Market Discipline
Disclosures on Risk Based Capital (Pillar III of Basel Framework)
For the year ended 31 December 2015

Background: These disclosures under Pillar III of Basel III are made according to revised 'Guidelines on Risk Based Capital Adequacy' (Revised Regulatory Capital Framework for banks in line with Basel-III) for banks issued by Bangladesh Bank (Central Bank of Bangladesh) in December 2014. These qualitative and quantitative disclosures are intended to complement the Minimum Capital Requirement (MCR) under Pillar I and the Supervisory Review Process (SRP) under Pillar II of Basel III. The provision of meaningful information about common key risk metrics to market participants is a fundamental opinion of a sound banking system.

The purpose of market discipline in the Revised Capital Adequacy Framework is to disclose relevant information on capital adequacy in relation to various risk of the bank so that stakeholders can assess the position of a bank regarding holding of assets and to identify the risks relating to the assets, risk exposures, risk assessment processes and capital adequacy to meet probable loss of assets as well as can make the economic decision. The disclosure framework does not conflict with requirements under accounting standards as set by Bangladesh Bank from time to time. The following principles aim to provide a solid foundation for achieving transparent, high-quality Pillar III risk disclosures that will enable users to better understand and compare a bank's business and its risks.

The principles of these disclosures are as follows:

- The disclosures are clear
- The disclosures are comprehensive
- The disclosures are meaningful to users
- The disclosures are consistent over time
- The disclosures are comparable across banks

The disclosures under Pillar-III of the framework of the bank as on 31 December 2015 are as under:

A. Scope of Application
B. Capital Structure
C. Capital Adequacy
D. Investment (Credit) Risk
E. Equities: Disclosures for Banking Book Positions
F. Profit Rate Risk in the Banking Book (PRRBB)
G. Market Risk
H. Operational risk
I. Liquidity Ratio
J. Leverage Ratio

K. Remuneration

A) Scope of Application		
Qualitative Disclosures:		
a)	The name of the top corporate entity in the group to which this guidelines applies.	**Export Import Bank of Bangladesh Ltd.**
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 given a deduction treatment; and (c) that are neither consolidated nor deducted (e.g. where the investment is risk-weighted).	EXIM Bank has 3 (Three) subsidiaries as on the reporting date namely; EXIM Exchange Company (UK) Limited, EXIM Exchange Company (Canada) Limited, and EXIM Islami Investment Limited. A brief description of the Bank and its subsidiaries are given below: **Export Import Bank of Bangladesh Ltd.** Export Import Bank of Bangladesh Ltd. (EXIM Bank) was incorporated as a public limited company in Bangladesh under Companies Act, 1994. It commenced its banking business on August 03, 1999 under the license issued by Bangladesh Bank. Presently the Bank has 103 (One hundred three) branches. The Bank has 3 (Three) Off-shore Banking Units (OBU). The Bank went for Initial Public Offering in 2004 and its shares are listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited as a publicly traded company for its general class of shares. The principal activities of the Bank are to provide all kinds of commercial banking services to its customers through its branches. There are 3 (Three) Subsidiaries of EXIM Bank which are as under: i) EXIM Exchange Company (UK) Ltd., a subsidiary company of EXIM Bank, was incorporated in U.K. on February 10, 2009 and commenced its remittance business on June 30, 2009. The Paid up Capital of the company is GBP 0.45 million against Authorized Capital for GBP 1.00 Million. The principal activity of the company is that of the provision of money transfer services and advising on letters of credit.

		ii) EXIM Exchange Company (Canada) Ltd., a subsidiary company of EXIM Bank, was incorporated in Canada on September 24, 2009 and commenced its remittance business on January 23, 2010. The company is engaged with money transfer business with the Paid up Capital of CAD 0.60 Million only. iii) EXIM Islami Investment Limited is a subsidiary company of EXIM Bank incorporated as a public limited company and started its operation on December 01, 2010. The Paid up Capital of the company is BDT 100.00 Crore against Authorized Capital for BDT 500.00 Crore. The main objective of the company is to act as a full-fledged merchant banker. The company is also authorized to buy, sell, hold or otherwise acquire or invest the capital of Company in shares, stocks and other Shariah based securities. All the subsidiaries were consolidated.
c)	Any restrictions, or other major impediments, on transfer of funds or regulatory capital within the group.	Not applicable
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.	Not applicable

B) Capital Structure

Qualitative Disclosures:

a)	Summary information on the terms and conditions of the main features of all capital instruments, especially in the case of capital instruments eligible for inclusion in CET 1, Additional Tier 1 or Tier 2.	Regulatory capital, as stipulated by the revised RBCA guidelines by Bangladesh Bank, is categorized into two tiers according to the order of quality of capital (Tier I & II). i) Tier-I capital is called 'going concern capital'. It divided into two categories a) Common Equity Tier-I capital of EXIM bank consists of 1. Paid up capital 2. Statutory Reserve 3. Retained Earnings 4. Minority interest in Subsidiaries and 5. Dividend Equalization Account. b) Additional Tier-I - There are no such capital components in the capital portfolio of the bank. ii) Tier-II capital called 'gone-concern capital' of EXIM bank consists of 1) General provision 2) Subordinated debt 3) Revaluation reserve for fixed assets. The Bank complied with all the required conditions for maintaining regulatory capital as stipulated in the revised RBCA guidelines by Bangladesh Bank as per following details: 1. Common Equity Tier-I of at least 4.5% of the total RWA. **Status of Compliance: Complied** 2. Tier-I capital will be at least 6.0% of the total RWA. **Status of Compliance: Complied.** 3. Tier-II capital can be admitted maximum up to 4.0% of the total RWA or 88.89% of CETI, Whichever is higher. **Status of Compliance: Complied**. 4. Additional Tier-I capital can be admitted maximum up to 1.5% of the total RWA or 33.33% of CET-I whichever is higher. **Status of Compliance: There are no such capital components in the capital portfolio of the bank.**

		5. Minimum CRAR of 10% of the total RWA. **Status of Compliance: Complied.**

Quantitative Disclosures:

b)	The amount of Regulatory capital, with separate disclosure of: CET1 Capital Additional Tier 1 Capital Total Tier 1 Capital Tier 2 Capital	As on the reporting date, the Bank had a capital of BDT 2,838.16 Crore comprising Tier-I capital of BDT 2,302.27 Crore and Tier-II capital of BDT 535.89 Crore. Following table presents component wise details of capital as on reporting date i.e. 31 December 2015:
c)	1) Regulatory Adjustments/Deductions from capital (from Common Equity Tier-I Capital) 2) Regulatory Adjustments/Deductions from capital (from Tier-II Capital Capital)	
d)	Total eligible capital	

