PROVEN BANK

PROVEN Bank (Cayman) Limited

PILLAR 3 DISCLOSURE REPORT

SEMI-ANNUAL

AS AT 30 SEPTEMBER 2024

TABLE OF CONTENTS

1. BACKGROUND 3
2. CAPITAL MANAGEMENT 5
   - 2.1 Overview of Risk Weighted Assets -OV1 5
   - 2.2 Capital Overview -Bank's Policy in relation to Capital 6
3. CREDIT RISK 9
   - 3.1 Credit Risk Management and Reporting Channels...............................9
   - 3.2 Credit Quality of Assets..9
   - 3.3 Credit Risk Mitigation and Techniques 10
   - 3.4 Credit Risk – Regulatory Weighted Assets 11
   - 3.5 Counterparty Credit Risk 13
4. LEVERAGE 14
   - 4.1 Leverage Ratio – LR1 & LR2 14
   - 4.2 Leverage ratio common disclosure 15
5. LIQUIDITY RISK...16
   - 5.1 Net Stable Funding Ratio - LIQ2 16
   - 5.2 NSFR Measurement and Policy 18
6. SECURITISATION 18
   - 6.1 Bank's Approach to Securitisation 18
7. MARKET RISK 18
8. ASSET ENCUMBRANCE 19

1. BACKGROUND

1.1 Incorporation and Ownership Information

PROVEN Bank (Cayman) Limited (the "Bank") is incorporated under the Companies Act, as revised, of the Cayman Islands and is licensed under the Bank and Trust Companies Act, as revised, as a Category A Bank to carry on banking business in the Cayman Islands, subject to certain restrictions contained in the terms of the licence. The Bank is a wholly owned subsidiary of PROVEN Bank Holdings Limited ("PBHL" or the "Parent"), which is incorporated in the Cayman Islands, the holding company of the banking entities within the PROVEN Group Limited. In November 2022, PROVEN Bank St. Lucia Limited (PBSL) which was fully owned by PROVEN Group Limited became a fully owned subsidiary of the Bank via the completion of a share transfer transaction. Prior to the acquisition, the Bank only operated in the Cayman Islands.

PROVEN Group Limited (the Ultimate Parent), formerly PROVEN Investments Limited, incorporated and domiciled in Saint Lucia under the International Business Companies Act, with registered office at 20 Micoud Street, Castries, Saint Lucia is the ultimate holder of 100.00% of the issued ordinary shares of the Group.

The registered office of the Bank is at Willow House, Cricket Square, 171 Elgin Avenue, George Town, Grand Cayman KY1-1103, Cayman Islands. The Bank's financial year end is March 31, which aligns with the Ultimate Parent's financial reporting period.

This disclosure document has been prepared by the Bank on a standardized basis and in accordance with the rules set out in the Basel Committee on Banking Supervision (BCBS) requirements issued in January 2015 titled 'Revised Pillar 3 Disclosure Requirements', in March 2017 titled "Pillar 3 Disclosure Requirements – consolidated and enhanced framework", and in December 2018 titled, "Pillar 3 disclosure requirements – updated framework", which were and as adopted by the Cayman Islands Monetary Authority (CIMA). Unless otherwise stated, all figures are as of September 30, 2024, and are expressed in United States (US) dollars.

PROVEN BANK

1.2 Licence and Activity Focus

The Bank is licensed and regulated by the Cayman Islands Monetary Authority ("CIMA") as a Category "A" Banking entity.

The Bank and its subsidiaries, collectively referred to as the Group, offer a full range of retail and private banking services, including electronic banking, acceptance of deposits, granting of loans, credit cards, merchant and foreign exchange services through each of its two (2) operating banks in Grand Cayman and St. Lucia.

1.3 Disclosure Report Application and entity relevance

These disclosures have been prepared on a consolidated basis for all capital adequacy, credit risk, market risk and leverage measures and on a solo basis for its liquidity measures as detailed in Section 5.

1.4 Disclosure Report review and approval by the Board of Directors

This Pillar 3 Disclosure Report has been reviewed and approved by the Board of Directors.

