Pillar III Disclosure Report

For the Year ended in 31 December 2019

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1 Introduction

Al Inma Investment hereinafter referred to as "AIC" and/or "the Company" is licensed and regulated by the Capital Market Authority (hereinafter referred to as "CMA"). CMA Prudential Rules consists of three main Pillars of Capital Adequacy:

- **Pillar I,** refer to the minimum Capital Adequacy requirements, where the Company must maintain capital resources above the capital required amount.
- **Pillar II,** refer to all risks and capital adequacy assessment to determine if additional capital should be assigned to cover additional risks.
- **Pillar III,** refer to the market disclosure and reporting of capital adequacy and the other required information to be published, the annual review and updates of the Pillar III will be published on the Company official website www.Alinmainvestment.com

The Pillar III report prepared in accordance with the Capital Market Authority regulations. It meets the Annual Disclosure's minimum requirements, referred by Article 68 of the Prudential Rules, and shall be arranged in accordance to Annex 10 of the same rules along with some illustrative tables.

2 Scope of Application

Alinma Investment Company (hereinafter referred as "AIC" or "the Company") is a Saudi Closed Joint Stock Company fully owned by Alinma Bank, operates under the commercial registration numbered 1010269764 issued in 23rd Jumad II 1430H (corresponding to 16 June 2009).

The Company operates its investment activities under the license No. 09134-37 dated 23rd Rabi II 1430H (corresponding to 19 April 2009), issued by the Capital Market Authority. The mentioned license is to authorize the Company to conduct the investment services relates to Dealing as Principal, Dealing as Agent, Managing, Arranging, Advising and Custody.

2.1 Material & legal Impediments

Al inma Investment did not transfer capital or considered any repayment of liabilities toward any related business partners recently or for the foreseeable future, therefore, the Company does not have any material or legal impediment.

3 Risk Management Structured

3.1 Risk Management

The Risk Management Department ("RMD") within the Company is one of the independent control functions, the department is directed by the Head of Risk, reporting directly to the Company's Chief Executive Officer ("CEO").

The department framework responsible for designing and introduction of risk management independently process, subject for Identification, Assessment, Monitoring and Control of both financial and non-financial risks that associate with the business activities. The department conducted it's process based on policies and procedures that is subject to an annual review and approval in order to implement a continues development and enhancement for the process that fully comply with the Authority regulations. Currently the risk management execute it's responsibilities based on an ex-post basis for gaps assessment and to meet the business expectations.

The Company top management approved the plan to redesign the risk management framework recently, in addition, a close monitoring for those aspect to confirm full execution and implementation in place in which:

- Clear Communication process
- Promote the Risk Management Culture within the Company
- Develop and promote the operating process
- Implement the corporate devil's advocate approach to smooth the investment process

3.2 Board of Directors ("BOD")

The Board of Directors has the overall responsibilities for establishing robust risk culture, in addition to ensure the implementation of effective risk management framework, among their responsibilities but not limited to the following:

- Approve the annual Risk Appetite Statement and the limits ("RAS").
- Review and approve the Internal Capital Adequacy Assessment Process ("ICAAP").
- Review and approve any modification and/or enhancement related to the Risk Management framework.

3.3 Chief Executive Officer ("CEO")

During 2019, the responsibilities of the CEO's position has been assigned to our new CEO, due to the resignation of the former CEO, among the CEO responsivities that is not limited to the following in which:

- Ensure all Head and executives are fully aware of their ownership of risk associated to their business.
- Review, suggest and recommend enhancements of the proposed risk mitigation mechanism.
- Fully support the risk management implementation activities and initiatives when deemed necessary.

3.4 Risk Committees

Currently there are two management committees involving the Risk Management. The Risk Management Committee ("RMC") mainly responsible to provide an overall look for the Company Risk management activities. The Risk and Investment Committee ("RIC") responsible to address any concerns related to the investment process, transactions and products.

3.5 Internal Audit

As always, the Company continuously working to promote the effectiveness of the internal audit framework, in which the internal audit function is co-sourced to one of the well-known service provider within the market, along with an Internal Audit Manager working closely to monitor and control the audit process. The internal audit function reports to the Audit Committee ("AC") at the Board level.