BDT in Crore

Sl. No	Particulars	Solo
Elements of Common Equity Tier-I Capital		
1	Paid up capital	1,412.25
2	Non-repayable Share premium account	0.00
3	Statutory Reserve	686.99
4	General Reserve	0.00
5	Retained Earnings	217.51
6	Dividend Equalization Account	6.28
7	Minority interest in Subsidiaries	0.00
8	Non-Cumulative Irredeemable Preferences shares	0.00
9	Other (if any item approved by Bangladesh Bank)	0.00
10	Sub Total(1+2+----------+9)	2,323.03
11	**Deductions from Common Equity Tier-I Capital**	**20.76**
12	Total Common Equity Tier-I Capital (10-11)	2302.27
13	**Additional Tier-I Capital**	**0.00**
14	**Total eligible Tier -I Capital (going concern Capital) (12+13)**	**2,302.27**
Elements of Tier-II Capital		
15	General Provision	203.18
16	Subordinated debt	250.00
17	Revaluation Reserves on Fixed Assets	103.39
18	Sub Total (15+16+17)	556.57
19	**Deductions from Tier-II Capital**	**20.68**
20	Total eligible Tier -II Capital (gone-concern Capital) (18-19)	535.89
	Total Eligible Capital (14+20)	**2,838.16**

<table>
<tr><th colspan="3">C) Capital Adequacy</th></tr>
<tr><th colspan="3">Qualitative Disclosures:</th></tr>
<tr><td>a)</td><td>A summary discussion of the bank's approach to assess the adequacy of its capital to support current and future activities.</td><td>In terms of RBCA guidelines on Basel-III framework issued by Bangladesh Bank, the bank has adopted
a) Standardized Approach for Credit Risk;
b) Standardized (rule based) approach for Market Risk and
c) Basic Indicator Approach for Operational Risk.
As per capital adequacy guidelines, the bank is required to maintain a minimum CRAR of 10.00% with regards to Credit risk, Market risk and Operational risk.

EXIM Bank focuses on strengthening and enhancing its risk management culture and internal control processes rather than increasing capital to cover up weak risk management and control practices. The bank has been generating most of its incremental capital from retained profit (stock dividend, transfer to statutory reserve) to balance the incremental growth of Risk Weighted Assets (RWA). The bank has been issued BDT 250.00 Crore Mudaraba Subordinated Tier II Bond. Moreover, the bank is going to issue BDT 400.00 Crore Mudaraba Subordinated (2nd Issuance) Tier II Bond in 2016 to strengthen its capital base. The Bank's policy is to manage and maintain strong Capital to Risk-weighted Asset Ratio (CRAR) through investing on those who are high grade rated investment customer and those who are low risk weight bearing customer. The bank is able to maintain capital to risk weighted asset ratio at 12.15% on Solo basis against the regulatory minimum level of 10.00%. Capital for BDT 502.92 Crore well above the regulatory minimum is meant for supporting anticipated future business growth and to serve as a buffer for unexpected shock thereby ensuring that the Bank's CRAR does not fall below the regulatory minimum level even in adverse condition and also can be considered as sufficient for Pillar II requirement and ultimately can be treated as adequate capital. The Bank's policy is to manage and maintain its capital with the objective of maintaining strong capital ratio and high rating. The Bank also ensures that the capital levels comply with regulatory requirements and satisfy the external rating agencies and other stakeholders including depositors. The whole objective of the capital management process in the Bank is to ensure that the Bank remains adequately capitalized at all times.</td></tr>
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Quantitative Disclosures:

BDT in Crore

		Sl. No.	Particulars	Solo	Consolidated
b)	Capital requirement for Credit Risk	1	Capital Requirement for Credit Risk	2,082.51	2,082.43
c)	Capital requirement for Market Risk	2	Capital Requirement for Market Risk	102.86	108.18
d)	Capital requirement for Operational Risk	3	Capital Requirement for Operational Risk	149.87	151.13
e)	Total capital, CET1 capital, Total Tier 1 capital and Tier 2 capital ratio: • For the consolidated group; and • For stand alone	4	Minimum Capital Requirement	2,335.24	2,341.74
		5	Tier 1 Capital To Total Capital Ratio:	81.12 %	80.99 %
		6	Total Risk Weighted Assets (RWA)	23,352.39	23,417.43
		7	**Total CRAR**	**12.15%**	**12.04%**
		8	Tier-I capital to RWA	9.86%	9.75 %
		9	Tier-II capital to RWA	2.29%	2.29%
		10	**Total Eligible Capital**	**2,838.16**	**2,819.54**
f)	Capital Conservation Buffer	11	Capital Conservation Buffer	-	-
g)	Available Capital under Pillar-II Requirement	12	**Available Capital under Pillar II requirement**	**502.92**	**477.80**

D) Investment (Credit) Risk

Qualitative Disclosures:

a)	The general qualitative disclosures:	
	*** Definitions of past due and impaired (for accounting purpose)**	An investment payment that has not been made as of its due date is called past due/overdue. Failure to repay an investment on time could have negative implications for the customer's credit worthiness or cause the investment terms to be permanently adjusted. In case of past due investment, the bank may charge compensation which does not come under bank's income rather the charges use for benevolent purpose. An investment is impaired when it is not likely the bank will collect the full value of the investment because the creditworthiness of a customer has fallen. The bank will pursue either restructuring or foreclosure as a result of the impaired status of the investment. Further, the bank must report the investment as impaired on any of its financial statements and CIB of Bangladesh bank. With a view to strengthening investment discipline and bring classification and provisioning regulation in the line with international standard, a phase wise program for classification and provisioning was undertaken by the Bank as per Bangladesh Bank circulars issued from time to time. In this regard, all the investments are grouped into four categories for the purpose of classification, namely (i) Continuous Investment, (ii) Demand Investment, (iii) Fixed Term Investment and (iv) Short-term Agricultural and Micro Investment. The above investments are classified as follows: **Continuous & Demand Investment are classified as under:** • **Sub-standard**- if it is past due/overdue for 3 months or beyond but less than 6 months; • **Doubtful-** if it is past due/overdue for 6 months or beyond but less Than 9 months; • **Bad/Loss-** if it is past due/overdue for 9 months or beyond. **Fixed Term Investment (More than Tk. 10.00 Lac) is classified as:** • **Sub-standard**- if the defaulted installment is equal to or more than the amount of installment (s) due within 3 (three) months, the entire investments are classified as "Sub-standard". • **Doubtful**- if the defaulted installment is equal to or more than the amount of installment (s) due within 6 (six) months, the entire investments are classified as "Doubtful. • **Bad/Loss**- if the defaulted installment is equal to or more than the amount of installment (s) due within 9 (nine) months, the entire investments are classified as "Bad/Loss". **Fixed Term Investment (Up to BDT 10.00 Lac) is classified as** • **Sub-standard** if the defaulted installment is equal to or more than the amount of installment (s) due within 6 (six) months, the entire investments are classified as

"Sub-standard".