PROVEN BANK

2. CAPITAL MANAGEMENT

2.1 Overview of Risk Weighted Assets (RWA) Explaining Differences Between Last Two Reporting Periods and Explain Differences

Table OV1 provides an overview of Risk Weighted Assets ("RWA") and Minimum Capital Requirements per risk type. As is evident in Table 1, there was an increase between RWA reported as of 30 September 2024 and RWA reported as at 30 June 2024 mainly due to credit risk. The credit RWA increased by 3.07% due to a 1.36% growth in the Bank's Investment portfolio netted off against a 1.61% decrease in the Loans and Advances portfolio and 0.10% in cash at banks over the period. Additionally, the bank's increased long EUR and GBP positions quarter over quarter raised total net long positions in foreign currencies, leading to a higher capital charged as at September 30, 2024.

Table 1: OV1 – Overview of RWA

		a	b	c
		RWA		Minimum capital requirements
		30-Sept-24	30-Jun-24	30-Sept-24
1	**Credit risk (excluding counterparty credit risk) (CCR)**	**$294,403,145**	**$284,778,704**	**$44,160,472**
2	**Securitisation exposures**	**-**	**-**	**-**
3	**Counterparty credit risk**	**-**	**-**	**-**
4	Of which: Current Exposure Method	-	-	-
5	Of which: Standardized Method	-	-	-
6	**Market risk**	**$1,222,188**	**$928,250**	**$183,328**
7	Of which: Equity risk	-	-	-
8	**Operational risk**	**$37,867,900**	**$37,867,900**	**$5,680,185**
9	Of which: Basic Indicator Approach	$37,867,900	$37,867,900	
10	Of which: Standardized Method	-	-	-
11	Of which: Alternative Standardised	-	-	-
12	**Total (1+2+3+6+8)**	**$333,493,233**	**$323,574,854**	**$50,023,985**

PROVEN BANK

2.2 Capital Overview – Bank's Policy in relation to Capital

Table 2: Capital

The tables below provide qualitative and quantitative disclosures around the Bank's capital.

Qualitative Disclosures	(a)	The name of the top corporate entity in the group to which these rules and guidelines apply.	PROVEN Bank (Cayman) Limited
	(b)	An outline of differences in the basis of consolidation for accounting and regulatory purposes, with a brief description of the entities within the group (a) that are fully consolidated; (b) that are pro-rate consolidated; (c) that are given a deduction treatment; and (d) from which surplus capital is recognized; plus (e) that are neither consolidated nor deducted (e.g. where the investment is risk-weighted).	The differences between the basis of consolidation for accounting and regulatory purposes are mainly due to the treatment of accrued interest on the Bank's cash and cash equivalents and Investments portfolio, in addition to deferred loan commitment fees. The Bank's consolidation entities include PROVEN Bank (St. Lucia) Limited and its two fully owned property holding entities incorporated in the Cayman Islands.
	(c)	Any restrictions, or other major impediments, on transfer of funds or regulatory capital within the group.	There are no restrictions on the transfer of funds or regulatory capital within the group.
Quantitative Disclosures	(d)	The aggregate amount of surplus capital of insurance subsidiaries (whether deducted or subjected to an alternative method) included in the capital of the consolidated group.	$0
	(e)	The aggregate amount of capital deficiencies in all subsidiaries not included in the consolidation i.e. that are deducted and the name(s) of such subsidiaries.	$0

	(f)	The aggregated amounts (e.g. current book value) of the firm's total interests in insurance entities, which are risk-weighted rather than deducted from capital or subjected to an alternate group-wide method, as well as their name, their country of incorporation or residence, the proportion of ownership interest and, if different, the proportion of voting power in these entities. In addition, indicate the quantitative impact on regulatory capital of using this method versus using the deduction or alternate group-wide method.	$0

Table 3: Capital Structure and Capital Adequacy – Scope of Capital

Qualitative Disclosures	(a)	Summary information on the terms and conditions of the main features of all capital instruments, especially in the case of innovative, complex or hybrid capital instruments	The majority of the Bank's capital as noted in b) below is share premium and retained earnings which forms part of Tier 1 Capital. The Bank also records $24.5M as Tier 2 Capital which is its 100% holding in PROVEN Bank (St. Lucia) Limited. The Bank does not hold any complex or hybrid capital instruments.
Quantitative Disclosures	(b)	The amount of Tier 1 capital, with separate disclosure of: - paid-up share capital/common stock; - reserves; -minority interests in the equity of subsidiaries; - qualifying innovative instruments; - other capital instruments; - surplus capital from insurance companies; - regulatory calculation differences deducted from Tier 1 capital; - other amounts deducted from Tier 1 capital, including goodwill; and - investments	Paid up Capital - $4,200,000 Disclosed Reserves broken out as: Share premium $10,800,000 and Retained Earnings $31,393,758 General Provisions - $1,463,067 Asset revaluation reserves - $24,517,716 Current net income - $5,671,707
	(c)	The total amount of Tier 2 and Tier 3 capital.	Tier 2 Capital - $31,652,490
	(d)	Other deductions from capital.	-
	(e)	Total eligible capital.	Total Eligible Capital - $76,088,651

