

**Pillar III Disclosure Report as at
31st December 2021**

Issued March 2022

Table of contents

1. INTRODUCTION & SCOPE OF APPLICATION.....	3
1.1 Ownership Structure.....	3
2. CAPITAL STRUCTURE.....	3
Capital Base.....	3
3. CAPITAL ADEQUACY.....	4
3.1 Minimum Capital Requirement.....	4
3.2 Internal Capital Adequacy Assessment Process (ICAAP).....	4
3.3 Capital Charge Calculation	4
3.4 Capital Requirement & Total Capital Ratio	4
4. RISK MANAGEMENT	5
4.1 Risk Management Function.....	5
4.1.1. Credit Risk.....	6
4.1.2. Market Risk.....	6
4.1.3. Operational Risk	7
4.2 Credit Risk Disclosure	7
4.3 Credit Risk Exposure Mitigation	9
4.4 Counterparty Credit Risk (CCR) and Off-Balance Sheet Disclosure	10
4.5 Market Risk Disclosure.....	10
4.6 Operational Risk Disclosure	11
4.7 Liquidity Risk Disclosure.....	11
APPENDICES.....	12
APPENDIX I: DISCLOSURE ON CAPITAL BASE	13
APPENDIX II: DISCLOSURE ON CAPITAL ADEQUACY	14
APPENDIX III: DISCLOSURE ON CREDIT RISK'S WEIGHT.....	16
APPENDIX IV: DISCLOSURE ON CREDIT RISK'S RATED EXPOSURE	18
APPENDIX V: DISCLOSURE ON CREDIT RISK MITIGATION	20

1. INTRODUCTION & SCOPE OF APPLICATION

SICO Capital Company (“the Company”), formerly known as Muscat Capital Company, is a Saudi Closed Joint Stock Company, established and registered in Riyadh, Kingdom of Saudi Arabia under commercial registration No. 1010259328 on June 20, 2009. The principal activities of the Company are dealing as principal and agent, underwriting, managing, advisory and the provision of custody services as per the license of the Capital Market Authority (“CMA”) number 37-08096 dated 26 Muharram 1431H (corresponding to 12 January 2010).

The Pillar III disclosure report has been prepared in accordance with the Prudential Rules issued by the CMA in December 2012 and Pillar III disclosure guidelines. The purpose of this report is to inform market participants about SICO Capital’s capital structure, risk exposures, Risk Management process and capital adequacy.

1.1 Ownership Structure

On 14 March 2021, SICO BSC (c) (a bank registered in Bahrain) (“SICO”) acquired 72.71% of Muscat Capital Company’s equity from Bank Muscat SOAG after obtaining the necessary regulatory approvals. Following the issuance of revised commercial registration, the Company’s name had been changed from Muscat Capital Company to SICO Capital Company. As of December 31, 2021, SICO Capital is 72.7% owned by SICO Bank Bahrain and 27.3% owned by Bank Muscat (SAOG) Oman.

2. CAPITAL STRUCTURE

Capital Base

Breakdown of company’s capital base as of 31st December 2021 and 2020 is provided below. Capital base disclosure required by the Pillar III guidelines of CMA is provided in Appendix I.

CAPITAL BASE	2021 (SAR '000)	2020 (SAR '000)
<u>Tier-1 Capital</u>		
Credit Risk	24,062	10,839
Operational Risk	4,765	2,447
Market Risk	-	3,684
Total Capital Requirement	28,827	16,970
Total Capital Base	71,326	79,245
Capital Ratio	2.47	4.67

3. CAPITAL ADEQUACY

3.1 Minimum Capital Requirement

SC's capital base covers all material risks with the capital ratio of 2.47x as of 31st December 2021 against the CMA requirement of 1x. The company intends to maintain a ratio well above the minimum requirement to cater for future business growth.

3.2 Internal Capital Adequacy Assessment Process (ICAAP)

Capital adequacy assessment is conducted annually with regular reviewing and monitoring of the Capital Adequacy Ratio. The ICAAP process starts with projections for the next 3 years leading to projected capital requirement which is compared against the available capital to assess the need for any additional capital. Stress testing is a part of the Pillar II exercise incorporating the impact of stressed market conditions on the company's revenues and capital base and its impact on projected capital ratios. ICAAP provides an overview of the Risk Management framework, identification of material risks, capital planning, dividend policy and company's risk appetite. While Finance Department prepares the ICAAP Report, business and support functions actively participate by developing projections and other inputs for this exercise. The ICAAP is independently reviewed by Risk Management and approved by the Board of Directors.

