# PILLAR-III DISCLOSURES

31 December 2014

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## 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. Since 2014 is the first time that Pillar-III Disclosures were adopted, there are no 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 2014.

## 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 4.19 as of 31 December 2014.

The Company's policy is to maintain a strong capital base to support the its financial position. The Company's 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 (i.e. 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 2014.

# 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 Deputy 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 Hedging and 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 investment in highly liquid funds for managing excess cash. The company's policy for mitigating the market risk of investment funds is through selecting funds that have an investment objective of capital preservation.

*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 2014, except for a valuation provision of SAR 1,811,098/- taken on an equity investment exposure in a national company listed on Tadawul stock exchange.

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 2014, 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:

| (Amounts (SAR'000))<br><br>**Exposure Class** | **Geographic Location** | | | |
|---|---|---|---|---|
| | **Saudi Arabia** | **GCC** | **Rest of the World** | **Total** |
| **On and Off-Balance-Sheet Exposures** | | | | |
| 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:

| (Amounts (SAR'000)) **Exposure Class** | **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** |
|---|---|---|---|---|---|---|---|---|
| ***__Credit Risk On and Off-Balance-Sheet Exposures__*** | | | | | | | | |
| Governments and Central Banks | - | - | - | - | 760 | - | - | 760 |
| Authorized Persons and Banks | 4,657 | - | 15,231 | - | - | - | | 9,888 |
| 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 are 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 currently. 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 except for its investments in highly liquid funds.

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

| (Amounts in SAR'000)<br>**Market Risk** | **Long Position** | **Short Position** | **Capital requirement** |
|---|---|---|---|
| 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** |

*Currency Risk*

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

## 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 4,573,000/- for operational risks as of 31 December 2014.

### 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 2014, 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 situation of a significant general market disruption occurs.

The following are the key liquidity ratios that reflect the liquidity position of the Company:

| | |
|---|---|
| Liquid Assets : Total Assets | 25.4% |
| Liquid Assets : Total Liabilities | 499.2% |
| Short-term Assets : Short term liabilities | 688.0% |

The table below summarizes the Company's balances of cash, cash equivalent and listed securities at 31 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 2014 based on contractual payment dates.

| **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

| Capital Base | SAR '000 |
|---|---|
| **Tier-1 capital** | |
| Paid-up capital | 173,418 |
| Audited retained earnings | 36,847- |
| Share premium | - |
| Reserves (other than revaluation reserves) | - |
| Tier-1 capital contribution | - |
| Deductions from Tier-1 capital | 147- |
| **Total Tier-1 capital** | **136,424** |
| **Tier-2 capital** | |
| 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** | **136,424** |



مركز ايليت الشاطىء ، طريق الملك ، صندوق بريد: ٨٠٢١ ، جدة ٢١٤٨٢ ، المملكة العربية السعودية ، هاتف: ٧٠٠٠ ٢٣٤ ١٢ ٩٦٦+ ، فاكس: ٧٢٢٢ ٢٣٤ ١٢ ٩٦٦+
شركة مساهمة سعودية مقفلة ، رأس مال الشركة: ١٧٣,٤١٧,٩٠٠ ريال سعودي ، السجل التجاري: ٤٠٣٠١٦٧٣٣٥ ، ترخيص هيئة السوق المالية – رقم: ٣٧ – ٠٧٠٥٨
A member of Al Baraka Banking Group عضو مجموعة البركة المصرفية

# App II: Disclosure on Capital Adequacy

| Exposure Class | Exposures before CRM SAR '000 | Net Exposures after CRM SAR '000 | Risk Weighted Assets SR '000 | Capital Requirement SAR '000 |
|---|---|---|---|---|
| ***Credit Risk*** | | | | |
| *On-balance Sheet Exposures* | | | | |
| Governments and Central Banks | 760 | 760 | 152 | 21 |
| Authorised Persons and Banks | 19,888 | 19,888 | 18,627 | 2,608 |
| Corporates | 2,326 | 2,326 | 465 | 65 |
| Retail | - | - | - | - |
| Investments | 103,252 | 103,252 | 127,480 | 17,847 |
| Securitisation | - | - | - | - |
| Margin Financing | - | - | - | - |
| Other Assets | 8,386 | 8,386 | 42,605 | 5,965 |
| **Total On-Balance sheet Exposures** | 134,612 | 134,612 | 189,329 | 26,506 |
| *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** | 134,612 | 134,612 | 189,329 | 26,506 |
| **Prohibited Exposure Risk Requirement** | | | | |
| **Total Credit Risk Exposures** | 134,612 | 134,612 | 189,329 | 26,506 |
| | | | | |
| ***Market Risk*** | Long Position | Short Position | | |
| Interest rate risks | - | - | | - |
| Equity price risks | - | - | | - |
| Risks related to investment funds | 9,113 | - | | 1,458 |
| Securitisation/resecuritisation positions | - | - | | - |
| Excess exposure risks | - | - | | - |
| Settlement risks and counterparty risks | - | - | | - |
| Foreign exchange rate risks | - | - | | - |
| Commodities risks. | - | - | | - |
| **Total Market Risk Exposures** | 9,113 | - | | 1,458 |
| | | | | |
| ***Operational Risk*** | | | | 4,573 |
| **Minimum Capital Requirements** | | | | 32,537 |
| **Surplus/(Deficit) in capital** | | | | 103,887 |
| **Total Capital ratio (time)** | | | | 4.19 |