Table 4: CAP – Capital Adequacy

Qualitative Disclosures	(a)	A summary discussion of the bank's approach to assessing the adequacy of its capital to support current and future activities.	The Bank manages its capital position to ensure adequate support of its business activities and aligns with risk appetite and strategic planning. Additionally, the Bank seeks to maintain safety and soundness at all times, even under adverse scenarios, take advantage of organic growth opportunities, meet obligations to creditors and counterparties, maintain ready access to financial markets, and satisfy current and future regulatory capital requirements. Capital management is integrated into our risk and governance processes, as capital is a key consideration in the development of our strategic plan, risk appetite and risk limits. The Bank conducts an Internal Capital Adequacy Assessment Process (ICAAP) on an annual basis. The ICAAP is a forward-looking assessment of our projected capital needs and resources, incorporating earnings, balance sheet and risk forecasts under baseline and adverse economic and market conditions. Qualitative risk assessments are performed to identify and assess material risks not fully captured in the forecasts or stress tests. Senior Management and the Board of Directors approve the ICAAP and attest to the adequacy of our capital guidelines and capital position.
Quantitative Disclosures	(b)	Capital requirements for credit risk: - portfolios subject to standardised or simplified standardised approach, disclosed separately for each portfolio; and - securitisation exposures.	$44,160,472 using the Collateral Simplified Approach methodology
	(c)	Capital requirements for market risk: - standardised approach	$183,328 for Market Risk requirements

	(d)	Capital requirements for operational risk: - basic indicator approach; - standardised approach; and - alternative standardised approach.	Basic Indicator Approach - $5,680,185
	(e)	Total and Tier capital ratio: - for the top consolidated group; and - for significant bank subsidiaries (stand alone or sub-consolidated).	Tier 1 Ratio - 13.32% Total Capital Ratio - 22.82%

3 CREDIT RISK

3.1 Credit Risk Management and Reporting Channels

The Group's Directors, Assets and Liabilities Committee (ALCO) and Credit Committee are responsible for approving and monitoring the Group's credit exposure, which is done through review and approval of the Group's lending policies, and limits on credit exposure to individual borrowers and sectors. Table 5 below shows a detailed view of the credit quality of the Bank's assets. The Bank considers a financial instrument as credit impaired when the borrower becomes 90 days past due to its contractual obligations, such exposures are classified as Stage 3 for the purposes of the Bank's expected credit loss calculations. This is the first consolidated presentation of the credit risk tables to include PBSL and therefore the total portfolio balances would be significantly higher than the March 31, 2024, reporting.

3.2 Credit Quality of Assets

Table 5: CR1 – Credit Quality of Assets

	30-Sept-24	a	b	c	d
		Gross carrying values of:		**Allowances/ Impairments**	**Net values (a+b-c)**
		Defaulted exposures	**Non-defaulted exposures**		
1	Loans	$9,879,346	$171,529,683	$4,010,370	$177,394,757
2	Debt securities	-	$364,796,563	$86,046	$364,710,518
3	Off-balance sheet exposures	-	$18,346,916	-	$18,346,916
4	**Total**	**$9,879,346**	**$554,673,163**	**$4,100,318**	**$560,452,191**

Table 6: CR2 – Changes in Stock of Defaulted Loans and Debt Securities

		30-Sept-24
1	**Defaulted loans and debt securities at end of the previous reporting period**	**$8,952,518**
2	Loans and debt securities that have defaulted since the last reporting period	$8,823,981
3	Returned to non-defaulted status	($7,813,986)
4	Amounts written off	($40,015)
5	Other changes	($39,177)
6	**Defaulted loans and debt securities at end of the reporting period (1+2-3-4+/-5)**	**$9,883,321**

The Bank's increase in defaulted loans is mainly due to the net effect of loans which defaulted during the period and loans which have subsequently returned to non-default status due to restructurings or regularization of payments. During the six months, there was one large commercial exposure which defaulted. Subsequent to September 30th, the exposure was partially repaid with the remaining exposure returning to performing status.

