Market Discipline Disclosure Report
31 December 2024

St. Georges Bank
& Trust Company (Cayman) Ltd.

Contents

1. Background

1.1 Incorporation and Ownership Information.

Since July 2011, St. Georges Bank & Trust Company (Cayman) Ltd. (“the Bank”) has been a company under the Corporations Law of the Cayman Islands. The Bank was granted a "Category ‘B’ Banking License" issued by the authorities of the Cayman Islands and is subject to the supervision and regulation of the Cayman Islands Monetary Authority (CIMA).

The Bank is 100% owned by Promerica Financial Corporation (PFC), a company incorporated and existing under the laws of the Republic of Panama. PFC is supervised and regulated by the Superintendence of Banks of Panama.

The Home Office/Authorized Agent is Cainvest Bank & Trust Limited, located at Harbour Place, 103 South Church Street, 5th Floor, P.O. BOX 1353 GT, George Town, Grand Cayman, Cayman Islands, KY1-1108. Additionally, the Bank's back office operates on the 1st Floor of #1 Windward Building, Regatta Office Park, West Bay Road, Grand Cayman, Cayman Islands.

The Official Registry of the Company has offices in Maples Corporate Services Limited, Ugland House, South Church Street, P.O. BOX 309, George Town, Grand Cayman, Cayman Islands, KY1- 113 South Street 1104.

1.2 License and Activities.

The Bank provides banking services to high-net-worth customers in Central America, Ecuador, and the Dominican Republic, and preferably those who have business relationships with banks that are consolidated under PFC. Due to the characteristics of its Banking License (B), the Bank does not carry out transactions within the territory of the Cayman Islands, nor does it serve natural persons or corporate entities domiciled on the island.

The Bank operates certificates and deposit accounts for its customers. In addition, the Bank extends loans to those customers along with a book of investments.

The Bank operates as a subsidiary of a Panamanian regulated holding company and offers products to individuals and companies. The Bank does not operate within a particular market and maintains a risk-averse balance sheet and risk tolerance by extension with 406 million in performing assets. In addition, stated below are clearly defined financial and non-financial risk limits (Risk Appetite) within which the Bank operates:

1.3 Pillar III preface including entities.

The disclosures in this report pertain to the Bank and its performance and position as it relates to the activities in the Cayman Islands that are licensed and regulated by CIMA. Consistent with good banking practices, and depending on the size, complexity, and nature of the operations of the Bank, the Board approved the Bank´s Risk Appetite and Risk Indicators.

1.4 Disclosure Report is reviewed and approved by the Board of Directors.

The Disclosure Report of the Bank, as of 31 December 2024, was reviewed and approved by the Board of Directors, Session Minutes N° 2025-02, held on 31 March 2025.

2. Risk Management

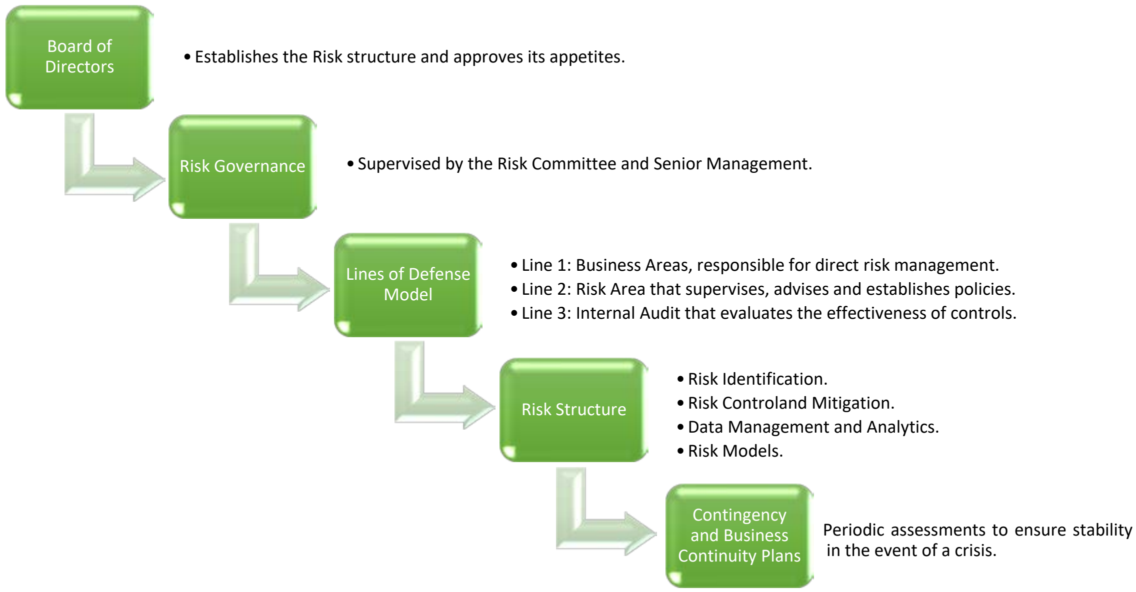
Risk management is a fundamental pillar for ensuring financial stability, the protection of our clients, and regulatory compliance. We implement a comprehensive risk management approach aligned with international standards such as Basel III, IFRS9, and local regulations, ensuring prudent resource management.

