



The General Manager
KEB Hana Bank – Abu Dhabi Branch
United Arab Emirates

29 August 2022

Dear Directors

Procedures in respect of the Pillar 3 report of the KEB Hana Bank – Abu Dhabi Branch (the “Branch”) in accordance with the Banking Supervision Department’s (“BSD”) Guidelines for banks issued by the Central Bank of the UAE (“CBAE”) dated November 2020 (the “Guidelines”) read in conjunction with the “Standards for Capital Adequacy of Banks in UAE - October 2019”

We are pleased to submit our report on the procedures in respect of the Pillar 3 report of KEB Hana Bank – Abu Dhabi Branch (the “Branch”) for the year ended 31 December 2021 in connection with the Banking Supervision Department (BSD) Guidelines for banks issued by the Central Bank of the UAE (CBAE) in November 2020 (“Guidelines”) read in conjunction with the “Standards for Capital Adequacy of Banks in UAE - October 2019”. The scope of our work in preparing this report was limited solely to those procedures determined by the Bank as set out within the attached report.

Purpose of this report

This report is produced in accordance with the terms of our agreement dated 12 April 2022. The procedures were performed solely to assist management of KEB Hana Bank – Abu Dhabi Branch (“the Branch”) in fulfilling its reporting compliance of the Pillar 3 disclosure report as per Notice CBAE/BSN/2021/5508 dated 30 November 2021 evaluating the validity of Pillar 3 disclosure report management submitted and may not be suitable for another purpose.

Your responsibilities

Management of the Branch has prepared the Pillar 3 reporting and the underlying supporting documentation and remain solely responsible for it and for the creation and maintenance of all accounting and other records supporting its contents and for ensuring that the records are proper and adequate for the purpose of producing the Pillar 3 report. The Bank’s directors are responsible for identifying and ensuring that the Company complies with the Banking Supervision Department (“BSD”) Guidelines for banks issued by the Central Bank of the UAE (“CBAE”) dated November 2021 read in conjunction with the “Standards for Capital Adequacy of Banks in UAE - October 2019”.

You are responsible for determining that the scope of the services is sufficient for your purposes and have confirmed that the procedures described herein are appropriate for the purpose for which of the services were engaged.

Our responsibilities

We have performed the procedures determined by you and listed below on Schedule 1 – Provision of services relating to the KEB Hana Bank – Abu Dhabi Branch’s CBAE Pillar 3 reporting. In performing such procedures, we did not carry out an audit or review or other assurance engagement in accordance with applicable professional standards, the objective of which would be the expression of assurance. We do not express such assurance. Had we performed additional procedures in accordance with applicable professional standards, other matters might have come to our attention that we would have reported to you.

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Jacques Fakhoury, Douglas O’Mahony, Murad Alnsour and Rami Sarhan are registered as practising auditors with the UAE Ministry of Economy



Our responsibilities (continued)

This report relates only to the procedures set out within 'scope of the review' section of our Report and does not extend to any financial statements of the Branch taken as a whole.

Our obligations in respect of this Report are entirely separate from, and our responsibility and liability is in no way changed by, any other role we may have (or may have had) as auditors of the Branch or otherwise. Nothing in this Report, nor anything said or done in the course of or in connection with the services, will extend any duty of care we may have in our capacity as auditors of any financial statements of the Branch.

This Report is based on the information provided to us by management. We did not subject the information contained in our Report or given to us by management to checking or verification procedures except to the extent expressly stated within the report.

Procedures and findings

We performed the following procedures determined by and agreed with you as described in Appendix 1 in relation to your Pillar 3 reporting, and will not relate to any financial statements of the Branch taken as a whole.

Based on the above procedures we identified the following exceptions:

- We could not perform procedure 12a, as described in Appendix 1, as the Branch did not have a remuneration policy in place as at 31 December 2021. We have agreed individual amounts as disclosed in REM1 columns A and B to management prepared schedules.

Limitations and restriction on distribution and use

The Report has been prepared solely for the exclusive use of KEB Hana Bank – Abu Dhabi Branch to assist in its compliance with the Guidelines of the CBUAE for the year ended 31 December 2021 and should not be used for any other purpose. We permit a copy of our report to be shared fully with the CBUAE without any liability on our part and, unless required by the law, no extract or copy of this report is to be distributed to any other Third Parties.