3.3 Credit risk mitigation and techniques

Table 7: CR3 – Credit Risk Mitigation (CRM) Techniques

Table 7 provides an overview of the Bank's CRM techniques as at 30 September 2024. The significant movements since 31 March 2024 include the addition of the PBSL portfolios to the analysis.

		a	b	c
		Exposures unsecured: carrying amount	**Exposures secured by collateral: carrying amount**	**Exposures secured by collateral, of which: secured amount**
1	Loans	$12,289,902	$169,123,103	$144,722,295
2	Debt securities	$364,796,561	-	-
3	**Total**	**$377,086,463**	**$169,123,103**	**$144,722,295**

3.4 Credit Risk – Regulatory Weighted Assets

Table 8 below provides an overview of the regulatory risk-weighted assets and the effects of Credit Conversion Factors (CCF) and Credit Risk Mitigation (CRM) techniques. There was a slight increase in the risk weighted assets density on an aggregate class basis from 44.64% as of March 31, 2024, to 44.97% on September 30, 2024, due to an overall marginal increase in the Bank's assets.

Table 8 provides an overview of the regulatory risk weighted assets including the effects of CCF and CRM techniques.

PROVEN BANK

Table 8: CR4 – Credit Risk Exposure and CRM Effects

		Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
	Assets classes	**On-balance sheet amount**	**Off-balance sheet amount**	**On-balance sheet amount**	**Off-balance sheet amount**	**RWA**	**RWA Density**
1	Sovereigns and their central banks	$90,415,079	-	$90,415,079	-	$5,509,300	6.09%
2	Non-central government public sector entities	-	-	-	-	-	0.00%
3	Multilateral development banks	$49,861,343	-	$49,861,343	-	$1,119,355	2.24%
4	Bank	$206,161,052		$206,161,052	-	$68,688,050	33.32%
5	Securities Firms	-	-	-	-	-	0.00%
6	Corporates	$129,197,561	-	$129,194,873	-	$91,489,021	70.81%
7	Regulatory retail portfolios	$56,716,670	$9,487,614	$56,637,538	$1,897,523	$58,423,272	99.81%
8	Secured by residential property	$79,587,364	$8,859,302	$79,587,363	$1,771,860	$29,731,961	36.54%
9	Secured by commercial real estate	$15,103,281	-	$15,103,281	-	$15,103,281	100.00%
10	Past-due exposures	$7,507,036	-	$4,951,705	-	$5,530,003	111.68%
11	Higher-risk categories	-	-	-	-	-	0.00%
12	Other assets	$19,062,686	-	$19,062,686	-	$18,792,775	98.58%
13	**Total**	**$653,612,072**	**$18,346,916**	**$650,974,919**	**$3,669,383**	**$294,387,018**	**44.97%**

PROVEN BANK

Table 9 provides a breakdown of the Bank's credit risk exposures by asset class and risk weight.

Table 9: CR5 – Exposures by Asset Class and Risk Weights

		a	c	d	e	f	g	h	i
	Assets classes	**0%**	**20%**	**35%**	**50%**	**75%**	**100%**	**150%**	**Total credit exposure amount (post CCF and post-CRM)**
1	Sovereigns and their central banks	$74,839,780	$11,392,042	-	$1,904,730	-	$2,278,527	-	$90,415,079
3	Multilateral development banks	$44,636,867	$4,976,277	-	$248,199	-	-	-	$49,861,343
4	Bank	-	$114,962,186	-	$91,006,505	-	$192,360	-	$206,161,051
6	Corporates	-	$18,026,915	-	$46,568,641	-	$64,599,317	-	$129,194,873
7	Regulatory retail portfolios	$111,789	-	-	-	-	$56,525,749	-	$56,637,538
8	Secured by residential property	-	-	$78,218,643	-	$1,368,720	-	-	$79,587,363
9	Secured by commercial real estate	-	-	-	-	-	$15,103,281	-	$15,103,281
10	Past-due exposures	-	-	-	-	-	$3,795,109	$1,156,596	$4,951,705
11	Higher-risk categories	-	-	-	-	-	-	-	-
12	Other assets	$269,911	-	-	-	-	$18,792,775		$19,062,686
13	**Total**	**$119,858,347**	**$149,357,420**	**$78,218,643**	**$139,728,075**	**$1,368,720**	**$161,287,118**	**$1,156,596**	**$650,974,919**

3.5 Counterparty Credit Risk

The Bank does not currently transact in derivatives, and therefore, is not currently exposed to counterparty credit risk.

