under the IMA and SA for green and amber trading desks							
15	SA capital requirement for all trading desks (including those subject to IMA)							
16	Total market risk capital requirement: min(12+13; 15)+max(0, 14)							

Definitions and instructions

Row Number	Explanation
1	Unconstrained expected shortfall: Expected shortfall (ES) as defined in SMAR13.1 to SMAR13.12, calculated without supervisory constraints on cross-risk factor correlations.
7	Constrained expected shortfall: ES as defined in SMAR13.1 to SMAR13.12, calculated in accordance with SMAR13.14. The constrained ES disclosed should be the sum of partial expected shortfall capital requirements (ie all other risk factors should be held constant) for the range of broad regulatory risk factor classes (interest rate risk, equity risk, foreign exchange risk, commodity risk and credit spread risk).
9	Capital requirement for non-modellable risk factors: aggregate regulatory capital measure calculated in accordance with SMAR13.16 and SMAR13.17, for risk factors in model-eligible trading desks that are deemed non-modellable in accordance with SMAR10.4.
10	Default risk capital (DRC) requirement: in accordance with SMAR13.18, measure of the default risk of trading book positions, except those subject to standardised capital requirements. This covers, inter alia, sovereign exposures (including those denominated in the sovereign's domestic currency), equity positions and defaulted debt positions.
11	Capital surcharge for amber trading desks: capital surcharge for eligible trading desks that is in the P&L attribution test "amber zone", calculated in accordance with SMAR13.45.
12	Subtotal for green and amber trading desks: (CA+DRC) + Capital surcharge, in accordance with SMAR13.41 to SMAR13.43; SMAR13.22; and SMAR13.45. Row 12= $\max[8/a+9/a; \text{multiplier} * 8/b+9/b] + \max[10/a; 10/b] + 11$.
13	Total SA capital requirements for trading desks ineligible to use the IMA (CU): standardised approach (SA) capital requirements for trading desks that are either out of scope for model approval or that have been deemed ineligible to use the IMA, corresponding to the total capital requirement under the SA as reported in row 12 of Template MR1.
14	Difference in capital requirements under the IMA and SA for green and amber trading desks: capital requirements for green and amber trading desks under the IMA (IMAG,A) – capital requirements for green and amber trading desks under SA (SAG,A) in accordance with SMAR13.45).
15	SA capital requirement for all trading desks (including those subject to the IMA): the most recent standardised approach capital requirement for all instruments across all trading desks, regardless of whether those trading desks are eligible for the IMA, as set out in SMAR13.43 and SMAR3.10(1).
16	Total market risk capital requirement: the total capital requirement is calculated as set out in SMAR13.43

Linkages across templates

[MR2:16 minus MR2:13] is equal to [OV1 22/c]

[MR2:16 minus MR2:13] x 12.5 is equal to [CMS1 5/a] (The linkage to "Template CMS1: Comparison of modelled and standardised RWA at risk level" will not hold if a bank using the standardised approach for market risk also uses SEC-IRBA and/or SEC-IAA when determining the default risk charge component for securitisations held in the trading book.)

[MR2:13] x 12.5 is equal to [CMS1 5/b] (The linkage to "Template CMS1: Comparison of modelled and standardised RWA at risk level" will not hold if a bank using the standardised approach for market risk also uses SEC-IRBA and/or SEC-IAA when determining the default risk charge component for securitisations held in the trading book.)

[MR2:16] x 12.5 is equal to [CMS1 5/c]

[MR2:15] x 12.5 is equal to [CMS1 5/d] (The linkage to "Template CMS1: Comparison of modelled and standardised RWA at risk level" will not hold if an AI using the standardised approach for market risk also uses SEC-IRBA and/or SEC-IAA when determining the default risk charge component for securitisations held in the trading book.)

22.2.3 Market risk under the simplified standardised approach (SSA)

Table MR3: Market risk under the simplified standardised approach

Purpose: Provide the components of the capital requirement under the simplified standardised approach for market risk.

Scope of application: The template is mandatory for banks that use the simplified standardised approach to determine market risk capital requirements.

Content: Capital requirement (as defined in SMAR14 of the market risk framework).

Frequency: Semiannual.

Format: Fixed. Additional rows can be added for the breakdown of other risks.

Accompanying narrative:

		a	b	c	d
		Outright products	Options		
			Simplified approach	Delta-plus method	Scenario approach
1	Interest rate risk				
2	Equity risk				
3	Commodity risk				
4	RWA at end of day previous current quarter				
5	Securitisation				
6	Total				

Definitions and instructions

Row Number	Explanation
5	Securitisation: specific capital requirement under SMAR14.14
a	Outright products: positions in products that are not optional. This includes the capital requirement under SMAR14.3 to SMAR14.40 (interest rate risk); the capital requirement under SMAR14.41 to SMAR14.52 (equity risk); the capital requirement under SMAR14.63 to SMAR14.73 (commodities risk); and the capital requirement under SMAR14.53 to SMAR14.62 (FX risk).
b	Options under the simplified approach: capital requirements for option risks (non-delta risks) under SMAR14.76 from debt instruments, equity instruments, commodities instruments and foreign exchange instruments.
c	Options under the delta-plus method: capital requirements for option risks (non-delta risks) under SMAR14.77 to SMAR14.80 from debt instruments, equity instruments, commodities instruments and foreign exchange instruments.
d	Options under the scenario approach: capital requirements for option risks (non-delta risks) under SMAR14.81 to SMAR14.86 from debt instruments, equity instruments, commodities instruments and foreign exchange instruments.

23. Credit valuation adjustment risk:

23.1 **The disclosure requirements related in this section are required to be completed by banks when the materiality threshold stated on SAMA's Revised Risk-based Capital Charge for Counterparty Credit Risk (CCR) issued as part of its adoption of Basel III post-crisis final reforms, paragraph (11.9) is satisfied.**

23.2 The disclosure requirements under this section are:

23.2.1 General information about CVA risk:

- a. Table CVAA - General qualitative disclosure requirements related to CVA

23.2.2 CVA risk under the basic approach (BA-CVA):

- a. Template CVA1 - The reduced basic approach for CVA (BA-CVA)
- b. Template CVA2 - The full basic approach for CVA (BA-CVA)

23.2.3 CVA risk under the standardised approach (SA-CVA).

- a. Table CVAB - Qualitative disclosures for banks using the SA-CVA
- b. Template CVA3 - The standardised approach for CVA (SA-CVA)
- c. Template CVA4 - RWA flow statements of CVA risk exposures under SA-CVA

23.2.1 General information about CVA risk:

Table CVAA: General qualitative disclosure requirements related to CVA

Purpose: To provide a description of the risk management objectives and policies for CVA risk.

Scope of application: The table is mandatory for all banks that are subject to CVA capital requirements, including banks which are qualified and have elected to set its capital requirement for CVA at 100% of its counterparty credit risk charge.

Content: Quantitative information.

Frequency: Annual.

Format: Flexible.

Banks must describe their risk management objectives and policies for CVA risk as follows:

- (a) An explanation and/or a description of the bank's processes implemented to identify, measure, monitor and control the bank's CVA risks, including policies for hedging CVA risk and the processes for monitoring the continuing effectiveness of hedges.

 - (b) Whether the bank is eligible and has chosen to set its capital requirement for CVA at 100% of the bank's capital requirement for counterparty credit risk as applicable under SMAR14.
-

23.2.1 CVA risk under the basic approach (BA-CVA):

Template CVA1: The reduced basic approach for CVA (BA-CVA)

Purpose: To provide the components used for the computation of RWA under the reduced BA-CVA for CVA risk.

Scope of application: The template is mandatory for banks having part or all of their RWA for CVA risk measured according to the reduced BA-CVA. The template should be completed with only the amounts obtained from the netting sets which are under the reduced BA-CVA.

Content: RWA.

Frequency: Semiannual.

Format: Fixed.

Accompanying narrative: Banks must describe the types of hedge they use even if they are not taken into account under the reduced BA-CVA.

		a	b
		Components	BA-CVA RWA
1	Aggregation of systematic components of CVA risk		
2	Aggregation of idiosyncratic components of CVA risk		
3	Total		

Definitions and instructions

Row Number	Explanation
1	Aggregation of systematic components of CVA risk: RWA under perfect correlation assumption ($\sum_c SCVA_c$) as per SCCR11.14.
2	Aggregation of idiosyncratic components of CVA risk: RWA under zero correlation assumption ($\sqrt{\sum_c SCVA_c^2}$) as per SCCR11.14.
3	Total: $K_{reduced}$ as per SCCR11.14 multiplied by 12.5.

Linkages across templates

[CVA1:3/b] is equal to [OVI:10/a] if the bank only uses the reduced BA-CVA for all CVA risk exposures.

Template CVA2: The full basic approach for CVA (BA-CVA)

Purpose: To provide the components used for the computation of RWA under the full BA-CVA for CVA risk.

Scope of application: The template is mandatory for banks having part or all of their RWA for CVA risk measured according to the full version of the BA-CVA. The template should be fulfilled with only the amounts obtained from the netting sets which are under the full BA-CVA.

Content: RWA.

Frequency: Semiannual.

Format: Fixed. Additional rows can be inserted for the breakdown of other risks.

		a
		BA-CVA RWA
1	K Reduced	
2	K Hedged	
3	Total	

Definitions and instructions

Row Number	Explanation
1	K Reduced: K_{reduced} as per SCCR11.14.
2	K Hedged: K_{hedged} as per SCCR11.21.
3	Total: K_{full} as per SCCR11.20 multiplied by 12.5.

Linkages across templates:

[CVA2:3/a] is equal to [OV1:10/a] if the bank only uses the full BA-CVA for all CVA risk exposures.

23.2.1 CVA risk under the standardised approach (SA-CVA):

Table CVAB: Qualitative disclosures for banks using the SA-CVA

Purpose: To provide the main characteristics of the bank's CVA risk management framework.

Scope of application: The table is mandatory for all banks using the SA-CVA to calculate their RWA for CVA risk.

Content: Qualitative information.

Frequency: Annual.

Format: Flexible.

Banks must provide the following information on their CVA risk management framework:

- (a) A description of the bank's CVA risk management framework.

- (b) A description of how senior management is involved in the CVA risk management framework.

- (c) An overview of the governance of the CVA risk management framework (eg documentation, independent control unit, independent review, independence of the data acquisition from the lines of business).

Template CVA3: The standardised approach for CVA (SA-CVA)

Purpose: To provide the components used for the computation of RWA under the SA-CVA for CVA risk.

Scope of application: The template is mandatory for banks having part or all of their RWA for CVA risk measured according to the SA-CVA.

Content: RWA.

Frequency: Semiannual.

Format: Fixed. Additional rows can be inserted for the breakdown of other risks.

		a	b
		SA-CVA RWA	Number of counterparties
1	Interest rate risk		
2	Foreign exchange risk		
3	Reference credit spread risk		
4	Equity risk		
5	Commodity risk		
6	Counterparty credit spread risk		
7	Total (sum of rows 1 to 6)		

Linkages across templates

[CVA3:7/a] is equal to [OV1:10/a] if the bank only uses the SA-CVA for all CVA risk exposures.

Template CVA4: RWA flow statements of CVA risk exposures under SA-CVA

Purpose: Flow statement explaining variations in RWA for CVA risk determined under the SA-CVA.

Scope of application: The template is mandatory for banks using the SA-CVA.

Content: RWA for CVA risk. Changes in RWA amounts over the reporting period for each of the key drivers should be based on a bank's reasonable estimation of the figure.

Frequency: Quarterly.

Format: Fixed.

Accompanying narrative: Banks are expected to supplement the template with a narrative commentary to explain any significant changes over the reporting period and the key drivers of such changes. Factors behind changes could include movements in risk levels, scope changes (eg movement of netting sets between SA-CVA and BA-CVA), acquisition and disposal of business/product lines or entities or foreign currency translation movements.

		a
1	Total RWA for CVA at previous quarter-end	
2	Total RWA for CVA at end of reporting period	

Linkages across templates

[CVA4:1/a] is equal to [OV1:10/b]

[CVA4:2/a] is equal to [OV1:10/a]

24. Operational risk:

24.1 The disclosure requirements under this section are:

- 24.1.1 Table ORA – General qualitative information on a bank’s operational risk framework
- 24.1.2 Template OR1 – Historical losses
- 24.1.3 Template OR2 – Business indicator and subcomponents
- 24.1.4 Template OR3 – Minimum required operational risk capital

Table ORA: General qualitative information on a bank's operational risk framework

Purpose: To describe the main characteristics and elements of a bank's operational risk management framework.

Scope of application: The table is mandatory for all banks

Content: Qualitative information.