The procedures as set out by you are not designed to be equivalent as any form of validation, verification, confirmation, audit or review of:

- the Branch's risk management processes and systems;
- the Pillar 3 models, tables or disclosures;
- accuracy or completeness of information or reasonableness of assumptions used in the Branch's Pillar 3 reporting; or
- compliance of the Pillar 3 disclosure report as per Notice CBUAE/BSN/2021/5508 dated 30 November 2021.

The services do not constitute an audit or other assurance engagement carried out in accordance with generally accepted auditing or assurance standards and, accordingly, we do not express an opinion or assurance conclusion on the Pillar 3 disclosure report as per Notice CBUAE/BSN/2021/5508 dated 30 November 2021.



Limitations and restriction on distribution and use (continued)

Our obligations in respect of this report are entirely separate from, and our responsibility and liability is in no way changed by, any other role we may have (or may have had) as auditors of the Branch or otherwise. Nothing in this report, nor anything said or done in the course of or in connection with the services, will extend any duty of care we may have in our capacity as auditors of any financial statements of the Branch.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'PricewaterhouseCoopers', is written over a faint, light blue watermark of the PwC logo.

PricewaterhouseCoopers
Abu Dhabi, United Arab Emirates



Appendix 1 – Procedures as per agreed scope

The following procedures have been determined by KEB Hana Bank – Abu Dhabi Branch and are to be performed in relation to the Pillar 3 disclosure report provided to us by the finance department on 12 April 2022.

1 Overview of risk management and risk weighted assets	
a.	[Tab KM1] Key prudential metrics related to regulatory capital, leverage ratio and liquidity standards.
	<p>Agreed procedures/ work performed:</p> <ol style="list-style-type: none"> 1) Agreed the individual amounts of available capital and risk weighted assets as disclosed in KM1 to management prepared schedules. 2) Recomputed the Eligible liquid assets ratio (ELAR) and Advances to stable resources ratios (ASRR) as follows: <ol style="list-style-type: none"> (i) ELAR - dividing total High Quality Liquid Assets (HQLA) by total liabilities as disclosed in column T of KM1. (ii) ASRR - dividing total available stable funding by total advances as disclosed in column T of KM1.
b	[Tab OVA] The risk management objectives and policies of the Branch.
	<p>Agreed procedures/ work performed:</p> <ol style="list-style-type: none"> 1) Checked that descriptions included by the Branch’s management with regards to the following matters as disclosed in Tab OVA are consistent with the Branch’s risk management policy: <ol style="list-style-type: none"> (i) The business model of the Branch describing the interaction of the business model with the Branch’s overall risk profile and the interaction of the risk profile with the risk tolerance approved by management. (ii) The risk governance structure of the Branch explaining the roles and responsibilities attributed throughout the branch and the relationships between the structures involved in risk management processes. (iii) The channels used by the Branch to communicate, decline and enforce the risk culture within the Branch. (iv) The scope and main features of risk measurement systems. (v) The Branch’s description of the process of risk information reporting provided to the board and senior management, in particular the scope and main content of reporting on risk exposure. (vi) The Branch’s qualitative information on stress testing. (vii) The strategies and processes of the Branch used to manage, hedge, and mitigate risks that arise from the branch's business model and the processes for monitoring the continuing effectiveness of hedges and mitigants. 2) Where applicable we have inspected management’s internal policy for consistency to the descriptions in the tab OVA.
c	[Tab OV1] Overview of risk weighted assets
	<p>Agreed procedures/ work performed:</p> <ol style="list-style-type: none"> 1) Obtained from management, the calculation of the risk weighted assets and minimum capital requirements at 31 December 2021 as disclosed in column a under RWA and column c of Minimum capital requirements of OV1 and perform the following procedures: <ol style="list-style-type: none"> (i) Agreed the individual amounts in OV1 to management prepared schedules. <p>Recomputed the minimum capital requirements on the basis defined in OV1 in column E of management prepared schedules.</p>