- **Doubtful-** if the defaulted installment is equal to or more than the amount of installment (s) due within 9 (nine) months, the entire investments are classified as "Doubtful.
- **Bad/Loss-** if the defaulted installment is equal to or more than the amount of installment (s) due within 12 (twelve) months, the entire investments are classified as "Bad/Loss".

Short-term Agricultural and Micro Credit are classified as

- **Sub-standard**- - if the irregular status continue after a period of 12 (twelve) months, the investments are classified as "Sub-standard".
- **Doubtful-** if the irregular status continue after a period of 36 (thirty six) months, the investment are classified as "Doubtful".
- **Bad/Loss-** if the irregular status continue after a period of 60 (sixty) months, the investment are classified as "Bad/Loss".

** A Continuous, Demand or Term Investment which will remain over due for a period of 60 days or more, are treated as "Special Mention Account (SMA)".

****Description of approaches followed for specific and general allowances and statistical methods:**

We follow the following approach for specific and general allowances and statistical method:

Particulars		Short Term Agriculture credit and micro credit	Consumer Financing			Small Enterprise Financing	Investments to BHs/ MBS/SDs	All other credit
			Other than HF & LP	HF	LP			
Unclassified	STD	2.5%	5%	2%	2%	0.25%	2%	1%
	SMA	n/a	5%	2%	2%	0.25%	2%	1%
Classified	SS	5%	20%	20%	20%	20%	20%	20%
	DF	5%	50%	50%	50%	50%	50%	50%
	B/L	100%	100%	100%	100%	100%	100%	100%

Base for provision = Outstanding- (eligible security+ profit suspense) or 15% of outstanding whichever is higher.

****Discussion of the bank's investment (credit) risk management policy.**

Risk is inherent in all aspects of a commercial operation; however for Banks and financial institutions, investment (credit) risk is an essential factor that needs to be managed. Investment (credit) risk is the possibility that a borrower or counter party will fail to meet its obligations in accordance with agreed terms. Investment (Credit) risk, therefore, arises from the bank's dealings with or lending to corporate, individuals, and other banks or financial institutions. To manage investment (credit) risk EXIM bank follows "Bangladesh bank's Circulated CREDIT RISK MANAGEMENT guidelines".

Quantitative Disclosures:

b) Total Gross credit risk exposures broken down by major types of credit exposures:

BDT in crore

1. Exposure Type (Funded)	Exposure	RWA
Claims on Banks and NBFIs	1,765.38	382.45
Claims on Corporate	10,731.91	9,881.87
Claims under Credit Risk Mitigation	840.71	256.23
Claims categorized as retail portfolio & SME(excluding consumer loan)	4,367.49	3,710.07
Consumer finance	44.62	44.62
Claims fully secured by residential property	125.04	62.52
Claims fully secured by commercial real estate	1,354.99	1,354.99
Past Due Claims (Net of Specific Provision, when applicable)	1,282.29	1,748.97
Capital Market Exposures	57.06	71.32
Investment in equity and other regulatory capital instruments	152.2	190.13
Investments in premises, plant and equipment and all other fixed assets	563.35	563.35
Staff loan/Investment	195.42	39.08
Others	208.83	110.02
Total	**21,689.29**	**18,415.62**

BDT in crore

2. Exposure Type (Non-Funded)	Exposure	RWA
Claims on Public Sector Entities	2.01	1.01
Claims on Banks and other NBFIs:	3.84	1.01
Claims on Corporate	3,171.85	2,192.07
Claims against retail portfolio & SME (excluding consumer loan)	254.22	215.71
Total	**3,431.92**	**2,409.80**

BDT in crore

3. Mode-wise Investment	Exposure
Bai Muazzal	8143.83
Bai Murabaha	2095.49
Bai Salam	388.88
Istisna	0.00
Izara Bil Baia (Com)	8048.77
Izara Bil Baia (Staff)	195.42
Hire Purchase Under Shirkatul Melk	0.00
Quard	71.15

LDBP	1.35
Bai As Sarf	27.13
Musharaka	161.60
Exim Islami Investment Card	20.58
OBU	476.94
Total	**19631.14**

c) Geographical distribution of credit Exposures (broken down in significant areas by major types of credit exposure)

BDT in crore

Sl.	Division-wise investment	Exposure
1	Dhaka	13811.81
2	Chittagong	4683.39
3	Khulna	161.52
4	Rajshahi	678.03
5	Barisal	31.12
6	Sylhet	159.88
7	Rangpur	105.38
	Total	**19631.14**

d) Industry or counter party distribution of credit Exposures (broken down by major types of credit exposure)

BDT in crore

Sl.	Industry-wise investment	Exposure
1	Garments	2009.36
2	Textile	1273.64
3	Agro-based Industry	1759.34
4	Other Industry	1573.25
5	Trading and Others	13015.55
	Total	**19631.14**

e) Residual contractual maturity breakdown of the whole portfolio, broken down by major types of Investment exposure

BDT in crore

Sl.	Item	Exposure
1	On demand	969.56
2	Less than 3 months	1015.48
3	More than 3 months but less than 1 year	9778.88
4	More than 1year but less than 5 year	3674.49
5	More than 5 years	4192.73
	Total	**19631.14**

f)) By major industry or counterparty type (BDT in Crore)

