

Emirates NBD Capital KSA
Pillar III Disclosure
As of 31st December 2020



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1. EXECUTIVE SUMMARY:

1.1. INTRODUCTION:

Emirates NBD Capital KSA is a Closed Joint Stock Company under commercial registration number 1010248476 and Capital Market Authority (CMA) license number 7086-37 and it is wholly owned by Emirates NBD Group, Dubai (ENBD PJSC). The objective of the Company is to provide full range of Investment Banking, Corporate Finance, Brokerage and Asset Management services covered by dealing, arranging, managing, advising and custody licenses. ENBDC does not have any subsidiaries as on 31 Dec 2020.

1.2. PURPOSE OF THE REPORT :

The Pillar III disclosure report has been prepared in accordance with the Prudential Rules issued in December 2012 and Pillar III disclosure guidelines issued in December 2014 by the Capital Market Authority (CMA). The purpose of this disclosure is to inform market participants about Emirates NBD Capital's (ENBDC) capital, risk exposures, risk assessment process and the capital adequacy.

2. CAPITAL STRUCTURE:

2.1. Terms & Conditions:

As per Article 13 of bylaws of the Company, the Capital of the Company may be increased with the unanimous consent of the shareholders in the Extra Ordinary General Body Meeting may decide to increase the Company's Capital with the condition that the Capital should fully paid by the respective shareholders.

As per Article 14 of bylaws of the Company, decrease the Capital of the Company if the Company does not need any additional capital and if the Company having losses by following relevant Company law regulations.

In order to comply with the New Company Laws of Kingdom of Saudi Arabia came into effect on 2 May 2016, the conversion to Closed Joint Stock Company (CJSC) from Limited Liability Company status had been successfully completed on 11 January 2018 by complying with all regulatory norms and regulations prevalent in Kingdom of Saudi Arabia.

Further to above, the shareholders have agreed to set-off the accumulated loss to tune of SAR 45 Million in May 2018 by which the total Paid-up Capital of the Company stands reduced to SAR 100 Million.

2.2. Capital Base:

ENBDC's capital base as of 31st December 2020 as required by appendix 1 of the Pillar III guidelines of CMA is as follows:

| Capital Base | SAR '000 |
|--|---------------|
| <u>Tier-1 capital</u> | |
| Paid-up capital | 100,000 |
| Audited retained earnings | -27,039 |
| Verified interim profit | 0 |
| Reserves (other than revaluation reserves) | 0 |
| Tier-1 capital contribution | 0 |
| Deductions from Tier-1 capital | -42 |
| Total Tier-1 capital | 72,918 |
| <u>Tier-2 capital</u> | |
| Subordinated loans | 0 |
| Cumulative preference shares | 0 |
| Revaluation reserves | 0 |
| Other deductions from Tier-2 (-) | 0 |
| Deduction to meet Tier-2 capital limit (-) | 0 |
| Total Tier-2 capital | 0 |
| TOTAL CAPITAL BASE | 72,918 |

3. CAPITAL ADEQUACY:

3.1. Minimum Capital Requirement:

ENBDC KSA's capital base as at 31 Dec 2020 had a surplus of SAR 64.226 Million upon covering all materials risks of the company and meets the minimum capital requirement with a capital ratio of 8.390 xs against CMA requirement of 1x. The Company intends to maintain a healthy capital ratio with a view to have a capital buffer to cater future business growth and resulting escalation in risk exposure.

3.2. Capital Adequacy Assessment:

A comprehensive capital planning is taking place during the ICAAP process whereby three years (2021 to 2023) capital needs and its sources are considered and reasonable target ratios are set. On each Internal Capital Adequacy Assessment Committee (ICAAC) meeting Finance team presents the available capital position and current capital ratios. The impact of any business decision and relevant exposure to capital adequacy are considered and the best possible solution would be arrived to maintain sound capital.

3.3. Capital Charge Calculation:

Credit Risk: ENBDC KSA calculates capital requirement for credit risk according to standardized approach as adopted by CMA, which requires exposure to be assigned to various segments based on the nature of underlying exposure. Please refer to **Appendix II** for capital requirement calculation.

Market Risk: As of now, ENBDC does not maintain Proprietary Trading book, hence the current exposure to Market Risk is NIL.

