VENTURE CAPITAL BANK B.S.C. (c) (“the Bank”)

Basel III - Pillar 3 Disclosures
31 December 2020

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PURPOSE ONLY

1 Introduction

Venture Capital Bank B.S.C. (c) (“the Bank”) was incorporated in the Kingdom of Bahrain on 26 September 2005 as a closed shareholding company under commercial registration (CR) number 58222 issued by the Ministry of Industry, Commerce and Tourism ("MOICT"). The Bank is licensed as a wholesale Islamic bank by the Central Bank of Bahrain (“CBB”) and is subject to the regulations and supervision of the CBB. The Bank's registered office is Building 247, Road 1704, Block 31, Diplomatic Area, Manama, Kingdom of Bahrain.

The principal activities of the Bank comprise venture capital, real estate and private equity investment transactions and related investment advisory services. The Bank conducts all its activities in compliance with Islamic Shari’ah under the guidance and supervision of the Bank’s Shari’ah Supervisory Board, and in compliance with applicable laws and regulations.

These disclosures have been prepared in accordance with the Central Bank of Bahrain’s (CBB) requirements outlined in the Public Disclosure Module (“PD”), Chapter 1.3 of the CBB Rule Book, Volume II for Islamic Banks. These disclosures follow the requirements of Basel III and the Islamic Financial Services Board’s (IFSB) recommended disclosures for Islamic banks, and should be read in conjunction with the disclosures made in the Bank’s interim condensed consolidated financial statements for the period ended 31 December 2020.

These disclosures, also referred to as "Pillar 3" disclosures are designed to promote market discipline and transparency by providing information on a firm's risk exposures and risk management processes. The Bank makes these disclosures on a comprehensive basis comprising qualitative and quantitative information annually and on a restricted basis at the half year reporting stage.

The Bank has adopted the Standardised Approach for Credit Risk and Market Risk and follows the Basic Indicator Approach for Operational Risk to determine its capital requirements.

As at 31 December 2020, the Bank’s total risk weighted assets amounted to US$ 1.06 million; Common Equity, Tier 1 Capital and total regulatory capital amounted to US$ 9.9 million, US$ 9.9 million and US$ 13.6 million respectively. Accordingly, Common Equity Ratio, Tier 1 Capital Adequacy Ratio and total Capital Adequacy Ratio was 0.94%, 0.94% and 1.28% respectively, which is in breach of the minimum requirement of 9%, 10% and 12.5% respectively as prescribed under CA-2.2.1 of Volume 2 of the CBB rule book.

2 Capital Structure

2.1 Capital Base
The authorized share capital of the Bank is US$ 500 million, comprising 500 million common shares of US$ 1 each. The Bank’s current paid up capital is US$ 190 million held by 174 shareholders from countries in the Gulf Cooperation Council ("GCC").

2.2 Group structure:
The Bank has the following operational subsidiaries, together ("the Group") which are fully consolidated in its consolidated financial statements.

Subsidiary	*Country*	*Capital*	*Percentage interest*
Gulf Projects Company W.L.L	Kingdom of Bahrain	BHD 1,000,000	100%
The Lounge Serviced Offices Co. W.L.L	Kingdom of Bahrain	BHD 20,000	100%
GMCB Co. W.L.L*	Kingdom of Bahrain	BHD 20,000	50.59%
Venture Foods S.P.C*	Kingdom of Bahrain	BHD 1,000	50.77%

* These equity investments are not consolidated on a line-by-line basis, rather designated as held for sale investments in accordance to FAS 23 with a carrying value of US$ 10,101 thousand as at 31 December 2020.

2 Capital Structure (continued)

2.3 Review of financial performance:

The Bank's performance in the past three to four years has been negatively impacted by significant impairment provisions and fair value losses totalling US$ 5.9 million in December 2020, US$ 75.3 million in June 2020, US$ 51 million in June 2019, US$ 7.4 million in June 2018 and US$ 39.4 million in June 2017 that were recorded based on investment valuations and impairment assessments. In line with the Bank's consistent policy, these assessments take into consideration all relevant factors including the geopolitical and economic circumstances in the region and the challenging investment climate in Turkey. Notwithstanding, the Board and management have put in place a clear plan to tackle the challenges with a concerted effort to revive and achieve exits of its legacy assets combined with value addition from new yielding deals and costs reductions to enable the Bank to return to profitability.

	December 2020	*June 2020*	*June 2019*	*June 2018*	*June 2017*	*June 2016*
Net (loss) / profit (US$ m)	(10.45)	(81.12)	(58.18)	(5.82)	(49.69)	5.68
ROC (return on paid up capital)	-5.5%	-42.7%	-30.6%	-3.1%	-26.2%	3.0%
Head count	30	32	39	45	51	50
Total investments / total assets	81%	76%	61%	62%	69%	61%
Leverage (total liabilities / total equity)	1127.0%	509.4%	129.1%	81.4%	76.0%	61.0%
Accumulated losses / paid up capital	-97%	-92%	-49%	-16%	-13%	13%

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2 Capital Structure (continued)

Capital Adequacy

2.4 The Bank's capital adequacy management program ensures that the Bank not only complies with regulatory capital requirements, but also continues to maintain a strong capital base to support its business.

2.5 The Bank utilises a risk adjusted measure of capital adequacy (i.e. Capital Adequacy Ratio or "CAR") based on the regulatory regime implemented by the CBB that is consistent with the Basel III guidelines issued by the Basel Committee on Banking Supervision's International Convergence of Capital Measurement and Capital Standards.

2.6 Effective January 2015, the CBB has required all Bahrain banking institutions to implement the Basel III guidelines for the maintenance of minimum level of capital calculated for three major components of risk exposures i.e. credit risk (including investment risks), operational risk and market risk, plus minimum leverage and liquidity coverage ratios.

2.7 The Bank uses the Standardised Approach to quantify its credit and market risk weighted exposures and the Basic Indicator Approach for operational risk.

a. Credit risk weighted exposures may be calculated in three different methods of varying degrees of sophistication, namely the Standardized Approach, Foundation Internal Rating Based Approach and Advanced Internal Rating Based Approach. The Bank has adopted the Standardized Approach for credit risk measurement, which uses fixed risk weights for different categories of credit risk.

b. Market risk weighted exposures may be quantified using the Standardized Approach, which uses fixed capital charges for specific categories of market risk, or the Internal Models Approach subject to prior approval by CBB. The Bank uses the Standardized Approach for market risk measurement.

c. For operational risk, there are three different approaches - Basic Indicator Approach, Standardized Approach, and Advanced Measurement Approach. The Bank uses the Basic Indicator Approach, which uses the average of the gross income for the past three years as a basis for the calculation of capital charge for operational risk.