Frequency: Annual.

Format: Flexible.

Banks must describe

- a) Their policies, frameworks and guidelines for the management of operational risk.
- b) The structure and organisation of their operational risk management and control function.
- c) Their operational risk measurement system (ie the systems and data used to measure operational risk in order to estimate the operational risk capital charge).
- d) The scope and main context of their reporting framework on operational risk to executive management and to the board of directors.
- e) The risk mitigation and risk transfer used in the management of operational risk. This includes mitigation by policy (such as the policies on risk culture, risk appetite, and outsourcing), by divesting from high-risk businesses, and by the establishment of controls. The remaining exposure can then be absorbed by the bank or transferred. For instance, the impact of operational losses can be mitigated with insurance.

Template OR1: Historical losses

Purpose: To disclose aggregate operational losses incurred over the past 10 years, based on the accounting date of the incurred losses. This disclosure informs the operational risk capital calculation. The general principle on retrospective disclosure set out in section 8.2 does not apply for this template. From the implementation date of the template onwards, disclosure of all prior periods is required, unless firms have been permitted by SAMA to use fewer years in their capital calculation on a transitional basis.

Scope of application: The table is mandatory for: (i) all banks that are in the second or third business indicator (BI) bucket, regardless of whether SAMA has exercised the national discretion to set the internal loss multiplier (ILM) equal to one; and (ii) all banks in the first BI bucket which have received SAMA approval to include internal loss data to calculate their operational risk capital requirements.

Content: Qualitative information.

Frequency: Annual.

Format: Fixed.

Accompanying narrative: Banks are expected to supplement the template with narrative commentary explaining the rationale in aggregate, for new loss exclusions since the previous disclosure. Banks should disclose any other material information, in aggregate, that would help inform users as to its historical losses or its recoveries, with the exception of confidential and proprietary information, including information about legal reserves.

	a	b	c	d	e	f	g	h	i	j	k
	T	T-1	T-2	T-3	t-4	t-5	t-6	t-7	t-8	t-9	Ten-year average

Using 44,600 SAR threshold

1	Total amount of operational losses net of recoveries (no exclusions)										
2	Total number of operational risk losses										
3	Total amount of excluded operational risk losses										
4	Total number of exclusions										
5	Total amount of operational losses net of recoveries and net of excluded losses										

Using 446,000 SAR threshold

6	Total amount of operational losses net of recoveries (no exclusions)										
7	Total number of operational risk losses										
8	Total amount of excluded operational risk losses										
9	Total number of exclusions										

10	Total amount of operational losses net of recoveries and net of excluded losses												
Details of operational risk capital calculation													
11	Are losses used to calculate the ILM (yes/no)?												
12	If “no” in row 11, is the exclusion of internal loss data due to non-compliance with the minimum loss data standards (yes/no)?												
13	Loss event threshold: 44,600 SAR or 446,000 SAR for the operational risk capital calculation if applicable												

Definitions

Row 1: Based on a loss event threshold of 44,600 SAR, the total loss amount net of recoveries resulting from loss events above the loss event threshold for each of the last 10 reporting periods. Losses excluded from the operational risk capital calculation must still be included in this row.

Row 2: Based on a loss event threshold of 44,600 SAR, the total net loss amounts above the loss threshold excluded (eg due to divestitures) for each of the last 10 reporting periods.

Row 3: Based on a loss event threshold of 44,600 SAR, the total number of operational risk losses.

Row 4: Based on a loss event threshold of 44,600 SAR, the total number of exclusions.

Row 5: Based on a loss event threshold of 44,600 SAR, the total amount or operational risk losses net of recoveries and excluded losses.

Row 6: Based on a loss event threshold of 446,000 SAR, the total loss amount net of recoveries resulting from loss events above the loss event threshold for each of the last 10 reporting periods. Losses excluded from the operational risk capital calculation must still be included in this row.

Row 7: Based on a loss event threshold of 446,000 SAR, the total net loss amounts above the loss threshold excluded (eg due to divestitures) for each of the last 10 reporting periods.

Row 8: Based on a loss event threshold of 446,000 SAR, the total number of operational risk losses.

Row 9: Based on a loss event threshold of 446,000 SAR, the total number of exclusions.

Row 10: Based on a loss event threshold of 446,000 SAR, the total amount or operational risk losses net of recoveries and excluded losses.

Row 11: Indicate whether the bank uses operational risk losses to calculate the ILM. Banks using ILM=1 due to national discretion should answer no.

Row 12: Indicate whether internal loss data are not used in the ILM calculation due to non-compliance with the minimum loss data standards as referred to by SOPE7.4.1 and SOPE7.4.2. The application of any resulting multipliers must be disclosed in row 2 of Template OR3 and accompanied by a narrative.

Row 13: The loss event threshold used in the actual operational risk capital calculation (ie 44,600 SAR or 446,000 SAR) if applicable.

Columns: For rows 1 to 10, T denotes the end of the annual reporting period, T-1 the previous year-end, etc. Column (k) refers to the average annual losses net of recoveries and excluded losses over 10 years.

Notes:

Loss amounts and the associated recoveries should be reported in the year in which they were recorded in financial statements

Template OR2: Business Indicator and subcomponents

Purpose: To disclose the business indicator (BI) and its subcomponents, which inform the operational risk capital calculation. The general principle on retrospective disclosure set out in section 8.2 does not apply for this template. From the implementation date of this template onwards, disclosure of all prior periods is required.

Scope of application: The table is mandatory for all banks.

Content: Qualitative information.

Frequency: Annual.

Format: Fixed.

Accompanying narrative: Banks are expected to supplement the template with narrative commentary to explain any significant changes over the reporting period and the key drivers of such changes. Additional narrative is required for those banks that have received SAMA approval to exclude divested activities from the calculation of the BI.

		a	b	c
	BI and its subcomponents	T	T-1	T-2
1	Interest, lease and dividend component			
1a	Interest and lease income			
1b	Interest and lease expense			
1c	Interest earning assets			
1d	Dividend income			
2	Services component			
2a	Fee and commission income			
2b	Fee and commission expense			
2c	Other operating income			
2d	Other operating expense			
3	Financial component			
3a	Net P&L on the trading boo			
3b	Net P&L on the banking boo			
4	BI			
5	Business indicator component (BIC)			

Disclosure on BI:

		a
6a	BI gross of excluded divested activities	
6b	Reduction in BI due to excluded divested activities	

Definitions

Row 1: The interest, leases and dividend component (ILDC) = Min [Abs (Interest income – Interest expense); 2.25% * Interest-earning assets] + Dividend income. In the formula, all the terms are calculated as the average over three years: T, T-1 and T-2.

The interest-earning assets (balance sheet item) are the total gross outstanding loans, advances, interest-bearing securities (including government bonds) and lease assets measured at the end of each financial year.

Row 1a: Interest income from all financial assets and other interest income (includes interest income from financial and operating leases and profits from leased assets).

Row 1b: Interest expenses from all financial liabilities and other interest expenses (includes interest expense from financial and operating leases, losses, depreciation and impairment of operating leased assets)

Row 1c: Total gross outstanding loans, advances, interest-bearing securities (including government bonds) and lease assets measured at the end of each financial year.

Row 1d: Dividend income from investments in stocks and funds not consolidated in the bank's financial statements, including dividend income from non-consolidated subsidiaries, associates and joint ventures.

Row 2: Service component (SC) = Max (Fee and commission income; Fee and commission expense) + Max (Other operating income; Other operating expense). In the formula, all the terms are calculated as the average over three years: T, T-1 and T-2.

Row 2a: Income received from providing advice and services. Includes income received by the bank as an outsourcer of financial services.

Row 2b: Expenses paid for receiving advice and services. Includes outsourcing fees paid by the bank for the supply of financial services, but not outsourcing fees paid for the supply of non-financial services (eg logistical, IT, human resources).

Row 2c: Income from ordinary banking operations not included in other BI items but of a similar nature (income from operating leases should be excluded).

Row 2d: Expenses and losses from ordinary banking operations not included in other BI items but of a similar nature and from operational loss events (expenses from operating leases should be excluded)

Row 3: Financial component (FC) = Abs (Net P&L Trading Book) + Abs (Net P&L Banking Book). In the formula, all the terms are calculated as the average over three years: T, T-1 and T-2.

Row 3a: This comprises (i) net profit/loss on trading assets and trading liabilities (derivatives, debt securities, equity securities, loans and advances, short positions, other assets and liabilities); (ii) net profit/loss from hedge accounting; and (iii) net profit/loss from exchange differences.

Row 3b: This comprises (i) net profit/loss on financial assets and liabilities measured at fair value through profit and loss; (ii) realised gains/losses on financial assets and liabilities not measured at fair value through profit and loss (loans and advances, assets available for sale, assets held to maturity, financial liabilities measured at amortised cost); (iii) net profit/loss from hedge accounting; and (iv) net profit/loss from exchange differences.

Row 4: The BI is the sum of the three components: ILDC, SC and FC.

Row 5: Calculated by multiplying the BI by a set of regulatory determined marginal coefficients or percentages specified in section SOPE7.1.

Disclosure on BI should be reported by banks that have received SAMA approval to excluded divested activities from the calculation of the BI.

Row 6a: The BI reported in this row includes divested activities.

Row 6b: Difference between BI gross of divested activities (row 6a) and BI net of divested activities (row 4).

Columns: T denotes the end of the annual reporting period, T-1 the previous year-end, etc.

Linkages across templates

[OR2:5/a] is equal to [OR3:1/a]

Template OR3: Minimum required operational risk capital

Purpose: To disclose operational risk regulatory capital requirements.

Scope of application: The table is mandatory for all banks.

Content: Qualitative information.

Frequency: Annual.

Format: Fixed.

		a
1	Business indicator component (BIC)	
2	Internal loss multiplier (ILM)	
3	Minimum required operational risk capital (ORC)	
4	Operational risk RWA	

Definitions

Row 1: The BIC used for calculating minimum regulatory capital requirements for operational risk.

Row 2: The ILM used for calculating minimum regulatory capital requirements for operational risk (refer to SOPE7.3.4)

Row 3: Minimum Pillar 1 operational risk capital requirements. For banks using operational risk losses to calculate the ILM, this should correspond to the BIC times the ILM. For banks not using operational risk losses to calculate the ILM, this corresponds to the BIC.

Row 4: Converts the minimum Pillar 1 operational risk capital requirement into RWA.

25. Interest rate risk in the banking book:

25.1 The disclosure requirements set out in this chapter are:

25.1.1 Table IRRBBA – Interest rate risk in the banking book (IRRBB) risk management objective and policies

25.1.2 Template IRRBB1 – Quantitative information on IRRBB

25.2 Table IRRBBA provides information on a bank's IRRBB risk management objective and policy. Template IRRBB1 provides quantitative IRRBB information, including the impact of interest rate shocks on their change in economic value of equity and net interest income, computed based on a set of prescribed interest rate shock scenarios.

25.3 Banks must disclose the measured changes in economic value of equity (Δ EVE) and changes in net interest income (Δ NII) under the prescribed interest rate shock scenarios set out in Basel Framework “Supervisory review process” (Interest rate risk in the banking book). In disclosing Table IRRBBA and Template IRRBB1, banks should use their own internal measurement system (IMS) to calculate the IRRBB exposure values refer to SAMA circular No. 381000040243 date 1438/04/12AH on Interest Rating Risk in The Banking Book (IRRBB). Basel Framework “Supervisory review process” (Interest rate risk in the banking book) provides a standardised framework that banks may adopt as their IMS. In addition to quantitative disclosure, banks should provide sufficient qualitative information and supporting detail to enable the market and wider public to:

25.3.1 Monitor the sensitivity of the bank's economic value and earnings to changes in interest rates;

25.3.2 Understand the primary assumptions underlying the measurement produced by the bank's IMS; and

25.3.3 Have an insight into the bank's overall IRRBB objective and IRRBB management.

25.4 For the disclosure of Δ EVE:

- 25.4.1 Banks should exclude their own equity from the computation of the exposure level;
 - 25.4.2 Banks should include all cash flows from all interest rate-sensitive assets, liabilities and off-balance sheet items in the banking book in the computation of their exposure.¹³ Banks should disclose whether they have excluded or included commercial margins and other spread components in their cash flows;
 - 25.4.3 Cash flows should be discounted using either a risk-free rate or a risk-free rate including commercial margins and other spread components (only if the bank has included commercial margins and other spread components in its cash flows).¹⁴ Banks should disclose whether they have discounted their cash flows using a risk-free rate or a risk-free rate including commercial margins and other spread components; and
 - 25.4.4 Δ EVE should be computed with the assumption of a run-off balance sheet, where existing banking book positions amortise and are not replaced by any new business.
- 25.5 In addition to the required disclosures in Table IRRBBA and Template IRRBB1, banks are encouraged to make voluntary disclosures of information on internal measures of IRRBB that would assist the market in interpreting the mandatory disclosure numbers.

