



Capital Adequacy Report

Year of 2019

Table of Contents

Description	Page No
Scope of Application	3
Capital Structure	3
Capital Adequacy Analysis and Computation	4
Risk Management and Compliance	5
Credit Risk	5
Market Risk	6
Operations Risk	7
Liquidity and Cash Management	7
Factors Impacting Risks and Capital	7
Conclusion	8
Appendix A – Comparative Balance Sheets and Income Statements	9
Appendix 1,11,111,1V and V	12

Scope of Application

Saudi Kuwaiti Finance House (the “SKFH”) is a Saudi Closed Joint Stock Company incorporated under Ministry of Commerce resolution number 71/K dated 7 Rabi Awal 1430H (corresponding to 4 March 2009). SKFH was initially registered in Al Khobar with commercial registration number 2051039562 dated 28 Rabi' I 1430H (corresponding to 25 March 2009). During 2011, SKFH changed its head office location to Riyadh and a new commercial registration was issued in Riyadh with number 1010312522 with the same date. The previous commercial registration has been cancelled.

SKFH’s principal activities according to the Capital Market Authority license numbered 08124 37 and dated 7 Dhul-Qadah 1429H (corresponding to 5 November 2008) are summarized as follows:

- 1.1. Dealing as principal and underwriting in financial securities;
- 1.2. Establishment and management of mutual funds and portfolios;
- 1.3. Arranging transactions in debt and equity securities; and
- 1.4. Providing advisory services; and custody services for financial securities.

SKFH is owned by Saudi and Kuwaiti shareholders. SKFH is a subsidiary of Kuwait Finance House, a company listed in Kuwait Stock Exchange, which represents as the main shareholder in SKFH.

Capital adequacy refers to whether SKFH has sufficient capital to meet certain risks that are usually associated with economy downturn and have conservable effect on financial assets, these risks comprise of credit, market and operations. SKFH is subject to these risks and accordingly has to monitor the capital adequacy on regular basis to ensure that the previously mentioned risks are adequately covered by sufficient capital base. In this report we analyze Saudi Kuwaiti Finance House (“SKFH”) capital adequacy based on audited financial statements for the year ended December 31, 2019 in comparison with year ended December 31, 2018.

The purpose of this analysis of capital adequacy is to determine whether SKFH have sufficient capital and liquidity to continue during economy downturn or a financial crisis. If either capital or liquidity drops below acceptable minimums during the test, it is a signal that the business models or risk-management practices should be changed.

SKFH has investments in the following subsidiaries

SKFH owned below subsidiaries (“Subsidiaries”) incorporated in the Kingdom of Saudi Arabia. The subsidiaries were formed for holding investments.

<i>Name of subsidiary</i>	<i>Country of incorporation</i>	<i>Percentage of ownership 31 December 2019</i>
Food Acquisition Company	Kingdom of Saudi Arabia	100%
Planning and Development Real Estate Company	Kingdom of Saudi Arabia	95%
Takamul Food Investment Company	Kingdom of Saudi Arabia	84%

SKFH also holds a number of investments in public funds (“Funds”) domiciled in the Kingdom of Saudi Arabia, which are managed by SKFH; As below. The Funds’ investment objective is to generate returns by investing in equity instruments listed on Tadawul. As at 31 December 2019:

Baitk Alwaed Saudi Equity Fund	Kingdom of Saudi Arabia	88.21%
Baitk Liquidity Fund	Kingdom of Saudi Arabia	49.47%

Capital Structure

The authorized share paid capital of SKFH is SR 500,000,000 divided into 50,000,000 shares of SR 10 par value, with each carrying one vote.

CMA has prescribed the framework and guidance regarding the minimum regulatory capital requirement and its calculation methodology as prescribed under Pillar I. In accordance with this methodology, SKFH calculate its minimum capital required and capital adequacy ratios as follows:

- Capital Base of SKFH comprise of:

- Tier-1 capital consists of paid-up share capital, retained earnings, share premium (if any), reserves excluding revaluation reserves.
- Tier-2 capital consists of subordinated loans, cumulative preference shares and revaluation reserves.
- The minimum capital requirements for market, credit and operational risk are calculated as per the requirements specified in part 3 of the Prudential Rules issued by the CMA.
- SKFH's business objectives when managing capital adequacy is to comply with the capital requirements set forth by the CMA to safeguard SKFH's ability to continue as a going concern, and to maintain a strong capital base.