Operational Risk: Operational Risk Exposure is arrived based on the adoption of Expenditure based approach as outlined in the Prudential Rules of CMA and the detailed in section 4.6:

3.4. Capital Requirement & Total Capital Ratio:

For quantitative disclosure of capital requirement and capital ratio, refer to **Appendix II**.

4. RISK MANAGEMENT

4.1 General Qualitative Disclosure for Risks:

I. Strategies and processes for risk management and compliance function:

Risk Management function within ENBDC KSA is an independent function reporting functionally to Risk & Compliance Committee of ENBDC, which in turn reporting to Board of Directors of ENBDC. ENBDC's Corporate Governance frameworks are developed to reduce risk and provide balanced approach to achieve its strategic objectives.

The Board is the highest-level approval body that performs its functions in accordance with its terms of reference outlined in the Corporate Governance charter. ENBDC has four Board Committees (Risk & Compliance Committee, Executive Committee, Audit Committee and Nomination & Remuneration Committee) which have separate terms of reference approved by the Board.

Transparency and accountability are focal points to ENBDC's business, ensuring that the controls necessary for effective risk management in all areas of risk including Credit, Market and Operational Risk and robust regulatory compliance are in place. Emirates NBD Capital is committed to be in line with the international best practice.

ENBDC aims to promote strong risk management culture through a comprehensive set of process that are designed to effectively identify, measure, monitor and control risk exposures. The Board of Directors and Senior Management are involved in the establishment of material risk processes and the periodic oversight and guidance of ENBD Group risk management function.

Risk management department is performing risk reviews and risk assessments on any new product/process/change initiative documents and provides necessary sign off from the risk management perspective. Risk identification, assessment, suggested mitigation and monitoring process are taking place on each process handled by all the units.

According to Pillar I prudential rules, ENBDC is subject to Credit Risk and Operational Risk and provide below the brief outline of the same:

Credit Risk:

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur financial loss.

With the current structure of ENBDC balance sheet, the company has not proposed to take any exposure on customer related credit risk into the balance sheet. However, as Pillar I of Prudential guidelines, the amount deposited with the local banks & receivable/accruals will attract specific Risk weight and Capital charge. As such, ENBDC's exposure is limited to these factors.

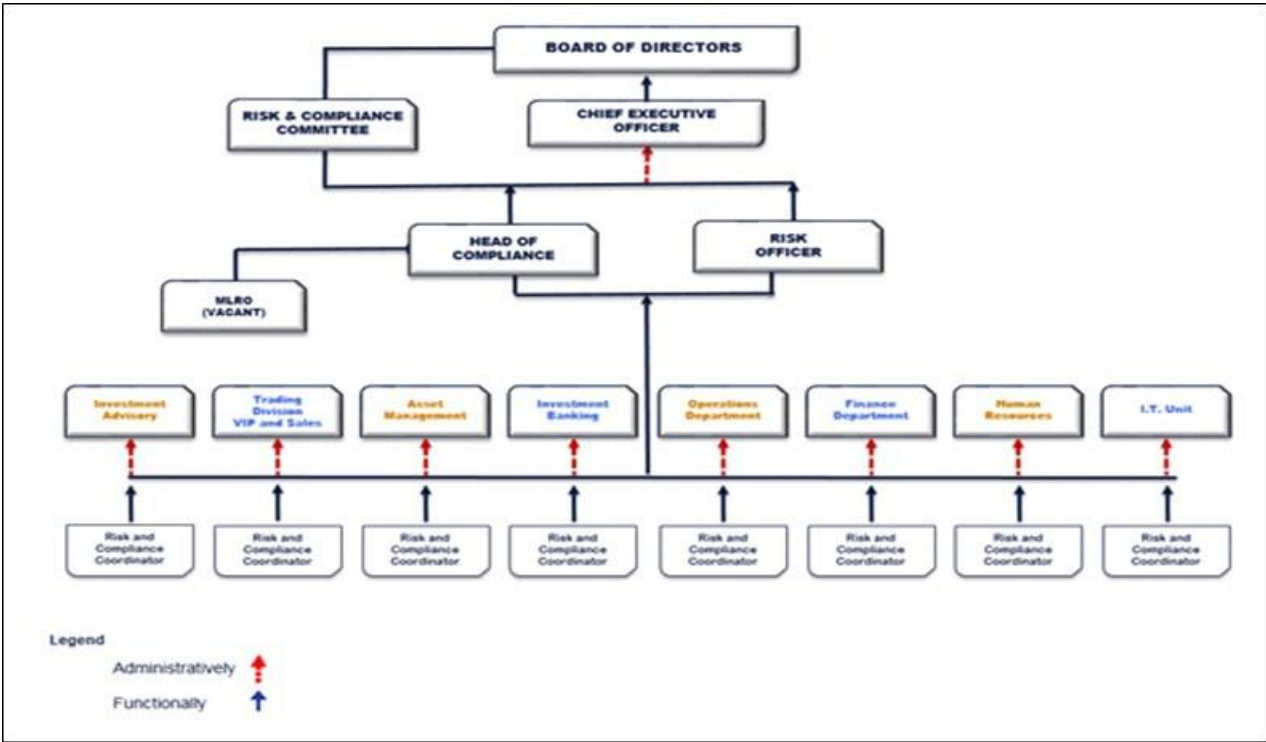
Operational Risk:

According to prudential rules of CMA, the Company is following the expenditure-based approach, which has been highlighted in 4.6 of this report.

II. The structure and organization of the risk management and compliance function:

The risk management and compliance functions are embedded into each department through a Risk & Compliance coordinator (as of now, the Head of Each Department has been assigned this role) who is shouldering the responsibility. It does not negate that each staff member of ENBDC KSA is aware and fully responsible in managing Risk & Compliance function and it is everyone’s responsibility.

The Organization structure of ENBDC KSA is as follows:



III. The scope and nature of risk reporting and measurement systems:

Both Risk management & Compliance departments are focusing on managing the risks arising from laws, regulations and standards, which are specific to the financial services industry. Those regulations and guidelines are issued by legislative and regulatory bodies relevant to ENBDC-KSA’s businesses, or by ENBDC-KSA parent organization ENBD Dubai Group and the activities of both Risk & Compliance are being monitored by Board Risk & Compliance Committee of ENBDC KSA which in turn reporting to ENBDC KSA Board. The

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Risk & Compliance Functions are providing proactive support to each business & support units in managing the related associated risks such as Prudential Regulations, Anti-Money laundering, preventing terrorist financing, conflicts of interest, sales and trading conduct as well as customer interest and protection.

Risk & Compliance Committee is reporting regularly to the Board of Directors. Risk & Compliance department is highly planned to utilize some of the available compliance management & reporting systems and tools in order to enable them to fulfill reporting function effectively and efficiently.

Compliance department is developing internal solution to harvest all steps in the compliance process, tracking responsibilities and due dates for compliance obligations. The solution includes the ability to map compliance requirements and obligations to an organizational hierarchy, with the ability to manage obligations derived from:

During the process of Risk & Compliance committee, all members are shared with Operational risk Incidents as well as Regulatory Compliance Breach reports happened during that quarter and the steps initiated by the local management to mitigate such incidences in future would be apprised.

IV. Policies/guidelines for hedging and mitigating risk, and strategies and processes for monitoring the continuing effectiveness of hedges and mitigations of risks.

ENBDC does not have any exposure to Market risk based on the current business module or structure. However, appropriate policy would be framed prior taking out any exposure or taking initiative in dealing with any derivative instruments or hedging instruments.

4.2 Credit Risk Disclosure:

| Type of Disclosure | Disclosure Requirement |
|--|---|
| Definition of Past due claims and impaired liabilities. | Past due item shall refer to an exposure where, interest or principal are more than 90 days past due, calculated from the original agreed payment date, however ENBDC has no exposure to past due claims and impairments. |
| Approaches adopted to determine impairments and specific provision | Not Applicable. |
| Names of Credit Rating Agencies (CRA) | Not Applicable. |
| Types of exposure classes for which CRA is used | Not Applicable. |
| Mapping between the credit rating from each CRA | Not Applicable. |
| Quantitative Disclosure: Total gross credit risk exposure | Details are provided in Appendix III. |
| Amount of impaired exposures and past due exposures provided separately | Not Applicable. |
| Changes for impairments and specific provisions during the period. | Not Applicable. Credit Risk exposure to ENBDC KSA is purely on account of holding surplus cash and term deposits held with local bank (i.e. parent bank – ENBD KSA) only. |
| Geographic distribution of credit risk exposures | Not Applicable. |
| Residual contractual maturity breakdown of credit risk exposure | Not Applicable. |
| A reconciliation report for changes in impairment and specific provision for impaired exposures. | Not Applicable. |
| Exposure amounts before and after credit risk protection | Not Applicable – Appendix IV Nil. |

