

# Saudi Arabian Monetary Agency

Banking Supervision Dept.

8 February 2012

From : Saudi Arabian Monetary Agency

To : All Banks

Attention : Managing Directors, Chief Executive Officers and  
General Managers

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

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14522/BC S. 7390

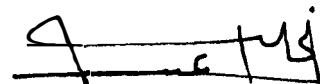
A major initiative announced by the Basle Committee in its Basel III reform package issued in December 2010 relates to Minimum Liquidity Ratios Standards to strengthen global liquidity regulations with the goal of promoting a more resilient banking sector. The objective of these reforms is to improve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

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

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

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

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**GUIDANCE NOTES**

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

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

**Saudi Arabian Monetary Agency  
Banking Supervision Department**

**February 2012**

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

1. **Overview**

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

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

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

The most current Basle QIS package can be obtained from the BIS website: [www.bis.org](http://www.bis.org).

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

2. **Frequency and Timing**

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

**Liquidity Coverage Ratio**

3. **Objectives of LCR**

***Objective***

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

## ***Definition of the standard***

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

### 4. **Other General Details**

#### 4.1 **The Liquidity Coverage Ratio**

The LCR has two components:

- A. Value of the stock of high-quality liquid assets in stressed conditions; and
- B. Total net cash outflows

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

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

### **General Guidance**

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

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

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

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

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

#### **Definition of high-quality liquid assets**

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

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

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

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

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

#### **Level 1 assets**

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

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

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

## Level 2 assets

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

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

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

## B. Total net cash outflows

### B.1 Cash Outflows

#### General Guidance

The term total net cash outflows is defined as the total expected cash outflows minus total expected cash inflows in the specified stress scenario for the subsequent 30 calendar days. Total expected cash outflows are calculated by multiplying the outstanding balances of various categories or types of liabilities and off-balance sheet commitments by the run of rates for weight ranging from 0% to 100% rates at which they are expected to run off or be drawn down. The specific run off rates are described in the specific SAMA Prudential return in attachment # 2.

Total expected cash inflows are calculated by multiplying the outstanding balances of various categories of contractual receivables by the rates at which they are expected to flow in under the scenario up to an aggregate cap of 75% of total expected cash outflows. For specific details on such weights refer to the BIS document as reference covering the QIS study.

### **Specific Guidance**

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

#### Major Sources of Outflows

##### A. Outflow, Liquidity Coverage Ratio

- a) Retail Deposit run off
  - b) Total Unsecured wholesale funding run off
  - c) Total Secured Wholesale funding run off
  - d) Additional run off including derivatives payable, undrawn committed credit facilities to various legal entities, other contractual and contingent funding obligations, and other sources of cash outflow.
  - e) Total outflows are on aggregate of a total above.
- It should be noted that each of the above major source of cash outflows have a number of component with each having their own weight. These weight are to be multiplied by the expected cash flow amount. The precise run off rates are described in attachment 2.

#### B.2 Cash inflows

##### **General Guidance**

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

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

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

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

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

## Specific Guidance

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

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

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

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

<b>Total net cash outflows over the next 30 calendar days = outflows – Min {inflows; 75% of outflows}</b>
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Liquidity Coverage Ratio	=	$\frac{\text{Stock of High Quality Liquid Assets (A)}}{\text{Net Cash Outflows over the Next 30 days (B1-B2)}}$
= A/B1-B2		



## C. Net Stable Funding Ratio

### C.1 Overview and Objectives

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

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

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

### C.2 *Definition of the NSFR*

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

### C.3 Available Stable Funding

#### A. **General Notes**

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

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

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

## B. Specific Guidance

### a) **Components of Available Stable Funding**

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

#### Major Sources of Stable Funding (ASF)

- The total amount of capital, including both Tier 1 and Tier 2 as defined in existing global capital standards issued by the Committee.
- The total amount of any preferred stock not included in Tier 2 that has an effective remaining maturity of one year or greater taking into account any explicit or embedded options that would reduce the expected maturity to less than one year.
- Tier 1 and Tier 2 capital (Basel III 2022)
- "Stable" (as defined in the LCR) demand and/or term deposits from retail and small business customers
- "Less stable" (as defined in the LCR) demand and/or term deposits from retail and small business customers
- Unsecured and/or subordinated debt securities issued
- Unsecured funding from non-financial corporates
- Unsecured funding from sovereigns/central banks/PSEs/MDBs
- Unsecured Funding from other legal entities (including financial corporates and financial institutions)
- Total ASF

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

#### 4.2.2 Component of Required Stable Funding (RSF)

##### General Guidance

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

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

##### *Treatment of maturity*

- Banks should allocate all assets to the appropriate columns based on their residual maturity.
- Asset maturities should be treated at their residual maturity or amortisation schedules rather than behavioural maturities.

## **Specific Guidance**

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

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

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

- Liquidity Coverage Ratio
- Net Stable Funding Ratio



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

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

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



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

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

SAMA's Liquidity Monitoring Reporting Prudential Returns  
Net Stable Funding Ratio

All Amount in SR 000's

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	<b>NSFR</b>														
2	<b>A) Available Stable Funding</b>														
3															
4															
5															
6															
7															
8															
9															
10															
11															
12															
13															
14															
15															
16															
17															
18															
19															
20															
21															
22															
23															
24															
25															
26															

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

SAMA's Liquidity Monitoring Reporting Prudential Returns  
Net Stable Funding Ratio

All Amount in SR 000's

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

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

