



PILLAR-III DISCLOSURES

31 December 2015



Table of contents

	PAGE
1. SCOPE OF APPLICATION.....	3
2. CAPITAL STRUCTURE.....	3
3. CAPITAL ADEQUACY.....	3
4. RISK MANAGEMENT	
4.1 GENERAL QUALITATIVE DISCLOSURE FOR RISKS.....	4
4.2 CREDIT RISK DISCLOSURE.....	6
4.3 CREDIT RISK MITIGATION EXPOSURE.....	8
4.4 COUNTERPARTY CREDIT RISK (CCR) AND OFF-BALANCE SHEET DISCLOSURE.....	9
4.5 MARKET RISK DISCLOSURE.....	9
4.6 OPERATIONAL RISK DISCLOSURE.....	10
4.7 LIQUIDITY RISK DISCLOSURE.....	11
APPENDICES	
APPENDIX I: ILLUSTRATIVE DISCLOSURE ON CAPITAL BASE	
APPENDIX II: ILLUSTRATIVE DISCLOSURE ON CAPITAL ADEQUACY	
APPENDIX III: ILLUSTRATIVE DISCLOSURE ON CREDIT RISK'S RISK WEIGHT	
APPENDIX V: ILLUSTRATIVE DISCLOSURE ON CREDIT RISK MITIGATION	



1. SCOPE OF APPLICATION

Itqan Capital (the “Company” or “Itqan”) is a Closed Joint Stock Company registered in the Kingdom of Saudi Arabia under commercial registration No. 4030167335 dated 16 Safar 1428H (corresponding to 6 March 2007) and the Capital Market Authority (CMA) license number 37-07058 according to the decision of the authority number 9-17-2007 dated 21 Rabi Awwal 1428H (corresponding to 9 April 2007). The Company is located in Jeddah, Nahda District, King Abdulaziz Road P.O. Box 8021 Postal code 21482.

Itqan is required to comply with the regulatory capital adequacy promulgated by the CMA, which requires that the Pillar III Disclosure report to be published on the Company’s website no later than 90 days after each financial year-end. There are comparative information regarding the quantitative disclosures for the preceding financial year.

2. CAPITAL STRUCTURE

Itqan Capital base consists of share capital, retained earnings/losses, and revaluations of investments. Under CMA requirements, the above items of capital constitute “Tier-1” capital. Please refer to Appendix I for the details of capital structure and the related deductions as of 31 December 2015.

3. CAPITAL ADEQUACY

In accordance with CMA regulations, the Company must maintain a minimum target total capital adequacy ratio of one (1.0). Itqan has comfortably met the requirements for the minimum level of capital with a total capital ratio of 2.07 as of 31 December 2015.

The Company’s policy is to maintain a strong capital base to support its financial position. The Company requires monthly monitoring of the minimum capital required for core company risks (credit, market, and operational risks) under Pillar-I. When assessing its capital needs, Itqan takes into consideration its current and future risk profile, internal risk measurement and assessment of the risk capital needed. In addition to capital requirements under Pillar-I, all other risks, that are inherent in the normal course of business such as reputation and strategic risks are taken into consideration when assessing the total capital needs as part of the annual assessment under Pillar-II.

Strategy and Approach for Assessing Capital Adequacy:

To ensure the Company’s adequacy of its internal capital to support current and future activities, Itqan assesses the adequacy of its internal capital through its Internal Capital Adequacy Assessment Process (“ICAAP”). As part of this process, Itqan assesses all known risks, including strategic and reputation risks, and performs stress and scenario tests to determine whether the level of capital that Itqan holds is adequate to support its current and future activities.

Capital Requirements:

Please refer to Appendix II for the calculation of the total capital ratio and the capital requirements for credit, market, and operational risks in accordance with CMA requirements as of 31 December 2015.



4. RISK MANAGEMENT

4.1 GENERAL QUALITATIVE DISCLOSURE FOR RISKS

I. Strategies and Processes for Risk Management

Itqan has clear risk management objectives and an established strategy to manage them through core risk management processes. At a strategic level, the risk management objectives are to:

- Identify Itqan's significant risks;
- Formulate Itqan's risk appetite and ensure that business profile and plans are consistent with it;
- Optimize risk/return decisions; and
- Help executives improve the control and co-ordination of risk taking across all business lines.

Credit risk management objectives are to:

- Maintain a framework of controls to ensure credit risk-taking is based on sound credit risk management principles;
- Identify, assess and measure credit risk clearly and accurately across the Company; and
- Monitor credit risk and adherence to agreed controls.