4 Capital Structure

4.1 Capital Adequacy General Principle

The Company always work to maintain the relationship that is prudent between the capital base and underlying risk by complying with CMA prudential rules Part 2: Capital Base.

4.2 Capital Market Authorities Imposed Restrictions

Capital Market Authorities imposed their restrictions within the Prudential Rules Chapter 4 to Chapter 16, in which all Authorized Persons ("APs") must possess a capital base level not less than the minimum capital requirements of 1.0x at any point of time.

4.3 Capital Base

Based on the Company's audited financial statements as of December 31, 2019, the Capital base presented as follow compared to same period of the financial year of 2018:

Table 1. Capital Base		
Exposure Classes\ SAR '000	**FY 2019**	**FY 2018**
Tier 1 - Capital		
Paid-up capital	250,000	250,000
Reserves (other than revaluation reserves)	91,352	67,328
Audited retained earnings	774,320	558,252
Verified Interim Profits	-	-
Reserves (other than revaluation reserves)	-	-
Tier-1 capital contribution	-	-
Deductions from Tier-1 capital	(9,287)	-
Total Tier-1 capital	**1,106,385**	**875,580**
Tier 2 - Capital	-	-
Total Tier 2 - capital	**-**	**-**
Total Capital Base	**1,106,385**	**875,580**

5 Capital Adequacy

Capital Adequacy is a clear indication for the Company's ability to ensure efficient utilization of its capital in relation to business requirements, in addition to the Company risk profile and shareholder visions and expectations. The Company assess the capital adequacy through the following principles:

- At least once a year, the Company conduct Pillar II review through Internal Capital Adequacy Assessment Process ("ICAAP").
- Assess the capital base in order to maintain the capital ratio above the CMA's minimum requirement of 1.0x.
- Assess potential impact toward the Company by conduct stress testing and scenario analysis for specific events.

The Company's total capital ratio as of December 31, 2019 was 2.93x, which correspond to minimum capital requirements of SR 377 mm with capital surplus of SR 728 mm. The Company minimum capital requirements as of December 31, 2019 and 2018 in line with audited financial statement present at the following table. "For detailed disclosure please refer to point 7.

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Table 2. Capital Adequacy Comparison		
Exposure Classes\ SAR '000	**FY 2019**	**FY 2018**
Credit Risk		
On-balance Sheet Exposures		
Governments and Central Banks	-	2,026
Authorized Persons and Banks	13,078	11,615
Corporates	54,919	61,504
Retail	-	-
Investments	161,721	139,691
Securitization	-	-
Margin Financing	76,130	89,501
Other Assets	15,348	13,541
Total On-Balance sheet Exposures	**321,203**	**317,879**
Off-balance Sheet Exposures	-	-
OTC/Credit Derivatives	-	-
Repurchase agreements	-	-
Securities borrowing/lending	-	-
Commitments	-	-
Other off-balance sheet exposures	-	-
Total Off-Balance sheet Exposures	-	-
Total On and Off-Balance sheet Exposures	**321,203**	**317,879**
Prohibited Exposure Risk Requirement	-	-
Total Credit Risk Exposures	**321,203**	**317,879**
Market Risk	-	-
Interest rate risks	-	-
Equity price risks	2,233	312
Risks related to investment funds	1,508	-
Securitization/re-securitization positions	-	-
Excess exposure risks	-	-
Settlement risks and counterparty risks	-	-
Foreign exchange rate risks	-	-
Commodities risks.	-	-
Total Market Risk Exposures	**3,741**	**312**
Operational Risk	**52,971**	**43,554**
Minimum Capital Requirements	377,915	361,744
Surplus/(Deficit) in capital	728,470	513,866
Total Capital Ratio (time)	**2.93**	**2.42**