¹³ Interest rate-sensitive assets are assets which are not deducted from Common Equity Tier 1 capital and which exclude (i) fixed assets such as real estate or intangible assets as well as (ii) equity exposures in the banking book.

¹⁴ The discounting factors must be representative of a risk-free zero coupon rate. An example of an acceptable yield curve is a secured interest rate swap curve.

Table IRRBBA - IRRBB risk management objectives and policies

Purpose: Provide a description of the risk management objectives and policies concerning IRRBB.

Scope of application: Mandatory for all banks within the scope of application set out in Basel Framework “Supervisory review process” (Interest rate risk in the banking book).

Content: Qualitative and quantitative information. Quantitative information is based on the daily or monthly average of the year or on the data as at the reporting date.

Frequency: Annual.

Format: Flexible.

Qualitative disclosure

a	A description of how the bank defines IRRBB for purposes of risk control and measurement.
b	A description of the bank's overall IRRBB management and mitigation strategies. Examples are: monitoring of economic value of equity (EVE) and net interest income (NII) in relation to established limits, hedging practices, conduct of stress testing, outcome analysis, the role of independent audit, the role and practices of the asset and liability management committee, the bank's practices to ensure appropriate model validation, and timely updates in response to changing market conditions.
c	The periodicity of the calculation of the bank's IRRBB measures, and a description of the specific measures that the bank uses to gauge its sensitivity to IRRBB.
d	A description of the interest rate shock and stress scenarios that the bank uses to estimate changes in the economic value and in earnings.
e	Where significant modelling assumptions used in the bank's internal measurement systems (IMS) (ie the EVE metric generated by the bank for purposes other than disclosure, eg for internal assessment of capital adequacy) are different from the modelling assumptions prescribed for the disclosure in Template IRRBB1, the bank should provide a description of those assumptions and their directional implications and explain its rationale for making those assumptions (eg historical data, published research, management judgment and analysis).
f	A high-level description of how the bank hedges its IRRBB, as well as the associated accounting treatment.
g	A high-level description of key modelling and parametric assumptions used in calculating Δ EVE and Δ NII in Template IRRBB1, which includes: <ul style="list-style-type: none"> • For ΔEVE, whether commercial margins and other spread components have been included in the cash flows used in the computation and discount rate used. • How the average repricing maturity of non-maturity deposits has been determined (including any unique product characteristics that affect assessment of repricing behaviour). • The methodology used to estimate the prepayment rates of customer loans, and/or the early withdrawal rates for time deposits, and other significant assumptions. • Any other assumptions (including for instruments with behavioural optionalities that have been excluded) that have a material impact on the disclosed ΔEVE and ΔNII in Template IRRBB1, including an explanation of why these are material. • Any methods of aggregation across currencies and any significant interest rate correlations between different currencies.
h	(Optional) Any other information which the bank wishes to disclose regarding its interpretation of the significance and sensitivity of the IRRBB measures disclosed and/or an explanation of any significant variations in the level of the reported IRRBB since previous disclosures.

Quantitative disclosures

1	Average repricing maturity assigned to non-maturity deposits (NMDs).
2	Longest repricing maturity assigned to NMDs.

Template IRRBB1 - Quantitative information on IRRBB

Purpose: Provide information on the bank's changes in economic value of equity and net interest income under each of the prescribed interest rate shock scenarios.

Scope of application: Mandatory for all banks within the scope of application set out in Basel Framework "Supervisory review process" (Interest rate risk in the banking book)

Content: Quantitative information.

Frequency: Annual

Format: Fixed.

Accompanying narrative: Commentary on the significance of the reported values and an explanation of any material changes since the previous reporting period.

In reporting currency	ΔEVE		ΔNII	
	T	T-1	T	T-1
Parallel up				
Parallel down				
Steeper				
Flattener				
Short rate up				
Short rate down				
Maximum				
Period	T		T-1	
Tier 1 capital				

Definitions

For each of the supervisory prescribed interest rate shock scenarios, the bank must report for the current period and for the previous period:

- (i) the change in the economic value of equity based on its IMS, using a run-off balance sheet and an instantaneous shock or based on the result of the standardised framework set on Basel Framework "Supervisory review process" (Interest rate risk in the banking book) refer to SAMA circular No. 381000040243 date 12/04/1438AH on Interest Rating Risk in The Banking Book (IRRBB), and SAMA circular No. 321000027835 date 14/12/1432AH on Enhancements to the ICAAP Document at end of 2011; and
- (ii) the change in projected NII over a forward-looking rolling 12-month period compared with the bank's own best estimate 12-month projections, using a constant balance sheet assumption and an instantaneous shock.

26. Macroprudential supervisory measures:

26.1 The disclosure requirements set out in this chapter are:

26.1.1 Template GSIB1 – Disclosure of global systemically important bank (G-SIB) indicators

26.1.2 Template CCyB1 – Geographical distribution of credit exposures used in the calculation of the bank-specific countercyclical capital buffer requirement

26.2 Template GSIB1 provides users of Pillar 3 data with details of the indicators used to assess how a G-SIB has been determined. **Template GSIB1 is not required to be completed by banks unless SAMA identify the bank as G-SIB.**

26.3 Template CCyB1 provides details of the calculation of a bank's countercyclical capital buffer, including details of the geographical breakdown of the bank's private sector credit exposures.

Template GSIB1 - Disclosure of G-SIB indicators

Purpose: Provide an overview of the indicators that feed into the Committee's methodology for assessing the systemic importance of global banks.

Scope of application: The template is mandatory for banks which in the previous year have either been classified as G-SIBs, have a leverage ratio exposure measure exceeding EUR 200 billion or were included in the assessment sample by supervisory judgment (see Basel Framework "Scope and definitions" Global systemically important Banks).

For G-SIB assessment purposes, the applicable leverage ratio exposure measure definition is contained in the SLEV.

For application of this threshold, banks should use the applicable exchange rate information provided on the Basel Committee website at www.bis.org/bcb/gsib/. The disclosure itself is made in the bank's own currency.

Content: At least the 12 indicators used in the assessment methodology of the G-SIB framework (see Basel Framework "Scope and definitions" Global systemically important Banks).

Frequency: Annual.

Format: Flexible.

Accompanying narrative: Banks should indicate the annual reference date of the information reported as well as the date of first public disclosure. Banks should include a web link to the disclosure of the previous G-SIB assessment exercise.

Banks may supplement the template with a narrative commentary to explain any relevant qualitative characteristic deemed necessary for understanding the quantitative data. This information may include explanations about the use of estimates with a short explanation as regards the method used, mergers or modifications of the legal structure of the entity subjected to the reported data, the bucket to which the bank was allocated and changes in higher loss absorbency requirements, or reference to the Basel Committee website for data on denominators, cutoff scores and buckets.

Regardless of whether Template GSIB1 is included in the annual Pillar 3 report, a bank's annual Pillar 3 report as well as all the interim Pillar 3 reports should include a reference to the website where current and previous disclosures of Template GSIB1 can be found.

	Category	Individual indicator	Values
1	Cross-jurisdictional activity	Cross-jurisdictional claims	
2		Cross-jurisdictional liabilities	
3	Size	Total exposures	
4	Interconnectedness	Intra-financial system assets	
5		Intra-financial system liabilities	
6		Securities outstanding	
7	Substitutability/ Financial institution infrastructure	Assets under custody	
8		Payment activity	
9		Underwritten transactions in debt and equity markets	
10	Complexity	Notional amount of over-the-counter derivatives	
11		Level 3 assets	
12		Trading and available for sale securities	

Definitions and instructions

The template must be completed according to the instructions and definitions for the corresponding rows in force at the disclosure's reference date, which is based on the Committee's G-SIB identification exercise.

Template CCyB1 - Geographical distribution of credit exposures used in the calculation of the bank-specific countercyclical capital buffer requirement

Purpose: Provide an overview of the geographical distribution of private sector credit exposures relevant for the calculation of the bank's countercyclical capital buffer.

Scope of application: The template is mandatory for all banks subject to a countercyclical capital buffer requirement based on the jurisdictions in which they have private sector credit exposures subject to a countercyclical capital buffer requirement compliant with the Basel standards. Only banks with exposures to jurisdictions in which the countercyclical capital buffer rate is higher than zero should disclose this template.

Content: Private sector credit exposures and other relevant inputs necessary for the computation of the bank-specific countercyclical capital buffer rate.

Frequency: Semiannual.

Format: Flexible. Columns and rows might be added or removed to fit with the domestic implementation of the countercyclical capital buffer and thereby provide information on any variables necessary for its computation. A column or a row may be removed if the information is not relevant to the domestic implementation of the countercyclical capital buffer framework.

Accompanying narrative: For the purposes of the countercyclical capital buffer, banks should use, where possible, exposures on an "ultimate risk" basis. They should disclose the methodology of geographical allocation used, and explain the jurisdictions or types of exposures for which the ultimate risk method is not used as a basis for allocation. The allocation of exposures to jurisdictions should be made taking into consideration the clarifications provided by Basel Framework "Risk-based capital requirements" (Buffers above the regulatory minimum). Information about the drivers for changes in the exposure amounts and the applicable jurisdiction-specific rates should be summarised.

	a	b	c	d	e
Geographical breakdown	Countercyclical capital buffer rate	Exposure values and/or risk-weighted assets (RWA) used in the computation of the countercyclical capital buffer		Bank-specific countercyclical capital buffer rate	Countercyclical capital buffer amount
		Exposure values	RWA		
(Home) Country 1					
Country 2					
Country 3					
⋮					
Country N					
Sum					
Total					

Definitions and instructions

Unless otherwise provided for in the domestic implementation of the countercyclical capital buffer framework, private sector credit exposures relevant for the calculation of the countercyclical capital buffer (relevant private sector credit exposures) refer to exposures to private sector counterparties which attract a credit risk capital charge in the banking book, and the risk-weighted equivalent trading book capital charges for specific risk, the incremental risk charge and securitisation. Interbank exposures and exposures to the public sector are excluded, but non-bank financial sector exposures are included.

Country: Country in which the bank has relevant private sector credit exposures, and which has set a countercyclical capital buffer rate greater than zero that was applicable during the reporting period covered by the template.

Sum: Sum of private sector credit exposures or RWA for private sector credit exposures, respectively, in jurisdictions with a non-zero countercyclical capital buffer rate.

Total: Total of private sector credit exposures or RWA for private sector credit exposures, respectively, across all jurisdictions to which the bank is exposed, including jurisdictions with no countercyclical capital buffer rate or with a countercyclical capital buffer rate set at zero, and value of the bank-specific countercyclical capital buffer rate and resulting countercyclical capital buffer amount.

Countercyclical capital buffer rate: Countercyclical capital buffer rate set by SAMA in question and in force during the period covered by the template or, where applicable, the higher countercyclical capital buffer rate set for the country in question by SAMA. Countercyclical capital buffer rates that were set by SAMA, but are not yet applicable in the country in question at the disclosure reference date (pre-announced rates) must not be reported.

Total exposure value: If applicable, total private sector credit exposures across all jurisdictions to which the bank is exposed, including jurisdictions with no countercyclical capital buffer rate or with a countercyclical capital buffer rate set at zero.

Total RWA: If applicable, total value of RWA for relevant private sector credit exposures, across all jurisdictions to which the bank is exposed, including jurisdictions with no countercyclical capital buffer rate or with a countercyclical capital buffer rate set at zero.

Bank-specific countercyclical capital buffer rate: Countercyclical capital buffer that varies between zero and 2.5% or, where appropriate, above 2.5% of total RWA calculated in accordance with SACAP9.2 (B) and (C) as a weighted average of the countercyclical capital buffer rates that are being applied in jurisdictions where the relevant credit exposures of the bank are located and reported in rows 1 to N. This figure (ie the bank-specific countercyclical capital buffer rate) may not be deduced from the figures reported in this template as private sector credit exposures in jurisdictions that do not have a countercyclical capital buffer rate, which form part of the equation for calculating the figure, are not required to be reported in this template.

Countercyclical capital buffer amount: Amount of Common Equity Tier 1 capital held to meet the countercyclical capital buffer requirement determined in accordance with SACAP9.2 (B) and (C).