SKFH investment portfolio as of December 31, 2019 comprises of held for trading investments in Saudi equity market, available for sale investment in REITs and Sukuk fund, investment in real estate fund, investment in Sukuk portfolio held to maturity, investment in Murabaha deposits and money market funds and investment in private equity represented by Takamul Food Investment Co. Total of SKFH investments portfolio is approximately SR 303.7 million and other assets amounts to SR 136.1 million which brings total assets to SR approximately SR 439.8 million.

Historically, SKFH was able to manage investments as to their different risks and liquidity in a proper manner and there were no instances that SKFH faced issues that result in major risks and losses in relation to large exposure to market, credit, operations or any other risks. Please refer to appendix A for comparative balance sheets and income statements for the years 2018 and 2019.

Capital Adequacy Analysis and Computation

SKFH's business objectives when managing capital adequacy is to comply with the capital requirements set forth by the CMA to safeguard SKFH's ability to continue as a going concern, and to maintain a strong capital base of its capital to support current and future activities through the following measure:

- The process and strategy for assessing its overall capital adequacy and risk profile.
- Maintenance of minimum capital levels and the ability to hold capital in excess of the minimum.
- Review of Internal Capital Adequacy Assessment Process (ICAAP).
- Monitoring and ensuring compliance to CMA regulations with appropriate actions being taken when required
- The ability to intervene at an early stage to prevent capital from falling below the minimum levels.

Our analysis of capital adequacy is summarized as follows:

1. Calculation of capital base based on tier one and tier two of capital.
2. Developing and calculating risks related to market, credit and operations. Other risks may be considered based on the circumstances.
3. Calculation of minimum capital required to meet the calculated risks.
4. Calculating of capital adequacy ratio and resulting surplus.
5. Drawing results and making recommendations to mitigate impact of risks.
6. The above process should be based upon predefined and set policies, procedures with regular review and monitoring.

In the following table, we illustrate the capital adequacy calculation for the years 2019 and 2018 based on the information and explanations shown above:

Description	31-Dec-19 SR ('000')	31-Dec-18 SR ('000')	Change	Change %
Capital base:				
Tier-1 capital	390,291	386,560	3,731	0.97%
Tier-2 capital	0	0	0	-
Total	390,291	386,560	3,731	0.97%
Minimum Capital:				
Credit risks	155,645	150,101	5,544	3.69%
Market risks	11,693	7,222	4,471	61.91%
Operations risks	7,098	7,053	45	0.64%
Total	174,436	164,376	10,060	6.12%
Capital adequacy ratio	2.24	2.35	-0.11	-4.86%
surplus	215,855	222,184	-6,329	-2.85%

Risk Management and Compliance

SKFH's objective in managing risk is the creation and protection of shareholder value. Risk is inherent in SKFH's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to SKFH's continuing profitability.

SKFH's Board of Directors has overall responsibility for the establishment and oversight of SKFH's risk management framework. These risk management policies are established to identify and analyze the risks faced by SKFH, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and SKFH's activities. SKFH, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations. SKFH's activities expose it to a variety of financial risks that include:

- Credit risk;
- Market risk;
- Operations risk;

Compliance function is an independent function whose main objectives are: to ensure that SKFH comply with the requirements of authorized person regulations; to assist the Board of Director, management, employees and the registered persons to comply with any requirement issued by CMA to appear to explain any matter or to assist in any enquiry relating to the administration of the Capital Market Law and its implementing regulations; and to assist in the efficient management of consequent risks.

In practice, these objectives are reached by:

- Identifying, evaluating, controlling and monitoring the compliance risks (as defined here below) affecting SKFH;
- Organizing the compliance-related controls by structuring, coordinating and/or delegating them;
- Reporting to and advising the Executive Management and/or the Board of Directors
- Submitting recommendations and corrective actions when appropriate;
- Acting as advisor in compliance matters to Executive Management.