6 General Qualitative Disclosure

6.1 Credit Risk

Credit Risk is the risk of economic loss due to a failure to perform obligations according to the terms and conditions of a contract or agreement by a debtor. Credit Risk considered the main risks charged to capital for the Company due to the Company's proprietary investments including the Margin Lending product. The Company conduct the reasonable due diligence of securities and investments, in addition to the annual counterparty risk assessment, moreover, assess margin lending client's portfolio position to be used as their collateral based on the quarterly share classification process, and keep monitoring their coverage ratio in daily base. **In order to mitigate the credit risk and the counterparty risks**, the Company applies policies and procedures that deemed suitable and approved, to highlight any breach of limits for an immediate correction plan. In addition to the close monitoring for all margin lending clients portfolio positions daily. An example of the policies and procedure principles but not limited to the following are:

- Daily assessment of all clients' portfolio position against the margin lending provided.
- Consider short term murabaha placement
- Perform an annual counterparty risk assessment, and if needed for new counterparties.
- Perfume share assessment and classification for the Saudi primary market listed companies in quarterly bases.
- Perform Stress testing process annually and when need to review any unexpected movement.

6.2 Market Risk

Market Risk is the potential of negative impact resulted by changes in the market prices that impact on the financial condition of the holdings of any institution. It can be complex and difficult to manage as it is arising from positions either explicit or embedded within instruments. The four main type of market risk are Interest Rate, Foreign Exchange, Equity price, Commodity price.

The Company's exposure to market risk through the principle book, as an average position remained at a very low level during the first half of 2019, on the other hand the other half of the mentioned year market risk exposure increased due to the increase within the Investment fund exposure risk. **In order to mitigate market risk** the Company follow an approved policy and procedure that include investments due diligence, underwriting process, considering the approval levels as per the approved authority matrix, moreover, applying risk measurement tools such as Sensitivity Analysis and/or Stress Testing where applicable.

6.3 Operational Risk

Operational Risk is the inherent risk within all activities and process associated to all investments process. According to Basel II regulations operational risk known by "the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events".

The operational loss may arise from but not limited to the following:

- Business Internal Process where failures of processes or procedures occurred.
- Human Risks: include all personal involved within the process,
- System Risks while using technology and systems.
- Force majeure and/or External Event for incidents caused beyond the direct control of the Company.

In order to mitigate operational risk, there is an approved operational risk management policy and procedure already implemented that is subject to an annual review and improvement. Applying best practice for risk management, in which the Risk team always confirm and emphasize that operation risk associated with every and each business line are responsibilities of the head of that function, and responsible to minimize it while conduct their business. The Company applying several principle for operational risk that is not limited to the following:

- Conduct the review of Risk Control Self-Assessment "RCSA".
- Review all Service Level Agreement ("SLA") annually.
- Improve the developed the root cause analysis reporting for all incidents.
- Liaise with the Internal Audit functions to assess effectiveness of the business controls resulted from the RCSA independently.

6.4 Liquidity Risk

This risk arises as a result of holding of illiquid assets, asset vs. liability gap also known as cash flow risks, or inaccurate assessments of potential operating liquidity requirements. **In order to mitigate the liquidity risk,** the liquidity position monitored regularly. Moreover, the Company considers short term and low risk investments to ensure sufficient cash balance maintained, applying stress-testing scenarios to evaluate the worst-case scenario impact toward the Company, and applying close monitoring to the asset and liability management, at the top of that the Company holds sufficient cash deposit with banks to meet its contingencies needs. As per the Capital Market Authority regulations, the Liquidity Statement is prepared in accordance to different time intervals of the expected cash flow arising at the settlement time of both asset and liabilities. Time intervals used as per the CMA Prudential Rules Regulation presented below:

- 1 Day
- From 1 day Up to 1 week

- From 1 week Up to 1 month
- From 1 month Up to 3 month
- From 3 month Up to 6 month
- From 6 month Up to 1 Year
- Over 1 Year
- Non Maturity

As per the Liquidity Risk quantitative disclosure, AIC ensures liquidity of asset management funds by maintaining sufficient cash balances in settlement and investment accounts. AIC also holds sufficient cash deposits with banks to meet its contingencies of almost 6 times higher in FY 2019, compared to FY 2018.
Beside the measure of the liquidity risk by calculating the cash flow gaps based on maturity buckets related to all asset and liabilities, the Company's current ratio as Dec 31, 2019 was 20.54, compared to 2.43 in Dec 31, 2018.
Therefore, the Company made substantial provisions for the liquidity to cover its payments at maturities, No capital charge is necessary to be kept aside for liquidity risk, as residual risk is not material.