Linkages across templates

[CCyB1:Total/d] is equal to [KM1:9/a] for the semiannual disclosure of KM1, and [KM1:9/b] for the quarterly disclosure of KM1

[CCyB1:Total/d] is equal to [CC1:66/a] (for all banks) or [TLAC1:30/a] (for G-SIBs)

27. Leverage ratio:

27.1 The disclosure requirements set out in this chapter are:

27.1.1 Template LR1 - Summary comparison of accounting assets vs leverage ratio exposure measure

27.1.2 Template LR2 - Leverage ratio common disclosure template

27.2 Template LR1 provides a reconciliation of a bank's total assets as published in its financial statements to the leverage ratio exposure measure, and Template LR2 provides a breakdown of the components of the leverage ratio exposure measure.

Template LR1- Summary comparison of accounting assets vs leverage ratio exposure measure

Purpose: To reconcile the total assets in the published financial statements with the leverage ratio exposure measure.

Scope of application: The table is mandatory for all banks.

Content: Quantitative information. The leverage ratio standard of the Basel framework (SLEV) follows the same scope of regulatory consolidation as used for the risk-based capital requirements standard Basel Framework “Risk-based capital requirements”). Disclosures should be reported on a quarter-end basis. However, banks may, subject to approval from or due to requirements specified by SAMA, use more frequent calculations (eg daily or monthly averaging). Banks are required to include the basis for their disclosures (eg quarter-end, daily averaging or monthly averaging, or a combination thereof).

Frequency: Quarterly.

Format: Fixed.

Accompanying narrative: Banks are required to disclose and detail the source of material differences between their total balance sheet assets, as reported in their financial statements, and their leverage ratio exposure measure.

		a
1	Total consolidated assets as per published financial statements	
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	
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 offbalance sheet exposures)	
11	Adjustments for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital	
12	Other adjustments	
13	Leverage ratio exposure measure	

Definitions and instructions

Row Number	Explanation
1	The bank’s total consolidated assets as per published financial statements.
2	Where a banking, financial, insurance or commercial entity is outside the regulatory scope of consolidation, only the amount of the investment in the capital of that entity (ie only the carrying value of the investment, as opposed to the underlying assets and other exposures of the investee) shall be included in the leverage ratio exposure measure. However, investments in those entities that are deducted from the bank’s CET1 capital or from Additional Tier 1 capital in accordance with SACAP4.3 to SACAP4.4 may also be deducted from the leverage ratio exposure measure. As these adjustments reduce the total leverage ratio exposure measure, they shall be reported as a negative amount.
3	This row shows the reduction of the leverage ratio exposure measure due to the exclusion of securitised exposures that meet the operational requirements for the recognition of risk transference according SCRE18.24. As these adjustments reduce the total leverage ratio exposure measure, they shall be reported as a negative amount.

4	Adjustments related to the temporary exclusion of central bank reserves from the leverage ratio exposure measure, if enacted by SAMA to facilitate the implementation of monetary policies as per SLEV6.6. As these adjustments reduce the total leverage ratio exposure measure, they shall be reported as a negative amount.
5	This row shows the reduction of the consolidated assets for fiduciary assets that are recognised on the bank's balance sheet pursuant to the operative accounting framework and which meet the de-recognition criteria of IAS 39 / IFRS 9 or the IFRS 10 de-consolidation criteria. As these adjustments reduce the total leverage ratio exposure measure, they shall be reported as a negative amount.
6	Adjustments for regular-way purchases and sales of financial assets subject to trade date accounting. The adjustment reflects (i) the reverse-out of any offsetting between cash receivables for unsettled sales and cash payables for unsettled purchases of financial assets that may be recognised under the applicable accounting framework, and (ii) the offset between those cash receivables and cash payables that are eligible per the criteria specified in SLEV7.1.4 (i), (ii). If this adjustment leads to an increase in exposure, it shall be reported as a positive amount. If this adjustment leads to a decrease in exposure, it shall be reported as a negative amount.
7	Adjustments for eligible cash-pooling transactions. The adjustment is the difference between the accounting value of cash-pooling transactions and the treatments specified in SLEV7.1.5. If this adjustment leads to an increase in exposure, it shall be reported as a positive amount. If this adjustment leads to a decrease in exposure, it shall be reported as a negative amount.
8	Adjustments related to derivative financial instruments. The adjustment is the difference between the accounting value of the derivatives recognised as assets and the leverage ratio exposure value as determined by application of SLEV7.2.1 to SLEV7.2.2 ((i) to (v)) and SLEV7.2.3 to SLEV7.2.15. If this adjustment leads to an increase in exposure, institutions shall disclose this as a positive amount. If this adjustment leads to a decrease in exposure, institutions shall disclose this as a negative amount.
9	Adjustments related to Securities Financing Transactions (SFTs) (ie repurchase agreements and other similar secured lending). The adjustment is the difference between the accounting value of the SFTs recognised as assets and the leverage ratio exposure value as determined by application of SLEV7.3.1, SLEV7.3.3 and SLEV7.3.4 to SLEV7.3.5. If this adjustment leads to an increase in the exposure, institutions shall disclose this as a positive amount. If this adjustment leads to a decrease in exposure, institutions shall disclose this as a negative amount.
10	The credit equivalent amount of off-balance sheet items determined by applying the relevant credit conversion factors to the nominal value of the off-balance sheet item, as specified in SLEV7.4.2. (iii), (iv), and SLEV7.4.3 (x) As these amounts increase the total leverage ratio exposure measure, they shall be reported as a positive amount.
11	Adjustments for prudent valuation adjustments and specific and general provisions that have reduced Tier 1 capital. This adjustment reduces the leverage ratio exposure measure by the amount of prudent valuation adjustments and by the amount of specific and general provisions that have reduced Tier 1 capital as determined by SLEV6.2 and SLEV7.1.2 and SLEV7.4.2 (iv), respectively. This adjustment shall be reported as a negative amount.
12	Any other adjustments. If these adjustments lead to an increase in the exposure, institutions shall report this as a positive amount. If these adjustments lead to a decrease in exposure, the institutions shall disclose this as a negative amount.
13	The leverage ratio exposure, which should be the sum of the previous items.

Linkages across templates

[LR1:13/a] is equal to [LR2:24/a] (depending on basis of calculation)

Template LR2- Leverage ratio common disclosure template

Purpose: To provide a detailed breakdown of the components of the leverage ratio denominator, as well as information on the actual leverage ratio, minimum requirements and buffers.

Scope of application: The table is mandatory for all banks.

Content: Quantitative information. Disclosures should be on a quarter-end basis except where explicitly noted in the instructions for certain rows. However, banks may, subject to approval from or due to requirements specified by SAMA, use more frequent calculations (eg daily or monthly averaging). Banks are required to include the frequency of calculation for their disclosures (eg quarter-end, daily averaging or monthly averaging, or a combination thereof).

Frequency: Quarterly.

Format: Fixed.

Accompanying narrative: Banks must describe the key factors that have had a material impact on the leverage ratio for this reporting period compared with the previous reporting period. Banks must also describe the key factors that explain any material differences between the amounts of securities financing transactions (SFTs) that are included in the bank's Pillar 1 leverage ratio exposure measure and the mean values of SFTs that are disclosed in row 28.

		a	b
		T	T-1
On-balance sheet exposures			
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)		
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 Basel III Tier 1 capital)		
6	(Asset amounts deducted in determining Basel III Tier 1 capital and regulatory adjustments)		
7	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 to 6)		
Derivative exposures			
8	Replacement cost associated with all derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)		
9	Add-on amounts for potential future exposure associated with all derivatives transactions		
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)		
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		

20	(Adjustments for conversion to credit equivalent amounts)		
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)		
Capital and total exposures			
23	Tier 1 capital		
24	Total exposures (sum of rows 7, 13, 18 and 22)		
Leverage ratio			
25	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)		
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)		
26	National minimum leverage ratio requirement		
27	Applicable leverage buffers		
Disclosures 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)		
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)		
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)		
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)		

Definitions and instructions

SFTs: transactions such as repurchase agreements, reverse repurchase agreements, securities lending and borrowing, and margin lending transactions, where the value of the transactions depends on market valuations and the transactions are often subject to margin agreements.

Capital measure: The capital measure for the leverage ratio is the Tier 1 capital of the risk-based capital framework as defined in the definition of capital standard (SACAP) taking account of the transitional arrangements.

Row Number	Explanation
1	Banks must include all balance sheet assets in their exposure measure, including on balance sheet derivatives collateral and collateral for SFTs, with the exception of on balance sheet derivative and SFT assets that are included in rows 8 to 18. Derivatives and SFTs collateral refer to either collateral received or collateral provided (or any associated receivable asset) accounted as a balance sheet asset. Amounts are to be reported in accordance with SLEV7.1.1 to SLEV7.1.4 and, where applicable, SLEV6.4 and SLEV6.6.
2	Grossed-up amount of any collateral provided in relation to derivative exposures where the provision of that collateral has reduced the value of the balance sheet assets under the bank's operative accounting framework, in accordance with SLEV7.2.3(ii).
3	Deductions of receivable assets in the amount of the cash variation margin provided in derivatives transactions where the posting of cash variation margin has resulted in the recognition of a receivable asset under the bank's operative accounting framework. As the adjustments in this row reduce the exposure measure, they shall be reported as negative figures.
4	Adjustment for securities received under a securities financing transaction where the bank has recognised the securities as an asset on its balance sheet. These amounts are to be excluded from the exposure measure in accordance with SLEV7.3.3(i). As the adjustments in this row reduce the exposure measure, they shall be reported as negative figures.

5	Amounts of general and specific provisions that are deducted from Tier 1 capital which may be deducted from the exposure measure in accordance with SLEV7.1.2. As the adjustments in this row reduce the exposure measure, they shall be reported as negative figures.
6	All other balance sheet asset amounts deducted from Tier 1 capital and other regulatory adjustments associated with on-balance sheet assets as specified in SLEV6.2. As the adjustments in this row reduce the exposure measure, they shall be reported as negative figures.
7	Sum of rows 1 to 6.
8	Replacement cost (RC) associated with all derivatives transactions (including exposures resulting from direct transactions between a client and a CCP where the bank guarantees the performance of its clients' derivative trade exposures to the CCP). Where applicable, this amount should be net of cash variation margin received (as set out in SLEV7.2.4(ii), and with bilateral netting (as set out in SLEV7.2.2(vi) to (vii). This amount should be reported with the 1.4 alpha factor applied as specified in SLEV7.2.2 (ii) and (v)
9	Add-on amount for the potential future exposure (PFE) of all derivative exposures calculated in accordance with SLEV7.2.2 (ii) and (v). This amount should be reported with the 1.4 alpha factor applied as specified in SLEV7.2.2 (ii) and (v).
10	Trade exposures associated with the CCP leg of derivatives transactions resulting from client-cleared transactions or which the clearing member, based on the contractual arrangements with the client, is not obligated to reimburse the client in respect of any losses suffered due to changes in the value of its transactions in the event that a qualifying central counterparty (QCCP) defaults. As the adjustments in this row reduce the exposure measure, they shall be reported as negative figures.
11	The effective notional amount of written credit derivatives which may be reduced by the total amount of negative changes in fair value amounts that have been incorporated into the calculation of Tier 1 capital with respect to written credit derivatives according to SLEV7.2.9.
12	This row comprises: <ul style="list-style-type: none"> The amount by which the notional amount of a written credit derivative is reduced by a purchased credit derivative on the same reference name according to SLEV7.2.9. The deduction of add-on amounts for PFE in relation to written credit derivatives determined in accordance with SLEV7.2.15. As the adjustments in this row reduce the exposure measure, they shall be reported as negative figures.
13	Sum of rows 8 to 12.
14	The gross amount of SFT assets without recognition of netting, other than novation with QCCPs, determined in accordance with SLEV7.3.3, adjusted for any sales accounting transactions in accordance with SLEV7.3.4.
15	The cash payables and cash receivables of gross SFT assets with netting determined in accordance with SLEV7.3.3(i)(b). As these adjustments reduce the exposure measure, they shall be reported as negative figures.
16	The amount of the counterparty credit risk add-on for SFTs determined in accordance with SLEV7.3.3(ii).
17	The amount for which the bank acting as an agent in a SFT has provided an indemnity or guarantee determined in accordance with SLEV7.3.5.
18	Sum of rows 14 to 17.
19	Total off-balance sheet exposure amounts (excluding off-balance sheet exposure amounts associated with SFT and derivative transactions) on a gross notional basis, before any adjustment for credit conversion factors (CCFs).
20	Reduction in gross amount of off-balance sheet exposures due to the application of CCFs as specified in SLEV7.4.3(iv) to (x). As these adjustments reduce the exposure measure, they shall be reported as negative figures.
21	Amounts of specific and general provisions associated with off-balance sheet exposures that are deducted from Tier 1 capital, the absolute value of which is not to exceed the sum of rows 19 and 20. As these adjustments reduce the exposure measure, they shall be reported as negative figures.
22	Sum of rows 19 to 21.
23	The amount of Tier 1 capital of the risk-based capital framework as defined in the definition of capital standard (SACAP) taking account of the transitional arrangements.
24	Sum of rows 7, 13, 18 and 22.
25	The leverage ratio is defined as the Tier 1 capital measure divided by the exposure measure, with this ratio expressed as a percentage.
25a	If a bank's leverage ratio exposure measure is subject to a temporary exemption of central bank reserves, this ratio is defined as the Tier 1 capital measure divided by the sum of the exposure measure and the amount of the central bank reserves exemption, with this ratio expressed as a percentage. If the bank's leverage ratio exposure measure is not subject to a temporary exemption of central bank reserves, this ratio will be identical to the ratio reported in row 25.
26	The minimum leverage ratio requirement applicable to the bank.
27	Total applicable leverage buffers. To include the G-SIB leverage ratio buffer requirement and any other applicable buffers.
28	Mean of the sums of rows 14 and 15, based on the sums calculated as of each day of the reporting quarter
29	If rows 14 and 15 are based on quarter-end values, this amount is the sum of rows 14 and 15. If rows 14 and 15 are based on averaged values, this amount is the sum of quarter-end values corresponding to the content of rows 14 and 15.
30	Total exposure measure (including the impact of any applicable temporary exemption of central bank reserves), using mean values calculated as of each day of the reporting quarter for the amounts of the exposure measure associated with gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables).