2.1 Bank Risk Management Approach

The Bank applies a structured approach to managing the key risks that may affect its operations. These include:

Type of Risk	Description
Credit Risk	Possibility of default by customers.
Market Risk	Losses arising from adverse movements in market prices, interest rates, and exchange rates.
Liquidity Risk	Inability to meet short-term financial obligations.
Country Risk	Losses due to adverse effects on the economic, social, political environment, or natural disasters of the countries in which it operates.
Operational Risk	Losses derived from failures in processes, Human Resources, Technological Resources, Legal Incidents, Regulatory Compliance and/or Internal or External Frauds.
Reputational Risk	Possibility of loss due to disrepute, bad image, negative publicity, which may or may not be true. Possibility of loss due to discredit, poor image, negative and/or malicious comments by the Bank's Stakeholders.
Anti-Money Laundering (AML) and Counter-Terrorism Financing (CTF) Risk Management	Economic losses and losses of image or reputation, due to "Money Laundering", Financing of Terrorism and Proliferation of Weapons of mass destruction.

The risk management methodology is based on a structured and proactive approach, with mechanisms for identifying, measuring, monitoring, and controlling risks. The structure includes:



2.2 Roles of the Board, Committees, and Risk Management Policies.

The Bank has a suitable capital level, required and necessary to develop its business according to the plans of the organisation and in accordance with regulatory requirements issued by CIMA and adhered to the guidelines of PFC.

Senior Management of the Bank is guided by institutional definition and by internal corporate governance standards adopted by the Board of Directors to align plans with the overall objectives of the organisation.

The Bank's Corporate Governance is organized under the following structure:

- **Superior Government Bodies (Units):** They oversee the implementation of the Bank's governance decision-making processes. The Bank's Board of Directors and the Support Committees constitute these units. These committees are intended to support the control and monitoring of the policies adopted by the Board of Directors; their agreements are generally for recommendation to the Board. The Superior Corporate Governance Units of the Bank are the Board of Directors, the Audit Committee, the Compliance Committee, the Risk Committee, and the Information Technology Committee.

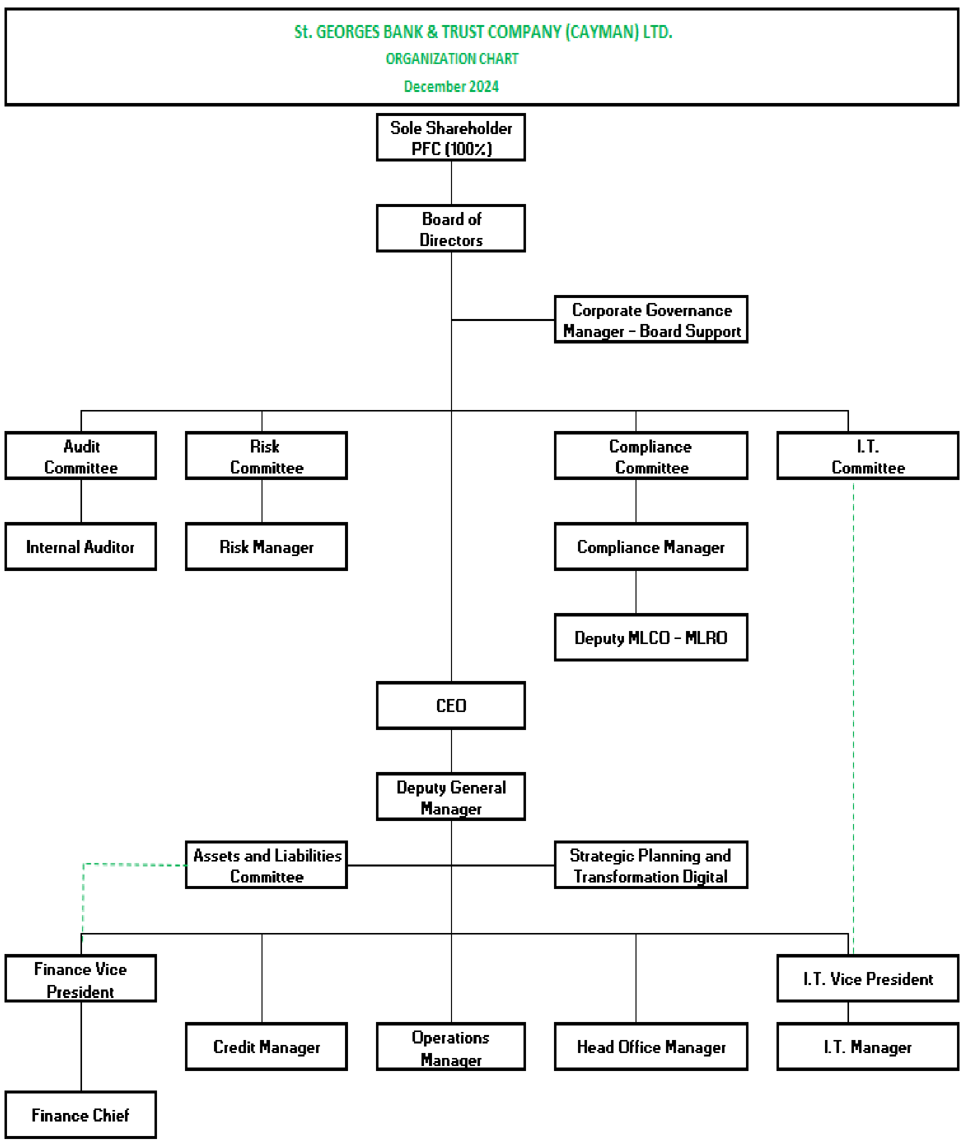
- **Executive Corporate Governance Units:** These are responsible for executing the policies approved by the Board of Directors. These units are made up by the CEO, the Deputy General Manager, the Management Team, and the Support Committee: Assets and Liabilities Committee (ALCO).

