



Circular No.: 351000147086
Dated: 24 September 2014

From : Saudi Arabian Monetary Agency
To : All Banks
Attention : General Managers, Managing Directors and Chief Executive Officers
Subject : **SAMA's Implementation of Monitoring Tools in Conjunction with the Amended LCR**

You are aware that SAMA issued through its Circular # 341000107020 dated 10 July 2013 its implementation document concerning the Amended LCR for Banks.

In addition to the LCR which is the main BCBS regulatory standard concerning liquidity, this Circular refers to the "Monitoring Tools" to capture additional information relating to banks cash flows, balance sheet structures, available unencumbered collateral and certain market indicators. These metrics, together with the LCR Standard, provide the cornerstone of information that will aid SAMA in assessing the liquidity risk of a bank. Consequently, by utilizing these metrics on a timely basis, supervisory actions can be taken when potential liquidity difficulties are signaled.

The attached metrics as identified below are to be used as monitoring tools to aid SAMA in assessing the liquidity risk of banks.

1. Contractual Maturity Mismatch
2. Concentration of funding
3. Available unencumbered assets
4. LCR by significant currency

These reporting Templates will be sent to SAMA on a monthly basis. All required reporting under this circular should be undertaken within 30 days of the relevant period end. The effective date of their reporting template is 1st January 2015 and the first return will be as of 31 January 2015.

In order to obtain a further understanding of the underlying BCBS document, banks should access from BIS website: www.bis.org. Also should a bank need any clarification, it should contact myself at akalsheikh@sama.gov.sa or Mr. Tariq Javed at t_javed@sama.gov.sa and Mr. Abbas Hassan at ahassan@sama.org.sa.

Best regards,

Alwaleed Alsheikh
Director of Banking Supervision