2 Linkages between financial statements and regulatory exposures	
a	<p>[Tab LI1] Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories</p> <p>Agreed procedures/ work performed:</p> <ol style="list-style-type: none"> 1) Agreed the carrying values of assets and liabilities as disclosed in LI1 in the column 'carrying values as reported in published financial statements' to the published financial statements of the Branch as at 31 December 2021. 2) Agreed the carrying values of assets and liabilities as disclosed in LI1 in the column 'carrying values under scope of regulatory consolidation' to management prepared schedules. 3) Agreed the carrying values of assets and liabilities as disclosed in the following columns of LI1 to management prepared schedules: <ol style="list-style-type: none"> (i) subject to credit risk framework; (ii) subject to counterparty credit risk framework; (iii) subject to securitisation framework; (iv) subject to market risk framework; (v) not subject to capital requirements or subject to deduction from capital.
b	<p>[Tab LI2] Main sources of differences between regulatory exposure amounts and carrying values in financial statements</p> <p>Agreed procedures/ work performed:</p> <ol style="list-style-type: none"> 1) Agreed the amounts as disclosed in LI2 as at 31 December 2021 to amounts disclosed in LI1 or management prepared schedules; as appropriate.
c	<p>[Tab LIA] Explanations of differences between accounting and regulatory exposure amounts</p> <p>Agreed procedures/ work performed:</p> <ol style="list-style-type: none"> 1) Checked that LIA contains the description of the following: <ol style="list-style-type: none"> (i) The origins of any significant differences between the carrying amounts of assets and liabilities as published in the financial statements and the carrying values under the scope of regulatory consolidation; (ii) Checked that the documentation included in LIA explains the origins of differences between the carrying values and amounts considered for regulatory purposes as shown in LI2; (iii) Checked that the documentation included in LIA includes a description of systems and controls of the Branch that ensure the valuation estimates are prudent and reliable including at a minimum a description of: <ol style="list-style-type: none"> a. Valuation methodologies, including an explanation of mark-to-market and mark-to-model methodologies are used; b. Independent price verification process; c. Procedures for valuation adjustments or reserves (including a description of the process and the methodology for valuing trading positions by type of instrument). (iv) Checked that the Branch has disclosed in LIA for its insurance subsidiary the CBUAE regulatory approach in respect of insurance entities in determining the Branch's reported capital position. <p>Checked that the descriptions in procedure 1 above have been reviewed and approved by senior management.</p>

3 Prudential valuation adjustments	
a	[Tab PV1] Prudent valuation adjustments
	Agreed procedures/ work performed: Agreed the amounts as disclosed in PV1 in columns a to h as at 31 December 2021 to management prepared schedules;
4 Composition of Capital	
a	[Tab CC1] Composition of regulatory capital
	Agreed procedures/ work performed: 1) Agreed the individual amounts as disclosed in CC1 to management prepared schedules 2) Recomputed the following ratios on the basis defined in CC1: (i) Common Equity Tier 1 (As a percentage of risk-weighted assets) by dividing total Common Equity Tier 1 Capital by Total risk-weighted assets: (ii) Tier 1 (as a percentage of risk-weighted assets) by dividing total Tier 1 Capital by Total risk-weighted assets' (iii) Total capital (as a percentage of risk-weighted assets) by dividing total regulatory capital by total risk-weighted assets.
b	[Tab CC2] Reconciliation of regulatory capital to balance sheet
	Agreed procedures/ work performed: 1) Agreed the carrying values of assets and liabilities as disclosed in CC2 in the column 'carrying values as reported in published financial statements' to the published financial statements of the Branch as at 31 December 2021. 2) Agreed the individual amounts as disclosed in column a of CC2 to the published financial statements and column b of CC2 to management prepared schedules.
c	[Tab CCA] Main features of regulatory capital instruments
	Agreed procedures/ work performed: Obtained and inspected relevant articles of association, policy and agreements in relation to the disclosure of the terms and conditions of the instruments included in the regulatory capital of the Branch as at 31 December 2021, as disclosed in CCA of the template.
d	[Tab CCyB1] Geographical distribution of credit exposures used in the countercyclical buffer
	Agreed procedures/ work performed: Agreed the amounts as disclosed in CCyB1 in columns A to E as at 31 December 2021 to management prepared schedules.