2.8 In determining CAR, the Bank calculates its risk adjusted assets, which are then expressed as a factor of regulatory eligible capital rather than the equity capital appearing in the Bank's statement of financial position. Regulatory capital is composed of three elements:

a. Common Equity Tier 1 Capital which is the nominal value of paid in capital, audited retained earnings and accumulated reserves arising from the appropriation of current and past years' income and/or retained earnings less treasury stock, minority interests and negative fair value reserves. Local regulations also require that certain investments or exposures should be deducted from Tier 1 capital.

b. Additional Tier 1 Capital, which consists of the qualifying portion of minority interests in consolidated entities given recognition.

c. Tier 2 Capital, which consists of the qualifying portion of subordinated loans (nil in VCB's case) and general loss provisions. Under the CBB regulations, the aggregate amount of Tier 2 capital eligible for inclusion in the CAR is limited to no more than 100% of Tier 1 Capital.

2.9 As the Bank has no operating branches outside the Kingdom of Bahrain, it is subject only to the capital requirements of the CBB, which currently requires all financial institutions in Bahrain to maintain a 12.5% minimum CAR.

2.10 The Bank's capital adequacy position is reviewed and stress tested regularly for various scenarios given the nature of the Bank's investments in alternative assets. Prudential Returns on the Bank's capital adequacy are filed quarterly with the CBB and reviewed by the external auditors.

2.11 During the period ended 31 December 2020, the Bank's capital adequacy position went below the minimum requirement of the CBB. Accordingly, the Bank provided the CBB with an action plan to bring the CAR back above the minimum. In addition daily CAR monitoring process has been put in place.

2.12 As a further step in mitigating risks, the Bank follows a policy of diversification in its activities and seeks to minimize the risk exposure to particular geographical regions, counterparties, instruments and types of business.

2 Capital Structure (continued)

2.13 Capital Adequacy (continued)

The quantitative details of the Bank's regulatory capital are depicted in the following tables:

Table 1: Regulatory Eligible Capital as at 31 December 2020

CAPITAL COMPONENTS - CONSOLIDATED			USD '000
	CET 1	***AT1***	***T2***
Tier 1 Capital			
Common Equity Tier 1 (CET1)			
Issued and fully paid ordinary shares	190,000		
Legal / statutory reserves	5,859		
Accumulated losses	(174,651)		
Current interim cumulative net income / losses	(10,452)		
Unrealized gains and losses on available for sale financial instruments			
All other reserves	-		
Total CET1 capital prior to regulatory adjustments	**10,756**		
Less:			
Significant investments in the common stock of financial entities (amount above 10% ofCET1c)	768		
Total Common Equity Tier 1 capital after the regulatory adjustments	**9,988**		
Other Capital (AT1 & T 2)			
Expected Credit Losses (ECL) Stages 1 & 2		-	3,617
Total Available AT1 & T2 Capital		**-**	**3,617**
Net Available Capital	**9,988**	**-**	**3,617**
Total Tier 1		**9,988**	
Total Available Capital			**13,605**

Reconciliation with reviewed interim condensed consolidated financial statements:	
Shareholder's equity per reviewed interim condensed consolidated financial satements	**10,756**
Add: Collective impairment provisions	3,617
Less: Significant investments in the common stock of financial entities (amount above 10% ofCET1c)	(768)
Total available capital for regulatory purposes	**13,605**

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2 Capital Structure (continued)

2.13 Capital Adequacy (continued)

Table 2: Details of exposures and capital requirement

Details of exposures and capital requirement			USD '000
Credit risk:	*Gross exposures*	*Risk weighted exposures*	*Capital charge*
Total Claims on Banks	851	265	33
Other Corporates Including Category 3 Investment Firms - (net of CRM)	4,882	4,882	610
Equity Investments			
Investments in listed equities in banking book	35	35	4
Investments in unlisted equities in banking book	13,253	19,879	2,485
Significant investment in the common shares of financial entities >10%	428	1,070	134
Significant investment in the common shares of Commercial Entities above 15%, 60%	5,476	43,808	5,476
Other exposures with excess of large exposure limits (Module CM)	114,824	918,594	114,824
Premises occupied by the bank	4,433	4,433	554
Holding of Real Estate - Others	12,612	25,224	3,153
Investment in unlisted real estate companies	4,781	19,125	2,391
Other exposures	7,872	7,872	984
Total credit risk exposure under standardized approach	**169,447**	**1,045,186**	**130,648**
Market risk:			
Trading equities position	35	69	9
Foreign exchange position	8,740	8,740	1,093
Total market risk under standardized approach	**8,775**	**8,809**	**1,101**
Operational risk under Basic Indicator Approach (ref. below)		**8,095**	**1,012**
Total		**1,062,090**	**132,761**
Total eligible capital - (Tier 1 + Tier 2)		**13,605**	
Total eligible capital - Tier 1		**9,988**	
Common Equity Tier 1		**9,988**	
Total Capital Adequacy Ratio (Tier 1 + Tier 2)		**1.28%**	
Tier 1 Capital Adequacy Ratio		**0.94%**	
Common Equity Tier 1 Ratio		**0.94%**	

Capital requirement for Operational Risk (Basic Indicator Approach)

			USD '000
	2020	***2019***	***2018***
Gross income for prior three years	(27,188)	(26,126)	4,317
Average of past 3 years gross income (excl. loss years)	4,317		
Capital requirement for Operational Risk (15%)	648		
Risk weighted exposure for Operational Risk	**8,095**		

Total losses on investments:	***Period ended 31 Dec 2020***	***Year ended 30 Jun 2020***
	USD '000	USD '000
Unrealised fair value gains / (losses) recognized in the statement of income	9,727	(31,865)
Unrealised fair value gains / (losses) recognized in equity during the year	167	(96)
Realised (losses) / gains arising from sales during the year	(21)	781

2 Capital Structure (continued)

2.13 Capital Adequacy (continued)

The maximum and minimum values of each category of market risk exposure each quarter during the period are detailed in the table below:

Table 3 – Details of market risk weighted exposures

USD '000

Particulars	*31-Dec-20*	*30-Sep-20*	*30-Jun-20*	*31-Dec-19*	*31-Dec-19*	*30-Sep-19*	*30-Jun-19*	*31-Mar-19*	*Maximum*	*Minimum*
Market risk exposures										
Listed equities held for trading	35	174	1,178	3,218	3,218	4,177	4,090	4,165	4,177	35
Foreign currency exposure*	8,740	8,843	10,365	12,923	12,923	18,028	18,124	18,175	18,175	8,740
Market risk charge										
Listed equities held for trading	6	28	188	515	515	668	654	666	668	6
Foreign currency exposure	699	707	829	1,034	1,034	1,442	1,450	1,454	1,454	699
Total market risk charge	705	735	1,018	1,549	1,549	2,111	2,104	2,120	2,120	705
Market risk weighted exposure										
Listed equities held for trading	69	347	2,356	6,437	6,437	8,354	8,181	8,330	8,354	69
Foreign currency exposure	8,740	8,843	10,365	12,923	12,923	18,028	18,124	18,175	18,175	8,740
Total market risk weighted exposure	**8,809**	**9,190**	**12,721**	**19,360**	**19,360**	**26,382**	**26,305**	**26,505**	**26,505**	**8,809**

Table 4 – Details of credit risk weight on Islamic financing contracts at 31 December 2020, which is representative of the average exposure during the period:

USD '000

Asset Categories for Credit Risk	*Credit Exposure*	*Credit Risk Weighted Assets*	*Capital charge*
Commodity murabaha to projects	436	873	109
Profit free funding to projects	3,611	3,611	451
Total Islamic Financing Contracts	**4,047**	**4,484**	**561**

3 Risk Management

Risk Governance Structure

3.1 As an Islamic investment bank dealing predominantly in alternative assets, the Bank is exposed to various risks in the normal course of its business. These risks include:

a. Credit and counterparty credit risk
b. Market risk
c. Operational risk
d. Equity risk in the Banking Book (Investment Risk)
e. Liquidity risk
f. Profit margin rate risk in the Banking Book
g. Displaced Commercial Risk (DCR)

3.2 An understanding of and transparency in risk-taking are key elements in the Bank's business strategy. The Bank maintains a prudent and disciplined approach towards risk taking, and embeds a structured risk management process as an integral part of its decision making practice. This risk management process, which is applicable to the various risks the Bank is exposed to, is divided into three key components comprising the following:

a. Risk Identification and Measurement
    i. Procedures for the identification and quantification of risks
    ii. The use of quantitative models and qualitative approaches to assess and manage risks
b. Risk Control
    i. Clearly defined risk exposure limits
    ii. Criteria for risk acceptance based on risk and return as well as other factors
    iii. Portfolio diversification and, where possible, other risk mitigation techniques
    iv. Robust operating policies and procedures
    v. Appropriate Board Committee's authorization and approval for investment transactions
c. Risk Monitoring and Reporting
    i. Ongoing review of exposures and risks by Risk Management Department, including stress testing and frequent reporting to the Board
    ii. Periodic internal audits of the Bank's control environment

3.3 The Bank's Board of Directors through its Risk Committee (a subcommittee of the Board of Directors) has the responsibility for ensuring the establishment and effective implementation of an integrated risk management framework for the Bank. Further, the Risk Management Department which reports to the Board Risk Committee is empowered to independently identify and assess risks that may arise from the Bank's investing and operating activities; and recommend to the Executive Management Committee any prevention and mitigation measures as it deems fit. In addition, the Internal Audit Department, which is independent of both operations and the Bank's investments units, also assists in the risk management process. In particular, the Internal Audit Department is charged with a periodic review of the effectiveness of the Bank's policies and internal controls, including those relating to the risk management process.

3 Risk Management (continued)

3.4 The Internal Audit Department adopts a risk-based audit approach whereby the nature, timing and extent of the audits are determined with regard to the risk relevant to each business or support unit of the Bank. A risk assessment is carried out annually to determine the major risks faced by each business or support unit and accordingly, an annual audit plan is prepared by the Internal Audit Department and approved by the Board’s Audit Committee. The annual plan envisages the coverage, amongst others, of the Risk Management and Compliance Departments.

Detailed operational risk assessments and tests of effectiveness of internal controls designed to mitigate risks (covering each of the risk components as mentioned above) are carried out in accordance with the annual audit plan. A follow up audit to ascertain the status of implementation of observations previously made by internal or external audit is also part of the annual audit plan.

The key findings arising from the work performed by Internal Audit is reported to the Board Audit Committee and senior management of the Bank.

Credit and Counterparty Credit Risk Management (PD 1.3.22 + 1.3.26)

3.5 Credit risk is defined as the potential that a borrower or counterparty will fail to meet its obligations in accordance with agreed terms.

3.6 The Bank is not involved in the granting of credit facilities in the normal course of its business activities. Further, the Bank is not engaged in retail business and therefore does not use credit “scoring” models.

3.7 The credit risk exposures faced by the Bank are principally in respect of its own short term placements with other financial institutions and in respect of investment related funding made to projects. The investment related funding exposures arise in the ordinary course of its investment banking activities. All such exposures are however reviewed periodically for recoverability in line with FAS 30 and are subject to provisioning where necessary having regard to the nature of the exposure and the assessment of collection.

3.8 The Bank uses the Standardized Approach for measuring its credit risk. As it does not use an internal credit "scoring" system, the Bank depends, where available, on ratings from External Credit Assessment Institutions recognized by the CBB for its bank counterparty exposures. As at 31 December 2020 bank balances totalling US$ 105 thousand were rated as "ECAI 4 (BB+ to B-)" based on ratings issued by Moody’s - resulting in a risk weight of 100%.

3.9 All lines of counterparty credit limits are subject to annual reaffirmation by the Board of Directors. The limits are also reviewed frequently to ensure consistency with the Bank's investment strategies and to take into account the latest market developments. Given the nature of the Bank’s business, the Bank uses nominal balance sheet amounts including accrued interest and other receivables as its measure of exposure. Overall, the Bank's management considers that its policies and procedures constitute a reasonable approach to managing the credit risk in the activities it is engaged in.