Economic Sector	Total Advances	Overdue
Agriculture	**236.88**	**1.60**
1a) Cultivation	44.99	.14
1b)Plantation	.81	.00
1c) Livestock	130.96	1.24
1d) Fishing/Pisciculture	48.10	.19
1f) Others	12.02	.03
Industry(Other than working capital)	**3 963.56**	**146.33**
2a) Jute Industries	41.73	1.31
2b) Garments	1 849.32	70.24
2c) Lather Industries	.00	.00
2d) Spinning Mills	640.14	7.78
2e) Textile & Weaving	243.29	7.33
2f) Food Processing	149.69	1.18
2g) Rice/Flower/Puls Mills	154.31	2.25
2h) Steel Engineering & Metalic Product	48.42	.89
2i) Bricks & Sand Factories	18.14	.29
2j) Paper & Paper Product	144.59	2.51
2k) Others	673.93	52.55
Working Capital	**2 652.03**	**259.43**
3a) Jute Industries	95.03	.00
3b) Garments	160.04	13.10
3c) Lather Industries	2.52	.00
3d) Spinning Mills	300.74	29.41
3e) Textile & Weaving	89.47	.00
3f) Food Processing	124.89	48.11
3g) Rice/Flower/Puls Mills	311.87	4.50
3h) Steel Engineering & Metalic Product	284.78	41.29
3i) Bricks & Sand Factories	143.92	27.17
3j) Paper & Paper Product	123.13	1.16
3k) Others	1 015.64	94.69
Export Financing	**936.77**	**70.39**
4a) Readymade Garments	843.27	66.86
4b) Textile & Weaving	23.00	2.75
4c) Spinning Mills	16.82	.00
4d) Jute	3.09	.00
4e) Jute Goodes	.00	.00

4f) Leather	.00	.00
4g) Others	50.59	.78
Import Financing	**1 910.34**	**105.45**
5a) Food Stuffs	933.73	1.21
5b) Garments	16.56	.00
5c) Spinning Mills	67.24	12.82
5d) Textile & Weaving	116.18	.00
5e) Chemical (Except Medicine)	1.83	.00
5f) Others	774.80	91.42
Transport And Communications	**224.38**	**21.70**
6a) Road Transport	107.63	5.28
6b) Water Transport	13.13	.22
6c) Air Transport	.00	.00
6d) Others	.00	.00
6e1) Tele-Communication	69.94	9.41
6e2) Storage	26.32	1.68
6e3) Water & Sanitary Services	7.38	5.11
Internal Trade Financing	**5 194.59**	**440.99**
7a) Whole Sale Trading	3 430.91	309.24
7b) Retail Trading	562.78	42.57
7c) Others	1 200.90	89.18
Housing	**2 694.06**	**47.16**
8a) Housing Companies	860.63	3.13
8b) Construction Companies	161.79	2.93
8c) Urban	309.21	8.38
8d) Rural	11.97	.69
8e1) Garments, Textile & Spinning	515.39	5.82
8e2) Hospilal & Clinics	152.61	2.38
8f) Others	682.46	23.83
Special Programme	**.00**	**.00**
9a) Small & Cottage	.00	.00
*9b) Others **	.00	.00
Others	**1 818.53**	**25.47**
Others	1818.53	25.47
Total	**19 631.14**	**1 118.52**

Specific and general provisions

BDT in crore

Provision required:	Provisions as on 31.12.2015
Unclassified Investments	196.10
Special mention accounts (SMA)	7.08
Sub total	**203.18**
Substandard	8.84
Doubtful	51.11
Bad/Loss	399.46
Sub total	**459.41**
Total	**662.59**

*** **Provision for off-balance sheet item- BDT 69.85 crore**
*** **Provision for Offshore Banking Unit (OBU)- BDT 4.77 crore**

Charges for specific allowances and charges-offs during the period:

*** **Charges for specific allowances-BDT 459.41 crore**
*** **Charge-offs on loans during the period BDT 0.53 crore**

g. NPAs

BDT in crore

***Gross Non Performing Assets(NPAs)	920.81
***Non Performing Assets (NPAs) to Outstanding Loans & Advances	4.69%

***Movement of Non- Performing Assets(NPAs)

BDT in crore

Opening Balance	**653.32**
Additions	**443.15**
Reductions	**175.66**
Closing Balance as on 31.12.2015	**920.81**

***Movement of Non- Performing Assets(NPAs)

BDT in crore

Opening Balance	**225.74**
Provisions made during the period	**234.20**
Write-Off	**0.53**
Write-Back of excess provisions	**0.00**
Closing Balance 31.12.2015	**459.41**

E) Equities: Disclosures for Banking Book Positions		
Qualitative Disclosures:		
a)	**The general qualitative disclosures requirement with respect to equity risk, including**	
	Differentiation between Holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons;	Investment of EXIM Bank in equities is divided into two categories: quoted equities (which are traded in the secondary market) and unquoted equities (which are not traded in the secondary market). Since the intent of holding unquoted equities is not trading, the same are considered as banking book equity exposure.
	Discussion of important policies covering the valuation and accounting of equity holdings in the banking book. This includes the accounting techniques and valuation methodologies used, including key assumptions and practices affecting valuation as well as significant changes in these practices	The banking book equity exposure is mainly held for strategic purpose. EXIM Bank has 03 (Three) subsidiary companies namely; i) EXIM Exchange Company (UK) Limited, ii) EXIM Exchange Company (Canada) Limited iii) EXIM Islami Investment Limited, which are held for strategic business reason. The banking book securities are shown at cost price and market value determined by netting off the impairment loss and no revaluation reserve has been created against these equities.

Quantitative Disclosures:		
		BDT in crore
b)	Value disclosed in the balance sheet of investments, as well as the fair value of those investments; for quoted securities, a comparison to publicly quoted share values where the share price is materially different from fair value.	See: Table 1
c)	The cumulative realized gains (losses) arising from sales and liquidations in the reporting (31 December 2015) period.	One of the subsidiaries of the bank named EXIM (USA) Inc has closed its operation during the year 2015. Cumulative realized loss against which is Tk. 5.91 Crore
d)	• Total unrealized gains (losses)	There are no unrealized gains (losses) against banking book equities.

	• Total latent revaluation gains (losses)	-
	• Any amounts of the above included in Tier 2 capital.	-
e)	Capital requirements broken down by appropriate equity groupings, consistent with the bank's methodology, as well as the aggregate amounts and the type of equity investments subject to any supervisory provisions regarding regulatory capital requirements	Capital charge on banking book equities has been BDT 12.76 crore, calculated by giving 125% risk weight

Table 1: The list of banking book equities held by the Bank is given below:

Fig. in BDT

Sl	Equities in Banking Book	Purchase price	Market Value at 31 Dec'2015	Remarks
1.	Central Depository Bangladesh Limited	14,051,038	14,051,038	Unquoted
2.	EXIM Exchange Company (UK) Limited	52,098,416	52,098,416	Unquoted
3.	EXIM Exchange Company (Canada) Limited	40,053,870	40,053,870	Unquoted
4.	EXIM Islami Investment Limited (EIIL)	906,822,375	906,822,375	Unquoted
5.	SWIFT	8,011,014	8,011,014	Unquoted
	Total	**1,021,036,713**	**1,021,036,713**	