4 LEVERAGE

4.1 Leverage Ratio – LR1 & LR2

The Leverage Ratio regulatory measure is a non-risk-based measure to restrict the build-up of leverage in the banking sector. The Leverage Ratio is derived as Tier 1 Capital against a defined measure of exposure.

Table 10 provides a reconciliation between the regulatory exposure measures and the financial statements of the Bank.

Table 10: LR1 – Summary comparison of accounting assets vs leverage ratio exposure measure

		30-Sept-24
1	Total consolidated assets as per published financial statements	$655,694,651
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	-
3	Adjustment for securitised exposure that meet the operational requirements for the recognition of risk transference	-
4	Adjustments for temporary exemption of central bank reserves (if applicable)	-
5	Adjustment for fiduciary assets recognized on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	-
6	Adjustments for regular way purchases and sales of financial assets subject to trade date accounting	-
7	Adjustments for eligible cash pooling transactions	-
8	Adjustments for derivative financial instruments	-
9	Adjustment for securities financing transactions (i.e. repurchase agreements and similar secured lending)	-
10	Adjustment for off balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	$3,669,383
11	Adjustments for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital	-
13	**Leverage ratio exposure measure**	**6.78%**

The adjustment of USD $3.66M noted above relates to off balance sheet items post the credit conversion factor and credit risk mitigation. These are not reflected on the balance sheet and are therefore treated as an adjustment item.

4.2 Leverage ratio common disclosure

As evident in Table 11 below, the Bank's leverage ratio decreased marginally from 3.83% as at June 30, 2024, to 3.78% as at September 30, 2024. The Bank's total Tier 1 capital and asset exposures remained relatively stable during the reporting period.

Table 11: LR2 – Leverage Ratio common disclosure

		a	b
		30-Sept-24	**30-Jun-24**
On-balance sheet exposures			
1	On-balance sheet exposures (excluding derivatives and securities financing transactions, but including collateral)	$652,025,268	$650,565,746
2	Gross up for derivatives collateral provided where deducted from balance sheet assets pursuant to the operative accounting framework	-	-
3	(Deductions of receivable assets for cash variation margin provided in derivatives transactions)	-	-
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	-	-
5	(Specific and general provisions associated with on balance sheet exposures that are deducted from Basel III Tier 1 capital)	-	-
6	(Asset amounts deducted in determining Basel III Tier 1 capital and regulatory adjustments)	-	-
7	**Total on balance sheet exposures** (excluding derivatives and SFTS) (sum of rows 1 to 6)	**$652,025,268**	**$650,565,746**
Derivative exposures			
13	**Total derivative exposures** (sum of rows 8 to 12)	-	-
Securities financing transaction exposures			
18	**Total securities financing transaction exposures** (sum of rows 14 to 17)	-	-
Other off-balance sheet exposures			
19	Off-balance sheet exposure at gross notional amount	$18,346,916	$15,653,404
20	(Adjustments for conversion to credit equivalent amounts)	($14,677,533)	($12,522,723)
21	(Specific and general provisions associated with on balance sheet exposures that are deducted from Tier 1 capital)	-	-

PROVEN BANK

		a	b
		30-Sept-24	**30-Jun-24**
22	**Off-balance sheet items** (sum of rows 19 to 21)	**$3,669,383**	**$3,130,681**
Capital and total exposures			
23	**Total Tier 1 Capital**	**$44,436,161**	**$44,648,750**
24	**Total exposures (sum of rows 7, 13, 18 and 22)**	**$655,694,651**	**$653,696,427**
Leverage ratio			
25	**Basel III leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)**	**6.78%**	**6.83%**
25a	Basel III leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)		
26	National minimum leverage ratio requirement	3.00%	3.00%
27	**Applicable leverage buffers**	**3.78%**	**3.83%**

5 LIQUIDITY RISK

5.1 Net Stable Funding Ratio - LIQ2

The NSFR promotes resilience over a longer-term horizon by requiring funding of its activities with stable sources of funding on an ongoing basis. The table below provides a breakdown of the Bank's NSFR as at 30 September 2024.