- **Control Corporate Governance Units:** These are responsible for ensuring the proper and timely compliance with legal regulations and the Bank's internal policies. In the exercise of their functions, they report on their findings and disclose all kinds of violations or non-compliances in the matters supervised by them. Those responsible for the Control Units have functional independence from Executing Units and report to the Higher Government Units.

The Bank's regulatory framework is provided by PFC through the governance of the Promerica Group, whose standards are standardized to the Bank.

2.3 Organisational Structure

The Bank's Governance Structure, as of 31 December 2024, is detailed below:



2.4 Three lines of defence.

In addition to the above business units, the Bank has an internal regulatory framework that guarantees the independent criteria of the control areas: Internal Audit, Compliance Office, and Risk Unit. The internal regulatory framework defines the obligations and responsibilities of the Board of Directors and its support committees, of the control areas, and of the Bank's business areas.

2.5 Risk Management Framework and the Aim of Risk Management.

The Bank has an internal regulatory framework, which defines various topics on the management and treatment of the relevant risks that the Bank has identified and for which it determines the respective preventive actions and responsibilities.

The Bank has an Integral Risk Management Unit, where the responsible person is the Risk Manager. This Unit has independent criteria, reports to the Board of Directors, and is a member of the Bank's Risk Committee and the Technical Risk Committee of PFC.

The functions and responsibilities of the Risk Committee are established in the Internal Regulations of the Risk Committee.

The Bank has established internal guidelines for the treatment of the main risks, namely: credit, market, liquidity, country, operational, money laundering and terrorism financing, information security, technology, and reputational.

2.6 How Enterprise Risk Management (ERM) operates within the organisation

The Bank strives and focuses on conducting its business in accordance with the best practices and principles of banking management, prudently managing its financial, operational, strategic, and reputational risks. The Board of Directors approves, maintains, respects, and adopts the internal framework of Corporate Governance, Ethics, and Transparency. The Board of Directors is directly supported by the management of the Audit, Compliance, Risk, and IT Committees.

The Internal Auditor, the Compliance Officer, and the Risk Manager report to the Board of Directors through the respective committees and have independence of judgment in their daily management tasks. In addition, they execute their plans and activities to guide and ensure that Management complies with the Control Objectives of this Business Plan. Their plans and activities are reported to the Board of Directors through the respective committees. In turn, Management is supported by the Assets and Liabilities Committee.

The Bank respects and complies with all legal and regulatory obligations under the banking license status granted by the Cayman Islands Monetary Authority (CIMA), consistent with the best banking practices. In accordance with these responsibilities, the Board of Directors, Senior Management, and all Bank employees comply with the regulations of government authorities and the Cayman Islands Monetary Authority, as well as all provisions contained in the Bank's internal regulatory framework.

All the Bank's commercial and operational activities to achieve its objectives must be permanently focused to be carried out under order and control parameters. Our business proposals are handled under a prudence and banking formality approach. The Directors, Senior Managers, heads of business and control units, as well as staff in general, are aligned to comply with a way of doing business focused on the continuous management and administration inherent to the financial intermediation carried out by the Bank.

2.7 Components of Enterprise Risk Management (ERM), Structure

As part of the Bank´s Strategic Objectives, comprehensive risk management is a pillar for the development of the Bank, under the firm believe that management based on managing risk leads to sustained business growth and adequate profitability. In this sense, the Bank ensures the independence of risk management with respect to the business, functional and robust corporate governance structures, policies, procedures, and control systems, monitoring and follow-up of the different risks to which the Bank is exposed.

3. Credit Risk.

3.1 Definition and General Approach to Credit Risk.

The Bank defines Credit Risk as the possibility that the Bank incurs losses and decreases the value of its assets because of its debtors' failure to comply in a timely manner or due to imperfect compliance with the terms agreed in the credit contracts.

Lending operations are concentrated in the places where Promerica Group has a physical presence to contribute to the economic development of the countries where it operates and to have better control over credit risk and its mitigants. The basic principle governing the bank's operations is the diversification of risk and its timely monitoring. Thus, the Credit Risk Policy contains specific guidelines to achieve the above.

IFRS establishes an Impairment Model based on expected losses in which risk is assessed in three stages detailed below:

- Stage 1: loans with normal performance,
- Stage 2: loans with significant increases in risk with declining performance, and
- Stage 3: loans in default.

Subsequently, a calculation is performed focused on the business model and incorporating forecasts of the macroeconomic environment (forward-looking).

For the selection of a counterparty, the Bank must select its counterparties taking into consideration the provisions of the Cayman Islands regulation, making sure to measure the counterparty risk through the credit risk rating of the counterparty, in addition, counterparties in investment instruments outside the locality of the banks must have an international risk rating with investment grade, and the Bank must assess the creditworthiness of the counterparty prior to trading with it. Both risks must be managed in a comprehensive manner, both at the counterparty level (aggregating the counterparty credit risk exposure together with other credit risk exposure associated with the same counterparty), and at the Bank level.