Contingent liquidity Risk

The Finance Department draws a contingency funding plan at the beginning of the year to address any liquidity crisis in future. Any liquidity shortfall requirement of business is met through a short-term draw down facility not only from the holding parent bank. In addition, the Company maintains high Liquidity Coverage Ratio greater than 100% in order to meet its net cash outflows over the 30-day period under stressed scenario, the liquidity position as FY 2019, did not record any short-term outflow.

7 Quantitative Disclosures

7.1 Capital Adequacy Quantitative Disclosures for FY of 2019 & 2018

Table 3. Capital Adequacy Comparison - December 31, 2019

Exposure Class SAR '000	**Exposures before Credit Risk Mitigation (CRM)**	**Net Exposures after CRM**	**Risk Weighted Assets**	**Capital Requirement**
Credit Risk				
On-balance Sheet Exposures				
Governments and Central Banks	-	-	-	-
Authorized Persons and Banks	444,814	444,814	93,462	13,085
Corporates	54,995	54,995	392,281	54,919
Retail	-	-	-	-
Investments	460,601	460,601	1,155,152	161,721
Securitization	-	-	-	-
Margin Financing	362,522	362,522	543,783	76,130
Other Assets	40,590	40,590	109,626	15,348
Total On-Balance sheet Exposures	**1,363,522**	**1,363,522**	**2,294,304**	**321,203**
Off-balance Sheet Exposures				
OTC/Credit Derivatives	-	-	-	-
Repurchase agreements	-	-	-	-
Securities borrowing/lending	-	-	-	-
Commitments	-	-	-	-
Other off-balance sheet exposures	-	-	-	-
Total Off-Balance sheet Exposures	-	-	-	-
Total On and Off-Balance sheet Exposures	**1,363,522**	**1,363,522**	**2,294,304**	**321,203**
Prohibited Exposure Risk Requirement	-	-	-	-
Total Credit Risk Exposures	**1,363,522**	**1,363,522**	**2,294,304**	**321,203**
Market Risk	**Long Position**	**Short Position**		
Interest rate risks	-	-		-
Equity price risks	12,406	-		2,233
Risks related to investment funds	9,427	-		1,508
Securitization/ Resecur. positions	-	-		-
Excess exposure risks	-	-		-
Settlement risks & counterparty risks	-	-		-
Foreign exchange rate risks	-	-		-
Commodities risks.	-	-		-
Total Market Risk Exposures	**21,833**	**-**		**3,741**
Total Operational Risk				**52,971**
Minimum Capital Requirements				377,915
Surplus/(Deficit) in capital				728,470
Total Capital Ratio (time)				**2.93**

Table 4. Capital Adequacy Comparison - December 31, 2018

Exposure Class \ SAR '000	**Exposures before Credit Risk Mitigation (CRM)**	**Net Exposures after CRM**	**Risk Weighted Assets**	**Capital Requirement**
Credit Risk				
On-balance Sheet Exposures				
Governments and Central Banks	9,650	9,650	14,475	2,026
Authorized Persons and Banks	274,904	274,904	82,967	11,615
Corporates	61,529	61,529	439,315	61,504
Retail	-	-	-	-
Investments	463,017	463,017	997,790	139,691
Securitization	-	-	-	-
Margin Financing	426,196	426,196	639,294	89,501
Other Assets	30,369	30,369	96,720	13,541
Total On-Balance sheet Exposures	**1,265,665**	**1,265,665**	**2,270,561**	**317,879**
Off-balance Sheet Exposures				
OTC/Credit Derivatives	-	-	-	-
Repurchase agreements	-	-	-	-
Securities borrowing/lending	-	-	-	-
Commitments	-	-	-	-
Other off-balance sheet exposures	-	-	-	-
Total Off-Balance sheet Exposures	-	-	-	-
Total On and Off-Balance sheet Exposures	**1,265,665**	**1,265,665**	**2,270,561**	**317,879**
Prohibited Exposure Risk Requirement	-	-	-	-
Total Credit Risk Exposures	**1,265,665**	**1,265,665**	**2,270,561**	**317,879**