F) Profit Rate Risk in Banking Book (PRRBB)		
Qualitative Disclosure:		
a)	The general qualitative disclosure requirement including the nature of PRRBB and key assumptions, including assumptions regarding investment prepayments and behavior of non-maturity deposits, and frequency of PRRBB measurement.	Profit rate risk is the risk which affects the Bank's financial condition due to change in the market profit rates. The changes in profit rates may affect both the current earnings considering earnings perspective, traditional approach to profit rate risk assessment as well as the net worth of the Bank considering economic value perspective. To evaluate the impact of profit rate risk on the net profit margin, the bank monitors the size of the gap between rate sensitive assets & rate sensitive liabilities in terms of remaining time of re-pricing. Re-pricing risk is often the most obvious source of profit rate risk for a bank and is frequently measured by comparing the volume of a bank's assets that mature or re-price within a given time period with the volume of liabilities. The short term impact of changes in profit rates is on the bank's Net Investment Income (NII). In a longer term, changes in profit rates impact the cash flows on the assets, liabilities and off-balance sheet items that may rise to a risk to the net worth of the bank.

Quantitative Disclosures:					
					As on December 31, 2015 (Amount in crore)
b)	The increase/ (decline) in earnings or economic value (or relevant measure used by management) for upward and downward rate shocks according to management's method for measuring PRRBB, broken down by currency (as relevant)	**Particulars**	**1-90 days**	**Over 3 months to 6 months**	**Over 6 months to 12 months**
		Rate Sensitive Assets	3,653.96	2,829.55	6,949.45
		Rate Sensitive Liabilities	10,524.53	2,410.60	2,653.77
		GAP	(6,870.57)	418.95	4,295.68
		Cumulative Gap	(6,870.57)	(6,451.62)	(2,155.94)
		Adjusted profit rate changes	1%	2%	3%
		Earnings impact	(21.56)	(43.12)	(64.68)

G) Market Risk

a) Qualitative Disclosures:

Views of Board of Directors on trading/ investment activities:	Market risk is defined as the possibility of losses in on and off-balance sheet positions arising from movements in market prices. The exposure of the bank to market risk arises principally from customer-driven transactions. The market risk positions subject to this requirement are: i) The risks pertaining to profit rate related instruments and equities in the trading book. ii) Foreign exchange risk and commodities risk throughout the bank (both in the banking and in the trading book). Trading book comprises position in financial instruments held with trading intent or in order to hedge other element of the trading book. The portfolio of investment of EXIM Bank includes Bangladesh Government Islami Investment Bond (BGIIB), Share of listed public limited companies etc. The bank has always put impetus on investment of funds in high yield areas and also has ensured maintenance of statutory liquidity requirement as set by Bangladesh Bank. The Board of Director approves all necessary policies related to market risk and review them on regular basis.
Methods used to measure Market risk:	There are several methods use to measure market risk and the bank uses those methods which deem fit for a particular scenario. For measuring profit risk from earnings perspective, the bank uses maturity gap analysis, Duration Gap analysis, and mark to market method and for measuring foreign exchange risk, the bank uses VaR analysis. The Bank uses standardized method for calculating capital charge against market risks for minimum capital requirement of the Bank under Basel-III.
Market Risk Management system:	The Treasury & Financial Institution Division manage market risk covering Liquidity, profit rate and foreign exchange risk with oversight from Assets Liability Management Committee (ALCO) comprising Senior Executives of the Bank. ALCO is chaired by the Managing Director & CEO of the Bank. ALCO meets at least once in a month.
Policies and processes for mitigating market risk:	The bank has put its Asset Liability Management policy by setting various risk limits for effective management of market risk and ensuring that the operations are in line with bank's expectation of return to market risk through proper Asset Liability Management. The policies also deal with the reporting framework for effective monitoring of market risk. The ALM Policy specifically deals with liquidity risk management and profit rate risk management framework. Liquidity risk is managed through Gap & Duration analysis, based on residual maturity/behavioral pattern of assets and liabilities, as prescribed by the Bangladesh Bank. The Bank has put in place mechanism of Liquidity Contingency Plan. Prudential

	(Tolerance) limits are prescribed for different residual maturity time buckets for efficient Asset Liability Management. Liquidity profile of the Bank is evaluated through various liquidity ratios/indicators. Foreign Exchange risk is the risk or chance of loss due to unexpected movement of market price of the currencies of different countries or the price of the assets denominated by foreign currencies. For effective and efficient management of Foreign Exchange Risk, the Bank has a well-developed and well-structured Foreign Exchange Risk Manual and an international standard Dealing Room Manual. Various limits are set to monitor and mitigate the Foreign Exchange risk such as, Net Open Position (NOP) limits (Day limit / Overnight limit), deal-wise cut-loss limits, Stop-loss limit, Profit / Loss in respect of cross currency trading etc. and exception reporting is regularly carried out. The Treasury of the Bank is mainly divided into three departments namely Front Office, Mid Office and Back Office. The Front Office independently conducts the transactions and the Back Office is responsible for settlement of those transactions after verifying of the deals and passing for those entries in the books of account. The Mid Office plays a vital role in the process by checking the Foreign Exchange procedure perform by Front and Back Office and by reporting it directly to the Managing Director & CEO of the Bank. All foreign exchange transactions are revaluated at Mark to Market rate as determined by inter-bank. All nostro accounts are reconciled on monthly basis and outstanding entries are reviewed by the management for their settlement.

b) Quantitative Disclosures:

BDT in crore

The Capital Requirements for:	**Total Capital Charge**
Interest Rate Related Instruments	**-**
Equities a) Specific Risk - Market value of investment in equities BDT 399.98 Crore. Capital Charge at 10% of market value amounting BDT 40.00 Crore . b) General Market Risk -Market value of investment in equities BDT 399.98 Crore. Capital Charge at 10% of market value amounting BDT 40.00 Crore .	**80.00**
Foreign Exchange Position (Sum of Net Long Position BDT 228.60 Crore. Capital Charge at 10% on Sum of Net Long Position amounting BDT 22.86 Crore)	**22.86**
Total	**102.86**