4	Leverage Ratio
a	[Tab LR1] Summary comparison of accounting assets versus leverage ratio exposure measure
	<p>Agreed procedures/ work performed:</p> <ol style="list-style-type: none"> 1) Agreed the consolidated assets as per published financial statements as disclosed in LR1 to the published financial statements of the Branch as at 31 December 2021. 2) Agreed all other individual amounts as disclosed in LR1 to management prepared schedules.
b	[Tab LR2] Leverage ratio common disclosure
	<p>Agreed procedures/ work performed:</p> <ol style="list-style-type: none"> 1) Agreed the individual amounts as disclosed in LR2 under column a at 31 December 2021 to the management prepared schedules. 2) Recomputed the following using the formula as defined in Tab LR2: <ol style="list-style-type: none"> (i) Total on-balance sheet exposures; (ii) Total derivative exposures; (iii) Total securities exposures; (iv) Total securities financing transaction exposures; (v) Off-balance sheet items; (vi) Total exposures; (vii) Leverage Ratio.
5	Liquidity
a	[Tab LIQA] Liquidity Risk Management
	<p>Agreed procedures/ work performed:</p> <ol style="list-style-type: none"> 1) Obtained and inspected the Branch's liquidity risk management framework and liquidity position documentation as at 31 December 2021, and checked that it describes the following qualitative and quantitative disclosures, as appropriate. <p>Qualitative disclosures:</p> <ol style="list-style-type: none"> (i) Governance of liquidity risk management, including risk tolerance; structure and responsibilities for liquidity risk management; internal liquidity risk strategy, policies and practices across business lines and with the general management. (ii) Funding strategy, including policies on diversification in the sources of funding (both products and counterparties). (iii) Liquidity risk mitigation techniques. (iv) An explanation of how stress testing is used. (v) An outline of the branch's contingency funding plans. 2) Where applicable we have inspected management's internal policy for consistency to the descriptions in LIQA. <p>Quantitative disclosures:</p> <ol style="list-style-type: none"> (i) Customised measurement tools or metrics that assess the structure of the branch's balance sheet or that project cash flows and future liquidity positions, taking into account off-balance sheet risks which are specific to the branch. (ii) Concentration limits on collateral pools and sources of funding. (iii) Liquidity exposures and funding needs at the level of individual legal entities, foreign branches and subsidiaries, taking into account legal, regulatory and operational limitations on the transferability of capital. (iv) Balance sheet and off-balance sheet items broken down into maturity buckets and the resultant liquidity gaps. 3) In respect of the above quantitative disclosures, we agreed the individual amounts to management prepared schedules.

5 Liquidity (continued)	
B	[Tab LIQ1] Liquidity Coverage Ratio
	Agreed procedures / work performed:
	1) Agreed individual amounts as disclosed in LIQ1 to management prepared schedules.
c	[Tab LIQ2] Net stable Funding Ratio
	Agreed procedures/ work performed:
	1) Agreed individual amounts as disclosed in LIQ2 to management prepared schedules.
d	[Tab ELAR] Eligible Liquid Assets Ratio
	Agreed procedures/ work performed:
	1) Agreed the individual amounts to management prepared schedules.
	2) Recomputed the Eligible Liquid Assets Ratio (ELAR) as disclosed in ELAR by dividing Total Eligible Liquid Assets in row 1.6 by Total Liabilities in row 2 under column Eligible Liquid Asset.
e	[Tab ASRR] Advances to Stable Resource Ratio
	Agreed procedures/ work performed:
	1) Agreed the individual amounts as disclosed in ASRR to management prepared schedules.
	2) Recomputed the Total stable resources and Advances to stable resources ratio on the basis defined in ASRR.
6 Credit Risk	
a	[Tab CRA] General qualitative information about credit risk
	Agreed procedures/ work performed:
	1) Obtained and inspected the Branch's credit risk management policy and checked that it describes the following:
	(i) How the business model of the Branch translates into the components of the Branch's credit risk profile;
	(ii) The structure and organisation of the credit risk management and control function;
	(iii) The relationships between the credit risk management, risk control, compliance and internal audit functions;
	(iv) The scope and main content of the reporting on credit risk exposure and on the credit risk management function to the executive management and to the board of directors.
	2) Checked that the descriptions in procedure 1 above have been reviewed and approved by senior management.
	3) Where applicable we have inspected management's internal policy for consistency to the descriptions in CRA.
b	[Tab CR1] Credit quality of assets
	Agreed procedures/ work performed:
	1) Agreed the individual amounts to management prepared schedules.
	2) Checked that the Branch has described the definition of default in the accompanying narrative consistent with that disclosed in the published financial statements of the Branch as at 31 December 2021.