3.3 Capital Charge Calculation

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

Market Risk: The Company calculates capital charge as per CMA rules using standardized approach, for more details please refer to section 4.5.

Operational Risk: Operational risk capital charge is calculated under basic indicator approach, for more details please refer to section 4.6.

3.4 Capital Requirement & Total Capital Ratio

For quantitative disclosure as required by Pillar III guidelines of CMA please refer to Appendix II. Capital requirement and capital ratio for the year ended 31st December 2021 and 2020 are provided below.

3. CAPITAL ADEQUACY (Continued)

3.1 Capital Requirement & Total Capital Ratio (Continued)

CAPITAL BASE	2021 (SAR '000)	2020 (SAR '000)
Tier-1 Capital		
Credit Risk	24,062	10,839
Operational Risk	4,765	2,447
Market Risk	-	3,684
Total Capital Requirement	28,827	16,970
Total Capital Base	71,326	79,245
Capital Ratio	2.47	4.67

4. RISK MANAGEMENT

4.1 Risk Management Function

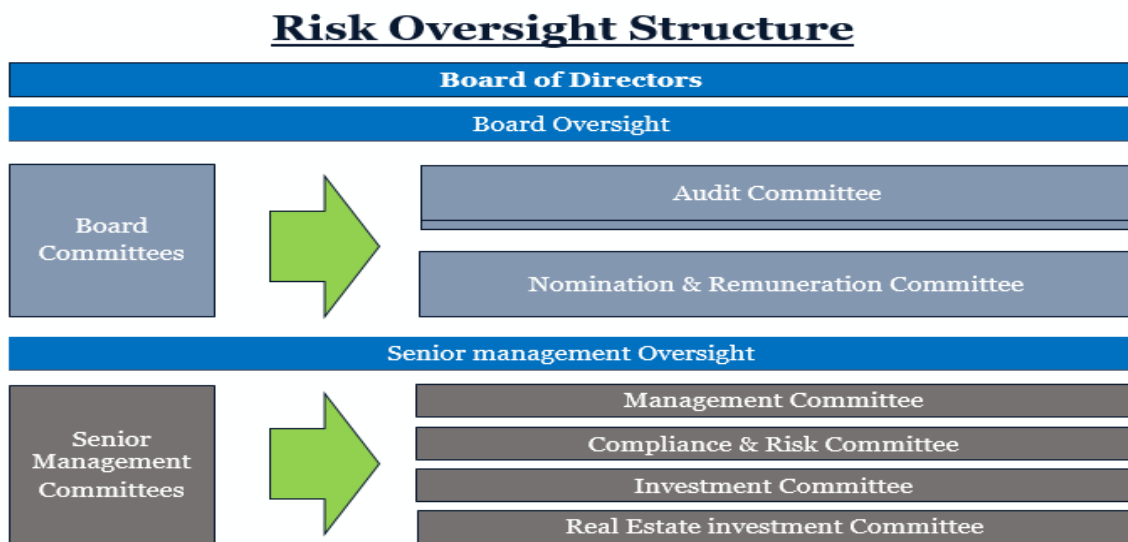
Risk Management is an independent function headed by CRO reporting to the Board audit committee and to the CEO with the responsibility to develop adequate risk policies & limits and promoting the risk culture across the company. Risk Management provides regular updates to Audit Committee and the Board of Directors. SICO Capital follows an enterprise Risk Management approach whereby risk controls are embedded within business lines and support functions independent of business such as Finance, Operations, Compliance and Risk. The company has implemented a robust corporate governance and oversight function through Board and management committees listed below, governed by board approved charters:

- Board Audit Committee (AC)
- Board Nomination and Remuneration Committee (NRC)
- Management committee (MC)
- Compliance & Risk committee (CRC)
- Investment Committee (IC)
- Real Estate investment Committee (REIC)

4. RISK MANAGEMENT (Continued)

4.1 Risk Management Function (Continued)

The Board of Directors is the highest-level approval body providing oversight through regular meetings governed by the Board charter. The Board has approved a “Risk Appetite Statement” that sets the boundaries within which the company should operate in order to execute its strategy, fulfil its vision and protect its reputation. It defines the amount and type of risks that the Board is willing to take in order to meet its strategic objectives. All strategic plans and business plans for functional areas must be consistent with the Risk Appetite Statement. The company’s risk oversight structure is summarized below:



Policies/guidelines for hedging:

The company has not undertaken any hedging activities related to credit, market or operational risk.