30a	Total exposure measure (excluding the impact of any applicable temporary exemption of central bank reserves), using mean values calculated as of each day of the reporting quarter for the amounts of the exposure measure associated with gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables). If the bank's leverage ratio exposure measure is not subject to a temporary exemption of central bank reserves, this value will be identical to the value reported in row 30.
31	Tier 1 capital measure divided by the exposure measure (including the impact of any applicable temporary exemption of central bank reserves), using mean values calculated as of each day of the reporting quarter for the amounts of the exposure measure associated with gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables).
31a	Tier 1 capital measure divided by the exposure measure (excluding the impact of any applicable temporary exemption of central bank reserves), using mean values calculated as of each day of the reporting quarter for the amounts of the exposure measure associated with gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables). If the bank's leverage ratio exposure measure is not subject to a temporary exemption of central bank reserves, this ratio will be identical to the ratio reported in row 31.

Linkages across templates (valid only if the relevant rows are all disclosed on a quarter-end basis)

[LR2:23/a] is equal to [KM1:2/a]

[LR2:24/a] is equal to [KM1:13/a]

[LR2:25/a] is equal to [KM1:14/a]

[LR2:25a/a] is equal to [KM1:14b/a]

[LR2:31/a] is equal to [KM1:14c/a]

[LR2:31a/a] is equal to [KM1:14d/a]

28. Liquidity:

28.1 The disclosure requirements set out in this chapter are:

28.1.1 Table LIQA – Liquidity risk management

28.1.2 Template LIQ1 – Liquidity coverage ratio (LCR)

28.1.3 Template LIQ2 – Net stable funding ratio (NSFR)

28.2 Table LIQA provides information on a bank's liquidity risk management framework which it considers relevant to its business model and liquidity risk profile, organisation and functions involved in liquidity risk management. Template LIQ1 presents a breakdown of a bank's cash outflows and cash inflows, as well as its available high-quality liquid assets under its LCR. Template LIQ2 provides details of a bank's NSFR and selected details of its NSFR components.

Table LIQA - Liquidity risk management

Purpose: Enable users of Pillar 3 data to make an informed judgment about the soundness of a bank's liquidity risk management framework and liquidity position.

Scope of application: The table is mandatory for all banks.

Content: Qualitative and quantitative information.

Frequency: Annual.

Format: Flexible. Banks may choose the relevant information to be provided depending upon their business models and liquidity risk profiles, organisation and functions involved in liquidity risk management.

Below are examples of elements that banks may choose to describe, where relevant:

Qualitative disclosures

- (a) Governance of liquidity risk management, including: risk tolerance; structure and responsibilities for liquidity risk management; internal liquidity reporting; and communication of liquidity risk strategy, policies and practices across business lines and with the board of directors.
- (b) Funding strategy, including policies on diversification in the sources and tenor of funding, and whether the funding strategy is centralised or decentralised.
- (c) Liquidity risk mitigation techniques.
- (d) An explanation of how stress testing is used.
- (e) An outline of the bank's contingency funding plans.

Quantitative disclosures

- (f) Customised measurement tools or metrics that assess the structure of the bank's balance sheet or that project cash flows and future liquidity positions, taking into account off-balance sheet risks which are specific to that bank.
- (g) Concentration limits on collateral pools and sources of funding (both products and counterparties).
- (h) Liquidity exposures and funding needs at the level of individual legal entities, foreign branches and subsidiaries, taking into account legal, regulatory and operational limitations on the transferability of liquidity.
- (i) Balance sheet and off-balance sheet items broken down into maturity buckets and the resultant liquidity gaps.

Template LIQ1: Liquidity Coverage Ratio (LCR)

Purpose: Present the breakdown of a bank's cash outflows and cash inflows, as well as its available high-quality liquid assets (HQLA), as measured and defined according to the LCR standard.

Scope of application: The template is mandatory for all banks.

Content: Data must be presented as simple averages of daily observations over the previous quarter (ie the average calculated over a period of, typically, 90 days) in the local currency.

Frequency: Quarterly.

Format: Fixed.

Accompanying narrative: Banks must publish the number of data points used in calculating the average figures in the template.

In addition, a bank should provide sufficient qualitative discussion to facilitate users' understanding of its LCR calculation. For example, where significant to the LCR, banks could discuss:

- the main drivers of their LCR results and the evolution of the contribution of inputs to the LCR's calculation over time;
- intra-period changes as well as changes over time;
- the composition of HQLA;
- concentration of funding sources;
- currency mismatch in the LCR; and
- other inflows and outflows in the LCR calculation that are not captured in the LCR common template but which the institution considers to be relevant for its liquidity profile.

		a	b
		Total unweighted value (average)	Total weighted value (average)
High-quality liquid assets			
1	Total HQLA		
Cash outflows			
2	Retail deposits and deposits from small business customers, of which:		
3	Stable deposits		
4	Less stable deposits		
5	Unsecured wholesale funding, of which:		
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks		
7	Non-operational deposits (all counterparties)		
8	Unsecured debt		
9	Secured wholesale funding		
10	Additional requirements, of which:		
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		
14	Other contractual funding obligations		
15	Other contingent funding obligations		
16	TOTAL CASH OUTFLOWS		
Cash inflows			
17	Secured lending (eg reverse repos)		
18	Inflows from fully performing exposures		
19	Other cash inflows		
20	TOTAL CASH INFLOWS		
			Total adjusted value
21	Total HQLA		
22	Total net cash outflows		
23	Liquidity Coverage Ratio (%)		

General explanations

Figures entered in the template must be averages of the observations of individual line items over the financial reporting period (ie the average of components and the average LCR over the most recent three months of daily positions, irrespective of the financial reporting schedule). The averages are calculated after the application of any haircuts, inflow and outflow rates and caps, where applicable. For example:

$$\text{Total unweighted stable deposits}_{Q_i} = \frac{1}{T} \times \sum_{t=1}^T (\text{Total unweighted stable deposits})_t$$

$$\text{Total weighted stable deposits}_{Q_i} = \frac{1}{T} \times \sum_{t=1}^T (\text{Total weighted stable deposits})_t$$

where T equals the number of observations in period Q_i .

Weighted figures of HQLA (row 1, third column) must be calculated after the application of the respective haircuts but before the application of any caps on Level 2B and Level 2 assets. Unweighted inflows and outflows (rows 2-8, 11-15 and 17-20, second column) must be calculated as outstanding balances. Weighted inflows and outflows (rows 2-20, third column) must be calculated after the application of the inflow and outflow rates.

Adjusted figures of HQLA (row 21, third column) must be calculated after the application of both (i) haircuts and (ii) any applicable caps (ie cap on Level 2B and Level 2 assets). Adjusted figures of net cash outflows (row 22, third column) must be calculated after the application of both (i) inflow and outflow rates and (ii) any applicable cap (ie cap on inflows).

The LCR (row 23) must be calculated as the average of observations of the LCR:

$$LCR_{Q_i} = \frac{1}{T} \times \sum_{t=1}^T LCR_t$$

Not all reported figures will sum exactly, particularly in the denominator of the LCR. For example, "total net cash outflows" (row 22) may not be exactly equal to "total cash outflows" minus "total cash inflows" (row 16 minus row 20) if the cap on inflows is binding. Similarly, the disclosed LCR may not be equal to an LCR computed on the basis on the average values of the set of line items disclosed in the template.

Definitions and instructions:

Columns

Unweighted values must be calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows).

Weighted values must be calculated after the application of respective haircuts (for HQLA) or inflow and outflow rates (for inflows and outflows).

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

Row number	Explanation	Relevant paragraph(s) of SLCR, refer to Illustrative Summary of the Amended LCR for the Factors of each item.
1	Sum of all eligible HQLA, as defined in the standard, before the application of any limits, excluding assets that do not meet the operational requirements, and including, where applicable, assets qualifying under alternative liquidity approaches.	SLCR28 to SLCR48, SLCR55, SLCR58 to SLCR62, SLCR57
2	Retail deposits and deposits from small business customers are the sum of stable deposits, less stable deposits and any other funding sourced from (i) natural persons and/or (ii) small business customers (as defined by SCRE10.18 and SCRE10.19).	SLCR73 to SLCR84, SLCR89 to SLCR92
3	Stable deposits include deposits placed with a bank by a natural person and unsecured wholesale funding provided by small business customers, defined as "stable" in the standard.	SLCR73 to SLCR78, SLCR89 to SLCR90
4	Less stable deposits include deposits placed with a bank by a natural person and unsecured wholesale funding provided by small business customers, not defined as "stable" in the standard.	SLCR73 and SLCR74, SLCR79 to SLCR81, SLCR89 to SLCR90
5	Unsecured wholesale funding is defined as those liabilities and general obligations from customers other than natural persons and small business customers that are not collateralised.	SLCR93 to SLCR111
6	Operational deposits include deposits from bank clients with a substantive dependency on the bank where deposits are required for certain activities (ie clearing, custody or cash management activities). Deposits in institutional networks of cooperative banks include deposits of member institutions with the central institution or specialised central service providers.	SLCR93 to SLCR106
7	Non-operational deposits are all other unsecured wholesale deposits, both insured and uninsured	SLCR107 to SLCR109

8	Unsecured debt includes all notes, bonds and other debt securities issued by the bank, regardless of the holder, unless the bond is sold exclusively in the retail market and held in retail accounts.	SLCR110
9	Secured wholesale funding is defined as all collateralised liabilities and general obligations.	SLCR112 to SLCR114
10	Additional requirements include other off-balance sheet liabilities or obligations	SLCR112 and SLCR Attachment#2 row 228 to 238.
11	Outflows related to derivative exposures and other collateral requirements include expected contractual derivatives cash flows on a net basis. These outflows also include increased liquidity needs related to: downgrade triggers embedded in financing transactions, derivative and other contracts; the potential for valuation changes on posted collateral securing derivatives and other transactions; excess non-segregated collateral held at the bank that could contractually be called at any time; contractually required collateral on transactions for which the counterparty has not yet demanded that the collateral be posted; contracts that allow collateral substitution to non-HQLA assets; and market valuation changes on derivatives or other transactions.	SLCR112 to SLCR Attachment#2 row 221
12	Outflows related to loss of funding on secured debt products include loss of funding on: asset-backed securities, covered bonds and other structured financing instruments; and asset-backed commercial paper, conduits, securities investment vehicles and other such financing facilities.	SLCR Attachment#2 row 222 and 223.
13	Credit and liquidity facilities include drawdowns on committed (contractually irrevocable) or conditionally revocable credit and liquidity facilities. The currently undrawn portion of these facilities is calculated net of any eligible HQLA if the HQLA have already been posted as collateral to secure the facilities or that are contractually obliged to be posted when the counterparty draws down the facility.	SLCR page 64 to SLCR Attachment#2 row 228 to 238.
14	Other contractual funding obligations include contractual obligations to extend funds within a 30-day period and other contractual cash outflows not previously captured under the standard.	SLCR Attachment#2 row 240, 241, and 265.
15	Other contingent funding obligations, as defined in the standard.	SLCR Attachment#2 page 69 to 71.
16	Total cash outflows: sum of rows 2-15.	
17	Secured lending includes all maturing reverse repurchase and securities borrowing agreements.	SLCR Attachment#2 a) page 71 to 72.
18	Inflows from fully performing exposures include both secured and unsecured loans or other payments that are fully performing and contractually due within 30 calendar days from retail and small business customers, other wholesale customers, operational deposits and deposits held at the centralised institution in a cooperative banking network.	SLCR Attachment#2 row 301, 303, 306, and 307.
19	Other cash inflows include derivatives cash inflows and other contractual cash inflows.	SLCR Attachment#2 row 316, to 317.
20	Total cash inflows: sum of rows 17-19	
21	Total HQLA (after the application of any cap on Level 2B and Level 2 assets).	SLCR28 to SLCR46, SLCR47 to SLCR annex 1(4), SLCR49 to SLCR54
22	Total net cash outflows (after the application of any cap on cash inflows).	SLCR69
23	Liquidity Coverage Ratio (after the application of any cap on Level 2B and Level 2 assets and caps on cash inflows).	SLCR22

Template LIQ2: Net Stable Funding Ratio (NSFR)

Purpose: Provide details of a bank's NSFR and selected details of its NSFR components.