Market risk management objectives are to:

- Understand and manage market risk by robust measurement, reporting and oversight;
- Ensure that the Company optimizes the risk-reward relationship and does not expose itself to unacceptable losses outside of its risk appetite

Operational risk management objectives are to:

- Minimize the impact of losses suffered in the normal course of business (expected losses) and to avoid or reduce the likelihood of suffering an extreme (or unexpected) loss; and
- Improve the effective management of Itqan and strengthen its brand and external reputation.

II. The Structure and Organisation of Risk Management and Compliance Function

The Company has a Risk Committee ("RCOM"), which is drawn from Itqan Management, chaired by the CEO and includes the Heads of the Finance and the Compliance Departments. RCOM is responsible for the implementation of the risk management policy within Itqan, and responsible for advising the CEO on all risk types.



RCOM establishes the overall risk and capital policies and monitors the development of risk exposure. The Committee also works to ensure that all risks inherent in the Company's activities are identified, defined, measured, monitored and controlled in accordance with external and internal rules. RCOM is responsible for the effectiveness of the risk management function to measure and monitor all relevant business and financial risks.

Compliance is primarily responsible for supporting the business to ensure that Itqan's activities are conducted in accordance with all regulatory and client requirements. This is partly achieved through the existence of a risk based monitoring program.

III. The Scope and Nature of Risk Reporting and Measurement Systems

The purpose of Itqan's risk measurement and reporting systems is to ensure that risks are captured, to support well-founded decisions, and that information is delivered in a timely manner to the appropriate points of contact within Itqan for those risks to be successfully managed and mitigated.

Risk Measurement:

Itqan measures risk using basic risk management position methodologies, which reflect Itqan's relevant risks such as credit and market risks. The Company relies on both quantitative and qualitative approaches in quantifying risks.

Risk Reporting:

The Company undertakes reporting of all core risks relevant to its businesses in line with the Risk Policy approved by the Company's Board of Directors. The Company has risk governance arrangements to oversee risk management and transaction approvals. Key governance committees include; the Budgeting Committee, which oversees liquidity, cash flow planning and general asset liability management. The Risk Committee which oversees risk management functions including review and approval of risk limits, capital planning and key risk processes and the Investment Committee which is responsible for review and approval of new investments, funding requirements and general investment processes.

IV. Policies/Guidelines for Mitigating Risk and Strategies and Processes for Monitoring the Continuing Effectiveness of Mitigations of Risks

The Company's policies for mitigating risks and the processes developed for monitoring its effectiveness are described below for each individual risk category:

Credit Risk

Credit risk is principally controlled by diversification of Itqan's investment portfolio, establishing and enforcing authorization limits, and by defining exposure levels to counterparties. Regular monitoring of positions ensures that prudential limits are not exceeded. In respect of counterparties, Itqan places all its holdings with corporates and financial institutions of sound credit quality.

Market Risk

Itqan's market risk is mainly related to the Company's, foreign exchange. The Company does not engage in trading activities.



Operational Risk

Itqan's operational risk management focuses on proactive measures in order to ensure business continuity and the accuracy of information used internally and reported externally. Furthermore, the aim is to ensure the expertise and integrity of Itqan's personnel and the staff's adherence to established rules and procedures.

Itqan attempts to mitigate operational risks by following strict policies for the assignment of duties and responsibilities among and within the business and support functions, as well as by following a system of effective internal controls. This would help to ensure Itqan's compliance with applied laws and regulations as well as set plans and internal policies, and procedures while minimizing the risk of unexpected losses or damages to Itqan's reputation.

4.2 CREDIT RISK DISCLOSURE

Past due claims are exposures where repayments of principal and/or profit charges have not been made as of the due date. Exposures that are past due but not impaired are either past due for less than 90 days and the financial condition of the owing party is sound.

The Company's policy defines the approach to be used when determining provisions, depending on the number of days outstanding and the credit risk rating. An assessment is made at each financial year-end to determine whether there is objective evidence that a specific asset may be impaired. If such evidence exists, any impairment loss is recognised in the income statement.

The Company has no past due or impaired exposures as of 31 December 2015.

For credit risk exposures, Itqan uses ratings assigned by the following agencies:

- Standard & Poor's
- Moody's
- Fitch

These ratings are used in the calculation of the following exposure classes:

- Governments and central banks;
- Institutions;
- Investments;
- Corporates; and
- Short term claims on institutions and corporates

For the total credit risk exposures, plus average gross exposures for Itqan as of 31 December 2015, please refer to Appendix III.