4.1.1. Credit Risk

This represents risk of loss resulting from fluctuations in the credit standing of placements counterparties, mutual funds, Margin Lending customers and any debtors to which SICO Capital is exposed. SC places funds with rated counterparties and invests in SICO managed mutual funds. With regard to Margin Lending SC adopts collateral standards set by the CMA for providing Margin Loans. Customers are allowed to invest only in company’s approved list of margin eligible stocks which is reviewed periodically. It has systems & controls and documentation management procedures to ensure that it manages the Margin Lending activity in a well-controlled manner. Credit Risk for Margin lending is mitigated by implementing strict requirements for Margin Coverage Ratio and margin call process in case of coverage ratios going below accepted thresholds.

4. RISK MANAGEMENT (Continued)

4.1 Risk Management Function (Continued)

4.1.2. Market Risk

This represents risk of loss resulting from fluctuations in the level and in the volatility of market prices of assets, liabilities and financial instruments that SICO Capital invested into. Market risk mainly arises from investment in local equities which are capped at 10% of capital and managed through various limits and parameters including stop loss limit, exit triggers. As a general practice, the company does not enter into trading positions in commodities & derivatives. Limits and all internal/external guidelines are strictly adhered to, deviations, if any, are immediately escalated and action taken wherever necessary. The company's current investments comprise of SICO Capital Money Market Fund, Riyadh Real Estate Fund and Local Bank Placements.

4.1.3. Operational Risk

Operational risk could rise from inadequate computer systems (technology risk), insufficient internal controls, incompetent management, fraud, human error and natural disasters. At a high level this risk can be defined as the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. SICO Capital has a robust and well tested system for all internal systems and processes. It has adopted automation in the area of brokerage settlement and clearing as well as the order management and back office systems related to brokerage. All staff are subject to rigorous recruitment and HR procedures in accordance with best practices established by the company. SICO Capital has disaster recovery and business continuity policy for seamless business continuity in case of any disruption or disaster.

4.2 Credit Risk Disclosure

Qualitative and quantitative disclosures regarding credit risk are provided below:

4. RISK MANAGEMENT (Continued)

4.2 Credit Risk Disclosure (Continued)

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.
Approaches adopted to determine impairments and specific provision	Not Applicable as of 31 st December 2021
Names of credit rating agencies	Moody's, S&P and Fitch ratings are used for the purpose of capital requirement calculations; there were no changes during the period.
Type of exposure classes for which CRA is used	Murabaha placements with local banks and investments in SICO managed funds.
Mapping between the credit rating from each CRA	Not applicable as the credit rating agency is one of those stated in the Prudential Regulations.
Quantitative disclosure: Total gross credit risk exposure	Detail of gross credit exposure, plus average gross exposure as at 31 st December 2021 by major types of credit exposure are provided in Appendix III.
Amount of impaired exposures and past due exposures provided separately	Not Applicable as of 31 st December 2021
Amount of impairments and specific provisions	Not Applicable as of 31 st December 2021
Changes for impairments and specific provisions during the period	Not Applicable as of 31 st December 2021
Geographic distribution of credit risk exposures	There are no credit exposures outside the KSA
Maturity breakdown of credit risk exposures	All credit exposures are of less than 6 months maturity
Reconciliation report for changes in impairment	Not Applicable as of 31 st December 2021
Exposure amounts before and after credit risk protection	For exposure amount before and after credit protection please refer to Appendix V.