Scope of application: The template is mandatory for all banks.

Content: Data must be presented as quarter-end observations in the local currency.

Frequency: Semiannual (but including two data sets covering the latest and the previous quarter-ends).

Format: Fixed.

Accompanying narrative: Banks should provide a sufficient qualitative discussion on the NSFR to facilitate an understanding of the results and the accompanying data. For example, where significant, banks could discuss:

- (a) drivers of their NSFR results and the reasons for intra-period changes as well as the changes over time (eg changes in strategies, funding structure, circumstances); and
- (b) composition of the bank's interdependent assets and liabilities (as defined in SNSF8) and to what extent these transactions are interrelated.

		a	b	c	d	e
		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1 year	≥ 1 year	
<i>(In currency amount)</i>						
Available stable funding (ASF) item						
1	Capital:					
2	Regulatory capital					
3	Other capital instruments					
4	Retail deposits and deposits from small business customers:					
5	Stable deposits					
6	Less stable deposits					
7	Wholesale funding:					
8	Operational deposits					
9	Other wholesale funding					
10	Liabilities with matching interdependent assets					
11	Other liabilities:					
12	NSFR derivative liabilities					
13	All other liabilities and equity not included in the above categories					
14	Total ASF					
Required stable funding (RSF) item						
15	Total NSFR high-quality liquid assets (HQLA)					
16	Deposits held at other financial institutions for operational purposes					
17	Performing loans and securities:					
18	Performing loans to financial institutions secured by Level 1 HQLA					
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions					

20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:					
21	With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk					
22	Performing residential mortgages, of which:					
23	With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk					
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities					
25	Assets with matching interdependent liabilities					
26	Other assets:					
27	Physical traded commodities, including gold					
28	Assets posted as initial margin for derivative contracts and contributions to default funds of central counterparties					
29	NSFR derivative assets					
30	NSFR derivative liabilities before deduction of variation margin posted					
31	All other assets not included in the above categories					
32	Off-balance sheet items					
33	Total RSF					
34	Net Stable Funding Ratio (%)					

General instructions for completion of the NSFR disclosure template

Rows in the template are set and compulsory for all banks. Key points to note about the common template are:

- Dark grey rows introduce a section of the NSFR template.
- Light grey rows represent a broad subcomponent category of the NSFR in the relevant section.
- Unshaded rows represent a subcomponent within the major categories under ASF and RSF items. As an exception, rows 21 and 23 are subcomponents of rows 20 and 22, respectively. Row 17 is the sum of rows 18, 19, 20, 22 and 24.
- No data should be entered for the cross-hatched cells.
- Figures entered in the template should be the quarter-end observations of individual line items.
- Figures entered for each RSF line item should include both unencumbered and encumbered amounts.
- Figures entered in unweighted columns are to be assigned on the basis of residual maturity and in accordance with SNSF5.

Items to be reported in the "no maturity" time bucket do not have a stated maturity. These may include, but are not limited to, items such as capital with perpetual maturity, non-maturity deposits, short positions, open maturity positions, non-HQLA equities and physical traded commodities.

Explanation of each row of the common disclosure template

Row number	Explanation	Relevant paragraph(s) of SNSF
1	Capital is the sum of rows 2 and 3.	
2	Regulatory capital before the application of capital deductions, as defined in SACAP2.1. Capital instruments reported should meet all requirements outlined in SACAP2 and should only include amounts after transitional arrangements in SACAP5 have expired under fully implemented Basel III standards (ie as in 2022).	SNSF6: - Receiving a 100% ASF (a). - Receiving a 50% ASF (d). - Receiving a 0% ASF (a).
3	Total amount of any capital instruments not included in row 2.	SNSF6: - Receiving a 100% ASF (b). - Receiving a 50% ASF (d). - Receiving a 0% ASF (a).

4	Retail deposits and deposits from small business customers, as defined in the SLCR73-82 and SLCR89-92, are the sum of row 5 and 6.	
5	Stable deposits comprise "stable" (as defined in SLCR75 to SLCR78) non-maturity (demand) deposits and/or term deposits provided by retail and small business customers.	SNSF6: - Receiving a 100% ASF (c). - Receiving a 95% ASF.
6	Less stable deposits comprise "less stable" (as defined in SLCR79 to SLCR81) non-maturity (demand) deposits and/or term deposits provided by retail and small business customers.	SNSF6: - Receiving a 100% ASF (c). - Receiving a 90% ASF.
7	Wholesale funding is the sum of rows 8 and 9.	
8	Operational deposits: as defined in SLCR93 to SLCR104, including deposits in institutional networks of cooperative banks.	SNSF6: - Receiving a 100% ASF (c). - Receiving a 50% ASF (b). - Receiving a 0% ASF (a). - Including footnote 17.
9	Other wholesale funding includes funding (secured and unsecured) provided by non-financial corporate customer, sovereigns, public sector entities (PSEs), multilateral and national development banks, central banks and financial institutions.	SNSF6: - Receiving a 100% ASF (c). - Receiving a 50% ASF (a). - Receiving a 50% ASF (c). - Receiving a 50% ASF (d). - Receiving a 0% ASF (a).
10	Liabilities with matching interdependent assets.	SNSF8
11	Other liabilities are the sum of rows 12 and 13.	
12	In the unweighted cells, report NSFR derivatives liabilities as calculated according to NSFR paragraphs 19 and 20. There is no need to differentiate by maturities. [The weighted value under NSFR derivative liabilities is cross-hatched given that it will be zero after the 0% ASF is applied.]	SNSF5(A), SNSF6: - Receiving a 0% ASF (c).
13	All other liabilities and equity not included in above categories.	SNSF6: - Receiving a 0% ASF (a). - Receiving a 0% ASF (b). - Receiving a 0% ASF (d).
14	Total available stable funding (ASF) is the sum of all weighted values in rows 1, 4, 7, 10 and 11.	
15	Total HQLA as defined in SLCR45, SLCR50] to SLCR54, SLCR55, SLCR63, SLCR65, SLCR58, SLCR62, SLCR67, (encumbered and unencumbered), without regard to LCR operational requirements and LCR caps on Level 2 and Level 2B assets that might otherwise limit the ability of some HQLA to be included as eligible in calculation of the LCR: encumbered assets including assets backing securities or covered bonds. (b)Unencumbered means free of legal, regulatory, contractual or other restrictions on the ability of the bank to liquidate, sell, transfer or assign the asset.	SNSF Footnote 9, SNSF7: - Assigned a 0% ASF (a). - Assigned a 0% ASF (b). - Assigned a 5% ASF. - Assigned a 15% ASF (a). - Assigned a 50% ASF (a). - Assigned a 50% ASF (b). - Assigned a 85% ASF (a). - Assigned a 100% ASF (a).
16	Deposits held at other financial institutions for operational purposes as defined in SLCR93 to SLCR104.	SNSF7: - Assigned a 50% ASF (d).
17	Performing loans and securities are the sum of rows 18, 19, 20, 22 and 24.	
18	Performing loans to financial institutions secured by Level 1 HQLA, as defined in the SLCR50(c) to SLCR50(e).	SNSF7: - Assigned a 10% ASF. - Assigned a 50% ASF (c). - Assigned a 100% ASF (c).
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions.	SNSF7: - Assigned a 50% ASF (b). - Assigned a 50% ASF (c). - Assigned a 100% ASF (c).
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs.	SNSF7: - Assigned a 0% ASF (c). - Assigned a 50% ASF (d). - Assigned a 65% ASF (b). - Assigned a 85% ASF (b). - Assigned a 65% ASF (a).

21	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs with risk weight of less than or equal to 35% under the Standardised Approach.	SNSF7: - Assigned a 0% ASF (c). - Assigned a 50% ASF (d). - Assigned a 65% ASF (b). - Assigned a 100% ASF (a).
22	Performing residential mortgages.	SNSF7: - Assigned a 50% ASF (e). - Assigned a 65% ASF (a). - Assigned a 85% ASF (b). - Assigned a 100% ASF (a).
23	Performing residential mortgages with risk weight of less than or equal to 35% under the Standardised Approach.	SNSF7: - Assigned a 50% ASF (e). - Assigned a 65% ASF (a). - Assigned a 100% ASF (a).
24	Securities that are not in default and do not qualify as HQLA including exchange-traded equities.	SNSF7: - Assigned a 50% ASF (e). - Assigned a 85% ASF (c). - Assigned a 100% ASF (a).
25	Assets with matching interdependent liabilities.	SNSF8
26	Other assets are the sum of rows 27-31.	
27	Physical traded commodities, including gold.	SNSF7: - Assigned a 85% ASF (d)
28	Cash, securities or other assets posted as initial margin for derivative contracts and contributions to default funds of central counterparties.	SNSF7: - Assigned a 50% ASF (a)
29	In the unweighted cell, report NSFR derivative assets, as calculated according to SNSF5 (B) "Calculation of derivative asset amounts". There is no need to differentiate by maturities. In the weighted cell, if NSFR derivative assets are greater than NSFR derivative liabilities, (as calculated according to SNSF5 (A) "Calculation of derivative liability amounts", report the positive difference between NSFR derivative assets and NSFR derivative liabilities.	SNSF5 (B) "Calculation of derivative asset amounts" and SNSF7: - Assigned a 100% ASF (b).
30	In the unweighted cell, report derivative liabilities as calculated according to SNSF5 (A) "Calculation of derivative liability amounts", ie before deducting variation margin posted. There is no need to differentiate by maturities. In the weighted cell, report 20% of derivatives liabilities' unweighted value (subject to 100% RSF).	SNSF5 (A) "Calculation of derivative liability amounts" and SNSF7: - Assigned a 100% ASF (d).
31	All other assets not included in the above categories.	SNSF7: - Assigned a 0% ASF (d). - Assigned a 100% ASF (c).
32	Off-balance sheet items.	SNSF9
33	Total RSF is the sum of all weighted value in rows 15, 16, 17, 25, 26 and 32.	
34	Net Stable Funding Ratio (%), as stated SNSF	SNSF4

29. Worked examples:

Interpretation of the effective date - illustration

29.1 The following table illustrates the application of paragraph section 3.2 by specifying the first applicable fiscal period for disclosure requirements according to their frequency, using as example a bank with a fiscal year coinciding with the calendar year (case 1), a bank with a fiscal year ending in October of the same calendar year (case 2), and a bank with a fiscal year ending in March of the following calendar year (case 3).

29.1.1 Banks with fiscal year from 1 January to 31 December:

- a. The first fiscal quarter subject to quarterly disclosure requirements with an "effective as of" date of 1 January of a given year will be the first fiscal quarter, ending in 31 March of that calendar year. The first fiscal quarter subject to quarterly disclosure requirements with an "effective as of" date of 31 December of a given year will be the fourth fiscal quarter, ending in 31 December of that calendar year.
- b. The first fiscal semester subject to semi-annual disclosure requirements with an "effective as of" date of 1 January of a given year will be the first fiscal semester, ending in 31 June of that calendar year. The first fiscal semester subject to semiannual disclosure requirements with an "effective as of" date of 31 December of a given year will be the second fiscal semester, ending in 31 December of that calendar year.
- c. The first fiscal year subject to annual disclosure requirements with an "effective as of" date of 1 January of a given year will be the fiscal year starting in 1 January of that calendar year. The first fiscal year subject to annual disclosure requirements with an "effective as of" date of 31 December of a given year will be the fiscal year ending in that same 31 December of that calendar year.