Market Risk	**Long Position**	**Short Position**	**Capital Requirement**
Interest rate risks	-	-	-
Equity price risks	1,731	-	312
Risks related to investment funds	-	-	-
Securitization/ Resecur. positions	-	-	-
Excess exposure risks	-	-	-
Settlement risks & counterparty risks	-	-	-
Foreign exchange rate risks	-	-	-
Commodities risks.	-	-	-
Total Market Risk Exposures	**1,731**	**-**	**312**
Total Operational Risk			**43,554**
Minimum Capital Requirements			361,744
Surplus/(Deficit) in capital			513,866
Total Capital Ratio (time)			**2.42**

7.2 Credit Risks Quantitative Disclosures

To determine the credit exposure as per the credit quality rating steps, the Company is suing the Credit rating agencies as per the CMA regulations presented below:

Table 5. Credit Quality Rating Steps

Credit quality step	1	2	3	4	5	6	Unrated
S&P	AAA TO AA-	A+ TO A-	BBB+ TO BBB-	BB+ TO BB-	B+ TO B-	CCC+ and below	Unrated
Fitch	AAA TO AA-	A+ TO A-	BBB+ TO BBB-	BB+ TO BB-	B+ TO B-	CCC+ and below	Unrated
Moody's	Aaa TO Aa3	A1 TO A3	Baa1 TO Baa3	Ba1 TO Ba3	B1 TO B3	Caa1 and below	Unrated
Capital Intelligence	AAA	AA TO A	BBB	BB	B	C and below	Unrated

Table 6. Disclosure on Credit Risk's Risk Weight - December 31, 2019 SAR '000

Risk Weights	Governments and CBs	Authorized persons and banks	Margin Financing	Corporates	Investment Funds	Investments	Other assets	Total Exposure after netting and Credit Risk Mitigation	Total Risk Weighted Assets
0%	-	-	-	-	-	-	-	**-**	**-**
20%	-	429,815	-	-	-	-	-	**429,815**	**85,963**
50%	-	14,999	-	58	-	-	-	**15,057**	**7,528**
100%	-	-	-	-	-	-	-	**-**	**-**
150%	-	-	362,522	-	152,406	-	-	**514,928**	**772,393**
200%	-	-	-	-	-	-	-	**-**	**-**
300%	-	-	-	-	306,234	-	27,507	**333,741**	**1,001,224**
400%	-	-	-	-	-	1,960	-	**1,960**	**7,840**
500%	-	-	-	-	-	-	-	**-**	**-**
714%	-	-	-	54,937	-	-	3,796	**58,733**	**419,356**
Average Risk Weight	0%	21%	150%	713%	250%	400%	350%	**169%**	**169%**
Deduction from Capital Base	**-**	**13,085**	**76,130**	**54,919**	**160,624**	**1,098**	**15,348**	**321,203**	**321,203**

Table 7. Disclosure on Credit Risk's Risk Weight - December 31, 2018 SAR '000

Risk Weights	Governments and CBs	Authorized persons and banks	Margin Financing	Corporates	Investment Funds	Investments	Other assets	Total Exposure after netting and Credit Risk Mitigation	Total Risk Weighted Assets
0%	-	-	-	-	-	-	-	**-**	**-**
20%	-	181,616	-	-	-	-	-	**181,616**	**36,323**
50%	-	93,288	-	-	-	-	-	**93,288**	**46,644**
100%	-	-	-	-	-	-	-	**-**	**-**
150%	9,650	-	426,196	-	262,147	-	-	**697,993**	**1,046,989**
200%	-	-	-	-	-	-	-	**-**	**-**
300%	-	-	-	-	198,910	-	32,240	**231,150**	**693,450**
400%	-	-	-	-	-	1,960	-	**1,960**	**7,840**
500%	-	-	-	-	-	-	-	**-**	**-**
714%	-	-	-	61,529	-	-	-	**61,529**	**439,315**
Average Risk Weight	150%	30%	150%	714%	215%	400%	300%	**179%**	**56%**
Deduction from Capital Base	**2,026**	**11,615**	**89,501**	**61,504**	**138,593**	**1,098**	**13,541**	**317,879**	**317,879**