3.2 Credit Risk Limits

The main Credit Risk Limits established by the Bank are:

INDICATORS	APETITE	Dec-24
% Expected Loss Investment	≤1.5% Investment Portfolio	0.09%
% Expected Loss Loans	≤0.9% Loan Portfolio	0.38%

3.3 Credit Risk Appetite.

The Bank manages and monitors the Risk indicators established by CIMA, among them:

Ratios	Appetite	Dec-2024
Concentration limit - Individual	≤25% Capital Base	OK
Concentration limit – Economic group	≤25% Capital Base	OK
Industry Concentration	≤60% Placement	5,43%
Concentration Commercial loans	≤60% Placement	9,63%
Concentration Construction	≤60% Placement	40,87%
Concentration Services	≤60% Placement	17,47%
Concentration Transportation	≤15% Placement	1,24%
Concentration Agriculture	≤60% Placement	4,25%
Concentration Other Sectors	≤15% Placement	5,98%
Concentration Personal Loans	≤35% Placement	14,88%
Mortgage Concentration	≤25% Placement	0,24%
Related party concentration	≤25% Capital Base	19.53%
Exposure to unsecured related parties	≤5% Capital Base	0.73%
Individual unsecured related party exposure	≤1% Capital Base	0.36%
Past due portfolio	>90 days	21 days

3.4 Assets in the Book and Contributors to the Credit Risk of the Bank.

The main drivers of credit risk in the Bank's portfolio are loans and some investments; therefore, the Bank monitors and follows up on an ongoing basis the payment behaviour of debtors and all conditions that affect timely compliance or that have the potential to increase the probability of default. To this end, clear policies have been established for portfolio follow-up.

During the term of the corporate loan, the Bank must supervise the operations and the correct use of resources and must monitor, among other things, the financial situation, compliance with conditions, collateral situation, and current and future payment capacity of the debtors to timely comply with the payment of the obligations.

Through the follow-up, the classification of the loan portfolio is performed, which is essential as a tool to evaluate credit risk and portfolio quality.

On the other hand, the Bank must ensure the daily management of placements, purchases, sales of investments or variations thereof in the financial market, in accordance with the limits approved by the Board of Directors.

The Bank's management must manage, quote, buy and/or sell investments in the stock market with the various brokers in accordance with the recommendations made by the governing body responsible for Assets and Liabilities, if they comply with the parameters established by the Board of Directors and the Bank's Policies.

As such, the Bank establishes the procedure for the calculation of the allowance for loan and investment portfolio impairment, in accordance with International Financial Reporting Standard 9 (IFRS9).

3.5 Rating System Explanation.

At the Bank, all clients must obtain a rating based on the application of methodologies, such as the IRB (Internal Rating System), or by default, risk rating from a rating agency (Moody's) or through internal rating; the latter through the Banks of the Promerica Group, where a series of customer variables are evaluated, such as financial statements and payment behaviour.

All portfolios will have a scale of 10 ratings, where rating 10 is the standard default point for all portfolios, assigning stage 3 by default to credits in this condition.

Ratings between 1 and 9 will be distributed in stages 1 and 2 according to the methodology of each type of portfolio.

Stage: Refers to the classification of the portfolio according to the current risk level of the operation with respect to the risk it presents at the time of its admission.

3.6 Credit Risk Management and Reporting Channels.

The Bank, analyses and evaluates all requests related to credits from individuals and companies, in accordance with exposure, to guarantee adequate evaluation, correct approval, continuous supervision, and active risk management.

The credit risk assessment process comprises the following steps:

- Knowledge of the borrower: Verification of the suitability of customers in reference lists such as OFAC and World Check, among others; evaluation of financial situation and determination of payment capacity.
- Evaluation of payment mitigators: As a complementary element, the guarantee offered by the customer is analysed, as a possible mitigator of the debt.
- Exposure limits are analysed both by geographical area, individual concentration, and by economic interest group, as well as by related parties.

- Constant customer monitoring is maintained, with the aim of promptly detecting deterioration in their payment capacity or future events that threaten it.
- In the case of real guarantees, periodic appraisals are carried out to detect possible losses in debt mitigators.

In accordance with the Credit Policy, loans are considered delinquent thirty-one (31) days after the payment of principal or of interest has expired. All those loans that remain more than 90 days past due are recognized as default.

The main concepts on which the Bank relies to measure the quality of its credit assets are:

- **Expired exposure:** All those loans with arrears greater than 90 days are considered overdue. For accounting purposes, these loans are classified as "Unearned", which means that they will no longer record their interest, and the accrued interest receivable to date is reversed.
- **Impaired exposure:** A loan is considered impaired when a debtor has failed to meet its obligations due to an inability to pay.
- **Restructured exposure:** These are loans that have been modified in their original terms to adjust the credit structure to the debtor's ability to meet its obligations, generally due to a very high risk of default.