## App III: Disclosure on Credit Risk's Risk Weight

| Risk Weights | Exposures after netting and credit risk mitigation | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 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 | Total Exposure after netting and Credit Risk Mitigation | Total Risk Weighted Assets |
| *0%* | - | - | - | - | - | - | - | - | - | - | - | - | - |
| *20%* | 152 | - | 552 | - | 465 | - | - | 12,552 | - | - | - | - | 13,721 |
| *50%* | - | - | - | - | - | - | - | - | - | - | - | - | - |
| *100%* | - | - | 15,231 | - | - | - | - | - | - | | - | - | 15,231 |
| *150%* | - | - | 2,844 | - | - | - | - | 6,542 | - | - | - | - | 9,386 |
| *200%* | - | - | - | - | - | - | - | - | - | - | - | - | - |
| *300%* | - | - | - | - | - | - | - | - | - | 12,517 | - | - | 12,517 |
| *400%* | - | - | - | - | - | - | - | 108,386 | - | - | - | - | 108,386 |
| *500%* | - | - | - | - | - | - | - | - | - | | - | - | - |
| *714% (include prohibited exposure)* | - | - | - | - | - | - | - | - | - | 30,088 | - | - | 30,088 |
| *Average Risk Weight* | 152 | - | 18,627 | - | 465 | - | - | 127,480 | - | 42,605 | - | - | 189,329 |
| *Deduction from Capital Base* | 21 | - | 2,608 | - | 65 | | | 17,847 | - | 5,965 | - | - | 26,506 |

## App IV: Disclosure on Credit Risk's Rated Exposure

| 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 | - | 2,326 | 760 | - | - | - | - | - |
| Authorised Persons and Banks | - | - | 2,761 | - | - | - | - | 17,127 |
| Corporates | - | - | - | - | - | - | - | - |
| Retail | - | - | - | - | - | - | - | - |
| Investments | - | 652 | 774 | - | - | - | - | 101,924 |
| Securitisation | - | - | - | - | - | - | - | - |
| Margin Financing | - | - | - | - | - | - | - | - |
| Other Assets | - | - | - | - | - | - | - | 8,288 |
| **Total** | - | 2,978 | 4,295 | - | - | - | - | 127,339 |

| 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 | - | 760 | - | - | - | 2,326 |
| Authorised Persons and Banks | | 1,944 | - | - | 15,231 | 2,713 |
| Corporates | - | - | - | - | - | - |
| Retail | - | - | - | - | - | - |
| Investments | - | - | - | - | - | 103,350 |
| Securitisation | - | - | - | - | - | - |
| Margin Financing | - | - | - | - | - | - |
| Other Assets | - | - | - | - | - | 8,288 |
| **Total** | - | 2,704 | - | - | 15,231 | 116,677 |

## App V: Disclosure on Credit Risk Mitigation (CRM)

| 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 |
|---|---|---|---|---|---|---|
| ***Credit Risk*** | | | | | | |
| *On-balance Sheet Exposures* | | | | | | |
| Governments and Central Banks | 760 | - | - | - | - | 760 |
| Authorised Persons and Banks | 19,888 | - | - | - | - | 19,888 |
| Corporates | 2,326 | - | - | - | - | 2,326 |
| Retail | - | - | - | - | - | - |
| Investments | 103,252 | - | - | - | - | 103,252 |
| Securitisation | - | - | - | - | - | - |
| Margin Financing | - | - | - | - | - | - |
| Other Assets | 8,386 | - | - | - | - | 8,386 |
| **Total On-Balance sheet Exposures** | 134,612 | - | - | - | - | 134,612 |
| *Off-balance Sheet Exposures* | | | | | | |
| 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** | 134,612 | - | - | - | - | 134,612 |

* Refer to Chapter 2 of Annex 3.

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