Table 8. Disclosure on Credit Risk Rating Exposure - December 31, 2019

Credit quality step	1	2	3	4	5	6	Unrated
S&P	AAA TO AA-	A+ TO A-	BBB+ TO BBB-	BB+ TO BB-	B+ TO B-	CCC+ and below	Unrated
Fitch	AAA TO AA-	A+ TO A-	BBB+ TO BBB-	BB+ TO BB-	B+ TO B-	CCC+ and below	Unrated
Moody's	Aaa TO Aa3	A1 TO A3	Baa1 TO Baa3	Ba1 TO Ba3	B1 TO B3	Caa1 and below	Unrated
Capital Intelligence	AAA	AA TO A	BBB	BB	B	C and below	Unrated
On and Off-balance-sheet Exposures							
Governments and Central Banks	-	-	-	-	-	-	-
Authorized Persons and Banks	379,489	50,167	65,159	-	-	-	(50,000)
Corporates	-	-	-	-	-	-	54,995
Retail	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	460,601
Securitization	-	-	-	-	-	-	-
Margin Financing	-	-	-	-	-	-	362,522
Other Assets	-	-	-	-	-	-	40,590
Total Credit Risk Rating Exposure	**379,489**	**50,167**	**65,159**	-	-	-	**868,708**

Table 9. Disclosure on Credit Risk Rating Exposure - December 31, 2018

Credit quality step	1	2	3	4	5	6	Unrated
S&P	**AAA TO AA-**	**A+ TO A-**	**BBB+ TO BBB-**	**BB+ TO BB-**	**B+ TO B-**	**CCC+ and below**	**Unrated**
Fitch	**AAA TO AA-**	**A+ TO A-**	**BBB+ TO BBB-**	**BB+ TO BB-**	**B+ TO B-**	**CCC+ and below**	**Unrated**
Moody's	**Aaa TO Aa3**	**A1 TO A3**	**Baa1 TO Baa3**	**Ba1 TO Ba3**	**B1 TO B3**	**Caa1 and below**	**Unrated**
Capital Intelligence	**AAA**	**AA TO A**	**BBB**	**BB**	**B**	**C and below**	**Unrated**
On and Off-balance-sheet Exposure							
Governments and Central Banks	-	-	-	-	-	-	9,650
Authorized Persons and Banks	51,489	50,049	95,077	58,256	20,034	-	-
Corporates	-	-	-	-	-	-	61,529
Retail	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	463,017
Securitization	-	-	-	-	-	-	-
Margin Financing	-	-	-	-	-	-	426,196
Other Assets	-	-	-	-	-	-	30,369
Total Credit Risk Rating Exposure	**51,489**	**50,049**	**95,077**	**58,256**	**20,034**	**-**	**990,760**

Table 10. Disclosure on Credit Risk Mitigation (CRM) - December 31, 2019

Exposure Class	Expo. before CRM	Expo. Covered be Guarantees/Credit derivatives	Expo. covered by Financial Collateral	Expo. covered by Netting Agreement	Expo. covered by other eligible collaterals	Exposures after CRM
Credit Risk						
On-balance Sheet Exposures						
Governments and Central Banks	-	-	-	-	-	-
Authorized Persons and Banks	444,814	-	-	-	-	444,814
Corporates	54,995	-	-	-	-	54,995
Retail	-	-	-	-	-	-
Investments	460,601	-	-	-	-	460,601
Securitization	-	-	-	-	-	-
Margin Financing	362,522	-	946,619	-	-	362,522
Other Assets	40,590	-	-	-	-	40,590
Total On-Balance sheet Exposures	**1,363,522**	**-**	**946,619**	**-**	**-**	**1,363,522**
Off-balance Sheet Exposures	-	-	-	-	-	-
OTC/Credit Derivatives	-	-	-	-	-	-
Expo. of repurchase agreements	-	-	-	-	-	-
Exposure of securities lending	-	-	-	-	-	-
Exposure of commitments	-	-	-	-	-	-
Other Off-Bal. sheet Exposures	-	-	-	-	-	-
Total Off-Bal. sheet Exposures	**-**	**-**	**-**	**-**	**-**	**-**
Total On and Off-Bal. sheet Exposures	**1,363,522**	**-**	**946,619**	**-**	**-**	**1,363,522**