3.7 Credit quality of assets based on geography, industry, residual maturity, past due portfolio, restructured exposure.

		a	b	c	d
		Gross carrying values of:		Allowances / impairments	Net values (a+b-c)
		Defaulted exposures	Non-defaulted exposures		
1	Loans	$ -	$ 280 707	$ -	$ 280 707
2	Debt securities	$ -	$ 48 834	$ -	$ 48 834
3	Off-balance sheet exposures	$ -	$ -	$ -	$ -
4	**Total**	$ -	$ 329 541	$ -	$ 329 541

As of 31 December 2024, the Bank had no loans in arrears greater than 90 days.

The Bank maintains periodic customer monitoring, assessing periodic financial information, as well as any other relevant information related to the source of repayment, to promptly detect any deterioration in the borrower's payment capacity.

The table below lays out the residual maturity for the bank exposure as of 31 December 2024.

Distribution of Exposures by Residual Maturity	
Time	**Gross Exposure**
Sight - 8 days	$ 8 561
8 days - 1 Month	$ 10 688
1 - 3 Months	$ 27 958
3 - 6 Months	$ 29 144
6 - 12 Months	$ 67 380
1 - 5 Years	$ 137 425
Over 5 Years	$ 52 102
No Maturity	$ -
Total	$ 333 258

3.8 Board Approved Policy, calculating Credit Risk Specific Capital from Analysing PD, LGD, and EAD.

There are two Board approved policies that lay the groundwork for calculating the credit risk of the bank's assets, namely *SIR RK 05 – Policy for the determination of Provisions for impairment of Loan and Investment Portfolio – 8° Edition*, and *OIR RK 05 – Procedure for the determination of Provisions for Impairment of Loan and Investment Portfolio – 7° Edition*.

3.9 Credit Risk Mitigation and Techniques.

The Bank uses collaterals as the main credit risk mitigator, for which its adequate constitution is ensured, the existence of appraisals and/or periodic inspections when applicable, as well as current insurance policies.

The Bank does not use any compensation method as a Credit Risk mitigator.

The following table provides an overview of the bank's credit risk mitigation techniques as of 31 December 2024. A high portion of the bank's loan exposure is secured by collateral.

		a	b	c	d	e	f	g
		Exposures unsecured: carrying amount	Exposures secured by collateral	Exposures secured by collateral, of which: secured amount	Exposures secured by financial guarantees	Exposures secured by financial guarantees, of which: secured amount	Exposures secured by credit derivatives	Exposures secured by credit derivatives, of which: secured amount
1	Loans	$ 57 078	$ 223 629					
2	Debt securities	$ 48 834						
3	**Total**	$ 105 912	$ 223 629					
4	Of which defaulted	$ -	$ -					

3.10 Credit Risk – Regulatory Weighted Assets.

The external credit assessment institutions (ECAI) used by the Bank to obtain the risk ratings are Standard & Poor's, Moody's, and Fitch.

ECAI ratings are used for exposure related to the investment portfolio.

For the loan portfolio, external ratings are not used, but rather an internal rating scheme aligned with the Group's policies and IFRS9, which consists of a 10-level scheme (1 to 10), for which quantitative criteria are used, such as: delinquency and quantitative criteria assessing the customer's payment capacity.

The table below provides a breakdown of the regulatory risk weighted assets including the effects of the Credit Conversion Factor (CCF) and Credit Risk Mitigation techniques (CRM), as of December 31, 2024.

		a	b	c	d	e	f
		Exposures before CCF and CRM		**Exposures post-CCF and CRM**		**RWA and RWA density**	
	Assets classes	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA Density
1	Sovereigns and their central banks	$ 22 051	$ -	$ 22 051	$ -	$ 2 080	9%
2	Non-central government public sector entities	$ -	$ -	$ -	$ -	$ -	0%
3	Multilateral development banks	$ -	$ -	$ -	$ -	$ -	0%
4	Bank	$ 78 296	$ -	$ 78 296	$ -	$ 26 527	34%
5	Securities Firms	$ -	$ -	$ -	$ -	$ -	0%
6	Corporates	$ 257 318	$ -	$ 257 318	$ -	$ 239 241	93%
7	Regulatory retail portfolios	$ 42 126	$ -	$ 42 126	$ -	$ 24 331	58%
8	Secured by residential property	$ 439	$ -	$ 439	$ -	$ 329	75%
9	Secured by commercial real estate	$ -	$ -	$ -	$ -	$ -	0%
10	Past-due exposures	$ -	$ -	$ -	$ -	$ -	0%
11	Higher-risk categories	$ 5 839	$ -	$ 5 839	$ -	$ 5 839	100%
12	Other assets	$ -	$ -	$ -	$ -	$ -	0%
13	**Total**	$ 406 069	$ -	$ 406 069	$ -	$ 298 347	73%

The table below provides a breakdown of the bank's credit risk exposure by asset class and risk weight, as of December 31, 2024.