3 Risk Management (continued)

Securitisation

3.10 The Bank does not generally undertake or participate in securitization activities in relation to credit synthesis, acting as a sponsor, liquidity facility provider, credit enhancement facility provider, swap provider nor have any of its assets securitized and therefore has no recourse obligations under such transactions as defined by the Financial Stability Task Force.
However, the Bank has structured and arranged certain "Liquidity Programs" which has raised funds through the issuance of Shari'ah compliant one year liquidity instruments with early redemption options of 30 days, 90 days and 180 days with attractive yields. These are backed by the rental yields of the VC Bank Building, a prime commercial property in the Diplomatic Area of the Kingdom of Bahrain, and of the Jebel Ali Labour Housing Complex in Jebel Ali, United Arab Emirates.

Off-Balance Sheet Items

3.11 The Bank's off-balance sheet items comprise:

a. Contingent exposure of US$ 30.86 million (30 June 2020: US$ 30.86 million) associated with the issuance of guarantees for investment related funding made by financial institutions to the Bank's investment projects. Since these may expire without being drawn upon, the total contract amounts do not necessarily represent future cash requirements;

b. Commitments to finance and invest of US$ 14.97 million (30 June 2020: US$ 14.97 million; and

c. Restricted investment accounts of US$ 1.21 million (30 June 2020: US$ 1.12 million) (refer to statement of changes in off-balance equity of investment account holders to the financial statements).

Concentration Risk

3.12 Concentration of risks arises when a number of obligors, counterparties or investees are engaged in similar business activities or activities in the same geographic region or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Accordingly, such concentrations indicate the relative sensitivity of the Bank's performance to developments affecting a particular industry or region.

3.13 The Bank has established limits based on geographic regions and industry sectors. The Bank's Large Exposure Policy details the Bank's exposure limits and is in compliance with the concentration limits laid down by the CBB.

3 Risk Management (continued)

3.14 The quantitative details of the Bank's credit risk exposures are depicted in the following tables, which are representative of the position during the period and, accordingly, of the average exposures:

a. *Table 5: Distribution of the Bank's exposures by geographic sector as at 31 December 2020*

Distribution of Bank's exposures by geographic sector

USD '000

Geographic sector	*GCC countries*	*Other MENA countries*	*Europe*	*Cayman / Americas*	*Total*
Assets					
Balances and placements with banks	849	-	-	-	849
Investments	47,592	37,581	7,970	-	93,143
Investment in associates and joint venture accounted under the equity method	13,914	-	-	-	13,914
Murabaha financing to investee companies	-	-	87	-	87
Wakala contract receivable	6,670	-	-	-	6,670
Receivables	532	1,352	-	136	2,020
Funding to project companies	2,599	-	-	-	2,599
Other assets	4,539	59	3	52	4,653
Right-of-use asset	3,251	-	-	-	3,251
Property and equipment	4,785	-	-	-	4,785
Total assets	**84,731**	**38,992**	**8,060**	**188**	**131,971**
Off statement of financial position items					
Equity of investment account holders	1,214	-	-	-	1,214
Commitments and contingencies	14,263	30,714	859	-	45,836
	100,208	**69,706**	**8,919**	**188**	**179,021**

Note: Allocation of the Bank's exposures is based on the asset's country of risk.

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3 Risk Management (continued)

3.14 The quantitative details of the Bank's credit risk exposures are depicted in the following tables, which are representative of the position during the period and, accordingly, of the average exposures: (continued)

b. Table 6: Distribution of the Bank's exposures by Industry Sector as at 31 December 2020

Distribution of Bank's exposures by industry sector

USD '000

Industry sector	*Trading & manurancturing*	*Banks & financial Inst.*	*Real estate related*	*Health Care*	*Technology*	*Others*	*Total*
Assets							
Balances and placements with banks	-	849	-	-	-	-	849
Investments	117	2,501	36,104	2,300	198	51,923	93,143
Investment in associates and joint ventures accounted under the equity method	-	-	13,691	-	-	223	13,914
Murabaha financing to an investee companies	-	-	87	-	-	-	87
Wakala contract receivable	-	6,670	-	-	-	-	6,670
Receivables	-	-	135	-	-	1,885	2,020
Funding to project companies	-	-	2,336	95	-	168	2,599
Other assets	1	4,128	213	-	1	310	4,653
Right-of-use asset	-	-	-	-	-	3,251	3,251
Property and equipment	-	-	4,433	-	-	352	4,785
Total Assets	**118**	**14,148**	**56,999**	**2,395**	**199**	**58,112**	**131,971**
Off statement of financial position items							
Equity of investment account holders	-	931	-	-	-	283	1,214
Commitments and contingencies	26,137	10,000	279	975	-	8,445	45,836
	26,255	**25,079**	**57,278**	**3,370**	**199**	**66,840**	**179,021**

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3 Risk Management (continued)

3.14 The quantitative details of the Bank's credit risk exposures are depicted in the following tables, which are representative of the position during the period and, accordingly, of the average exposures: (continued)

c. *Table 7: Exposures by maturity as at 31 December 2020*

Distribution of Bank's exposures by maturity

USD '000

Maturity-wise exposures	*Up to 3 months*	*3 to 6 months*	*6 months to 1 year*	*Total up to 1 year*	*1 to 3 years*	*No fixed maturity*	*Total*
Assets							
Balances and placements with banks	849	-	-	849	-	-	849
Investments	35	-	2,540	2,575	36,016	54,552	93,143
Investment in associates and joint ventures	-	-	-	-	-	13,914	13,914
Murabaha financing to an investee companies	-	-	87	87	-	-	87
Wakala contract receivable	6,670	-	-	6,670	-	-	6,670
Receivables	-	591	81	672	1,348	-	2,020
Funding to project companies	-	-	168	168	2,325	106	2,599
Other assets	-	-	1,170	1,170	3,483	-	4,653
Right-of-use asset	-	-	-	-	3,251	-	3,251
Property and equipment	-	-	-	-	-	4,785	4,785
Total assets	**7,554**	**591**	**4,046**	**12,191**	**46,423**	**73,357**	**131,971**
Off statement of financial position items							
Equity of investment account holders	247	-	-	247	965	2	1,214
Commitments and contingencies	-	-	395	395	35,441	10,000	45,836
	7,801	**591**	**4,441**	**12,833**	**82,829**	**83,359**	**179,021**

Note: There are no dues which are expected to be of longer duration than 5 years.