4.3 Credit Risk Mitigation Exposure:

| Type of Disclosure | Disclosure Requirement |
|--------------------------------|---|
| Qualitative Disclosure | As per prudential guidelines of CMA, the amount of deposited with the local banks and receivable/accruals has attracted specific Risk weight and capital charge. As such, ENBDC's exposure is limited to these factors. |
| Credit Risk Mitigation | The company does not extend any credit facilities to its clients; hence, exposure on this score is NIL. |
| Quantitative Disclosure | Based on facts above, the Appendix V is NIL. |

4.4. Counterparty Credit Risk (CCR) and Off-Balance Sheet Disclosure:

Not applicable as of 31 December 2020.

4.5 Market Risk Disclosure:

Presently, ENBDC does not maintain Proprietary Trading book, hence the current exposure to Market Risk is NIL.

Foreign exchange rate risk to the tune of SAR 173 K (refer Appendix 2 of this report) in the relevant Market Risk (Foreign Exchange rate risk). The exposure to foreign exchange rate risk is due to balance held in USD and AED currency current accounts maintained with ENBD KSA Riyadh Main Branch as well as recharges claimed by our Group Head Office/Parent Organization

Operational Risk Disclosure:

| Type of Disclosure | Disclosure Requirement | | | | | | | | |
|---|---|-------------|--------------------------|---|-------|--|-------|---|--------------|
| General Disclosure | <p>The Basel II Committee defines operational risk as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk but excludes strategic and reputational risk. It may also arise from potential disruptions of business processes associated with the delivery of products or services to customers. Operational Risk is managed through ensuring that adequate internal processes, systems and people are in place in the respective business areas.</p> <p>Policy & procedure documents are maintained with each business/support units of ENBDC for necessary compliance. Head of departments are ensuring adherence to both internal and external regulatory guidelines. Further, Business Continuity Plan is designed to ensure that the processes are in place for continued effective delivery of all Products & Services at all times from ENBDC.</p> | | | | | | | | |
| Approach adopted for Operational Risk Capital Assessment | <p>The Operational risk Capital charge is calculated as higher of the amounts under the following two approaches:</p> <ul style="list-style-type: none"> a) Basic Indicator Approach: Under the Basic Indicator Approach, 15 % capital charge is calculated on average operating income of the last three audited financials; b) Expenditure Based Approach: Under Expenditure Based Approach, 25 % capital charge is calculated on all overhead expenses (such as write-offs) as per the most recent audited financial statements. | | | | | | | | |
| Quantitative Disclosures: Summary of Operational risk Capital requirement. | <table border="1" data-bbox="528 1464 1182 1872"> <thead> <tr> <th data-bbox="528 1464 979 1552">Particulars</th> <th data-bbox="979 1464 1182 1552">2020(Amount in SAR'000s)</th> </tr> </thead> <tbody> <tr> <td data-bbox="528 1552 979 1697">Basic Indicator Approach (15 % capital charge on average operating income of the last three years audited financials)</td> <td data-bbox="979 1552 1182 1697">2,446</td> </tr> <tr> <td data-bbox="528 1697 979 1807">Expenditure Based Approach (25% capital charge on last year audited overhead expenses)</td> <td data-bbox="979 1697 1182 1807">3,834</td> </tr> <tr> <td data-bbox="528 1807 979 1872">Operational Risk charge for 2020 (max. of the above 2 approaches)</td> <td data-bbox="979 1807 1182 1872">3,834</td> </tr> </tbody> </table> | Particulars | 2020(Amount in SAR'000s) | Basic Indicator Approach (15 % capital charge on average operating income of the last three years audited financials) | 2,446 | Expenditure Based Approach (25% capital charge on last year audited overhead expenses) | 3,834 | Operational Risk charge for 2020 (max. of the above 2 approaches) | 3,834 |
| Particulars | 2020(Amount in SAR'000s) | | | | | | | | |
| Basic Indicator Approach (15 % capital charge on average operating income of the last three years audited financials) | 2,446 | | | | | | | | |
| Expenditure Based Approach (25% capital charge on last year audited overhead expenses) | 3,834 | | | | | | | | |
| Operational Risk charge for 2020 (max. of the above 2 approaches) | 3,834 | | | | | | | | |

