



Alkhizanah Capital

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الخزانة كابيتال

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Saudi Arabia Joint Stock Company

بسم الله الرحمن الرحيم

شركة مساهمة سعودية مغلقة

"CAPITAL ADEQUACY" Pillar III - Disclosures

The CMA has issued Prudential Rules (the "Rules") dated 17 Safar 1434H (corresponding to 30 December 2012). According to the Rules, the CMA has prescribed the framework and guidance regarding the minimum regulatory capital requirement and its calculation methodology as prescribed under these Rules. In accordance with this methodology, the Company has calculated its minimum capital required and capital adequacy ratios as follows:"

	31-December <u>2022</u> SAR	31-December <u>2021</u> SAR
Capital base:		
Tier 1 Capital	642,761	-
Tier 2 Capital	-	-
Total capital base	642,761	-
Minimum capital requirement:		
Market risk	241,047	-
Credit risk	-	-
Operational risk	-	-
Total minimum capital required	241,047	-
Capital adequacy ratio:		
Total capital ratio (time)	2.67	-
Surplus in capital	401,714	-

Capital Base of the Company comprises of:

- Tier-1 capital consists of paid-up share capital, retained earnings, reserves excluding revaluation reserves as per Article 4 of the Rules.
- Tier-2 capital consists of revaluation reserves as per Article 4 of the Rules.

The Minimum Capital Requirements for Market, Credit & Operational Risk are calculated as per the requirements specified in Part 3 of the Rules.

The Company is required to maintain adequate capital as specified in the Rules. The capital adequacy ratio shall not be less than 1.

Certain information as required by Pillar III of the Prudential Rules will be made available to the public on the Company's website, however, this information is not subject to review or audit by the external auditors of the Company.

The Company's business objectives when managing capital adequacy is to comply with the capital requirements set forth by the CMA to safeguard the Company's ability to continue as a going concern, and to maintain a strong capital base."