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3 Risk Management (continued)

3.14 The quantitative details of the Bank's credit risk exposures are depicted in the following tables, which are representative of the position during the period and, accordingly, of the average exposures:

d. *Related party transactions:*

In the ordinary course of its business the Bank enters into transactions with related parties which are at an arm's length and approved by management. The following table gives an analysis of related party transactions and balances:

Table 8: RELATED PARTY TRANSACTIONS as at 31 December 2020

RELATED PARTY TRANSACTIONS

USD '000

	Associates and joint venture	**Board members/ key management personnel/ Shari'a board members/ external auditors**	**Significant shareholders / entities in which directors are interested**	**Total**
Assets				
Investments	10,101	-	1,366	11,467
Investments in associates and joint venture	13,914	-	-	13,914
Other assets	-	-	378	378
Liabilities				
Employee accruals	-	581	-	581
Other liabilities	11,957	-	126	12,083
Income				
Share of loss of associates and a joint venture	(16)	-	-	(16)
Other expenses	200	-	-	200
Commitments and contingencies	27,391	-	-	27,391

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3 Risk Management (continued)

Market Risk Management

3.15 Market risk is defined as the risk of losses in the Bank's on and off Balance sheet positions arising from movements in market prices. These risks include:

a. Those pertaining to profit-rate related instruments and equities in the trading book.
b. Foreign exchange and commodities risk throughout the Bank.

3.16 The Bank's market risk exposures arise predominantly from its trading portfolio of listed equities and a small portfolio of foreign currency denominated assets that are not pegged to the United States Dollar. The Bank's market risk is currently not a major source of risk since the Bank's business strategy does not envisage taking on significant exposure to listed equities or foreign denominated assets. The Bank measures its market risk exposure using the Standardised Approach.

Operational Risk Management

3.17 Operational risk is defined as the risk of direct and indirect losses resulting from inadequate or failed processes, people and systems or from external events. This definition includes legal risk but excludes strategic and reputational risks. Operational risk differs from other banking risks in that it is not directly taken in return for an expected reward but exists in the natural course of Banking activity, which in turn affects the risk management process.

3.18 The Bank is exposed to operational risk due to the complex nature of its alternative investment products and the intricacy of the documentary, legal and other regulatory requirements that surround such investment transactions. Operational risk emanates from all areas of the Bank.

3.19 The Bank uses the Basic Indicator Approach for measuring its operational risk. Currently, the Bank conducts its business from a single location. Accordingly, the number of client relationships and volume of transactions at the Bank are lower than at institutions having multi-location or retail operations.

3.20 Notwithstanding this, the Bank's operations are conducted according to well-defined processes and procedures. These processes and procedures include a broad system of internal controls, including segregation of duties and other internal checks, which are designed to prevent either inadvertent staff errors or malfeasance prior to the release of a transaction. The Bank also engages in subsequent monitoring of accounting records, daily reconciliation of cash, bank and securities accounts and other checks to enable it to detect, on a timely basis, any erroneous or improper transactions which may have occurred.

3.21 The Bank is currently enhancing its operational risk management framework that will

a. help track operational loss events and potential exposures as well as report these on a regular basis.

b. improve the Bank's loss mitigation process and hence, the overall operational risk management framework.

In addition, the Bank is reviewing and updating its Business Continuity Plan to mitigate the risk of loss from business disruption due to unexpected events.

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3 Risk Management (continued)

Legal Risks

3.22 Legal risk includes the risk of non-compliance with applicable laws or regulations, the illegality or unenforceability of counterparty obligations under contracts and additional unintended exposure or liability resulting from the failure to structure transactions or contracts properly.

3.23 The Bank's legal risks are mitigated through legal counsel review of transactions and documentation, as appropriate. Where possible, the Bank uses standard formats for transaction documentation. To prevent potential association with any money laundering activities, the Bank has designed and implemented a comprehensive set of policies and procedures. Adherence to the Bank's policies and procedures is reinforced through staff training as well as internal and external reviews.

Shariah compliance

3.24 The Shariah Supervisory Board (SSB) is entrusted with the duty of directing, reviewing and supervising the activities of the Bank in order to ensure that they are in compliance with the rules and principles of Islamic Shariah. The Bank also has a dedicated internal Shariah reviewer who performs an on-going review of the compliance with the fatwas and rulings of the SSB on products and processes and also reviews compliance with the requirements of the Shariah standards prescribed by AAOIFI. The SSB reviews and approves all products and services before launching and offering to the customers and also conducts periodic reviews of the transactions of the Bank. An annual audit report is issued by the SSB confirming the Bank's compliance with Shariah rules and principles.

Equity Risk in the Banking Book (Investment Risk)

3.25 The Bank invests predominantly in three major segments of alternative assets, namely venture capital, private equity and real estate with the main objective to generate consistent superior returns with reasonable risks from high quality, rigorously investigated, efficiently structured and well managed investments. The intent of such investments is a later sale at a profit to strategic investors either through a private placement offering or trade sale.

3.26 The Bank uses the Standardised Approach for measuring its investment risks, which is considered a part of its Banking Book. The Bank manages its investment risks at the specific investment level through an in-depth pre-entry due diligence process based on an established set of guidelines, criteria and parameters, as well as active on-going consulting-based monitoring by investment teams. The Bank also seeks to diversify its investments, not only geographically and sectorally, but across various revenue stages of investments as well.

3.27 Notwithstanding this, the Risk Management Department independently reviews and provides inputs on areas of risk in potential investments at an early stage of the due diligence process. Working in close co-operation with the respective investment teams, these independent risk reviews support the investment decision making process through both a qualitative assessment and quantitative analysis.

3 Risk Management (continued)

Unrealized Fair Value Gains (losses)

3.28 The Bank's investments which are designated at fair value through profit or loss are re-valued at every half calendar year, and the gains / (losses) recognized in the statement of income are in accordance with the relevant International Financial Reporting Standards. The valuations are performed by the Bank's investment divisions using appropriate internal valuation models with relevant market inputs and assumptions. These valuations are then independently reviewed by the Risk Management Department and the external auditors, and presented to the Board's Finance and Investment Committee for approval.

Table 9: Unrealized Fair Value (Loss) / Gain

USD '000

Particulars	***6 months ended December 2020***	***12 months ended June 2020***	***12 months ended June 2019***	***12 months ended June 2018***	***12 months ended June 2017***	***12 months ended June 2016***	***12 months ended June 2015***
Private Equity investments - fair value (losses) / gains	9,747	(31,892)	(35,615)	(5,275)	(33,857)	(18,382)	2,000
Listed equity investments - fair value (losses) / gains	(20)	27	546	(631)	(456)	(459)	(327)
Total unrealized fair value (loss) / gain	**9,727**	**(31,865)**	**(35,069)**	**(5,906)**	**(34,313)**	**(18,841)**	**1,673**

Liquidity Risk Management

3.29 Liquidity risk is defined as the risk that the Bank may have insufficient funds to meet its obligations as and when they fall due i.e. risk of being unable to satisfy claims without impairment of its financial capital due to mismatches in the timing of cash flows.