29.1.2 Banks with fiscal year from 1 November of the previous calendar year to 31 October:

- a. The first fiscal quarter subject to quarterly disclosure requirements with an "effective as of" date of 1 January of a given year will be the first fiscal quarter, ending in 31 January of that calendar year. The first fiscal quarter subject to quarterly disclosure requirements with an "effective

- as of" date of 31 December of a given year will be the first fiscal quarter, ending in 31 January of the following calendar year.
- b. The first fiscal semester subject to semiannual disclosure requirements with an "effective as of" date of 1 January of a given year will be the first fiscal semester, ending in 31 April of that calendar year. The first fiscal semester subject to semiannual disclosure requirements with an "effective as of" date of 31 December of a given year will be the first fiscal semester, ending in 31 April of the following calendar year.
 - c. The first fiscal year subject to annual disclosure requirements with an "effective as of" date of 1 January of a given year will be the fiscal year starting in 1 November of the previous calendar year. The first fiscal year subject to annual disclosure requirements with an "effective as of" date of 31 December of a given year will be the fiscal year ending in 31 October of the following calendar year.

29.1.3 Banks with fiscal year from 1 April to 31 March of the next calendar year:

- a. The first fiscal quarter subject to quarterly disclosure requirements with an "effective as of" date of 1 January of a given year will be the fourth fiscal quarter, ending in 31 March of that calendar year. The first fiscal quarter subject to quarterly disclosure requirements with an "effective as of" date of 31 December of a given year will be the third fiscal quarter, ending in 31 December of that calendar year.
- b. The first fiscal semester subject to semiannual disclosure requirements with an "effective as of" date of 1 January of a given year will be the second fiscal semester, ending in 31 March of that calendar year. The first fiscal semester subject to semiannual disclosure requirements with an "effective as of" date of 31 December of a given year will be the second fiscal semester, ending in 31 March of the following calendar year.
- c. The first fiscal year subject to annual disclosure requirements with an "effective as of" date of 1 January of a given year will be the fiscal year starting in 1 April of the previous calendar year. The first fiscal year subject to annual disclosure requirements with an "effective as of" date of 31 December of a given year will be the fiscal year ending in 31 March of the following calendar year.

Template CR3 – illustration

29.2 The following scenarios illustrate how Template CR3 should be completed.

		a	b	c	d	e
		Unsecured exposures: carrying amount	Exposures to be secured	Exposures secured by collateral	Exposures secured by financial guarantees	Exposures secured by credit derivatives
(i)	One secured loan of 100 with collateral of 120 (after haircut) and guarantees of 50 (after haircut), if bank expects that guarantee would be extinguished first	0	100	50	50	0
(ii)	One secured loan of 100 with collateral of 120 (after haircut) and guarantees of 50 (after haircut), if bank expects that collateral would be extinguished first	0	100	100	0	0
(iii)	Secured exposure of 100 partially secured: 50 by collateral (after haircut), 30 by financial guarantee (after haircut), none by credit derivatives	0	100	50	30	0
(iv)	One unsecured loan of 20 and one secured loan of 80. The secured loan is over-collateralised: 60 by collateral (after haircut), 90 by guarantee (after haircut), none by credit derivatives. If bank expects that collateral would be extinguished first.	20	80	60	20	0
(v)	One unsecured loan of 20 and one secured loan of 80. The secured loan is under-collateralised: 50 by collateral (after haircut), 20 by guarantee (after haircut), none by credit derivatives.	20	80	50	20	0

Definitions

Exposures unsecured- carrying amount: carrying amount of exposures (net of allowances/impairments) that do not benefit from a credit risk mitigation technique.

Exposures to be secured: carrying amount of exposures which have at least one credit risk mitigation mechanism (collateral, financial guarantees, credit derivatives) associated with them. The allocation of the carrying amount of multi-secured exposures to their different credit risk mitigation mechanisms is made by order of priority, starting with the credit risk mitigation mechanism expected to be called first in the event of loss, and within the limits of the carrying amount of the secured exposures.

Exposures secured by collateral: carrying amount of exposures (net of allowances/impairments) partly or totally secured by collateral. In case an exposure is secured by collateral and other credit risk mitigation mechanism(s), the carrying amount of the exposures secured by collateral is the remaining share of the exposure secured by collateral after consideration of the shares of the exposure already secured by other mitigation mechanisms expected to be called beforehand in the event of a loss, without considering overcollateralisation.

Exposures secured by financial guarantees: carrying amount of exposures (net of allowances/impairments) partly or totally secured by financial guarantees. In case an exposure is secured by financial guarantees and other credit risk mitigation mechanism, the carrying amount of the exposure secured by financial guarantees is the remaining share of the exposure secured by financial guarantees after consideration of the shares of the exposure already secured by other mitigation mechanisms expected to be called beforehand in the event of a loss, without considering overcollateralisation.

Exposures secured by credit derivatives: carrying amount of exposures (net of allowances/impairments) partly or totally secured by credit derivatives. In case an exposure is secured by credit derivatives and other credit risk mitigation mechanism(s), the carrying amount of the exposure secured by credit derivatives is the remaining share of the exposure secured by credit derivatives after consideration of the shares of the exposure already secured by other mitigation mechanisms expected to be called beforehand in the event of a loss, without considering overcollateralisation.

Template CCR5 - illustration

29.3 The case below illustrates the cash and security legs of two securities lending transactions in Template CCR5:

29.3.1 Repo on foreign sovereign debt with 50 SAR cash received and 55 SAR collateral posted

29.3.2 Reverse repo on domestic sovereign debt with 80 SAR cash paid and 90 SAR collateral received

	e	f
	Collateral used in securities financing transactions (SFTs)	
	Fair value of collateral received	Fair value of posted collateral
Cash - domestic currency		80
Cash - other currencies	50	
Domestic sovereign debt	90	
Other sovereign debt		55
-		
Total	140	135

Template MR2 – illustration

29.4 The paragraphs below describe the relevant provisions for components of IMA capital requirement calculations.

29.4.1 The aggregate capital requirement for approved and eligible trading desks (TDs) ($IMA_{G,A}$) according to SMAR13.43 is defined as: $C_A + DRC +$ Capital surcharge.

29.4.2 According to SMAR13.41 C_A is defined as:

$$C_A = \max\{IMCC_{t-1} + SES_{t-1}; m_c \cdot IMCC_{avg} + SES_{avg}\}$$

29.4.3 According to SMAR13.22 **DRC** is defined as the greater of: (1) the average of the DRC requirement model measures over the previous 12 weeks; or (2) the most recent DRC requirement model measure.

29.4.4 According to SMAR13.45 Capital surcharge: is calculated as the difference between the aggregated standardised capital charges ($SA_{G,A}$) and the aggregated internal models-based capital charges ($IMA_{G,A} = C_A + DRC$) multiplied by a factor k. k and $SA_{G,A}$ are only recent while $IMA_{G,A}$ is average or recent -> Surcharge is average or recent.

$$Capital\ surcharge = k \cdot \max\{0, SA_{G,A} - IMA_{G,A}\}, \text{ where } k = 0.5 \times \frac{\sum_{i \in A} SA_i}{\sum_{i \in G,A} SA_i}$$

Example: illustration of the correct specification for row 12 in template MR2

29.5 Applying the formulae set out in SMAR13.22, SMAR13.41, SMAR13.43, and SMAR13.45 (marked in blue below), the relevant components for CA [either most recent (8+9) or average 1.5*8 +9] and DRC should take the respectively greater value of the “most recent” and “average” (marked in red). This results in the green and amber trading desks total capital requirements (including capital surcharge) of 485.

	a	b
Template MR2	Most recent	Average

8	IMCC	100	130	*1.5
9	SES	130	100	
(CA = max [IMCC _{t-1} +SES _{t-1} ; mc*IMCC _{avg} +SES _{avg}]		(230)	(295)	

10	DRC	100	90
11	Capital surcharge for amber TD		90
12	Capital requirements for green and amber TDs (including capital surcharge) max[a=(8+9); b=(multiplier*8+9)]+max[a=10; b=10]+ 11		485
13	SA Capital requirements for TD ineligible to use IMA C _U		20

30. Annexure 1: Frequently asked questions (FAQ):

Article #	Question	Answer
Overview of risk management, key prudential metrics and RWA		
12	For counterparty credit risk (CCR) (rows 6-9), the split requested is by the exposure at default (EAD) methodology classification used to determine exposure levels rather than the risk-weighted asset (RWA) methodology classification used to determine risk weights. This contradicts the presentation for credit risk (rows 1-5) and securitisation (rows 16-19). Should line items be added (where necessary) to reconcile the disclosure to the total RWA?	<p>Template OV1 does not request CCR to be split by risk weighting methodology, but by EAD methodology. Nevertheless, banks should add extra rows, as appropriate, to split the exposures by risk weighting methodology*, in order to facilitate the reconciliation with the RWA changes in Template CCR7.</p> <p>* RWA and capital requirements under the Standardised Approach for credit risk weighting are to be subdivided in the standardised approach for counterparty credit risk (SA-CCR) and the internal models method (IMM), and the same for RWA and capital requirements under the internal ratings-based (IRB) approach for credit risk weighting.</p>
Composition of capital TLAC		
14	For the disclosure requirements under section 14 in the event a bank restates its prior year accounting balance sheet, does the bank restate the archived prior year reconciliation templates?	The requirement to keep an archive of a minimum period also applies to the reconciliation template. As such, any prospective/retrospective restatement of the balance sheet would require similar amendments to be reflected in the reconciliation templates within the archive with a clear indication that such a revision has been made.
Links between financial statements and regulatory exposures		
16	In Template LI1, are assets deducted from regulatory capital in accordance with Basel III (eg goodwill and	Elements which are deducted from a bank's regulatory capital (eg goodwill and intangible assets and deferred tax assets) should be included in column (g), taking into consideration the different thresholds that apply where relevant. Assets should be disclosed

<p>intangible assets) disclosed in column (g)?</p>	<p>for the amount that is actually deducted from capital. Some examples are shown below:</p> <ul style="list-style-type: none"> - Goodwill and intangible assets: the amount to be disclosed in column (g) is the amount of any goodwill or intangibles,* including any goodwill included in the valuation of significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation. The amount disclosed in the assets rows is net of any associated deferred tax liability which would be extinguished if the intangible assets become impaired or derecognised under the relevant accounting standards. The associated deferred tax liability is also to be disclosed in the liabilities rows of column (g). - Deferred tax assets: for all types of deferred tax assets to be deducted from own funds, the amount to be disclosed in column (g) is net of associated deferred tax liabilities that are eligible for netting. The associated deferred tax liabilities are to be disclosed in the liabilities rows of column (g). For deferred tax assets, for which the deduction is subject to a threshold, the amount disclosed in column (g) in the assets rows is the amount, net of any eligible deferred tax liability, above the threshold. The associated deferred tax liabilities are also to be disclosed in the liabilities rows of column (g). - Defined benefit pension fund assets: the amount disclosed is net of any deferred tax liabilities which would be extinguished if the asset should become impaired or derecognised under the relevant accounting standards. These deferred tax liabilities are also to be disclosed in the liabilities rows of column (g). - Investments in own shares (treasury stock) or own instruments of regulatory capital: when investments in own shares or own instruments of regulatory capital are not already derecognised under the relevant accounting standards, the deducted amount disclosed is net of short positions in the same underlying exposure or in the same underlying index allowed to be netted under the Basel framework. These short positions are also to be disclosed in the liabilities rows of column (g). <p>* Under SACAP4.1.1, subject to SAMA approval, IFRS definition of intangible assets to determine which assets are classified as intangible and are thus required to be deducted.</p>
--	---

	In Template LI1, are exposures required to be 1,250% risk-weighted to be disclosed in column (g)?	1,250% risk-weighted exposures should be disclosed in the relevant credit risk or securitisation risk templates.
	Template LI1: Considering that the risk weighting framework bears on assets rather than liabilities, should all the liabilities be disclosed in column (g)? Should in any case deferred tax liabilities and defined benefit pension fund liabilities be included in column (g)?	The liabilities disclosed in column (g) are all liabilities under the regulatory scope of consolidation, except for the following, which are disclosed in columns (c), (d), (e) and (f) as applicable: liabilities that are included in the determination of the exposure values in the market risk or the counterparty credit risk framework; and liabilities that are eligible under the Basel netting rules.
	What is the difference in Template LI2 between the required disclosure in row 2 (Liabilities carrying value amount under regulatory scope of consolidation) and row 6 (Differences due to different netting rules, other than those already included in row 2).	Row 2 refers to balance sheet netting, while row 6 refers to incremental netting in application of the Basel rules (when not already covered by balance sheet netting). The netting rules under the Basel framework are different from the rules under the applicable accounting frameworks. The incremental netting in row 6 could represent an additional deduction from the net exposure value before application of the Basel netting rules (when those rules lead to more netting than the balance sheet netting in row 2) or a gross-up of the net exposure value when the off-balance sheet netting operated in row 2 is broader than what the Basel netting rules allow.
	How does the disclosure in Template LI2, in particular row 3 (total net amount under regulatory scope of consolidated) relate to accounting equity?	The netting between assets and liabilities in Template LI2 does not lead to accounting equity under a regulatory scope of consolidation being disclosed in row 3. Assets and liabilities included in rows 1 and 2 are limited to those assets and liabilities that are taken into consideration in the regulatory framework. Other assets and liabilities not considered in the regulatory framework are to be disclosed in column (g) in Template LI1 and are consequently excluded from rows 1 and 2 of Template LI2.
	For Template LI2, how would the entry in row 10 (exposure amounts	In general, under a regulatory scope of consolidation, the accounting carrying amount and the regulatory exposure value would vary due to the incidence of off-balance sheet elements,