4.7 Liquidity Risk Disclosure:

| Type of Disclosure | Disclosure Requirement |
|---|---|
| Strategies and guidelines for liquidity risk management. | <p>Liquidity risk is the risk that the company will be unable to meet its obligation as they become due, without adversely affecting AP's financial conditions. Liquidity risk can be caused by market disruptions, which may influence certain sources of funding.</p> <p>Liquidity requirements are monitored on a monthly basis and ENBDC management ensures that sufficient liquid funds are available to meet any commitments as they arise.</p> |
| Stress Test | <p>Liquidity stress testing has not been carried out for the following reasons:</p> <ul style="list-style-type: none"> a) ENBDC does not manage any public funds as on 31/12/2020; and b) The surplus funds of ENBDC KSA are deposited with ENBD KSA, Riyadh Main branch (the branch of ENBD Group operating in Kingdom of Saudi Arabia, the parent of ENBDC KSA). |
| Quantitative Disclosures: Liquidity Position | <p>Not Applicable.</p> |

APPENDICES

(Comparative information regarding previous financial year (2019) is also appended)

Appendix I: Illustrative Disclosure on Capital Base: 2020

| App 1: Illustrative Disclosure on Capital Base - 2020 | |
|--|-----------------|
| Capital Base | SAR '000 |
| <u>Tier-1 capital</u> | |
| Paid-up capital | 100,000 |
| Audited retained earnings | -27,039 |
| Share premium | |
| Reserves (other than revaluation reserves) | |
| Tier-1 capital contribution | |
| Deductions from Tier-1 capital | -42 |
| Total Tier-1 capital | 72,918 |
| <u>Tier-2 capital</u> | |
| Subordinated loans | |
| Cumulative preference shares | |
| Revaluation reserves | 0 |
| Other deductions from Tier-2 (-) | |
| Deduction to meet Tier-2 capital limit (-) | |
| Total Tier-2 capital | 0 |
| TOTAL CAPITAL BASE | 72,918 |

Illustrative Disclosure on Capital Base: 2019:

| App 1: Illustrative Disclosure on Capital Base - 2019 | |
|--|-----------------|
| Capital Base | SAR '000 |
| <u>Tier-1 capital</u> | |
| Paid-up capital | 100,000 |
| Audited retained earnings | -28,909 |
| Share premium | |
| Reserves (other than revaluation reserves) | |
| Tier-1 capital contribution | |
| Deductions from Tier-1 capital | -61 |
| Total Tier-1 capital | 71,030 |
| <u>Tier-2 capital</u> | |
| Subordinated loans | |
| Cumulative preference shares | |
| Revaluation reserves | 0 |
| Other deductions from Tier-2 (-) | |
| Deduction to meet Tier-2 capital limit (-) | |
| Total Tier-2 capital | 0 |
| TOTAL CAPITAL BASE | 71,030 |

Appendix II: Illustrative Disclosure on Capital Adequacy as of 2020:

| App II: Illustrative Disclosure on Capital Adequacy - 2020 | | | | |
|---|--|---|---|---|
| Exposure Class | Exposures before CRM SAR '000 | Net Exposures after CRM SAR '000 | Risk Weighted Assets SR '000 | Capital Requirement SAR '000 |
| <i>Credit Risk</i> | | | | |
| <i>On-balance Sheet Exposures</i> | 0 | 0 | 0 | 0 |
| Governments and Central Banks | 0 | 0 | 0 | 0 |
| Authorised Persons and Banks | 85,609 | 85,609 | 17,122 | 2,397 |
| Corporates | 0 | 0 | 0 | 0 |
| Retail | 221 | 221 | 663 | 93 |
| Investments | 0 | 0 | 0 | 0 |
| Securitisation | 0 | 0 | 0 | 0 |
| Margin Financing | 0 | 0 | 0 | 0 |
| Other Assets | 3,098 | 3,098 | 15,682 | 2195 |
| Total On-Balance sheet Exposures | 88,928 | 88,928 | 33,467 | 4,685 |
| <i>Off-balance Sheet Exposures</i> | 0 | 0 | 0 | 0 |
| OTC/Credit Derivatives | 0 | 0 | 0 | 0 |
| Repurchase agreements | 0 | 0 | 0 | 0 |
| Securities borrowing/lending | 0 | 0 | 0 | 0 |
| Commitments | 0 | 0 | 0 | 0 |
| Other off-balance sheet exposures | 0 | 0 | 0 | 0 |
| Total Off-Balance sheet Exposures | 0 | 0 | 0 | 0 |
| Total On and Off-Balance sheet Exposures | 88,928 | 88,928 | 33,467 | 4,685 |
| Prohibited Exposure Risk Requirement | | | | |
| Total Credit Risk Exposures | 88,928 | 88,928 | 33,467 | 4,685 |
| <i>Market Risk</i> | | | | |
| | Long Position | Short Position | | |
| Interest rate risks | 0 | 0 | | 0 |
| Equity price risks | 0 | 0 | | 0 |
| Risks related to investment funds | 0 | 0 | | 0 |
| Securitisation/resecuritisation positions | 0 | 0 | | 0 |
| Excess exposure risks | 0 | 0 | | 0 |
| Settlement risks and counterparty risks | 0 | 0 | | 0 |
| Foreign exchange rate risks | 173 | 0 | | 173 |
| Commodities risks | 0 | 0 | | 0 |
| Total Market Risk Exposures | 173 | 0 | | 173 |
| <i>Operational Risk</i> | | | | |
| | | | | 3,834 |
| Minimum Capital Requirements | | | | |
| | | | | 8,692 |
| Surplus/(Deficit) in capital | | | | |
| | | | | 64,226 |
| Total Capital ratio (time) | | | | |
| | | | | 8.39 |

ENBD Capital KSA Pillar III Disclosure Report - 2020
Illustrative Disclosure on Capital Adequacy as of 2019:

| App II: Illustrative Disclosure on Capital Adequacy - 2019 | | | | |
|---|--|---|---|---|
| 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> | 0 | 0 | 0 | 0 |
| Governments and Central Banks | 0 | 0 | 0 | 0 |
| Authorised Persons and Banks | 81,654 | 81,654 | 16,331 | 2,286 |
| Corporates | 0 | 0 | 0 | 0 |
| Retail | 0 | 0 | 0 | 0 |
| Investments | 0 | 0 | 0 | 0 |
| Securitisation | 0 | 0 | 0 | 0 |
| Margin Financing | 0 | 0 | 0 | 0 |
| Other Assets | 3,136 | 3,136 | 10,036 | 1405 |
| Total On-Balance sheet Exposures | 84,790 | 84,790 | 26,367 | 3,691 |
| <i>Off-balance Sheet Exposures</i> | 0 | 0 | 0 | 0 |
| OTC/Credit Derivatives | 0 | 0 | 0 | 0 |
| Repurchase agreements | 0 | 0 | 0 | 0 |
| Securities borrowing/lending | 0 | 0 | 0 | 0 |
| Commitments | 0 | 0 | 0 | 0 |
| Other off-balance sheet exposures | 0 | 0 | 0 | 0 |
| Total Off-Balance sheet Exposures | 0 | 0 | 0 | 0 |
| Total On and Off-Balance sheet Exposures | 84,790 | 84,790 | 26,367 | 3,691 |
| Prohibited Exposure Risk Requirement | | | | |
| Total Credit Risk Exposures | 84,790 | 84,790 | 26,367 | 3,691 |
| <u>Market Risk</u> | | | | |
| | Long Position | Short Position | | |
| Interest rate risks | 0 | 0 | | 0 |
| Equity price risks | 0 | 0 | | 0 |
| Risks related to investment funds | 0 | 0 | | 0 |
| Securitisation/resecuritisation positions | 0 | 0 | | 0 |
| Excess exposure risks | 0 | 0 | | 0 |
| Settlement risks and counterparty risks | 0 | 0 | | 0 |
| Foreign exchange rate risks | 0 | 31 | | 31 |
| Commodities risks. | 0 | 0 | | 0 |
| Total Market Risk Exposures | 0 | 31 | | 31 |
| <u>Operational Risk</u> | | | | 3,467 |
| Minimum Capital Requirements | | | | 7,189 |
| Surplus/(Deficit) in capital | | | | 63,841 |
| Total Capital ratio (time) | | | | 9.88 |