3.30 The Bank has obtained an Islamic financing payables comprising short term bank borrowings of US$ 13.24 million and a medium term loan of US$ 77.84 million as at 31 December 2020. The Bank has also extended certain guarantees and commitments in support of its investment projects as disclosed in the notes to the consolidated financial statements.

3.31 The medium term loan represents Wakala financing at an annual profit rate of 6% with bullet repayment in January 2020. This facility is currently payable on demand. However, management is in advanced stages of restructuring and settling its USD 77,842 thousand (including profit expense accrued) of Wakala financing principal amount with its creditor and expects the settlement agreement to be signed on 30 June 2021. The Bank expects to settle this obligation in exchange for ownership in various investment assets of equivalent value currently held by the Bank on its balance sheet as of 31 December 2020. A letter of intent was signed on 21 June 2020 agreeing to the settlement terms in principle between the creditor and the Bank

3 Risk Management (continued)

3.32 The Bank's liquidity ratio (cash and cash equivalents plus marketable securities to total liabilities) stood at 15% as at 31 December 2020:

Table 10: Liquidity Ratio as at 31 December 2020

	USD '000
Cash at bank	849
Placements at bank	0
Marketable trading securities	35
Short term liquidity certificates	12,090
Total liquid assets	**12,974**
Total liabilities	**121,215**
Of which, due in up to 1 year	108,847
Non current, due after 1 year or more	12,368
Liquid assets / total liabilities	**11%**
Liquid assets / current liabilities (due within 1 year)	**12%**

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3 Risk Management (continued)

Profit Margin Rate Risk Management in the Banking Book:

3.33 As a financial intermediary, the Bank may encounter profit margin risks that arise from timing differences in the maturity and repricing of the Bank's assets and liabilities. While such repricing mismatches are fundamental to the business of banking, these can expose a bank's income and underlying economic value to unanticipated fluctuations as profit margins vary. The factors that affect profit margin rates are principally market and economic factors including inflation and growth rates. Profit margin rate risk however, is not a major source of risk for the Bank due to the absence of significant rate sensitive assets and liabilites, as indicated below. Nevertheless, the Bank monitors its exposure to rate sensitive assets and liabilities proactively and in this regard has implemented a Liquidity Management Policy which covers the following:

a) The practical steps and procedures for day to day management of liquidity.
b) Preparing periodic liquidity projections and forecasts and the review thereof.
c) Liquidity stress testing.
d) The reporting of liquidity status and projections, including stressed projections.
e) The liquidity contingency plan for identifying and dealing with unforeseen disruptive liquidity events professionally and effectively.

3.34 *Table 11: Profit Margin Sensitivity Analysis in the Bank's Banking Book*

	USD'000				
Position at 31 December 2020 Reprising period	***Rate sensitive assets***	***Rate sensitive liabilities***	***Gap***	***Cumulative Gap***	***Impact of 200 bp change***
> 1 day to 3 months	6,670	91,083	(84,413)	(84,413)	(1,688)
> 3 months to 6 months	-	-	-	(84,413)	-
> 6 months to 12 months	436	-	436	(83,977)	9
> 1 year to 5 years	12,090	-	12,090	(71,887)	242
Total	19,196	91,083			
As % of total balance sheet	15%	69%			

3.35 The impact on net income for a benchmark change of 200 basis points in profit rates is as follows:

a. Net profit margin income for the reprising period of 1 day to 3 months would potentially decrease by US$ 1,688 thousand if the profit margin rate increases by 200 basis points.

b. Net profit margin income for the reprising periods of 6 months to 12 months would potentially increase by US$ 9 thousand if the profit margin rate increases by 200 basis points.

c. Net profit margin income for the reprising periods of 1 year to 5 years would potentially increase by US$ 242 thousand if the profit margin rate increases by 200 basis points.

3 Risk Management (continued)

Equity of Investment Account Holders and Displaced Commercial Risk (DCR)

3.36 The Bank's exposure to Displaced Commercial Risk is limited to its Equity of Investment Account Holders which comprises the following:

> The GCC Pre IPO Fund, which was set up in 2006 to invest in the shares of unlisted GCC companies in the pre-IPO stage. The total size of the fund is currently approximately US$ 1.2 million. The Bank manages the fund as a Mudarib, in exchange for a fee of 20% of returns over a 10% simple return. The investments in the GCC Pre IPO Fund are exposed to the general equity market risks prevalent in the GCC countries and in the real estate sectors.

> Historical returns on Equity of Investment Account Holders is shown below:

Table 12: Five Years Historical Return Data on Equity of Investment Account Holders

USD '000

	12 months ended Jun 2020	*12 months ended Jun 2020*	*12 months ended Jun 2019*	*12 months ended Jun 2018*	*12 months ended Jun 2017*	*12 months ended Jun 2016*
GCC Pre IPO Fund						
Net (loss) / profit	-	-	-	(438)	(808)	4
Total assets	1,118	1,887	1,887	2,106	2,744	3,756
Total equity	1,118	1,887	1,887	2,106	2,744	3,756
Return on assets (ROA)	0%	0%	0%	-21%	-29%	0%
Return on equity (ROE)	0%	0%	0%	-21%	-29%	0%

3.37 The Bank is aware of the importance of its fiduciary responsibilities in the management of the Equity of Investment account holders. Transactions with Investment Account Holders are entered into only on the basis of signed subscription and underlying investment agreements, and internal procedures are in place for the proper management and handling of these responsibilities. (Refer to statement of changes in off-balance equity of investment account holders to the financial statements).

4 Impairment Provisions:

The Group has early adopted FAS 30, effective from 1 July 2018 which has a mandatory date of initial application of 1 January 2020. The requirements of FAS 30 represent a significant change from FAS 11 "Provisions and Reserves".

As permitted by FAS 30, the standard has been applied retrospectively and the comparative amounts have not been restated. The impact of the early adoption of FAS 30 has been recognised in accumulated losses in the consolidated statement of changes in equity. The standard eliminates the use of the existing FAS 11 incurred loss impairment model approach.