	<p>considered for regulatory purpose) differ from the balance sheet values under a regulatory scope of consolidation? Is it correct that there would be no differences to be explained, given that market risk does not have exposure values and the linkage for the other risk categories does not apply?</p>	<p>provisions, and different netting and measurement rules. Under market risk, the regulatory exposure value will also differ from the accounting carrying amount. Differences could be due to off-balance sheet items, netting rules and different measurement rules of market risk positions via prudent valuation (as opposed to fair valuation in the applicable accounting framework).</p>
--	--	---

Credit risk

19	<p>How should the disclosure be made in Template CR3, in an example where a loan has multiple types of credit risk mitigation and is overcollateralised (eg a loan of 100 with land collateral of 120 as well as guarantees of 50)?</p>	<p>When an exposure benefits from multiple types of credit risk mitigation mechanisms, the exposure value should be allocated to each mechanism by order of priority based on the credit risk mitigation mechanism which banks would apply in the event of loss. Disclosure should be limited to the value of the exposure (ie the amount of overcollateralisation does not need to be disclosed in the table). If the bank wishes to disclose information regarding the over-collateralisation, it may do so in the accompanying narrative. Refer to example in section 28.3.</p>
	<p>What are the values to be ascribed to collateral, guarantees and credit derivatives in Template CR3?</p>	<p>Banks should disclose the amount of credit risk mitigation calculated according to the regulatory framework, including both the costs to sell and of haircut.</p>
	<p>Where should exposures to central counterparties (CCPs) be included?</p>	<p>Exposures for trades, initial margins and default fund contributions are included in Template CCR8. Exposures stemming from loans to CCPs excluding initial margins and default fund contributions should be included within the credit risk framework considering the CCP as an asset class item. These loans should be included in the exposure class where the national</p>

		implementation of the Basel framework allows exposures to CCPs to be included.
In Template CR7, what is the required disclosure if an exposure is only partially hedged by a credit derivative? For instance, consider a loan with nominal exposure of 100 SAR, risk weight of 150% and therefore RWA of 150 SAR. The bank buys a credit default swap with a 30 SAR nominal amount, and the risk weight of the protection provider is 50%. Which values should be entered in columns (a) and (b)?		Under the IRB approach, credit derivatives are recognised as CRM techniques for the F-IRB and A-IRB. In both cases, banks can reflect the risk mitigating effect of credit derivatives on an exposure by adjusting their PD or loss-given-default (LGD). Banks should disclose in column (a), the RWA of an exposure secured by a credit derivative calculated without reflecting the risk mitigating effect of credit derivatives (in the example, banks would disclose 150 SAR). In column (b), the RWA of the same exposure calculated reflecting the risk mitigating effect of credit derivatives (in the example, banks would disclose $30 \times 50\% + 70 \times 150\% = 120$) should be disclosed.
Is the “weighted average PD” in column (d) of Template CR9 to be calculated based on the formula $\frac{\sum(PD_i * EAD_i)}{\sum EAD_i}$?		“Weighted” means exposure at default (EAD)-weighted. For this purpose, the formula in the question is correct since the data will be comparable to those reported in column (i).
How should “defaulted obligors” be defined, for the purpose of Template CR9? For column (f) (number of obligors), please clarify how “obligors” are defined from a retail perspective. Should “end of the previous year” include only non-defaulted accounts at the beginning of the year, or both defaulted and non-defaulted accounts? Should “end of		<p>The definition of obligors or retail obligors is the same as for other obligors; any individual person or persons, or a small or medium-sized entity. Furthermore, where banks apply the “transaction approach”, each transaction shall be considered as a single obligor. A defaulted obligor is an obligor that meets the conditions set out in SCRE16.67 to SCRE16.74.</p> <p>For column (f), the “end of the previous year” includes non-defaulted accounts at the beginning of the year of reference for disclosure. The “end of the year” includes all the non-defaulted accounts related to obligors already included in the “end of the previous year” plus all the new obligors acquired during the year of reference for disclosure which did not go into default during the</p>

<p>the year” include all active accounts at the end of the year? For column (g) (defaulted obligors in the year), please clarify whether it is related to accounts that defaulted during the year or from inception.</p>	<p>year. Banks have discretion as to whether to include obligors who left during the year within the “end of the year” number.</p> <p>For column (g), “defaulted obligors” includes: (i) obligors not in default at the beginning of the year who went into default during the year; and (ii) new obligors acquired during the year– through origination or purchase of loans, debt securities or off-balance sheet commitments – that were not in default, but which went into default during the year. Obligor under (ii) are also separately disclosed in column (h). The PD or PD range to be included in columns (d) and (e) is the one assigned at the beginning of the period for obligors that are not in default at the beginning of the period.</p>
<p>What considerations can institutions reference when disclosing a model performance test (backtesting) when the test is not aligned to the year-end disclosure timetable?</p>	<p>The frequency of the disclosure is not linked to the timing of the bank’s backtesting. The annual disclosure frequency does not require a timetable of model backtesting that is calibrated on a calendar year basis. When the backtesting reference period is not calibrated on a calendar year basis, but on another time interval (for instance, a 12- month interval), “year” as used in columns (f), (g) and (h) of Template CR9 means “over the period used for the backtesting of a model”. Banks must, however, disclose the time horizon (observation period /timetable) they use for their backtesting.</p>

Counterparty credit risk

<p align="center">20</p>	<p>The “purpose” of Template CCR5 asks for a breakdown of all types of collateral posted or received. The content section, however, asks for collateral used. These numbers differ as certain transactions are over-collateralised (ie >100% of exposure) and therefore not all collateral would be used for risk mitigation. Should the template include all</p>	<p>The numbers reported in Template CCR5 should be the total collateral posted/received (ie not limited to the collateral that is applied/used for risk mitigation). The purpose of the template is to provide a view on the collateral posted/received rather than the value accounted for within the regulatory computation. If the bank wishes to disclose the collateral eligible for credit mitigation, it may do so using an accompanying narrative.</p>
--------------------------	--	--

	collateral posted/received or just collateral that is applied?	
	<p>Template CCR7 refers to an RWA flow on internal models method (IMM) exposures. Row 4 (Model updates – IMM only) and row 5 (Methodology and policy – IMM only) are specifically to include only model and methodology/policy changes relating to the IMM exposures model. Where in the template would changes to the internal-ratings based (IRB) models that result in changes in risk weights for positions under the IMM be reported?</p>	<p>Template CCR7 is consistent with Template OV1, which requests a split by exposure at default (EAD) methodology and not by risk weighting methodology. Banks are recommended to add rows to report any changes relating to risk weighting methodology if they deem them useful. The row breakdown is flexible and intends to depict all the significant drivers of changes for the risk-weighted assets (RWA) under counterparty credit risk. Specific rows should be inserted when changes to the IRB model result in changes to the RWA of instruments under counterparty credit risk whose exposure value is determined based on the IMM.</p>
Securitisation		
21	<p>Template SEC1 requires the disclosure of “carrying values”. Is there a direct link between columns (d), (h) and (l) of Template SEC1 and column (e) of Template LI1?</p>	<p>Reconciliation is not possible when Template SEC1 presents securitisation exposures within and outside the securitisation framework together. However, when banks choose to disclose Template SEC1 and SEC2 separately for securitisation exposures within the securitisation framework and outside that framework, the following reconciliation is possible: the sum of on-balance sheet assets and liabilities included in columns (d), (h) and (l) of Template SEC1 is equal to the amounts disclosed in column (e) of Template LI1.</p>
	<p>Should institutions disclose RWA before or after the application of the cap?</p>	<p>RWA figures disclosed in Templates SEC3 and SEC4 should be before application of the cap, as it is useful for users to compare exposures and risk-weighted assets (RWA) before application of the cap. Columns (a)–(m) in Templates SEC3 and SEC4 should be</p>

		reported prior to application of the cap, while columns (n)–(q) should be reported after application of the cap. RWA after application of the cap are disclosed in Template OV1.
--	--	--

31. Annexure 2: Frequency and timing of disclosures:

Section	Template	Applicability	Format		Frequency		
			Fixed	Flexible	Quarterly	Semiannual	Annual
Overview of risk management, key prudential metrics and RWA	KM1	Applicable	✓		✓		
	KM2	Not required to be completed by the bank unless otherwise specified by SAMA.	✓		✓		
	OVA	Applicable		✓			✓
	OV1		✓		✓		
Comparison of modelled and standardised RWA	CMS1	Not required to be completed by the bank unless SAMA approve the bank to use the IRB or IMA approach.	✓		✓		
	CMS2		✓			✓	
Composition of capital and TLAC	CCA	Applicable		✓		✓	
	CC1		✓			✓	
	CC2			✓		✓	
	TLAC1	Not required to be completed by the bank unless otherwise specified by SAMA.	✓			✓	
	TLAC2		✓			✓	
	TLAC3		✓			✓	
Capital distribution constraints	CDC	Applicable	✓				✓
Links between financial statements and regulatory exposures	LIA	Applicable		✓			✓
	LI1			✓			✓
	LI2			✓			✓
	PV1		✓				✓
Asset encumbrance	ENC	Applicable	✓			✓	
Remuneration	REMA	Applicable		✓			✓
	REM1			✓			✓
	REM2			✓			✓

	REM3			✓			✓
Credit risk	CRA	Applicable		✓			✓
	CR1		✓			✓	
	CR2		✓			✓	
	CRB			✓			✓
	CRB_A			✓			✓
	CRC			✓			✓
	CR3		✓			✓	
	CRD			✓			✓
	CR4		✓			✓	
	CR5		✓			✓	
	CRE			✓			✓
	CR6	✓			✓		
	CR7	Not required to be completed by the bank unless SAMA approve the bank to use the IRB approach.	✓			✓	
	CR8		✓		✓		
	CR9			✓			✓
CR10			✓		✓		
Counterparty credit risk	CCRA	Applicable		✓			✓
	CCR1		✓			✓	
	CCR3		✓			✓	
	CCR4	Not required to be completed by the bank unless SAMA approve the bank to use the IRB or IMM approach.	✓			✓	
	CCR5	Applicable		✓		✓	
	CCR6			✓		✓	
	CCR7	Not required to be completed by the bank unless SAMA approve the bank to use the IRB or IMM approach.	✓		✓		
	CCR8	Applicable	✓			✓	
Securitisation	SECA	Applicable		✓			✓

	SEC1			✓		✓		
	SEC2			✓		✓		
	SEC3		✓			✓		
	SEC4		✓			✓		
Market Risk	MRA	Applicable		✓			✓	
	MR1		✓			✓		
	MRB			✓			✓	
	MR2	Not required to be completed by the bank unless SAMA approve the bank to use the IMA approach.	✓		✓			
	MR3		✓			✓		
Credit valuation adjustment risk	CVAA			✓			✓	
	CVA1	The disclosure requirements related in this section are required to be completed by the bank when the materiality threshold stated on SAMA's Revised Risk-based Capital Charge for Counterparty Credit Risk (CCR) issued as part of its adoption of Basel III post-crisis final reforms, paragraph (11.9) is satisfied.	✓			✓		
	CVA2		✓			✓		
	CVAB			✓				✓
	CVA3		✓			✓		
	CVA4		✓		✓			
ORA	Applicable			✓				✓
OR1		✓					✓	
OR2		✓					✓	
OR3		✓					✓	
Interest rate risk in the banking book	IRRBBA	Applicable		✓			✓	
	IRRBB1		✓					✓
Macroprudential supervisory measures	GSIB1	Not required to be completed by the bank unless SAMA identify the bank as G-SIB.		✓			✓	
	CCYB1	Applicable		✓		✓		
Leverage ratio	LR1	Applicable	✓		✓			
	LR2		✓		✓			
Liquidity	LIQA			✓			✓	

	LIQ1		✓		✓		
	LIQ2		✓			✓	