Appendix III: Illustrative Disclosure on Capital Risk's Risk Weight - 2020:

| App III: Illustrative Disclosure on Credit Risk's Risk Weight - 2020 | | | | | | | | | | | | | |
|--|--|-------------------------------|------------------------------|------------------|------------|--------|----------------|-------------|----------------|--------------|-------------------------------|---|----------------------------|
| 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% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 20% | 0 | 0 | 85,609 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 85,609 | 17,122 |
| 50% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 100% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 150% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 200% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 300% | 0 | 0 | 0 | 0 | 0 | 221 | 0 | 0 | 0 | 1,555 | 0 | 1,776 | 5,328 |
| 400% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 500% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 714% (include prohibited exposure) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1543 | 0 | 1543 | 11,017 |
| Average Risk Weight | 0 | 0 | 20% | 0 | 0 | 300% | 0 | 0 | 0 | 300% 714% | 0% | 266% | 0 |
| Deduction from Capital Base | 0 | 0 | 2,397 | 0 | 0 | 93 | 0 | 0 | 0 | 2195 | 0 | 4,685 | 0 |

Illustrative Disclosure on Capital Risk's Risk Weight 2019:

| App III: Illustrative Disclosure on Credit Risk's Risk Weight - 2019 | | | | | | | | | | | | | |
|--|--|-------------------------------|------------------------------|------------------|------------|--------|----------------|-------------|----------------|--------------|-------------------------------|---|----------------------------|
| 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% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 20% | 0 | 0 | 81,654 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 81,654 | 16,331 |
| 50% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 100% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 150% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 200% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 300% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,985 | 0 | 2,985 | 8,955 |
| 400% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 500% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 714% (include prohibited exposure) | 0 | 0 | 0 | 0 | 0 | 151 | 0 | 0 | 0 | 0 | 0 | 151 | 1,078 |
| Average Risk Weight | 0 | 0 | 20% | 0 | 0 | 714% | 0 | 0 | 0 | 300% | 0% | 322% | 0 |
| Deduction from Capital Base | 0 | 0 | 2,286 | 0 | 0 | 151 | 0 | 0 | 0 | 1254 | 0 | 3,691 | 0 |

Appendix IV: Illustrative Disclosure on Credit Risk's Rated Exposure – 2020:

| App IV: Illustrative Disclosure on Credit Risk's Rated Exposure - 2020 | | | | | | | | | |
|--|--------------------------------------|------------|----------|--------------|------------|-------------|----------------|---------|--|
| 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 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Governments and Central Banks | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Authorised Persons and Banks | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Corporates | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Retail | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Investments | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Securitisation | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Margin Financing | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Other Assets | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Total | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 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 | 0 | 0 | 0 | 0 | 0 | 0 | | | |
| Governments and Central Banks | 0 | 0 | 0 | 0 | 0 | 0 | | | |
| Authorised Persons and Banks | 0 | 0 | 85,609 | 0 | 0 | 0 | | | |
| Corporates | 0 | 0 | 0 | 0 | 0 | 0 | | | |
| Retail | 0 | 0 | 0 | 0 | 0 | 221 | | | |
| Investments | 0 | 0 | 0 | 0 | 0 | 0 | | | |
| Securitisation | 0 | 0 | 0 | 0 | 0 | 0 | | | |
| Margin Financing | 0 | 0 | 0 | 0 | 0 | 0 | | | |
| Other Assets | 0 | 0 | 0 | 0 | 0 | 0 | | | |
| Total | 0 | 0 | 85,609 | 0 | 0 | 221 | | | |

Illustrative Disclosure on Credit Risk's Rated Exposure – 2019:

| App IV: Illustrative Disclosure on Credit Risk's Rated Exposure - 2019 | | | | | | | | |
|---|---|------------|----------|--------------|------------|----------------|----------------|----------------|
| 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 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Governments and Central Banks | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Authorised Persons and Banks | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Corporates | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Retail | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Investments | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Securitisation | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Margin Financing | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Assets | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 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 | 0 | 0 | 0 | 0 | 0 | 0 | | |
| Governments and Central Banks | 0 | 0 | 0 | 0 | 0 | 0 | | |
| Authorised Persons and Banks | 0 | 0 | 81,117 | 0 | 0 | 0 | | |
| Corporates | 0 | 0 | 0 | 0 | 0 | 0 | | |
| Retail | 0 | 0 | 0 | 0 | 0 | 14 | | |
| Investments | 0 | 0 | 0 | 0 | 0 | 0 | | |
| Securitisation | 0 | 0 | 0 | 0 | 0 | 0 | | |
| Margin Financing | 0 | 0 | 0 | 0 | 0 | 0 | | |
| Other Assets | 0 | 0 | 0 | 0 | 0 | 0 | | |
| Total | 0 | 0 | 81,117 | 0 | 0 | 14 | | |