Geographical Exposure Distribution

The analysis by geographical region of the Company's financial assets having credit risk exposure is as follows:

As of 31st December 2015

(Amounts (SAR'000))	Geographic Location			
	Saudi Arabia	GCC	Rest of the World	Total
Exposure Class				
<u>On and Off-Balance-Sheet Exposures</u>				
Governments and Central Banks	-	768	-	768
Authorized Persons and Banks	3,802	-	-	3,802
Corporates	-	2,451	-	2,451
Retail	-	-	-	-
Investments	110,551	-	-	110,551
Securitization	-	-	-	-
Margin Financing	-	-	-	-
Other Assets	11,077	12	-	11,089
Total	125,430	3,231	-	128,661

As of 31st December 2014

(Amounts (SAR'000))	Geographic Location			
	Saudi Arabia	GCC	Rest of the World	Total
Exposure Class				
<u>On and Off-Balance-Sheet Exposures</u>				
Governments and Central Banks	-	760	-	760
Authorized Persons and Banks	2,761	17,127	-	19,888
Corporates	-	2,326	-	2,326
Retail	-	-	-	-
Investments	103,252	-	-	103,252
Securitization	-	-	-	-
Margin Financing	-	-	-	-
Other Assets	8,368	18	-	8,386
Total	114,381	20,231	-	134,612

Maturity Analysis

The table below shows an analysis of the Company's financial assets having credit risk exposure analyzed according to when such amounts are expected to be recovered or settled:

As of 31st December 2015

(Amounts (SAR'000))	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 3 years	3 to 5 years	Over 5 years	Total
<u>Credit Risk</u>								
<u>On and Off-Balance-Sheet Exposures</u>								
Governments and Central Banks	-	-	-	-	768	-	-	768
Authorized Persons and Banks	3,802	-	-	-	-	-	-	3,802
Corporates	125	-	-	-	2,326	-	-	2,451
Retail	-	-	-	-	-	-	-	-
Investments	22,849	1,434	-	27,089	56,802	-	2,377	110,551
Securitization	-	-	-	-	-	-	-	-
Margin Financing	-	-	-	-	-	-	-	-
Other Assets	152	406	419	303	2,521	627	6,661	11,089
Total On and Off-Balance-Sheet Exposures	26,928	1,840	419	27,392	62,417	627	9,038	128,661

As of 31st December 2014

(Amounts (SAR'000))	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 3 years	3 to 5 years	Over 5 years	Total
<u>Credit Risk</u>								
<u>On and Off-Balance-Sheet Exposures</u>								
Governments and Central Banks	-	-	-	-	760	-	-	760
Authorized Persons and Banks	4,657	-	15,231	-	-	-	-	19,888
Corporates	-	-	-	-	2,326	-	-	2,326
Retail	-	-	-	-	-	-	-	-
Investments	2,000	6,000	-	-	40,490	54,762	-	103,252
Securitization	-	-	-	-	-	-	-	-
Margin Financing	-	-	-	-	-	-	-	-
Other Assets	167	2,482	394	2,595	2,474	174	100	8,386
Total On and Off-Balance-Sheet Exposures	6,824	8,482	15,625	2,595	46,050	54,936	100	134,612



Please refer to appendix IV for exposure amounts before and after credit risk protection associated with each credit quality step in regards to non-trading activities, as well as the exposure amounts that were deducted from capital.

4.3 CREDIT RISK MITIGATION EXPOSURE

Itqan only enters into transactions with financial institutions having an investment grade credit rating. Itqan's cash balances are maintained with regional and global banking institutions, which have a credit rating of BBB and above, by S&P. The banking institutions credit rating is subject to regular internal review. Other liquid assets are in the form of short term (which are well diversified) and intercompany receivables. All trades are executed with highly rated counterparties. The main concentration to which Itqan is exposed arises from counterparty credit risk on real estate investments, listed equities, sukuk, cash and cash equivalents and other receivable balances.

Credit risk is identified and measured after reviewing the Company's investment portfolio, balance sheet structure and capital adequacy and any additional credit risk reports. For credit risk exposure classes, please refer to Appendix V.

For real estate investments, the investment committee reviews the investment proposal from the investment manager. All approved real estate investments are mainly related to seeding in-house funds in which Itqan is the fund manager. The fund manager performs proper due diligence to satisfy the established criteria related to the real estate selection, post-acquisition management and eventual sale.