H) Operational Risk	
a) Qualitative Disclosures	
Views of Board of Directors on system to reduce Operational Risk:	Operational Risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. It is inherent in all of the Bank's activities. Operational risks are monitored and, to the extent possible, controlled and mitigated. The Bank's approach to operational risk is not designed to eliminate risk altogether but rather, to contain risks within levels deemed acceptable by senior management. All functions, whether business, control or logistics functions, must manage the operational risks that arise from their activities. This is supported by an independent program of periodic reviews undertaken by internal audit, and by monitoring external operational risks events, which ensure that the group stays in line which industry best practice and takes account or lessons from publicized operational failures within the financial services industry.
Performance gap of executives and staffs:	The difference between the standard/intended and the actual/current performance is known as the performance gap. EXIM Bank always tries to minimize the performance gap of its employees through need based training by assessing the various needs of the employees. Bank maintains a decent work environment where employees can work with dignity, can participate in the decision making process, and receive equal treatment and opportunity that affect their performance. The bank is relentlessly pursuing its vision to transform the human resources into human capital. The bank also encourages practicing ethical behavior by following standard code of conduct. To reduce knowledge gap and assist in the development of our personnel, user friendly Operations Manual have been developed and enclosed with functional processes for all employees who are the end users of these processes. The bank ensures timely compensation claims of the employee; preserve the employee health and safety rules and avoid the discriminatory activities. Strong brand image of the bank plays an important role in employees' motivation. During the year 2015, the bank significantly reviewed few existing policies for providing more benefit to employees with a view to introducing superior level of job satisfaction. Earlier the bank formed "Female Employees' Interest Protection Cell" to ensure Equal Employment Opportunity. Competitive compensation also ensures best workplace safety for the banks' employees to keep away from incompatible employment practices and unhealthy employee turnover. It is the policy of the bank that various cash and non-cash benefits for the employees are reviewed time to time based on bank's performance and rationality. Bank introduces 'Employee Turnover Risk' as a requirement of the Supervisory Review Process (SRP) under Pillar II of Basel III which becomes a constant monitoring tool to measure the employee turnover of the bank.

Potential external events:	The potential external events that may pose the bank into operational risks are as follows: 1. **External Fraud**: Acts by a third party, of a type intended to defraud, misappropriate property or circumvent the law. Examples include robbery, forgery, and damage from computer hacking. 2. **Taxation Risk:** Sudden changes in tax laws and regulation that hamper the profitability of a bank. 3. **Legal Risk**: Legal risk is the risk of the Bank's losses in cases of i) incompliance of the Bank with the requirements of the legal regulations ii) making legal mistakes in carrying out activities iii) Imperfection of the legal system iv) Violation of legal regulations, terms and conditions of concluded agreements by the counterparties. 4. **Damage of physical asset**: Loss or damage to physical assets from natural disaster or other events. Example includes terrorism, vandalism, earthquakes, fires, floods etc. 5. **Business disruption and system failures**: Disruption of business or system failures. Examples include telecommunication problems, utility outages etc. 6. **Execution, delivery and process management:** Failed transaction processing or process management, and relations with trade counterparties and vendors. Examples include, non-client counterparty mis-performance, vendor disputes etc.
Policies and processes for mitigating operational risk:	The Bank has taken the following policies and processes for mitigating operational risk: 1. Loss prevention: We focus on employee development through training and development programs and review the performance of employees to prevent loss. 2. Loss control: We have in detail planning and defined process in place like back up of computer system controlling the loss. The Bank has formed 'Risk Management Division' under 'Chief Risk Officer' to review and update operational risks along with all other core risks on systematic basis as essential ensuring that adequate controls exist and that the related returns reflect these risks and the capital allocated to support them. The bank already developed the information systems/MIS inflow and data management capabilities to support the risk management functions of the bank. The Bank has taken initiatives for protecting the information from unauthorized access, modification, disclosure and destruction to protect its' customers' interest. The Bank has already developed its own ICT policies for various operation and services, which are closely in line with the ICT Guidelines of Bangladesh Bank. Training is a key component of operational risk management. The Bank has been continuously conducting training sessions (i.e. Operational Procedure, Business Continuity Planning, Disaster Recovery Planning etc.) for relevant

Approach for calculating capital charge for operational risk:	employees. The Bank has been maintaining separate insurance coverage for its critical assets. The bank conducts routine audit (both internal and external) and internal ICT audit to all its' branches and Head Office divisions. The Banks operating in Bangladesh have been computing the capital requirements for operational risk under the Basic Indicator Approach (BIA). Under BIA, the capital charge for operational risk is a fixed percentage, denoted by α (alpha) of average positive annual gross income of the bank over the past three years. Figures for any year in which annual gross income is negative or zero, should be excluded from both the numerator and denominator when calculating the average. The capital charge may be expressed as follows: $K = [(GI\ 1 + GI\ 2 + GI\ 3) \times \alpha]/n$ Where- K = the capital charge under the Basic Indicator Approach GI = only positive annual gross income over the previous three years (i.e., negative or zero gross income if any shall be excluded) α = 15 percent n = number of the previous three years for which gross income is positive. Gross Income (GI) is defined as "Net Investment Income" plus "Net non-Investment Income". It is intended that this measure should: i). be gross of any provisions; ii). be gross of operating expenses, including fees paid to outsourcing service providers iii). exclude realized profits/losses from the sale of securities held to maturity in the banking book; iv). exclude extraordinary or irregular items; v). exclude income derived from insurance.

b) **Quantitative Disclosures:**

BDT in crore

The capital requirements for operational risk	**151.14**

Capital Charge for Operational Risk-Basic Indicator Approach

BDT in Crore

Year	Gross Income (GI)	Average Gross Income (AGI)	Capital Charge = 15% of AGI
2013	**836.24**	**999.11**	**149.86**
2014	**1061.95**		
2015	**1099.13**		

I) Liquidity Ratio	
a) Qualitative Disclosures	
Views of BOD on system to reduce Liquidity Risk	Liquidity risk arises from either the bank's inability to meet its obligations as they fall due or to fund increases in assets without incurring unacceptable cost or losses. The Board of Directors (BOD) looks upon liquidity risk as a significant risk. The BOD has approved liquidity management policy, profit rate risk management policy, wholesale borrowing guidelines, asset liability management guidelines, Management Action Trigger (MAT) etc. and limit of some liquidity indicators like MCO, MTF, ID ratio etc. They also review these regularly.
Methods used to measure Liquidity Risk:	We measure liquidity risk by performing gap analysis, sensitivity analysis, by calculating Liquidity Coverage Ratio (LCR), Net Stable Funding Ratio (NSFR), Maximum Cumulative Outflow (MCO), Medium Term Funding Ratio (MTFR), Value at Risks (VaR) etc. If the gaps in various time bands are beyond prescribed limit or if the liquidity indicators exceed limit, that is an indication of liquidity risk. Moreover, we keep an eye on the market dynamics to trace any unforeseen liquidity risk.
Liquidity Risk management system:	There is necessary organizational structure, systems in place, policies and procedures for managing liquidity risk in our bank. A major task of our Treasury & Financial Institutions Division (TFID) is to manage Asset Liability Management (ALM) risk, a major part of which is Liquidity Risk. There is a separate and well staffed ALM Desk in TFID under direct supervision of the Asset Liability Committee (ALCO) formed in line with Bangladesh Bank guidelines. The ALCO sits at least once in a month and regularly reviews various ALM risk indicators as presented through ALCO Papers.
Policies and processes for mitigating Liquidity Risk:	The bank has an ALM guideline rich in contents, liquidity management policy, transfer pricing policy, profit rate policy, Management Action Trigger (MAT), wholesale borrowing and lending guidelines etc which are reviewed annually. We perform gap analysis We use asset conversion method, borrowed liquidity method or mixed method in managing liquidity considering their relative cost and benefits which can save expense and generate profit. We try to keep CRR surplus as minimum as possible. We take information about large fund flows from branches and concerned divisions of head office a-priori so that we can meet any fund requirement using low cost source or place idle fund with other banks and FIs. We monitor the liquidity indicators regularly and take immediate actions if any unforeseen risk is detected.