Compliance is a key element of Corporate Governance, which is about encouraging SKFH fairness and integrity, improving transparency and increasing responsibility.

With respect to capital adequacy management, SKFH implements the following policies and procedures in order to manage capital and their adequacy:

- Calculate the capital adequacy ratio on monthly basis in accordance with applicable regulations and guidelines;
- Capital should be of high quality and loss absorbing. Quality of capital is determined through the application of the common and best practice criteria for common equity, and additional tier 1 and tier 2 capital, with emphasis on retained earnings as the highest quality of capital.
- Capital should adequately protect against unexpected losses. Quantity of capital should rest above regulatory minimums and sufficiently reflect SKFH's risk appetite and risk profile capturing all material risks and taking into account forward-looking factors such as the strategic plans.
- Report the capital adequacy ratio along with detailed computations to regulators;
- Maintain minimum capital adequacy and monitor this minimum level on regular basis;
- Identify the impact of investment decisions over risks, liquidity and capital adequacy;
- Manage assets, liabilities and monitor future cash flows;
- Set a level of leverage ratio for SKFH and owned subsidiaries;
- Monitor large exposures and asset concentration on regular basis; and
- Follow up newly released rules and regulations that affect the capital adequacy calculation.

Based on above policies and procedures SKFH appropriately manages and controls capital and their adequacy.

Credit Risk

Credit risk is the risk of suffering financial loss, should any of SKFH's customers, clients or market counterparties fail to fulfil their contractual obligations to SKFH. Credit risk arises mainly from bank balances, murabaha placements, trade receivables, amounts due from related parties and financial assets at amortized cost (Sukuk).

Credit risk is the single largest risk for SKFH's business; therefore, the management carefully manages its exposure to credit risk. The credit risk management and control are centralized in Risk management team, which reports regularly to the Board of Directors and head of each business unit.

SKFH has the following types of financial instruments that are subject to expected credit loss:

- Cash and cash equivalents
- Trade and other receivables - receivable from corporate clients and due from related parties
- Financial assets at amortized cost (Sukuk)

SKFH applies the IFRS 9 simplified approach for measuring ECL for trade receivables, which uses a lifetime, expected loss allowance.

Credit risks are calculated as follows:

Description	2019 SR ('000')	2018 SR ('000')	Difference
Total risk weighted assets (see details below)	1,111,748	1,072,152	39,596
Credit risk calculation as 14% of risk weighted assets	155,645	150,101	5,543
Capital requirement	155,645	150,101	5,543

Risk weighted assets used for credit risk calculation are summarized as follows:

Description of exposure	2019 SR ('000')	2018 SR ('000')	Difference
Governments and central banks - bills/notes/bonds	18,266	0	18,266
Authorized persons and banks - deposits/receivable/bonds	64,857	37,093	27,764
Corporates - receivables and bonds	605,750	544,781	60,969
Investment funds	128,110	185,995	-57,885
High risk investment	282,033	278,358	3,675
Other exposures	12,732	25,925	-13,193
Total	1,111,748	1,072,152	39,596

Market Risk

Market risks in general comprise of equity, investment funds, bonds, commodities, foreign exchange rate, underwriting, excess exposures and settlement. The only applicable risks to SKFH for the years 2019 and 2018 are equity price risk and foreign exchange rate that is associated with Company's investments denominated in USD.

Equity price risk is the risk related to holding equity in a particular investment. Equity price risk often refers to equity in companies through the purchase of stock. The measure of risk used in the equity markets is typically the standard deviation of a security's price fluctuations over a number of periods.

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. SKFH is subject to fluctuations in foreign exchange rates in the normal course of its business. SKFH did not undertake significant transactions in currencies other than Saudi Riyals and US Dollars during the year. As the Saudi Riyal is pegged to the US Dollar, balances in US Dollars are not considered to represent significant currency risk.