4. RISK MANAGEMENT (Continued)

4.3 Credit Risk Exposure Mitigation

Qualitative and quantitative credit risk mitigation are provided below:

Discussion of policies for securing collateral	While offering margin lending facilities, the company secures collateral in the form of cash or internally categorized eligible stocks listed on Tadawul.
Off-balance sheet netting	Not applicable
Policies and process for collateral valuation	Shares held as collateral for margin trading are valued daily based on Tadawul closing prices and customers have to maintain required level of coverage ratio at all times. If the coverage ratio falls below that level, customers are notified through margin calls to replenish their account. The company has the right to partially or fully liquidate the portfolio if the customer fails to fulfil his obligation under the margin lending agreement. The list of stocks qualified for margin trading collateral is periodically reviewed using a set of criteria and customers are notified of the change accordingly.
Description of the most important types of collateral	Approved list of margin eligible stocks listed on Tadawul.
Important types of guarantor and credit derivative counterparties	Not applicable
Market or credit risk concentration within the credit risk mitigation	To control market risk concentration within the margin trading collateral, SICO Capital has put in place stock concentration limits and per customer limit to control credit risk concentration to a single customer.
Quantitative disclosure	For quantitative disclosure on credit risk exposure mitigation please refer to Appendix V.

4. RISK MANAGEMENT (Continued)

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

Qualitative and quantitative disclosures regarding Counterparty Credit Risk are provided below:

Counterparty Credit Risk	Not applicable as of 31 December 2021.
Quantitative Disclosure of CCR	Not applicable as of 31 December 2021.
Off Balance Sheet exposure	Not applicable as of 31 December 2021.

4.5 Market Risk Disclosure

Qualitative and quantitative Market Risk are provided below:

General Disclosure	SICO Capital's market risk mainly arises from investments for which appropriate risk policies and processes are in place as discussed in general disclosure for market risk in section 4.1.2.
Quantitative disclosure: Trading book business	Not Applicable as of 31 st December 2021.

4. RISK MANAGEMENT (Continued)

4.6 Operational Risk Disclosure

Qualitative and quantitative Operational Risk are provided below:

General Disclosure	For discussion on general disclosure related to operational risk information please refer to section 4.1.3.														
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> <ol style="list-style-type: none"> 1) Basic Indicator Approach: Under the Basic Indicator Approach, 15% capital charge is calculated on average operating Income of the last three audited financials. 2) Expenditure Based Approach: Under Expenditure Based Approach 25% capital charge is calculated on all overhead expenses except extraordinary expenses (such as write-offs) as per the most recent audited annual financial statements. 														
Quantitative disclosure: Summary of Operational risk capital requirement	<table border="1"> <thead> <tr> <th data-bbox="459 1039 1075 1144">Particulars</th> <th data-bbox="1075 1039 1243 1144">2021 (SAR '000)</th> <th data-bbox="1243 1039 1406 1144">2020 (SAR '000)</th> </tr> </thead> <tbody> <tr> <td data-bbox="459 1144 1075 1241">Basic Indicator Approach <i>(15% capital charge on average operating income of the last 3 years audited financials)</i></td> <td data-bbox="1075 1144 1243 1241">3,314</td> <td data-bbox="1243 1144 1406 1241">3,361</td> </tr> <tr> <td data-bbox="459 1241 1075 1310">Expenditure Based Approach <i>(25% capital charge on last year audited overhead expenses)</i></td> <td data-bbox="1075 1241 1243 1310">4,765</td> <td data-bbox="1243 1241 1406 1310">3,684</td> </tr> <tr> <td data-bbox="459 1310 1075 1379">Operational Risk charge <i>(max. of the above 2 approaches)</i></td> <td data-bbox="1075 1310 1243 1379">4,765</td> <td data-bbox="1243 1310 1406 1379">3,684</td> </tr> </tbody> </table>	Particulars	2021 (SAR '000)	2020 (SAR '000)	Basic Indicator Approach <i>(15% capital charge on average operating income of the last 3 years audited financials)</i>	3,314	3,361	Expenditure Based Approach <i>(25% capital charge on last year audited overhead expenses)</i>	4,765	3,684	Operational Risk charge <i>(max. of the above 2 approaches)</i>	4,765	3,684		
Particulars	2021 (SAR '000)	2020 (SAR '000)													
Basic Indicator Approach <i>(15% capital charge on average operating income of the last 3 years audited financials)</i>	3,314	3,361													
Expenditure Based Approach <i>(25% capital charge on last year audited overhead expenses)</i>	4,765	3,684													
Operational Risk charge <i>(max. of the above 2 approaches)</i>	4,765	3,684													