6 Credit Risk (continued)	
c	[Tab CR2] Changes in the stock of defaulted loans and debt securities
	<p>Agreed procedures/ work performed:</p> <p>1) Obtained and inspected the Branch's movement schedule of defaulted loans and debt securities from 1 January 2021 to 31 December 2021 and agreed the individual amounts disclosed in CR2 to management prepared schedules.</p>
d	[Tab CRB] Additional disclosure related to credit quality of assets
	<p>Agreed procedures/ work performed:</p> <p>1) Obtained and inspected the Branch's credit risk management policy as at 31 December 2021 and checked that it includes the following qualitative and quantitative disclosures:</p> <p>Qualitative disclosures</p> <ul style="list-style-type: none"> (i) The scope and definitions of 'past due' and 'impaired' exposures for accounting purposes and the differences, if any, between the definition of past due and default for accounting and regulatory purposes. (ii) The extent of past-due exposures (>90 days) that are not considered to be impaired and the reasons for this. (iii) Description of methods used for determining accounting provisions for credit losses. In addition, branches that have adopted an ECL accounting model must provide information on the rationale for categorisation of ECL accounting provisions in general and specific categories for standardised approach exposures (iv) The branch's own definition of a restructured approach. <p>Quantitative disclosures</p> <ul style="list-style-type: none"> (i) Breakdown of exposures by geographical areas, industry and residual maturity. (ii) Amounts of impaired exposures (according to the definition used by the branch for accounting purposes) and related allowances and write-offs, broken down by geographical areas and industry. (iii) Ageing analysis of accounting past-due exposures. (iv) Breakdown of restructured exposures between impaired and not impaired exposures. <p>2) In respected of the above quantitative disclosures, agreed the individual amounts to management prepared schedules.</p> <p>3) Where applicable we have inspected management's internal policy for consistency to the descriptions in CRB.</p>
e	[Tab CRC] Qualitative information on the mitigation of credit risk
	<p>Agreed procedures/ work performed:</p> <p>1) Obtained and inspected the Branch's credit risk management policy document as at 31 December 2021 and checked that it describes the following:</p> <ul style="list-style-type: none"> (i) Core features of policies and processes for, and indication of the extent to which the branch makes use of, on and off-balance sheet netting. (ii) Core features of policies and processes for collateral evaluation and management. (iii) Information about market or credit risk concentrations under the credit risk mitigation instruments used. <p>2) Checked that the descriptions in procedure 1 above have been reviewed and approved by senior management.</p> <p>3) Where applicable we have inspected management's internal policy for consistency to the descriptions in CRB.</p>

6 Credit Risk (continued)	
f	[Tab CR3] Credit risk mitigation techniques - overview
	<p>Agreed procedures/ work performed:</p> <p>1) Agreed the individual amounts as disclosed in columns A to H of CR3 to management prepared schedules.</p>
g	[Tab CRD] Qualitative disclosures on branch's use of external credit ratings under the standardised approach for credit risk
	<p>Agreed procedures/ work performed:</p> <p>1) Obtained and inspected the Branch's standardized credit risk approach document and checked that it describes the following:</p> <ul style="list-style-type: none"> (i) Names of the external credit assessment institutions ("ECAIs") and export credit agencies ("ECAs") used by the branch, and the reasons for any changes over the reporting period; (ii) The asset classes for which ECAI and ECA is used; (iii) A description of the process used to transfer the issuer to issue credit ratings onto comparable assets in the banking book; and (iv) The alignment of the alphanumeric scale of each agency used with the risk buckets (except where the relevant supervisor publishes a standard mapping with which the branch has to comply). <p>2) Checked that the descriptions in procedure 1 above have been reviewed and approved by senior management.</p> <p>3) Where applicable we have inspected management's internal policy for consistency to the descriptions in CRD.</p>
h	[Tab CR4] Standardised approach - credit risk exposure and Credit Risk Mitigation (CRM) effect
	<p>Agreed procedures/ work performed:</p> <p>1) Agreed the individual amounts and percentages disclosed in columns A to F of CR4 to management prepared schedules.</p>
i	[Tab CR5] Standardised approach - exposures by asset classes and risk weights
	<p>Agreed procedures/ work performed:</p> <p>1) Agreed the individual amounts as disclosed in CR5 columns A to I to management prepared schedules.</p>
7 Counterparty Credit Risk ("CCR")	
a	[Tab CCRA] Qualitative disclosure related to CCR
	<p>Agreed procedures/ work performed:</p> <p>1) Obtained and inspected the Branch's counterparty credit risk policy as at 31 December 2021, and checked that it describes the following:</p> <ul style="list-style-type: none"> (i) The method used to assign operating limits defined in terms of internal capital for counterparty credit exposures and for CCP exposures. (ii) Policies relating to guarantees and other risk mitigants and assessments concerning counterparty credit risk, including exposures towards CCPs'. (iii) Policies with respect to wrong-way risk exposures. (iv) The impact in terms of the amount of collateral that the branch would be required to provide given a credit rating downgrade. <p>2) Checked that the descriptions in procedure 1 above have been reviewed and approved by senior management.</p>