SKFH monitors market risks related to equity price and currency risks on regular basis. The market prices of held for trading and available for sale securities are reviewed on daily basis and proper research reports are performed to identify over/under valued securities. Macroeconomic research reports are also performed on regular basis to assess systemic risks and their potential impact on the respective portfolios in the proprietary book investments.

The calculation of this risk is summarized as follows:

Description	2019 SR ('000')	2018 SR ('000')	Difference
Total assets denominated in foreign currency (USD)	142,305	133,995	8,310
Foreign exchange rate risk	2,846	2,680	166
Equity long position	52,378	26,064	26,314
Equity price risk	8,847	4,542	4,305
Capital requirement	11,693	7,222	4,471

Operations Risk

For operational risks, the required capital is calculated as 25% of the authorized person's overhead expenses for the previous year. The calculation is summarized as follows:

Description	2019 SR ('000')	2018 SR ('000')	Difference
Total overhead expenses for previous year	28,393	28,211	182
Operations risk calculation as 25% of overhead expenses	7,098	7,053	45
Capital requirement	7,098	7,053	45

Liquidity and Cash Management

Liquidity risk is the risk that SKFH will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value. SKFH's manages its liquidity risk by monitoring investing activities and cash flows on regular basis.

There are no funding requirements for other investments or a pressure to liquidate any existing investment during a short period and therefore no liquidity risk is associated thereto.

Factors Influencing Risks and Capital

Fall in TASI

If we assume certain percentage decline in TASI and apply the same effect on SKFH portfolio to identify the impact on financial position and capital, we believe that this downturn is fully covered by risk calculation and capital adequacy. However, several economic research reports expect TASI to continue the same trend during 2019.

Devaluation in Saudi Real Estate Market

If we assume certain percentage devaluation in Saudi real estate market and apply the same effect on SKFH real estate investment and capital, we believe that this downturn is fully covered by risk calculation and capital adequacy. The impact of new regulations issued by Saudi government and the expected supply from Ministry of Housing may have negative impact on real estate values although there is no clear consensus on this matter.

Fall in Asset under Management NAV

If we assume a certain percentage decline in asset under management NAV that is different from the previously mentioned forecasted downturn in TASI and Saudi real estate, and apply the same effect on financial position and capital, we believe that this decline is fully covered by risk calculation and capital adequacy. The reason for the previously mentioned inconsistency is that we assume the fund manager will exercise skills and experience in asset selection and allocation to mitigate effect of the any downturn effect in overall economy.

Default on Sukuk Portfolio

If we assume a certain default percentage on the total of the Sukuk portfolio and apply the same effect on financial positions and capital, we believe that this default is fully covered by risk calculation and capital adequacy. However, it is remote that this risk takes place taken into account the nature of Sukuk issues but we would like to apply more conservative analysis for capital adequacy.

Increase in LIBOR – Impact on Sukuk Values

If we assume certain devaluation in Sukuk value due to expected increase in LIBOR taking into consideration that these Sukuk are classified in SKFH's financial statements as held to maturity investment and any devaluation may not have immediate impact on the carrying value of the investment unless SKFH is forced to sell part of these Sukuk to exploit available opportunity or for any other reason, therefore and to take into account all foreseeable risks we assumed this devaluation in the Sukuk portfolio, however we believe that this decline is fully covered by risk calculation and capital adequacy.

Murabaha Deposits and Operations

Commission rate risk is the risk that the value of financial instruments will fluctuate due to changes in the market commission rates. SKFH is subject to commission rate risk on its commission bearing assets including Murabaha investments, investments in syndicated Murabaha operations and investment in real estate fund. SKFH manages its exposure to commission rate risk by continuously monitoring movement in commission rate. As shown in the audited financial statements for the previous years, SKFH had significant amounts invested in Murabaha deposits and syndicated Murabaha operations. We assume that the downturn economy effect on market will expectedly result in a decrease in profit rate on these Murabaha deposits. We do not see the Murabaha deposits to suffer from any credit risk since the capital is guaranteed and that SKFH deals with only reputable banks in the region. Additionally, these deposits are liquid and are classified in the balance sheet under cash and cash equivalents.