The key changes to the Group's accounting policies resulting from its adoption of FAS 30 are summarized below:

a) Financial contracts

Financial contracts consist of balances and placements with banks, Murabaha financing to investee companies, Wakala contract receivable, receivables, funding to project companies, certain other assets and contengencies and commitments. Balances relating to these contracts are stated net of allowance for credit losses.

b) Impairment assessment (policy applicable from 1 July 2018)

Impairment of financial assets

FAS 30 replaces the 'incurred loss' model in FAS 11 with Expected Credit Loss (ECL) model. The new impairment model also applies to certain financing commitments and financial guarantee contracts but not to equity investments.

The Group applies three-stage approach to measure ECL on financial assets carried at amortised cost. Assets migrate through the following three stages based on the change in credit quality since initial recognition:

Stage 1: twelve months ECL

For exposures where there has not been a Significant Increase in Credit Risk ("SICR"), since initial recognition, a portion of the lifetime ECL's that represent the ECL that result from default events on a financial contract that is possible within 12 months after the reporting date (or a shorter period if the expected life of the financial instrument is less than 12 months) of the lifetime ECL associated with the probability of default events occurring within next twelve months after the reporting date is recognised.

Stage 2: lifetime ECL – not credit impaired

For credit exposures where there has been a SICR since initial recognition but that are not credit impaired, a lifetime ECL is recognised. Lifetime ECL is the loss that results from all possible default events over the expected life of the financial contract.

Lifetime ECL (Stage 2) is a probability-weighted estimate of credit losses and is determined based on the difference between the present value of all cash shortfalls. The cash shortfall is the difference between all contractual cash flows that are due to the Group and the present value of the recoverable amount, for financial assets that are not credit-impaired at the reporting date.

4 Impairment Provisions: (continued)

Impairment of financial assets (continued)

Stage 3: Lifetime ECL – credit impaired

Financial contracts are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred.

For Stage 3 financial contracts, the provisions for credit-impairment are determined based on the difference between the net carrying amount and the recoverable amount of the financial contract. As this uses the same criteria as under FAS 11, the Group methodology for specific allowance for credit losses remains largely unchanged.

In case where there is no collaterals or guarantees which the Group can recover its exposure, the past due rules as per Group's policy or local requirements, whichever is more strict, are applied for allowance for credit losses calculation.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- probability that the borrower will enter bankruptcy or other financial reorganization; or
- the restructuring of a facility by the Group on terms that the Group would not consider otherwise.

Measurement of ECL

The Group has developed an ECL Policy and measurement approach that appropriately reflects its credit exposures keeping in mind the nature of its exposures which are primarily to its own investees.

Given that the Group is not in the business of extending loans and financing, the Group's ECL provisioning approach is based on a detailed evaluation of all its individual exposures together with a provisioning matrix reflecting the expected credit losses for non-impaired exposures using the practical expedient under FAS30.

The parameters in the loss ratios matrix are generally derived from internally developed models and other historical data and range from 0.25% for balances with banks of good standing to 15% for fundings to investees which are assessed to fall under stage 2 .

Definition of default

The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as liquidating collateral; or the borrower is past due more than 90 days on any material credit obligation to the Group. In assessing whether a borrower is in default, the Group considers both qualitative factors such as breaches of covenants and quantitative factors such as overdue status and non-payment on other obligations of the same or closely connected counterparty to the Group.

Probability of default ("PD")

Types of PDs used for ECL computaion

- 12-month PDs – This is the estimated probability of default occurring within the next 12 months (or over the remaining life of the financial instrument if that is less than 12 months). This is used to calculate 12-month ECLs.

- Lifetime PDs – This is the estimated probability of a default occurring over the remaining life of the financial instrument. This is used to calculate lifetime ECLs for ‘stage 2’.

4 Impairment Provisions: (continued)

Definition of default (continued)

Incorporation of forward - looking information

Incorporating forward-looking information increases the level of judgment as to how changes in these macroeconomic factors will affect the ECL applicable to the stage 1 and stage 2 exposures which are considered as performing (Stage 3 are the exposures under default category and subject to specific impairment provision). As per the policy the methodologies and assumptions involved, including any forecasts of future economic conditions, and the resultant ECL provision matrix are required to be reviewed periodically.

Loss Given Default ("LGD")

LGD is a parentage that determine the amount of loss that will arise if the borrower was to default. This is calculated by looking at the collateral and other resources available to the Group that can be used to recover the asset in case of default.

Exposure At Default ("EAD")

EAD represents estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and profit, and expected drawdowns on committed facilities.

On-balance sheet EADs

EADs for on-balance sheet items are the amount that is outstanding at the time of default. Outstanding of an on-balance sheet exposure shall be directly taken subject to inclusion of its repayment structure.

Prepayments have to be estimated using previous trends and deducted from EAD while calculating ECL.

Off-balance sheet EADs

Off-balance sheet exposures do not have fixed payout date; thus, the EAD for off-balance sheet is calculated after applying the Credit Conversion Factor (CCF) to the nominal amount of the off-balance sheet exposure. In absence of internal data, the Group uses Basel CCF's for Capital Adequacy Ratio (CAR) purposues as per the CBB regulations. These rates are 20% for exposures with maturity equal to or less than 1 year and 50% for exposures with maturity of more than 1 year.

Collective ECL computation and staging

To assess the staging of exposures and to measure a loss allowance on a collective basis, the Group groups its exposures into segments on the basis of shared credit risk characteristics, such as geography, type of customer, industry, rating, date of initial recognition, maturity and collateral value.

Significant increase in credit risk

When determining whether the risk of default on a financial contracts has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost and efforts. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and expert credit assessment including forward-looking information.

The assessment is carried out for specific instrument rather than a counterparty. As each instrument may have had different credit risk at initial recognition.

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and stage classification. The amounts presented are gross of credit losses allowances.