4.7 Liquidity Risk Disclosure

Liquidity risk is the risk to SICO Capital's financial condition arising from its inability to meet its obligations. The primary role of managing 'liquidity-risk' is to (1) proactively assess the need for funds to meet obligations and (2) ensure the availability of funds to fulfil those needs. Liquidity risk arises when the SC is unable to generate sufficient cash resources to meet obligations as they fall due or can do so only at materially disadvantageous terms. Such liquidity risk may arise even when the institution is solvent. Finance department keeps a close watch on the future liquidity needs versus operating cash inflows and maturing bank placements and investments in mutual funds. The company ensures availability of funds during normal and perceived "stressed" situations with a forward-looking perspective on liquidity risk management.

APPENDICES

Appendix 1: Disclosure on Capital Base

Disclosure on capital base as of 31st December 2021 and 2020 are provided below:

Capital Base	2021 (SAR '000)	2020 (SAR '000)
<u>Tier-1 capital</u>		
Paid-up capital	60,000	60,000
Audited retained earnings	23,455	18,022
Share premium		
Reserves (other than revaluation reserves)	2,982	2,378
Goodwill and intangible assets (-)	(112)	(1,155)
Dividend expense from retained earnings (-)	(15,000)	
Total Tier-1 capital	71,326	79,245
<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	71,326	79,245

CAPITAL BASE	2021 (SAR '000)	2020 (SAR '000)
<u>Tier-1 Capital</u>		
Credit Risk	24,062	10,839
Operational Risk*	4,765	2,447
Market Risk	-	3,684
Total Capital Requirement	28,827	16,970
Total Capital Base	71,326	79,245
Capital Ratio	2.47	4.67

* Based on the audited average operating income for the last 3 years (2021, 2020, 2019)

Appendix II: Disclosure on Capital Adequacy

Disclosure on capital adequacy as of 31st December 2021 is provided below:

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				
Authorised Persons and Banks	40,520	40,520	8,104	1,135
Authorised Persons and Banks Corporates	2,882	2,882	20,577	2,881
Retail				
Investments funds underlying	22,714	22,714	32,080	4,491
Investment funds Cash or gold	16,709	16,709	49,034	6,865
Margin Financing *	46,628	46,628	52,850	7,399
Other Assets	1,697	1,697	9,227	1,292
Total On-Balance sheet Exposures	131,150	131,150	171,872	24,062
<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			171,872	24,062
Prohibited Exposure Risk Requirement Other on-balance sheet exposures				
Total Credit Risk Exposures			171,872	24,062
<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				
Commodities risks.				
Total Market Risk Exposures				-
<u>Operational Risk</u> **				4,765
Minimum Capital Requirements				28,827
Surplus/(Deficit) in capital				42,499
Total Capital ratio (time)				2.47

* Collateral against margin financing has not been considered for calculation of risk weighted assets as per the CMA rules.

Appendix II: Disclosure on Capital Adequacy (Continued)

Disclosure on capital adequacy as of 31st December 2020 is provided below:

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				
Authorised Persons and Banks	64,677	64,677	12,935	1,811
Authorised Persons and Banks				
Corporates	1,412	1,412	10,082	1,411
Retail				
Investments funds underlying	15,295	15,295	-	-
Investment funds	4,325	4,325	12,072	1,690
Cash or gold				
Margin Financing *	25,064	25,064	37,596	5,263
Other Assets	2,376	2,376	4,739	663
Total On-Balance sheet Exposures	113,148	117,473	77,424	10,839
<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			77,424	10,839
Prohibited Exposure Risk Requirement			-	-
Other on-balance sheet exposures				
Total Credit Risk Exposures			77,424	10,839
<u>Market Risk</u>	Long Position	Short Position		
Interest rate risks				
Equity price risks				-
Risks related to investment funds				2,447.16
Securitisation/resecuritisation positions				
Excess exposure risks				
Settlement risks and counterparty risks				
Foreign exchange rate risks				
Commodities risks.				
Total Market Risk Exposures				2,447
<u>Operational Risk</u> **				3,684
Minimum Capital Requirements				16,971
Surplus/(Deficit) in capital				62,274
Total Capital ratio (time)				4.67

* Collateral against margin financing has not been considered for calculation of risk weighted assets as per the CMA rules.