Equity Price Risk

The Company has non-trading positions in equities. Itqan manages the equity risk through diversification and selection of securities and other financial instruments within specified limits. Itqan's equity investments are publicly traded and are included in the related Index. Itqan's policy requires that the overall market position is monitored on a daily basis by the Investment Manager and is reviewed on a quarterly basis by the Investment committee.

Itqan also manages its exposure to price risk by analysing the investment portfolio by sector and benchmarking the sector weighting to that of the related Index. Itqan's policy is to concentrate the investment portfolio in sectors where management believes Itqan can maximize the returns derived for the level of risk to which Itqan is exposed.

Collateral and Other Credit Risk Mitigation

The Company does not engage in the business of providing loans. Hence, there is no use of collateral or netting agreements.

4.4 COUNTERPARTY CREDIT RISK (CCR) AND OFF-BALANCE SHEET DISCLOSURES

The Company does not have transactions in OTC derivatives, repos or reverse repos, or securities borrowing/lending that gives risk that requires off-balance sheet disclosures.

4.5 MARKET RISK DISCLOSURE

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to adverse changes in market variables such as profit rates, foreign exchange rates, equity prices and commodities. The Company classifies exposures to market risk as either trading or non-trading portfolios.

The non-trading portfolio is included under equity price risk in the credit risk section. The Company does not engage in trading activities.

Currency Risk

The Company did not undertake significant transactions in currencies other than the Saudi Riyal, BHD, and US Dollars during the year. As the exchange rate of Saudi Riyal was pegged to the US Dollar, the balances and transactions in US Dollars does not represent material currency risk to the Company.

The following table indicates the capital requirements disclosed separately for the risks in respect of the trading books business:

As of 31st December 2015

(Amounts in SAR'000)	Long Position	Short Position	Capital requirement
Market Risk			
Interest rate risks	-	-	-
Equity price risks	-	-	-
Risks related to investment funds	-	-	-
Securitization/resecuritization positions	-	-	-
Excess exposure risks	-	-	-
Settlement risks and counterparty risks	-	-	-
Foreign exchange rate risks	3,128	-	63
Commodities risks.	-	-	-
Total Market Risk Exposures	3,128	-	63

As of 31st December 2014

(Amounts in SAR'000)	Long Position	Short Position	Capital requirement
Market Risk			
Interest rate risks	-	-	-
Equity price risks	-	-	-
Risks related to investment funds	9,113	-	1,458
Securitization/resecuritization positions	-	-	-
Excess exposure risks	-	-	-
Settlement risks and counterparty risks	-	-	-
Foreign exchange rate risks	-	-	-
Commodities risks.	-	-	-
Total Market Risk Exposures	9,113	-	1,458



4.6 OPERATIONAL RISK DISCLOSURE

Operational risk is the risk of financial losses or damaged reputation due to failure attributable to technology, employees, procedures or physical arrangements including external events and legal risks. Itqan is exposed to risks arising from failures in their internal controls involving processes, people and systems. The controls should provide reasonable assurance of the soundness of operations and reliability of reporting.

Itqan is exposed to risks relating to *Shariah* non-compliance and risks associated with Itqan's fiduciary responsibilities towards different fund providers. These risks expose Itqan to fund providers' withdrawals, loss of income or voiding of contracts leading to a diminished reputation or the limitation of business opportunities.

While operational risks cannot be entirely eliminated, they are managed and mitigated by ensuring that appropriate infrastructure, controls, systems, and procedures are in place, as well as trained and competent staff members are employed throughout the Company.

Itqan uses the Expenditure Based Approach for calculating the minimum capital requirements for operational risks. Under this approach, the operational risks are calculated as 25% of the overhead expenses, which equated to a capital requirement of SAR 4,592,000/- for operational risks as of 31 December 2015.

4.7 LIQUIDITY RISK DISCLOSURE

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Itqan has a liquidity risk management framework in place whereby the Finance Department in coordination with the Budgeting Committee has the responsibility to ensure that Itqan has sufficient liquid resources available to meet its liabilities as they fall due. Itqan's liquidity position remained strong in 2015, as the Company manages its liquidity risk by maintaining enough balances of cash, cash equivalent, sukuk and listed securities to cover its committed statement financial position requirements, plus its budgeted expenses for the liquidity horizon and its forecast investment commitments over the liquidity horizon.