Conclusion

Based on the results of the analysis, the capital adequacy ratio is 2.24 for 2019 compared to 2.35 for 2018 hence SKFH has proper management of credit, market and operational risks, and the level of these risks appears to be acceptable. In addition, SKFH appeared to be liquid and have sufficient capital to continue their operations during macroeconomic downturn.



Appendix A

Comparative Balance Sheets and Income Statements for 2019, 2018.



Saudi Kuwaiti Finance House and its Subsidiaries
(A Saudi Closed Joint Stock Company)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

⊕

	Notes	31 December 2019 SR	31 December 2018 SR
ASSETS			
Property and equipment	7	1,242,645	1,633,612
Intangible assets	8	2,153,267	3,195,889
Right-of-use asset	27	1,701,985	-
Investments in associates	9	76,395,490	75,147,054
Financial assets at fair value through profit or loss (FVTPL)	10	87,314,137	105,133,928
Financial assets at amortized cost	11	140,021,136	107,577,579
Trade and other receivables	13	12,251,940	10,113,529
Bank balances	14	118,763,306	127,646,412
TOTAL ASSETS		439,843,906	430,448,003
LIABILITIES			
Employee defined benefit liabilities	15	3,301,368	3,550,082
Zakat payable	16	14,244,528	14,078,704
Trade and other payables	17	14,235,837	7,126,443
Lease liability	27	1,182,865	-
TOTAL LIABILITIES		32,964,598	24,755,229
EQUITY			
EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE COMPANY			
Share capital	18	500,000,000	500,000,000
Statutory reserve		2,505,272	2,505,272
Actuarial valuation reserve		1,219,471	1,085,818
Accumulated losses		(109,577,917)	(117,030,766)
TOTAL SHAREHOLDERS' EQUITY		394,146,826	386,560,324
Non-controlling interest		12,732,482	19,132,450
TOTAL EQUITY		406,879,308	405,692,774
TOTAL LIABILITIES AND EQUITY		439,843,906	430,448,003

□



Saudi Kuwaiti Finance House and its Subsidiaries
(A Saudi Closed Joint Stock Company)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2019

	Notes	2019 SR	2018 SR
REVENUE			
Income from corporate finance activities		2,550,000	5,145,000
Dividend income		3,399,082	3,655,960
Income from asset management activities		6,160,897	1,290,207
Commission income		9,329,170	7,718,713
Share in net results of associates	9	5,778,642	5,701,393
Net gains (losses) on financial assets FVTPL	10	3,703,944	(263,104)
TOTAL REVENUE		30,921,735	23,248,169
EXPENSES			
Operating expenses	19	(10,515,895)	(12,282,946)
General and administrative expenses	20	(14,697,110)	(13,528,934)
TOTAL EXPENSES		(25,213,005)	(25,811,880)
OPERATING INCOME (LOSS)		5,708,730	(2,563,711)
Other income, net		1,680,472	119,272
INCOME (LOSS) BEFORE ZAKAT		7,389,202	(2,444,439)
Zakat expense	16	(3,179,858)	(2,917,564)
INCOME (LOSS) FOR THE YEAR		4,209,344	(5,362,003)
Other comprehensive income (loss)			
<i>Items that will not be reclassified to profit or loss in subsequent periods</i>			
Re-measurements: actuarial gains (losses) on employee defined benefit liabilities	15	133,653	(141,101)
Total other comprehensive income (loss)		133,653	(141,101)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR		4,342,997	(5,503,104)
Attributable to:			
Equity holders of the Company		4,295,837	(5,250,590)
Non-controlling interest		47,160	(252,514)
		4,342,997	(5,503,104)

Appendixes 1, 11, 111, 1V and V

Illustrative Disclosures on Pillar 3 Capital Base and Risks

App 1: Illustrative Disclosure on Capital Base

Capital Base	SAR '000
<u>Tier-1 capital</u>	
Paid-up capital	500,000
Audited retained earnings	-109,578
Share premium	
Reserves (other than revaluation reserves)	3,725
Verified interim profit/(loss)	
Tier-1 capital contribution	
Deductions from Tier-1 capital	-3,855
Total Tier-1 capital	390,292
<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	390,292