b) Quantitative Disclosures:

Amount in BDT (Thousand)

Liquidity Coverage Ratio	132.09%
Net Stable Funding Ratio (NSFR)	114.93%
Stock of High quality liquid assets	36,602,144.84
Total net cash outflows over the next 30 calendar days	27,710,383.79
Available amount of stable funding	234,031,849.08
Required amount of stable funding	203,630,565.79

J) Leverage Ratio	
a) Qualitative Disclosures	
Views of BOD on system to reduce excessive leverage:	In many cases, banks built up excessive leverage while apparently maintaining strong risk-based capital ratios. Subsequently, the banking sector was forced to reduce its leverage in a manner that not only amplified downward pressure on asset prices, but also intensified the positive feedback loop between losses, declines in bank capital and reduction in credit availability. In order to avoid building-up excessive on- and off-balance sheet leverage the board of directors of the bank prefer a simple, transparent, non-risk based leverage ratio which is calibrated to act as a credible supplementary measure to the risk based capital requirements.
Policies and processes for managing excessive on and off balance sheet leverage:	The leverage ratio is intended to manage through following manner: a) Constant monthly monitoring of the build-up of leverage in the bank by the Treasury Division and Investment Risk Management Division. b) Strengthen the risk based requirements through branch level as well as Head office.
Approach for calculating exposure:	The Bank has calculated the regulatory leverage ratio as per the guideline of Basel III. The numerator, capital measure is calculated using the new definition of Tier I capital applicable from 01 January 2015. The denominator, exposure measure, is calculated on the basis of the Basel III leverage ratio framework as adopted by the Bangladesh Bank. The exposure measure generally follows the accounting value, adjusted as follows: - a) On-balance sheet, i. non derivative exposures are included in the exposure measure after netting of specific provision; ii. physical or financial collateral is not considered to reduce on-balance sheet exposure; iii. Investments are not netted with deposits; c) Off balance sheet items are converted into credit exposure equivalents through the use of credit conversion factors (CCFs). Depending on the risk category of the exposure a CCF of 20%, 50% or 100% is applied. Commitments that are unconditionally cancellable at any time by the

	bank without prior notice, a CCF of 10% is applied; The banks maintains leverage ratio on quarterly basis. The calculation at the end of each calendar quarter to be submitted to BB based on the following definition of capital and total exposure. $$\text{Leverage Ratio} = \frac{\text{Tier 1 Capital (after related deductions)}}{\text{Total Exposure (after related deductions)}}$$

b) Quantitative Disclosures:

BDT in Crore

Sl. No.	Particulars	Solo	Consolidated
1	**Leverage Ratio**	**7.82%**	**7.82%**
2	**On balance sheet exposure**	**26,005.94**	**26,054.78**
3	**Off balance sheet exposure**	**3,462.83**	**3,462.83**
4	**Regulatory adjustment made to Tier I capital**	**20.76**	**22.16**
5	**Tier I capital. (Considering all regulatory adjustment)**	**2,302.27**	**2,283.65**
6	**Total exposure = { (2+3) - 4)}**	**29,448.01**	**29,495.45**

K) Remuneration:	
Qualitative Disclosures:	
a) Information relating to the bodies that oversee remuneration: The qualitative remuneration information disclosed below are broader in scope and cover all individuals included in the Remuneration Policy of Export Import Bank of Bangladesh Limited; whereas the quantitative information relates to senior manager sand material risk takers of the bank and its subsidiaries.	
i) Name, composition and mandate of the main body overseeing remuneration.	The remuneration issues in EXIM Bank are overseen by a five-member Remuneration Committee. It comprises the Managing Director & CEO, three Deputy Managing Directors and the Head of HR. The primary functions of the Remuneration Committee are to determine, review and propose principles and governance framework for all decisions relating to remunerations of the employees of EXIM Bank. While the Human Resources Division is responsible for preparing and recommending reward plans and compensation, the committee's duties are to assess and review these recommendations and submit them to the Board of Directors for approval.
ii) External consultants whose advice has been sought, the body by which they were commissioned, and in what areas of the remuneration process.	Currently, there is no external remuneration consultant, whose advice is being sought. The Committee obtains remuneration information directly from the Human Resources Division of the bank.
iii) A description of the scope of the bank's remuneration policy (eg by regions, business lines), including the extent to which it is applicable to foreign subsidiaries and branches.	Our remuneration policy provides guiding principles that drive remuneration related decision-making across every level of our bank, including its one local and two foreign subsidiaries.
iv) A description of the types of employees considered as material risk takers and as senior managers, including the number of employees in each group.	The bank has identified employees in key areas and functions whose impact on the risk profile of the bank will always be material, and also employees with the authority to take risks above thresholds that are defined based on the institution's capital figures. The bank has also set out criteria to identify staff in control and other functions, including the members of the management body in its supervisory function, whose professional activities have a material impact on the institution's risk profile because of their responsibilities, e.g. for managing risks or developing or overseeing the institution's strategy. Other criteria are based on the authority of staff to commit to

	investment risk exposures and market risk transactions above certain thresholds. In particular, all members of the senior management, Divisional Heads, Regional Managers and Branch Relationship Managers have been identified as senior managers and/or material risk takers. The number of employees in each group is as follows-