Liquidity risk reporting takes place in the form of regular weekly and monthly reporting as well as immediate escalation should the need arises. Moreover, ad-hoc reports are provided in cases where liquidity risks are realized unexpectedly.

Stress testing is based on Itqan's expected cash inflows and outflows during the twelve-month horizon. The Target Liquidity Requirement is then calculated by applying the stress scenario on the expected cash inflows and outflows and the Liquidity Buffer. The stress test captures both market-wide and unique risk effects.

Itqan has defined an internal contingency plan in order to define relevant actions and responsibilities should Itqan encounter a serious liquidity crisis. The activation of the contingency plan considered if the survival horizon drops below nine months, there is a crisis of a significant general market disruption occurs.



The following are the key liquidity ratios that reflect the liquidity position of the Company as of 31 December 2015:

Liquid Assets: Total Assets	29.7%
Liquid Assets: Total Liabilities	550.4%
Short-term Assets: Short term liabilities	711.3%

The table below summarizes the Company's balances of cash, cash equivalent and listed securities:

As of 31st December 2015

Exposure Class	Less than 3 months	3 to 12 months	Over 1 year	Total
Cash and cash equivalents	3,802	-	-	3,802
Investments in money market funds	22,849	-	-	22,849
Investments in murabaha	-	-	-	-
Investments in listed securities	-	-	8,472	8,472
Investment in sukuk	-	-	3,115	3,115
Total	26,651	-	11,587	38,238

As of 31st December 2014

Exposure Class	Less than 3 months	3 to 12 months	Over 1 year	Total
Cash and cash equivalents	4,657	-	-	4,657
Investments in money market funds	9,113	-	-	9,113
Investments in murabaha	-	15,231	-	15,231
Investments in listed securities	-	-	4,361	4,361
Investment in sukuk	-	-	3,087	3,087
Total	13,770	15,231	7,448	36,449



The table below summarizes the maturities of the Company's financial liabilities at 31 December 2015 based on contractual payment dates.

As of 31st December 2015

Exposure Class	Less than 3 months	3 to 12 months	Over 1 Year	Total
Accounts payables and accruals	-	5,094	-	5,094
Total	-	5,094	-	5,094

As of 31st December 2014

Exposure Class	Less than 3 months	3 to 12 months	Over 1 Year	Total
Accounts payables and accruals	-	5,298	-	5,298
Total	-	5,298	-	5,298

App 1: Disclosure on Capital Base

31/12/15

Capital Base	SAR '000
<u>Tier-1 capital</u>	
Paid-up capital	173,418
Audited retained earnings	50,813-
Share premium	-
Reserves (other than revaluation reserves)	-
Tier-1 capital contribution	-
Deductions from Tier-1 capital	890-
Total Tier-1 capital	121,715
<u>Tier-2 capital</u>	
Subordinated loans	-
Cumulative preference shares	-
Revaluation reserves	-
Other deductions from Tier-2 (-)	-
Deduction to meet Tier-2 capital limit (-)	-
Total Tier-2 capital	-
TOTAL CAPITAL BASE	121,715

Exposure Class	Exposures before CRM SAR '000	Net Exposures after CRM SAR '000	Risk Weighted Assets SR '000	Capital Requirement SAR '000
<u>Credit Risk</u>				
<i>On-balance Sheet Exposures</i>				
Governments and Central Banks	768	768	154	22
Authorised Persons and Banks	3,802	3,802	760	106
Corporates	2,452	2,452	1,916	268
Retail	-	-	-	-
Investments	110,551	110,551	341,317	47,784
Securitisation	-	-	-	-
Margin Financing	-	-	-	-
Other Assets	11,089	11,089	43,529	6,094
Total On-Balance sheet Exposures	128,662	128,662	387,676	54,275
<i>Off-balance Sheet Exposures</i>				
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	128,662	128,662	387,676	54,275
Prohibited Exposure Risk Requirement				
Total Credit Risk Exposures	128,662	128,662	387,676	54,275
<u>Market Risk</u>				
	Long Position	Short Position		
Interest rate risks	-	-		-
Equity price risks	-	-		-
Risks related to investment funds	-	-		-
Securitisation/resecuritisation positions	-	-		-
Excess exposure risks	-	-		-
Settlement risks and counterparty risks	-	-		-
Foreign exchange rate risks	-	-		63
Commodities risks	-	-		-
Total Market Risk Exposures	-	-		63
<u>Operational Risk</u>				4,592
Minimum Capital Requirements				58,930
Surplus/(Deficit) in capital				62,785
Total Capital ratio (time)				2.07