Appendix III: Disclosure on Credit Risk's Risk Weight

Disclosure on credit risk's weight as of 31st December 2021 is provided below:

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	Securiti sation	Other assets	Off-balance sheet commitments	Total Exposure after netting and Credit Risk Mitigation	Total Risk Weighted Assets
0%													
20%			40,520	13,148				709				54,377	10,875
50%												-	-
100%								2,140				2,140	2,140
150%				33,480				20,595		-		54,075	81,112
200%												-	
300%						-		15,980		503		16,483	49,449
400%												-	
500%												-	
714% (include prohibited exposure)						2,882				1,081		3,963	28,295
Average Risk Weight			20%	113%	714%			206%		583%		327%	
Deduction from Capital Base												113	

Appendix III: Disclosure on Credit Risk's Risk Weight (Continued)

Disclosure on credit risk's weight as of 31st December 2020 is provided below:

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%										2		2.00	-	
20%			64,677									64,677.00	12,935	
50%														
100%														
150%				25,064				15,896		-		40,959.74	38,498	
200%														
300%								3,724		956		4,679.53	14,039	
400%														
500%														
714% (include prohibited exposure)					1,412					262		1,674.00	11,952	
Average Risk Weight			20%	150%	714%			178%		388%		290%	-	
Deduction from Capital Base												1,156		

Appendix IV: Disclosure on Credit Risk's Rated Exposure

Disclosure on credit risk's rated exposure as of 31st December 2021 is provided below:

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								-
Authorised Persons and Banks			40,520					2,882
Corporates				709		2,140		36,575
Retail								
Investments								46,628
Securitisation								1,697
Margin Financing								
Other Assets								
Total	-		40,520	709		2,140		87,782

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						
Authorised Persons and Banks		40,520				2,882
Corporates						
Retail						
Investments					2,140	37,284
Securitisation						
Margin Financing						46,628
Other Assets						1,697
Total		40,520			2,140	88,491

Appendix IV: Disclosure on Credit Risk's Rated Exposure (Continued)

Disclosure on credit risk's rated exposure as of 31st December 2020 is provided below:

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				64,677				-
Authorised Persons and Banks								1,412
Corporates								19,619
Retail								25,064
Investments								2,376
Securitisation								
Margin Financing								
Other Assets								
Total	-	-		64,677				48,471

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					64,677	
Authorised Persons and Banks						1,412
Corporates						19,619
Retail						25,064
Investments						2,376
Securitisation						
Margin Financing						
Other Assets						
Total					64,677	48,471

Appendix V: Disclosure on Credit Risk Mitigation (CRM)

Disclosure on credit risk mitigation as of 31st December 2021 is provided below:

Exposure Class	Exposur s before CRM	Exposur es covered by Guarantees/ Credit derivatives	Exposur es covered by Financial Collateral	Exposur es covered by Netting Agreement	Exposur es covered by other eligible collaterals	Exposur es after CRM
<u>Credit Risk</u>						
<i>On-balance Sheet Exposures</i>						
Governments and Central Banks	40,520					40,520
Authorised Persons and Banks						
Corporates	2,882					2,882
Retail						
Investments	39,423					39,423
Securitisation						
Margin Financing	46,628				46,628	46,628
Other Assets	1,697					1,697
Total On-Balance sheet Exposures	131,150					131,150
<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	131,150					131,150

* Refer to Chapter 2 of Annex 3.

Appendix V: Disclosure on Credit Risk Mitigation (CRM) (Continued)

Disclosure on credit risk mitigation as of 31st December 2020 is provided below:

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>						
<i>On-balance Sheet Exposures</i>						
Governments and Central Banks	64,677					64,677
Authorised Persons and Banks						
Corporates	1,412					1,412
Retail						
Investments	19,620					19,620
Securitisation						
Margin Financing	25,064		-		25,064	25,064
Other Assets	2,376					2,376
Total On-Balance sheet Exposures	113,148					113,148
<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	117,473					113,148

* Refer to Chapter 2 of Annex 3.