		a	b	c	d	e	f	g	h	i	j
	Assets classes	0%	10%	20%	35%	50%	75%	100%	150%	Others	Total credit exposure amount (post CCF and post-CRM)
1	Sovereigns and their central banks	$ 18 876	$ -	$ -	$ -	$ 2 191	$ -	$ 984	$ -	$ -	$ 22 051
2	Non-central government public sector entities	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
3	Multilateral development banks	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
4	Bank	$ -	$ -	$ 42 071	$ -	$ 36 225	$ -	$ -	$ -	$ -	$ 78 296
5	Securities Firms	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
6	Corporates	$ -	$ -	$ 798	$ -	$ 6 604	$ -	$ 249 916	$ -	$ -	$ 257 318
7	Regulatory retail portfolios	$ -	$ -	$ -	$ -	$ -	$ 42 126	$ -	$ -	$ -	$ 42 126
8	Secured by residential property	$ -	$ -	$ -	$ -	$ -	$ 439	$ -	$ -	$ -	$ 439
9	Secured by commercial real estate	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
10	Past-due exposures	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
11	Higher-risk categories	$ -	$ -	$ -	$ -	$ -	$ -	$ 5 839	$ -	$ -	$ 5 839
12	Other assets	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
13	**Total**	$ 18 876	$ -	$ 42 869	$ -	$ 45 020	$ 42 565	$ 256 739	$ -	$ -	$ 406 069

3.11 Counterparty Credit Risk.

The Bank does not have any exposure to, nor engages in, over-the-counter derivatives, exchange traded derivatives, or securities financing transactions. As such, the Bank is not exposed to, nor subject to, counterparty credit risk.

4. Market Risk

4.1 Definition and General Approach to Market Risk.

The Bank defines Market Risk as losses arising from adverse price movements in the financial markets in which the Bank holds investment positions. Market Risks include a) Price Risk, also known as Interest Rate Risk in the Investment Portfolio; b) Credit Risk (Issuers); c) Liquidity Risk of the Investment Portfolio; and d) Exchange Rate Risk of the Investment Portfolio.

To manage market risk, the bank considers the following elements:

GAP Sensitivity (in Present Value):

- A calculation is made on the variation of the GAP due to increases or decreases in the interest rate; the sensitivity scenario is made for variations of 100 base points on the interest rate.
- The international interest rate used as reference is Prime Rate.
- All the bank's assets and liabilities are in US dollars.
- The indicator is performed monthly on the quality of the portfolio.
- Two scenarios apply: (+)100 P.B., (-)100 P.B.

Equity at Risk due to rate changes (in Present Value):

- The value in monetary terms obtained from the "Sensitivity of the GAP (in Present Value)" is taken in the face of variations due to increases or decreases of 100 base points and is divided by equity for the analysis period; it allows knowing the percentage of equity at risk due to changes in the interest rate.
- The international interest rate used as reference is Prime Rate.
- All the bank's assets and liabilities are in US dollars thereby eliminating any risks associated with currency mismatches.
- The indicator is performed monthly on the quality of the portfolio.

The interest rate risk indicators of the banking portfolio, as of 31 December 2024, show a financial margin sensitivity of 0.20 and an interest rate variation scenario under 1%, taking total assets at present value for US$377 million and reflecting an interest rate risk or its equivalent as an expected loss on banking portfolios of 1,71% of the Bank's equity, which is equivalent to US$751 thousand.

Through Market Risk Policies, the Bank sets limits on Interest Rate Risk in banking books for the long term, using specific stress scenarios, duration, and net present value methodologies, as well as interest rate risk limits on the investment portfolio, available-for-sale investment portfolio. In our risk control systems, the sensitivity of the one-year financial margin to parallel changes of 100 basis points is also measured.

4.2 Market Risk Management Exposure for the Bank.

The Bank manages its market risk considering 2 elements, namely:

- **Price Risk:** It is the possibility that an economic loss occurs due to adverse variations in the market price of financial instruments or due to the price level indeterminacy at a given time.
- **Interest Rate Risk:** It is the possibility of an economic loss due to adverse variations in interest rates because of term mismatches between assets and liabilities sensitive to interest rates.

4.3 Different currencies and policy of the Bank in relation to limits and exposure to different currencies.

The Bank operates only in dollars, legal tender of the United States, and thus holds no exposure to currency mismatches.

4.4 Governance of Market Risk within the Bank.

The Bank has a Market Risk Management Process, made up of phases: identification, measurement, control/mitigation, and monitoring and communication for efficient management of its assets, liabilities, and off-balance sheet accounts, which includes a permanent measurement and evaluation of the composition of the assets and of the liabilities, by terms, by amounts, and by types of instruments or categories, and other evaluation elements that are adequate for such purposes.

Additionally, the Bank:

- Establishes exposure and concentration limits.
- Has effective communication channels so that areas involved in taking, registering, identifying, and managing Market Risks are aware of the assumed risks.
- On a monthly basis, it manages the gaps between assets and liabilities subject to variations in prices and rates, to mitigate the risk to which it is exposed.
- If there is any persistent deviation in the limits, the Bank may call the government body responsible for Assets and Liabilities to make the necessary decisions to mitigate the situation.
- Periodically review the exposure and concentration limits by competent authorities, and if modifications are required, they must be approved by the Board of Directors.

4.5 Stress Testing of Market Risk for the Bank.

The Bank has well documented systems for reporting results under their own methodologies, considering that it regularly uses a standardized model.

In addition, the Bank performs stress testing of its internal model’s capital adequacy shock scenarios considered and performs reverse engineering to determine the causes of deviations and capital requirements.

4.5.1 Interest Rate Changes:

A calculation is performed to measure the sensitivity of investment instruments using the modified duration and a stress factor defined as follows:

+/-0.25%, +/-0.50%, +/-1.00%, +/-2.00%

The degree of impact on the instrument will depend on the conditions under which the investment is acquired, i.e., this would result in gain or loss depending on the timing of sale of the investment instrument (par, under par, or over par).