7 Counterparty Credit Risk (“CCR”) (continued)	
	3) Where applicable we have inspected management’s internal policy for consistency to the descriptions in CCR.
b	[Tab CCR1] Analysis of CCR by approach
	Agreed procedures/ work performed: 1) Agreed the individual amounts as disclosed in CCR1 columns A to F to management prepared schedules.
c	[Tab CCR3] Standardised approach - CCR exposures by regulatory portfolio and risk weights
	Agreed procedures/ work performed: 1) Agreed the individual amounts as disclosed in CCR3 columns A to H to management prepared schedules.
d	[Tab CCR5] Composition of collateral for CCR exposure
	Agreed procedures/ work performed: 1) Agreed the individual amounts as disclosed in CCR5 columns A to F to management prepared schedules.
e	[Tab CCR6] Credit derivatives exposures
	Agreed procedures/ work performed: 1) Agreed the individual amounts as disclosed in CCR6 columns A and B to management prepared schedules.
f	[Tab CCR8] Exposures to central counterparties
	Agreed procedures/ work performed: 1) Agreed the individual amounts as disclosed in CCR8 columns A and B to management prepared schedules.
8 Securitisation	
a	[Tab SECA] Qualitative disclosures related to securitisation exposures
	Agreed procedures/ work performed: 1) Obtained and inspected the Branch’s strategy and risk management policy with respect to securitisation as at 31 December 2021, and checked that it describes the following: <ul style="list-style-type: none"> (i) The branch’s objectives in relation to securitisation and re-securitisation activity, including the extent to which these activities transfer credit risk of the underlying securitised exposures away from the branch to other entities, the type of risks assumed and the types of risks retained. (ii) The branch must provide a list of: <ul style="list-style-type: none"> a. special purpose entities (SPEs) where the branch acts as sponsor (but not as originator as such an Asset Backed Commercial Paper (ABCP) conduit), indicating whether the branch consolidates the SPEs into its scope of regulatory consolidation; b. affiliated entities (i) that the branch manages or advised and (ii) that invest either in the securitisation exposures that the branch has securitised or in SPEs that the branch sponsors; and c. a list of entities to which the branch provides implicit support and the associated capital impact for each of them. (iii) Summary of the branch’s accounting policies for securitisation activities. (iv) If applicable, the names of external credit assessment institution (ECAIs) used for securitisations and the types of securitisation exposure for which each agency is used. (v) If applicable, describe the process for implementing the Basel internal assessment approach (IAA). The description should include:

8 Securitisation (continued)	
	<ul style="list-style-type: none"> a. structure of the internal assessment process and relation between internal assessment and external ratings, including information on ECAs as referenced in item (d) of this table; b. control mechanisms for the internal assessment process including discussion on independence, accountability, and internal assessment process review; c. the exposure type to which the internal assessment process is applied; and stress factors used for determining credit enhancement levels, by exposure type; and d. Branches must describe the use of internal assessment other than for IAA capital purposes. <p>2) Checked that the descriptions in procedure 1 above have been reviewed and approved by senior management.</p> <p>Where applicable we have inspected management's internal policy for consistency to the descriptions in SECA.</p>
b	[Tab SEC1] Securitisation exposures in the banking book
	<p>Agreed procedures/ work performed:</p> <p>1) Agreed the individual amounts as disclosed in SEC1 columns A to L to management prepared schedules.</p>
c	[Tab SEC2] Securitisation exposures in the trading book
	<p>Agreed procedures/ work performed:</p> <p>1) Agreed the individual amounts as disclosed in SEC2 columns A to L to management prepared schedules.</p>
d	[Tab SEC3] Securitisation exposures in the banking book and associated regulatory capital requirements - branch acting as originator or as sponsor
	<p>Agreed procedures/ work performed:</p> <p>1) Agreed the individual amounts as disclosed in SEC3 columns A to Q to management prepared schedules.</p>
e	[Tab SEC4] Securitisation exposures in the trading book and associated capital requirements - branch acting as investor
	<p>Agreed procedures/ work performed:</p> <p>1) Agreed the individual amounts as disclosed in SEC4 columns A to Q to management prepared schedules.</p>