Table 12: LIQ2 – Net Stable Funding Ratio as at 30 September 2024

PROVEN BANK

		a	b	c	d	e
		Unweighted value by residual maturity				
		No maturity	< 6 months	6 months to < 1 year	≥ 1 year	Weighted Value
Available stable funding (ASF) item						
1	**Capital:**				**$65,155**	**$65,155**
2	*Regulatory capital*				$65,155	
3	*Other capital instruments*					
4	**Retail deposits and deposits from small business customers:**		**$85,607**	**$19,493**	**$11,086**	**$105,676**
5	*Stable deposits*					
6	*Less stable deposits*		$85,607	$19,493	$11,086	$105,676
7	**Wholesale funding:**		**$135,964**	**$11,989**	**-**	**$43,473**
8	*Operational deposits*					
9	*Other wholesale funding*		$135,964	$11,989	-	$43,473
10	**Liabilities with matching interdependent assets**					
11	**Other liabilities:**		**$9,109**	**-**	**-**	**-**
12	*NSFR derivative liabilities*					
13	*All other liabilities and equity not included in the above categories*		$9,109	-	-	-
14	**Total ASF**		**$230,680**	**$31,482**	**$76,241**	**$214,304**
Required stable funding (RSF) item						
15	**Total NSFR high-quality liquid assets (HQLA)**					**$5,545**
16	**Deposits held at other financial institutions for operational purposes**		**$7,821**			**$3,911**
17	**Performing loans and securities:**					
18	*Performing loans to financial instutions secured by Level 1 HQLA*					
19	*Performing loans to financial instutions scured by non-Level 1 HQLA and unsecured performing loans to financial institutions*					
20	*Performing loans to non-financial corporate clients, loans to retail and small business customers, and loas to sovereigns, central banks and PSEs, of which:*					
21	*With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk*					
22	*Performing residential mortgages, of which:*					
23	*With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk*		$1,431	$1,486	$71,653	$48,033
24	*Securities that are not in default and do not qualify as HQLA, including exchange-traded equities*					
25	Assets with matching interdependent liabilities					
26	Other assets:					
27	*Physical traded commodities, including gold*					
28	*Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*					
29	*NSFR derivative assets*					
30	*NSFR derivative liabilities beore deduction of variation margin posted*					
31	*All other assets not included in the above categories*		$50,742	$7,151	$101,631	$127,772
32	**Off-balance sheet items**		**$18,346**			**$917**
33	**Total RSF**					**$186,177**
34	**Net Stable Funding Ratio (%)**					**115%**

The Bank's NSFR stood at 115% as at 30 September 2024. Of the available stable funding, 49% comprise retail and small businesses, 19% non-financial corporates and 30% in capital. Required stable funding comprises of the Banks stock of HQLA's which are predominantly Level 1 assets, loan cash outflows which consist of residential mortgages 26%, other performing loans 30% and non-performing loans 5% and deposits held at financial institutions of which 18% is considered operational and 82% non-operational.

5.2 NSFR Measurement and Policy

The NSFR is calculated on a bi-weekly basis to ensure any potential breaches are immediately captured. Regulatory filings are made monthly. Management also ensures that any large deals with customers are evaluated against the Liquidity rules to ensure that acceptance of deposits would not result in a deterioration of the liquidity ratios.

6 SECURITISATION

6.1 Bank's Approach to Securitisation

The Bank currently does not engage in securitization transactions.

7 MARKET RISK

7.1 Market Risk-Weighted Assets

Table 13 provides a breakdown of the regulatory capital requirement for Market Risk as calculated based on CIMA's Standardised Approach for Market Risk. Table 13 reflects all the Bank's regulatory capital requirements for Market Risk attributable to Foreign Exchange Risk.

Table 13: MR1: Market Risk – Standardised Approach

		30-Sept-24
		RWA
	Outright products	
1	Interest rate risk (general and specific)	-
2	Equity risk (general and specific)	-
3	Foreign exchange risk	$1,222,188
4	Commodity risk	-
	Options	
5	Simplified Approach	-

6	Delta-plus method	-
7	Scenario Approach	-
8	Securitisation	-
9	**Total**	**$1,222,188**

8 ASSET ENCUMBRANCE

8.1 Asset Encumbrance

The Bank currently does not have an asset encumbrance.