4.5.2 Impact on Equity:

The calculation performed allows to see the sensitivity of the equity to variations in the interest rate and changes in the convexity because of the modified duration; the variation in the value of the securities assumes the assumption on possible early cancellations to the contract established by the purchase. Possible loss scenarios are assumed and are therefore multiplied by the negative factor, to give a connotation of loss on equity.

Stress factors: 0.25%, 0.50%, 1.00%, 2.00%.

Formula:

$$\Delta IE = (BV - BV * \theta * MD) / E$$

Where:
ΔIE=Impact on shareholders' equity
BV=Book value
θ = Stress factor
MD=Modified duration
E=Equity

The degree of impact on Equity will depend on market conditions and their effect on the investments made by the Bank.

4.6 Market Risk – Risk Weighted Assets (RWA)

The Bank utilizes the Simplified Approach in accordance with the regulatory framework set forth by CIMA. The calculation follows the Basel III guidelines, which apply specific risk weights to different categories of market risk exposures.

- The following table presents the entity's RWA calculations for market risk as of 31 December 2024:

Risk Component	RWA (USD '000)
Claims on Sovereigns	2,080
Claims on Banks and Security Firms	26,527
Claims on Corporates and Security Firms	239,241
Claims on Retail Portfolio	24,331
Claims secured by Residential Property	328
Claims secured on Higher Risk Categories & Other Assets	5,839
Total Credit Risk RWA	**298,346**
Total Operational Risk	**22,973**
Total RWA	**321,319**

4.7 Market Risk Indicators

The main indicators related to Market Risk as of 31 December 2024, are detailed below:

INDICATORS	APETITE	Dec-24
Interest Rate Cap on Available-for-Sale or Fair Value Investments, before +100bps	≤7.5% Equity	2.32%
Interest Rate Cap on Bank Book before +100bps	≤3% Equity	1.71%

Limits	Appetite	Dec-2024
Average portfolio duration	3 years	2.06 years
Minimum portfolio average quality	BBB-	OK
Minimum rating per security	BBB-	OK
Individual Country Exposure (Latin America)	≤20%	3%
Individual Issuer Max Non - Financial Corporate	≤7%	2.82%
Individual Issuer Max all Other	≤8%	2.04%
Corporate Financial Exposure	≤40%	12%
Multilateral Institution	≤100%	-
Quasi-Sovereign	≤30%	-
Corporate Non-Financial Exposure	≤80%	43%
Sovereign	≤100%	45%

5. Interest Rate Risk in the Banking Book

5.1 Overview of Interest Rate Risk in the Banking Book – IRRBB

Non-trading interest rate risk (Banking Book) consists primarily of a combination of the risks inherent in asset and liability management from the Bank's core activities. Interest rate risk results from differences in the maturities or re-pricing dates of assets and liabilities.

The Bank has policies in place that define the procedures to be followed to limit any adverse impact on financial results associated with changes in interest rates. Its objective is to limit the vulnerability of net interest income to interest rate variations. ALCO is responsible for monitoring this policy, with oversight from Senior Management and the Board of Directors to ensure prudent management of assets and liabilities, including:

- Review of interest rate maturity gap positions.
- Monitoring of compliance with respect to policy limits.
- Review of pricing and other risk management strategies to manage structural balance sheet positions.
- Identify risks inherent in new products and activities and ensure that these are within established parameters.
- Review at least annually the effectiveness and limits of the policy and recommend modifications to the Board.

The main tools used by the Bank for interest rate risk management are gap analysis, interest rate sensitivity analysis and exposure limits for financial instruments.

The Bank reports to the Regulatory Authority the established IRRBB methodology.

Assets	Sight - 8 days (A)	8 days - Months (B)	1 - 3 Months (C)	3 - 6 Months (D)	6 - 12 Months (E)	1 - 5 Years (F)	Over 5 Years (G)	Non - Interest Sensitive (Assets and Liabilities) (J)	Total (I)
Cash and Deposits	$ 58 162	$ -	$ -	$ -	$ -	$ -	$ -	$ 11 929	$ 70 091
Loans	$ 8 561	$ 9 975	$ 25 935	$ 27 639	$ 44 274	$ 118 614	$ 49 164	$ -	$ 284 162
Investments	$ -	$ 713	$ 2 023	$ 1 505	$ 23 106	$ 18 811	$ 2 938	$ -	$ 49 096
Other Assets	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 2 720	$ 2 720
Total	$ 66 723	$ 10 688	$ 27 958	$ 29 144	$ 67 380	$ 137 425	$ 52 102	$ 14 649	$ 406 069
Liabilities & Equity									
Deposits from Banks	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other Deposits	$ 7 703	$ 34 738	$ 24 381	$ 38 567	$ 113 137	$ 54 691	$ -	$ 62 087	$ 335 304
Repos, Term Debt and other Borrowigs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other Liabilities	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 26 808	$ 26 808
Equity	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 43 957	$ 43 957
Total	$ 7 703	$ 34 738	$ 24 381	$ 38 567	$ 113 137	$ 54 691	$ -	$ 132 852	$ 406 069

6. Liquidity Risk

6.1 Definition and General Approach Liquidity Risk.

The Bank defines Liquidity Risk as the probability that an economic loss will be generated due to the difficulty of liquidating assets or that, due to market circumstances or the bank's own, the liquid assets were not sufficient to meet volatile or short-term obligations.