Appendix V: Illustrative Disclosure on Credit Risk Mitigation (CRM) – 2020

| App V: Illustrative Disclosure on Credit Risk Mitigation (CRM) - 2020 | | | | | | |
|---|----------------------|---|---|--|---|---------------------|
| 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 | 0 | 0 | 0 | 0 | 0 | 0 |
| <i>On-balance Sheet Exposures</i> | 0 | 0 | 0 | 0 | 0 | 0 |
| Governments and Central Banks | 0 | 0 | 0 | 0 | 0 | 0 |
| Authorised Persons and Banks | 85,609 | 0 | 0 | 0 | 0 | 85,609 |
| Corporates | 0 | 0 | 0 | 0 | 0 | 0 |
| Retail | 221 | 0 | 0 | 0 | 0 | 221 |
| Investments | 0 | 0 | 0 | 0 | 0 | 0 |
| Securitisation | 0 | 0 | 0 | 0 | 0 | 0 |
| Margin Financing | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Assets | 3,098 | 0 | 0 | 0 | 0 | 3,098 |
| Total On-Balance sheet Exposures | 88,928 | 0 | 0 | 0 | 0 | 88,928 |
| <i>Off-balance Sheet Exposures</i> | 0 | 0 | 0 | 0 | 0 | 0 |
| OTC/Credit Derivatives | 0 | 0 | 0 | 0 | 0 | 0 |
| Exposure in the form of repurchase agreements | 0 | 0 | 0 | 0 | 0 | 0 |
| Exposure in the form of securities lending | 0 | 0 | 0 | 0 | 0 | 0 |
| Exposure in the form of commitments | 0 | 0 | 0 | 0 | 0 | 0 |
| *Other Off-Balance sheet Exposures | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Off-Balance sheet Exposures | 0 | 0 | 0 | 0 | 0 | 0 |
| Total On and Off-Balance sheet Exposures | 88,928 | 0 | 0 | 0 | 0 | 88,928 |
| * Refer to Chapter 2 of Annex 3. | | | | | | |

Illustrative Disclosure on Credit Risk Mitigation (CRM) – 2019:

| App V: Illustrative Disclosure on Credit Risk Mitigation (CRM) - 2019 | | | | | | |
|--|-----------------------------|--|--|---|--|----------------------------|
| 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 |
| <i>Credit Risk</i> | 0 | 0 | 0 | 0 | 0 | 0 |
| <i>On-balance Sheet Exposures</i> | 0 | 0 | 0 | 0 | 0 | 0 |
| Governments and Central Banks | 0 | 0 | 0 | 0 | 0 | 0 |
| Authorised Persons and Banks | 81,654 | 0 | 0 | 0 | 0 | 81,654 |
| Corporates | 0 | 0 | 0 | 0 | 0 | 0 |
| Retail | 0 | 0 | 0 | 0 | 0 | 0 |
| Investments | 0 | 0 | 0 | 0 | 0 | 0 |
| Securitisation | 0 | 0 | 0 | 0 | 0 | 0 |
| Margin Financing | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Assets | 3,136 | 0 | 0 | 0 | 0 | 3,136 |
| Total On-Balance sheet Exposures | 84,790 | 0 | 0 | 0 | 0 | 84,790 |
| <i>Off-balance Sheet Exposures</i> | 0 | 0 | 0 | 0 | 0 | 0 |
| OTC/Credit Derivatives | 0 | 0 | 0 | 0 | 0 | 0 |
| Exposure in the form of repurchase agreements | 0 | 0 | 0 | 0 | 0 | 0 |
| Exposure in the form of securities lending | 0 | 0 | 0 | 0 | 0 | 0 |
| Exposure in the form of commitments | 0 | 0 | 0 | 0 | 0 | 0 |
| *Other Off-Balance sheet Exposures | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Off-Balance sheet Exposures | 0 | 0 | 0 | 0 | 0 | 0 |
| Total On and Off-Balance sheet Exposures | 84,790 | 0 | 0 | 0 | 0 | 84,790 |
| * Refer to Chapter 2 of Annex 3. | | | | | | |