9 Market Risk	
a	<p>[Tab MRA] General qualitative disclosure requirements related to market risk</p> <p>Agreed procedures/ work performed:</p> <ol style="list-style-type: none"> 1) Obtained and inspected the Branch's market risk policy as at 31 December 2021, and checked that it describes the following: <ol style="list-style-type: none"> (i) Strategies and processes of the branch including an explanation of management's strategic objectives in undertaking trading activities, as well as the processes implemented to identify, measure, monitor and control the branch's market risks, and the policies for hedging risk and strategies/processes for monitoring the continuing effectiveness of hedges. (ii) Structure and organisation of the market risk management function including description of the market risk governance structure established to implement the strategies and processes of the branch discussed in row (i) above and describing the relationships and the communication mechanisms between the different parties involved in market risk management. (iii) The scope and nature of risk reporting and/or measurement systems including descriptions relating to positions covered by the approach and the underlying trading activities that impact each type of market risk factor. 2) Checked that the descriptions in procedure 1 above have been reviewed and approved by senior management. 3) Where applicable we have inspected management's internal policy for consistency the descriptions in MRA.
b	<p>[Tab MR1] Market risk under the standardised approach</p> <p>Agreed procedures/ work performed:</p> <ol style="list-style-type: none"> 1) Agreed the individual amounts as disclosed in MR1 to management prepared schedules.

10 Interest rate risk in Banking Book (“IRRBB”)	
a	<p>[Tab IRRBBA] IRRBB risk management objectives and policies</p> <p>Agreed procedures/ work performed:</p> <ol style="list-style-type: none"> 1) Obtained and inspected the Branch’s IRRBB policy as at 31 December 2021, and checked that it describes the following: <ol style="list-style-type: none"> (i) A description of how the Branch defines IRRBB for purposes of risk control and measurement. (ii) A description of the Branch's overall IRRBB management and mitigation strategies. (iii) The periodicity of the calculation of the branch's IRRBB measures, and a description of the specific measures that the branch uses to gauge its sensitivity to IRRBB. (iv) A description of the interest rate shock and stress scenarios that the branch uses to estimate changes in the economic value of earnings. (v) Where significant modelling assumptions used in the branch's internal measurement systems (IMS) are different from the modelling assumptions prescribed for the disclosure in IRRBB1, the Branch should provide a description of those assumptions and their directional implications and explain its rationale for making those assumptions. (vi) A high-level description of how the branch hedges its IRRBB, as well as the associated accounting treatment. (vii) A high-level description of key modelling and parametric assumptions used in calculating ΔEVE and ΔNII, which includes: <ol style="list-style-type: none"> a. For ΔEVE, whether commercial margins and other spread components have been included in the cash flows used in the computation and discount rate used. b. How the average repricing maturity of non-maturity deposits has been determined (including any unique product characteristics that affect assessment of repricing behaviour). The methodology used to estimate the prepayment rates of customer loans, and/or the early withdrawal rates for time deposits, and other significant assumptions. c. The methodology used to estimate the prepayment rates of customer loans, and/or the early withdrawal rates for time deposits, and other significant assumptions. Any other assumptions that have a material impact on the disclosed ΔEVE and ΔNII, including an explanation of why these are material. d. Any other assumptions that have a material impact on the disclosed ΔEVE and ΔNII, including an explanation of why these are material. 2) Checked that the descriptions in procedure 1 above have been reviewed and approved by senior management. 3) Where applicable we have inspected management’s internal policy for consistency the descriptions in IRRBB.
b	<p>[Tab IRRBB1] Quantitative information on IRRBB</p> <p>Agreed procedures/ work performed:</p> <ol style="list-style-type: none"> 1) Agreed the individual amounts as disclosed in IRRBB1 to management prepared schedules.