Table 11. Disclosure on Credit Risk Mitigation (CRM) - December 31, 2018

Exposure Class	Expo. before CRM	Expo. Covered be Guarantees/Credit derivatives	Expo. covered by Financial Collateral	Expo. covered by Netting Agreement	Expo. covered by other eligible collaterals	Exposures after CRM
Credit Risk						
On-balance Sheet Exposures						
Governments and Central Banks	9,650	-	-	-	-	9,650
Authorized Persons and Banks	274,904	-	-	-	-	274,904
Corporates	61,529	-	-	-	-	61,529
Retail	-	-	-	-	-	-
Investments	463,017	-	-	-	-	463,017
Securitization	-	-	-	-	-	-
Margin Financing	426,196	-	730,020	-	-	426,196
Other Assets	30,369	-	-	-	-	30,369
Total On-Balance sheet Exposures	**1,265,665**	**-**	**730,020**	**-**	**-**	**1,265,665**
Off-balance Sheet Exposures						
OTC/Credit Derivatives	-	-	-	-	-	-
Expo. of repurchase agreements	-	-	-	-	-	-
Exposure of securities lending	-	-	-	-	-	-
Exposure of commitments	-	-	-	-	-	-
Other Off-Bal. sheet Exposures	-	-	-	-	-	-
Total Off-Bal. sheet Exposures	**-**	**-**	**-**	**-**	**-**	**-**
Total On and Off-Bal. sheet Exposures	**1,265,665**	**-**	**730,020**	**-**	**-**	**1,265,665**

7.3 Market Risk Quantitative Disclosure

The following table present the Market Risk capital requirement as per the Pillar I of the CMA's prudential rules as of December 31, 2019 and the same period as of 2018:

Table 12. Disclosure on Market Risk		
Exposure \ SAR '000	**FY 2019**	**FY 2018**
Market Risk		
Equity Risk	2,233	312
Investment Fund Risk	1,508	-
Interest Rate Risks for Debt Securities	-	-
Interest Rate Risks for Securitization	-	-
Interest Rate Risks for Re- Securitization	-	-
Foreign Exchange Rate Risks	-	-
Commodities Risks	-	-
Settlement Risks	-	-
Total Market Risk Capital Required	**3,741**	**312**

7.4 Operational Risk Disclosure

The following table present the Operational Risk capital requirement as per the Pillar I of the CMA's prudential rules as of December 31, 2019 and the same period as of 2018:

Table 13. Disclosure on Operational Risk - December 31, 2019						
Approach \ SAR '000	**FY 2017**	**FY 2018**	**FY 2019**	**Average**	**Risk Charged %**	**Capital Requirements**
Basic Indicator Approach						
Operating Income	335,314	350,031	374,083	353,143	15%	52,971
Expenditure Based Approach						
Overhead Expenses			134,931		25%	33,733
Total Operational Risk Capital Required						**52,971**

Table 14. Disclosure on Operational Risk - December 31, 2018						
Approach \ SAR '000	**FY 2017**	**FY 2018**	**FY 2019**	**Average**	**Risk Charged %**	**Capital Requirements**
Basic Indicator Approach						
Operating Income	185,739	335,314	350,031	290,361	15%	**43,554**
Expenditure Based Approach						
Overhead Expenses			110,432		25%	**27,608**
Total Operational Risk Capital Required						**43,554**

End of the Report,,,