Senior Manager	Material Risk Taker
5	123

b) Information relating to the design and structure of remuneration processes.	
i) An overview of the key features and objectives of remuneration policy.	EXIM Bank is committed to maintaining fair, balanced, performance-oriented compensation practices that align with long-term employee and shareholder interests. The bank believes in rewarding employees for performing in a way that creates sustainable values for the bank and its shareholders over the time. We believe that well-established and clearly communicated core remuneration values drive fairness and consistency across our bank.
ii) Whether the remuneration committee reviewed the firm's remuneration policy during the past year, and if so, an overview of any changes that were made.	The committee reviewed the bank's remuneration policy in the 2015 financial year; however it felt no changes were necessary to be made.
iii) A discussion of how the bank ensures that risk and compliance employees are remunerated independently of the businesses they oversee.	Employees engaged in control functions (risk management, human resources, audit, compliance, etc.) are independent from the business units they oversee, have appropriate authority, and are compensated in accordance with the achievement of the objectives linked to their functions, independent of the performance of the business areas they control.
c) Description of the ways in which current and future risks are taken into account in the remuneration processes.	
i) An overview of the key risks that the bank takes into account when implementing remuneration measures.	All of our remuneration practices are carefully managed within the risk taking capacity of the bank. The key risks like- Financial Risks, Operational Risks, Compliance Risks, Reputational Risks, and Employee Turnover Risks; etc. are taken into account for managing and determining remuneration arrangements.
ii) An overview of the nature	Risk is a key factor in assessing remuneration outcomes. In this regard, we use financial capacity of the bank to measure remuneration packages.

and type of the key measures used to take account of these risks; including risks difficult to measure (values need not be disclosed).	Side by side, we also consider operational impacts, cost of living adjustments, relevant compliances, industry-competitive remuneration in relation to the market reputation and other effective risk-adjusted measures in determining remuneration.
iii) A discussion of the ways in which these measures affect remuneration.	We approach all of our remuneration arrangements, especially the periodic fixed remuneration enhancements and the variable compensation arrangements through an integrated risk, finance, compensation and performance management framework. All annual base salary increments and potential variable remuneration awards are reviewed at the end of each financial year and may be adjusted downwards where material risk issues occur.
iv) A discussion of how the nature and type of these measures has changed over the past year and reasons for the change, as well as the impact of changes on remuneration.	The management of the bank has been considering the reasonable grounds for amending and measuring the remuneration arrangements from time to time in order to ensure risk adjusted business operations and employee satisfaction simultaneously.
d) Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration.	
i) An overview of main performance metrics for bank, top-level business lines and individuals.	✓ Net profit Margin ✓ Return on Investment (ROI) ✓ Return on Assets (ROA) ✓ Return on Equity (ROE) ✓ RAROC (Risk-adjusted return on capital) ✓ Classified Investment *ratio* ✓ Earnings Per Share (EPS) ✓ Capital to Risk weighted Asset Ratio (CRAR) ✓ Operating efficiency (cost control)
ii) A discussion of how amounts of individual remuneration are linked to bank-wide and individual performance.	In EXIM Bank, amounts of individual remuneration do not contain any direct formulaic link between business income and individual reward. Differentiating performance and value ratings at all levels enable us to target spend towards those who have made the most effective contribution to the bank's performance and unique culture, recognises and aids retention of our highest performers and balances this with affordability considerations.

iii) A discussion of the measures the bank will in general implement to adjust remuneration in the event that performance metrics are weak	Risk measures are used as a gate opener for any performance based remuneration. Remuneration outcomes are assessed against individual performance (against business goals set at the beginning of the performance year) and bank's risk taking capacity. All potential incentive awards are reviewed at the end of financial year and may be reduced or adjusted to zero in the event of any risk management issues.
e) Description of the ways in which the bank seek to adjust remuneration to take account of longer-term performance.	
i) A discussion of the bank'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.	Currently we do not offer any variable remuneration that may be deferred or vested either in the form of cash, shares or share-linked instruments. However, employees are eligible for variable remuneration arrangements in the form of Incentive Bonus(non-deferred cash awards), applicable to their positions.
ii) **A discussion of the bank's policy and criteria for adjusting deferred remuneration before vesting and (if permitted by national law) after vesting through claw-back arrangements.**	Not applicable.
f) Description of the different forms of variable remuneration that the bank utilises and the rationale for using these different forms.	
i) An overview of the forms of variable remuneration offered (i.e, cash, shares and share-linked instruments and other forms.	The structure of remuneration arrangements for all employees primarily consists of a fixed remuneration component, which is made up of base salary, allowances, and other benefits. Employees are also eligibleforvariableremunerationarrangementsapplicabletotheirposition. Variable remuneration consists of Incentive Bonus (cash awards) for most of our employees.
ii) 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 the factors that determine the mix and their relative importance.	Incentive Bonus awards are discretionary and recognise annual performance over the past financial year. Performance is measured and reviewed against set goals, which include financial and non-financial metrics.

Quantitative Disclosure						
g)	Number of meetings held by the main body overseeing remuneration during the disclosures during the financial year and remuneration paid to its member.		The Remuneration Committee holds at least three meetings per annum. Additional meetings may be held as deemed necessary by the committee. The committee met three times during the 2015 financial year. The members do not receive any remuneration as committee member.			
h)	Disclosure Category		Senior Managers		Material Risk Takers	
	Number of employees having received a variable remuneration award during the financial year.		5		123	
	Number and total amount of guaranteed bonuses awarded during the financial year.		-		-	
	Number and total amount of sign-on awards made during the financial year.		-		-	
	Number of severance payments made during the financial year.		-		8	
	Total amount of severance payments made during the financial year.		-		25,827,159	
i)	Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms.		Not applicable.			
	Total amount of deferred remuneration paid out in the financial year.		Not applicable.			
j)	Disclosure Category		Senior Managers		Material Risk Takers	
			Deferred	Non-deferred	Deferred	Non-deferred
	Fixed Remuneration	Cash-based	-	44,718,746	-	473,385,037
		Shares and share-linked instruments	-	-	-	-
		Others	-	-	-	-
	Variable Remuneration	Cash-based	-	5,763,600	-	56,234,750
		Shares and share-linked instruments	-	-	-	-
		Others	-	-	-	-

k)	**Quantitative information about employees' exposure to implicit (e.g. fluctuations in the value of shares or performance units) and explicit adjustments (e.g. clawbacks or similar reversals or downward revaluations of awards) of deferred remuneration and retained remuneration.**	
	Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and/or implicit adjustments.	**Not applicable.**
	Total amount of reductions during the financial year due to ex post explicit adjustments.	**Not applicable.**
	Total amount of reductions during the financial year due to ex post implicit adjustments.	**Not applicable.**