4 Impairment Provisions: (continued)

Significant increase in credit risk (continued)

	31 December 2020 (Reviewed)			
	Stage 1 USD '000	***Stage 2 USD '000***	***Stage 3 USD '000***	***Total USD '000***
Exposures subject to ECL				
Balances and placement with banks	851	-	158	1,009
Murabaha financing to investee companies	-	436	914	1,350
Wakala contract receivable	-	-	13,341	13,341
Receivables	591	140	9,740	10,471
Funding to project companies	-	3,443	1,099	4,542
Other assets*	131	5,705	9,122	14,958
	1,573	**9,724**	**34,374**	**45,671**
Guarantees and commitments	4,147	29,473	-	33,620
	5,720	**39,197**	**34,374**	**79,291**

	1 July 2020 (Audited)			
	Stage 1 USD '000	*Stage 2 USD '000*	*Stage 3 USD '000*	*Total USD '000*
Exposures subject to ECL				
Balances and placement with banks	506	-	158	664
Murabaha financing to investee companies	-	1,042	654	1,696
Wakala contract receivable	-	-	13,341	13,341
Receivables	591	140	9,740	10,471
Funding to project companies	218	3,961	1,099	5,278
Other assets*	4,414	5,956	9,117	19,487
	5,729	11,099	34,109	50,937
Guarantees and commitments	4,147	41,689	-	45,836
	9,876	52,788	34,109	96,773

*Other assets subject to ECL excludes advances to invest.

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4 Impairment Provisions: (continued)

Significant increase in credit risk (continued)

An analysis of the changes in ECL allowances, is as follows:

	Stage 1: 12-month ECL USD '000	*Stage 2: Lifetime ECL not credit-impaired USD '000*	*Stage 3: Lifetime ECL credit-impaired USD '000*	*Total USD '000*
Balance at 1 July 2020				
Balances and placement with banks	(1)	-	(158)	(159)
Murabaha financing to investee companies	-	(570)	(654)	(1,224)
Wakala contract receivable	-	-	(6,671)	(6,671)
Receivables	(59)	(4)	(8,388)	(8,451)
Funding to project companies	-	(1,166)	(931)	(2,097)
Other assets	(203)	(1,310)	(9,065)	(10,578)
Guarantees and commitments	(10)	(940)	-	(950)
	(273)	**(3,990)**	**(25,867)**	**(30,130)**
Reversal / (charge) during the period				
Balances and placement with banks	(1)	-	-	(1)
Murabaha financing to investee companies	-	221	(260)	(39)
Wakala contract receivable	-	-	-	-
Receivables	-	-	-	-
Funding to project companies	-	154	-	154
Other assets	203	40	-	243
Guarantees and commitments	-	30	-	30
	202	**445**	**(260)**	**387**
Balance at 31 December 2020				
Balances and placement with banks	(2)	-	(158)	(160)
Murabaha financing to investee companies	-	(349)	(914)	(1,263)
Wakala contract receivable	-	-	(6,671)	(6,671)
Receivables	(59)	(4)	(8,388)	(8,451)
Funding to project companies	-	(1,012)	(931)	(1,943)
Other assets	-	(1,270)	(9,065)	(10,335)
Guarantees and commitments	(10)	(910)	-	(920)
As at 31 December 2020	**(71)**	**(3,545)**	**(26,127)**	**(29,743)**

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5 Corporate Governance and Transparency

Disclosures on corporate governance and transparency, including qualifications and experience of directors have been disclosed in the Annual Report for year ended 30 June 2020. The following tables give details of distribution of shares by nationality, ownership of shares by directors etc.

5.1 Table 15: Distribution of shareholders by nationality:

Country	***Ownership %***
United Arab Emirates	3.29%
Kuwait	23.66%
Kingdom of Saudi Arabia	57.71%
Qatar	4.78%
Oman	2.57%
Kingdom of Bahrain	7.99%
Total	**100.0%**

5.2 Table 16: Distribution of shareholders by size of shareholding:

Ownership %	***Number of shareholders***
Less than 1%	149
1% - 2%	15
2% - 3%	6
3% - 4%	2
4% - 5%	0
More than 5%	2
Total	**174**

Two of the Bank's shareholders hold more than 5% ownership in the Bank. These are corporate shareholders noted below:

- The Commercial Real Estate Co. (K.S.C.C.) – 7.23% ownership; and
- Securities Group (K.S.C.C.) – 6.02% ownership.

5.3 <u>Ownership of shares by government:</u>
The Bahrain Development Bank B.S.C. (c), a public sector organization owned by the Government of Bahrain has a 1.19% interest in the share capital of the Bank.

5.4 <u>Ownership of shares by Board members:</u>
Four members of the Board have shareholdings ranging from 0.39% to 1.19% of total capital. In addition a number of Board members represent corporate shareholders with shares ranging from 0.48% to 7.23%.

The Board is responsible for the stewardship of the Bank's business and affairs on behalf of the shareholders, with a view to enhancing long-term shareholder value whilst taking into account the interests of other stakeholders, and maintaining high standards of transparency and accountability. The Board comprises 8 members, the majority of whom are independent non-executive Directors.

Disclosure template for main features of regulatory capital instruments		
1	Issuer	VENTURE CAPITAL BANK B.S.C. (c)
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	NA
3	Governing law(s) of the instrument	All applicable laws and regulations of the Kingdom of Bahrain
	Regulatory treatment	
4	Transitional CBB rules	Common Equity Tier 1
5	Post-transitional CBB rules	Common Equity Tier 1
6	Eligible at solo/group/group & solo	Group & solo
7	Instrument type (types to be specified by each jurisdiction)	Equity shares
8	Amount recognised in regulatory capital (Currency in mil, as of most recent reporting date)	USD 190 million
9	Par value of instrument	USD 1.00
10	Accounting classification	Equity
11	Original date of issuance	26 September 2005
12	Perpetual or dated	Perpetual
13	Original maturity date	No maturity
14	Issuer call subject to prior supervisory approval	NA
15	Optional call date, contingent call dates and redemption amount	NA
16	Subsequent call dates, if applicable	NA
	Coupons / dividends	
17	Fixed or floating dividend/coupon	NA
18	Coupon rate and any related index	NA
19	Existence of a dividend stopper	NA
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary
21	Existence of step up or other incentive to redeem	NA
22	Noncumulative or cumulative	NA
23	Convertible or non-convertible	NA
24	If convertible, conversion trigger (s)	NA
25	If convertible, fully or partially	NA
26	If convertible, conversion rate	NA
27	If convertible, mandatory or optional conversion	NA
28	If convertible, specify instrument type convertible into	NA
29	If convertible, specify issuer of instrument it converts into	NA
30	Write-down feature	NA
31	If write-down, write-down trigger(s)	NA
32	If write-down, full or partial	NA
33	If write-down, permanent or temporary	NA
34	If temporary write-down, description of write-up mechanism	NA
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	NA
36	Non-compliant transitioned features	NA
37	If yes, specify non-compliant features	NA