App III: Disclosure on Credit Risk's Risk Weight

31/12/15

Risk Weights	Exposures after netting and credit risk mitigation												Total Exposure after netting and Credit Risk Mitigation	Total Risk Weighted Assets
	Governments and central banks	Administrative bodies and NPO	Authorised persons and banks	Margin Financing	Corporates	Retail	Past due items	Investments	Securitisation	Other assets	Off-balance sheet commitments			
0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20%	154	-	760	-	-	-	-	120	-	-	-	-	-	1,034
50%	-	-	-	-	1,174	-	-	4,021	-	-	-	-	-	5,195
100%	-	-	-	-	-	-	-	1,588	-	-	-	-	-	1,588
150%	-	-	-	-	-	-	-	31,987	-	-	-	-	-	31,987
200%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
300%	-	-	-	-	-	-	-	220,434	-	25,836	-	-	-	246,270
400%	-	-	-	-	-	-	-	22,080	-	-	-	-	-	22,080
500%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
714% (include prohibited exposure)	-	-	-	-	743	-	-	61,087	-	17,693	-	-	-	79,522
Average Risk Weight	154	-	760	-	1,917	-	-	341,317	-	43,529	-	-	-	387,676
Deduction from Capital Base	22	-	106	-	268	-	-	47,784	-	6,094	-	-	-	54,275

App IV: Disclosure on Credit Risk's Rated Exposure

31/12/15

Exposure Class	Long term Ratings of counterparties							
	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	-	-	768	-	-	-	-	-
Authorised Persons and Banks	-	3,802	-	-	-	-	-	-
Corporates	-	-	2,348	-	-	-	-	104
Retail	-	-	-	-	-	-	-	-
Investments	-	-	4,941	-	-	-	-	105,610
Securitisation	-	-	-	-	-	-	-	-
Margin Financing	-	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-	-	11,089
Total	-	3,802	8,057	-	-	-	-	116,803

Exposure Class	Short term Ratings of counterparties					
	Credit quality step	1	2	3	4	Unrated
	S & P	A-1+, A-1	A-2	A-3	Below A-3	Unrated
	Fitch	F1+, F1	F2	F3	Below F3	Unrated
	Moody's	P-1	P-2	P-3	Not Prime	Unrated
Capital Intelligence	A1	A2	A3	Below A3	Unrated	
On and Off-balance-sheet Exposures						
Governments and Central Banks	-	-	-	-	-	768
Authorised Persons and Banks	-	3,802	-	-	-	-
Corporates	-	-	-	-	-	2,452
Retail	-	-	-	-	-	-
Investments	-	-	-	-	-	110,551
Securitisation	-	-	-	-	-	-
Margin Financing	-	-	-	-	-	-
Other Assets	-	-	-	-	-	11,089
Total	-	3,802	-	-	-	124,860

App V: Disclosure on Credit Risk Mitigation (CRM)

31/12/15

Exposure Class	Exposures before CRM	Exposures covered by Guarantees/ Credit derivatives	Exposures covered by Financial Collateral	Exposures covered by Netting Agreement	Exposures covered by other eligible collaterals	Exposures after CRM
<u>Credit Risk</u>						
<i>On-balance Sheet Exposures</i>						
Governments and Central Banks	768	-	-	-	-	768
Authorised Persons and Banks	3,802	-	-	-	-	3,802
Corporates	2,452	-	-	-	-	2,452
Retail	-	-	-	-	-	-
Investments	110,551	-	-	-	-	110,551
Securitisation	-	-	-	-	-	-
Margin Financing	-	-	-	-	-	-
Other Assets	11,089	-	-	-	-	11,089
Total On-Balance sheet Exposures	128,662	-	-	-	-	128,662
<i>Off-balance Sheet Exposures</i>						
OTC/Credit Derivatives	-	-	-	-	-	-
Exposure in the form of repurchase agreements	-	-	-	-	-	-
Exposure in the form of securities lending	-	-	-	-	-	-
Exposure in the form of commitments	-	-	-	-	-	-
*Other Off-Balance sheet Exposures	-	-	-	-	-	-
Total Off-Balance sheet Exposures	-	-	-	-	-	-
Total On and Off-Balance sheet Exposures	128,662	-	-	-	-	128,662

* Refer to Chapter 2 of Annex 3.