11	Operational risk
a	[Tab OR1] Qualitative disclosures on operational risk
	<p>Agreed procedures/ work performed:</p> <ol style="list-style-type: none"> 1) Obtained and inspected the Branch's operational risk policy as at 31 December 2021, and checked that it describes the following: <ol style="list-style-type: none"> (i) The policies, frameworks and guidelines for the management of operational risk. (ii) The structure and organisation of their operational risk management and control function. (iii) The operational risk measurement system. (iv) The scope and main context of the reporting framework on operational risk to executive management and to the board of directors. (v) The risk mitigation and risk transfer used in the management of operational risk. 2) Checked that the descriptions in procedure 1 above have been reviewed and approved by senior management. 3) Where applicable we have inspected management's internal policy for consistency the descriptions in OR1.
12	Remuneration policy
a	[Tab REMA] Remuneration policy
	<p>Agreed procedures/ work performed:</p> <ol style="list-style-type: none"> 1) Obtained and inspected the Branch's remuneration policy as at 31 December 2021, and checked that it describes the following, as appropriate: The main elements of the remuneration system and how Branch has developed this system. In particular, the following elements, where relevant: <ol style="list-style-type: none"> (i) Information relating to the bodies that oversee remuneration. Disclosures should include: <ol style="list-style-type: none"> a. Name, composition and mandate of the main body overseeing remuneration. b. External consultants whose advice has been sought, the body by which they were commissioned, and in what areas of the remuneration process. c. A description of the scope of the branch's remuneration policy, including the extent to which it is applicable to foreign subsidiaries and branches. d. A description of the types of employees considered as material risk-takers and as senior managers. (ii) Information relating to the design and structure of remuneration processes, including the following: <ol style="list-style-type: none"> a. An overview of the key features and objectives of remuneration policy. b. Whether the remuneration committee reviewed the Branch's remuneration policy during the past year, and if so, an overview of any changes that were made, the reasons for those changes and their impact on remuneration. c. A discussion of how the Branch ensures that risk and compliance employees are remunerated independently of the businesses they oversee. (iii) Description of the ways in which current and future risks are taken into account in the remuneration processes including an overview of the key risks, their measurement and how these measures affect remuneration. (iv) Description of the ways in which the Branch seeks to link performance during a performance measurement period with levels of remuneration. Disclosures should include: <ol style="list-style-type: none"> a. An overview of main performance metrics for branch, top-level business lines and individuals. b. A discussion of how amounts of individual remuneration are linked to branch-wide and individual performance.

12 Remuneration policy (continued)	
	<p>c. A discussion of the measures the branch will in general implement to adjust remuneration in the event that performance metrics are weak, including the branch's criteria for determining "weak" performance metrics.</p> <p>(v) Description of the ways in which the branch seeks to adjust remuneration to take account of longer-term performance including:</p> <p>a. A discussion of the branch's policy on deferral and vesting of variable remuneration and, if the fraction of variable remuneration that is deferred differs across employees or groups of employees, a description of the factors that determine the fraction and their relative importance.</p> <p>b. A discussion of the branch's policy and criteria for adjusting deferred remuneration before vesting and after vesting through clawback arrangements.</p> <p>(vi) Description of the different forms of variable remuneration that the branch utilises and the rationale for using these different forms. Disclosures should include:</p> <p>a. An overview of the forms of variable remuneration offered</p> <p>b. A discussion of the use of the different forms of variable remuneration and, if the mix of different forms of variable remuneration differs across employees or groups of employees), a description of the factors that determine the mix and their relative importance.</p> <p>2) Checked that the descriptions in procedure 1 above have been reviewed and approved by senior management.</p> <p>Where applicable we have inspected management's internal policy for consistency the descriptions in REMA.</p>
b	[Tab REM1] Remuneration awarded during the financial year
	<p>Agreed procedures/ work performed:</p> <p>1) Agreed the individual amounts as disclosed in REM1 columns A and B to management prepared schedules.</p>
c	[Tab REM2] Special payments
	<p>Agreed procedures/ work performed:</p> <p>1) Agreed the individual amounts as disclosed in the following columns in REM2 to management prepared schedules:</p> <ul style="list-style-type: none"> • Guaranteed Bonuses • Sign on awards • Severance payments
d	[Tab REM3] Deferred remuneration
	<p>Agreed procedures/ work performed:</p> <p>1) Agreed the individual amounts as disclosed in REM3 columns A to E to management prepared schedules.</p>