App II: Illustrative 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
<u>Credit Risk</u>				
<i>On-balance Sheet Exposures</i>				
Governments and central banks	20,085	20,085	18,266	2,557
Administrative bodies and NPO	-	-	-	-
APs and banks	152,941	152,941	64,857	9,080
Margin financing	-	-	-	-
Corporates	93,068	93,068	605,750	84,805
High risk investments	70,508	70,508	282,033	39,485
Securitisation and resecuritisation	-	-	-	-
Investment funds	42,763	42,763	128,110	17,935
Listed shares	-	-	-	-
Others exposures	4,244	4,244	12,732	1,783
Total On-Balance sheet Exposures	383,611	383,611	1,111,748	155,645
<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	383,611	383,611	1,111,748	155,645
Prohibited Exposure Risk Requirement				
Total Credit Risk Exposures				
<u>Market Risk</u>				
	Long Position	Short Position		
Equity Risk	23,342			4,202
Fund Risk	29,036			4,646
Interest Rate Risk	-			-
Commodities Risk	-			-
FX Risk	142,305			2,846
Underwriting Risk	-			-
Excess Exposure Risk	-			-
Settlement Risk	-			-
Total Market Risk Exposures	194,683			11,693
<u>Operational Risk</u>				7,098
Minimum Capital Requirements				174,436
Capital base				390,292
Surplus/(Deficit) in capital				215,855
Total Capital ratio (time)				2.24

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

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	APs and banks	Margin financing	Corporates	High risk investments	Securitisation and resecritisation	Investment funds	Listed shares	Others exposures			
0%												-	-
20%			121,715									121,715	24,343
50%	3,639											3,639	1,819
100%	16,446		12,650		9,570							38,666	38,666
150%			18,576					120				18,696	28,044
200%												-	-
300%								42,643		4,244		46,887	140,661
400%							70,508					70,508	282,033
500%												-	-
714% (include prohibited exposure)					83,499							83,499	596,180
Average Risk Weight	-	-	-	-	-	-	-	-	-	-	-	-	-
Deduction from Capital Base	-	-	-	-	-	-	-	-	-	-	-	-	-
												383,611	1,111,746

App IV: Illustrative 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	-	-	-	3,629	16,259	-	-	-
Authorised Persons and Banks	-	-	-	7,436	-	-	-	5,723
Corporates	-	-	-	9,390	-	-	-	76,998
High risk investments	-	-	-	-	-	-	-	70,508
Investment funds	-	-	-	-	-	-	-	40,824
Securitisation	-	-	-	-	-	-	-	-
Margin Financing	-	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-	-	4,244
Total	-	-	-	20,455	16,259	-	-	198,297

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	-	-	-	9.73	186.98	-
Authorised Persons and Banks	120,623.73	1,090.63	64.17	5,151.16	-	12,852.84
Corporates	-	-	-	180.18	-	6,500.69
Retail	-	-	-	-	-	-
Investments	-	-	-	-	-	1,939.87
Securitisation	-	-	-	-	-	-
Margin Financing	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-
Total	120,624	1,091	64	5,341	187	21,293

App V: Illustrative 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
<i>Credit Risk</i>						
<i>On-balance Sheet Exposures</i>						
Governments and central banks	20,085	-	-	-	-	18,266
Administrative bodies and NPO	-	-	-	-	-	-
APs and banks	152,941	-	-	-	-	64,857
Margin financing	-	-	-	-	-	-
Corporates	93,068	-	-	-	-	605,750
High risk investments	70,508	-	-	-	-	282,033
Securitisation and resecuritisation	-	-	-	-	-	-
Investment funds	42,763	-	-	-	-	128,110
Listed shares	-	-	-	-	-	-
Others exposures	4,244	-	-	-	-	12,732
Total On-Balance sheet Exposures	383,611	-	-	-	-	1,111,747
<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	383,611	-	-	-	-	1,111,747