Liquidity Risk Management is the responsibility of the Finance area, which controls compliance with daily limits and monthly reports to both the Assets and Liabilities Committee (ALCO) and the Board of Directors.

6.2 Policy and Governance in place in relation to liquidity.

To limit exposure to this risk, Management organizes diversified funding sources in addition to its core deposit base, effectively manages assets considering the Bank's liquidity requirements, and monitors future cash flows and liquidity daily. This incorporates an assessment of expected cash flows and the availability of high-grade collateral that could be used to secure additional financing if required.

6.3 Liquidity Measures and Ratios.

The minimum regulatory liquidity rate established is 15%, which aims at ensuring that a bank has adequate capital of high-quality liquid assets, without encumbrances consisting of cash or assets that can be converted into cash with little or no loss of interest value in private markets. The Bank has established as a liquidity limit for internal purposes the equivalent of 25%.

INDICATORS	APETITE	Dec-24
Liquidity Ratio	≥25%	32,29%
Days of Liquidity	≥25 Days	70 Days
Liquidity Coverage Ratio (LCR)	>50%	467%

6.4 How Minimum Liquidity Ratio is measured and what policy is in place to ensure the regulatory minimum is maintained.

The liquidity analysis may consider the current position, as well as the funding requirements that may arise because of behaviour in various scenarios, including situations in adverse conditions. The ratio is determined by calculating its liquid assets as a percentage of its qualifying liabilities as defined by CIMA.

The Bank’s liquid assets, which consist of withdrawable central bank reserves, 0% risk-weighted debt securities represent claims on sovereign funds and 20% risk-weighted corporate debt securities.

The qualifying liabilities are identified by all liabilities due to non-bank customers, due to other banks maturing within one month and 15% of all undrawn commitments.

The Bank has a Liquidity Contingency Plan to establish guidelines for restoring the Bank's liquidity levels to the limits approved by the Board of Directors, for events that put these levels at risk.

Conditions for the Activation of the Contingency Plan:

- The Bank's Contingency Plan is activated by decision of the Assets and Liabilities Committee (ALCO), or in the absence of a quorum, by justified decision of the CEO.

The activation of the plan would follow the findings of the analysis of alert factors:

- Significant deviations from the execution of liquidity management in contrast with the Liquidity Limits approved by the Board of Directors.
- Documented evidence of crisis in national and international markets, by social, political, and/or economic events that put the Bank's liquidity at risk.
- Documented evidence of the risk of contagion by another Bank of the Financial Group or of its own holding.

To face a liquidity crisis, the Bank considers the following options:

- Use of available financing lines.
- Sales of Investment Portfolio.
- Temporary suspension of credit disbursements.
- Recovery of deposits through incentives and attractive interest rates.

The Bank has a Liquidity Risk Policy and Procedure that establishes general guidelines to manage, administer, and mitigate liquidity risk, minimizing the possibility of an economic loss resulting from the difficulty of liquidating assets or obtaining financial resources under normal conditions.

Liquidity management requires corporate controls, at the level of the risk area as well as the finance area. Under this operating framework, the Bank must be self-sufficient in the availability of liquidity. Liquidity risk limits should be established to control their exposure and risk vulnerability and to periodically review these limits and their corresponding reinforcement procedures.

The Bank has specific and standardized methodologies for calculating volatilities. Within the strategic guidelines, the objective is to maintain a minimum of 25 days of liquidity determined under a conservative internal model and to have an updated and tested liquidity contingency plan. In practice, the bank must maintain diversified sources of funding.

7. Country Risk

7.1 Definition and General Approach to Country Risk.

The Bank defines country risk as the possibility of incurring losses caused by adverse effects on the economic, social, and political environment, or by natural disasters in the countries where the Promerica Group or its customers do business. Country risk includes, among others, economic risk, transfer risk, political risk, and sovereign risk.

The Bank's objective is to manage, identify, measure, assess, monitor, and administer country risk to mitigate potential losses that may be incurred in the countries where the Bank maintains exposure.

Accordingly, the Bank maintains country risk assessment policies that establish country risk exposure limits, country risk assessment methodologies, and country risk provisioning methodologies.

The methodology used for country risk assessment considers the evaluation of the macroeconomic situation, evaluation of the external financial situation, international risk ratings, and evaluation of the political and social stability of the countries where the Bank maintains exposure.

8. Operational Risk

8.1 Definition and General Approach to Operational Risk.

The Bank defines Operational Risk as the possibility and impact of incurring losses due to deficiencies, failures, or inadequacies of human resources, processes, technology, management information infrastructure, models used, or the occurrence of external events. This definition includes Legal Risk associated with such factors, but excludes losses due to loss of profits, reputational risk, and strategic risk.

As such, the control bodies shall inform the Board of Directors about the information on risks found in the processes and action plans generated to prevent and face the losses that could be generated because of internal errors in its processes, errors made by the operating personnel, errors in its information systems, or errors resulting from external elements or others in accordance with the selection of the Operational Risk Factors.

The scope of resources is reviewed on an annual basis in terms of trained personnel, processes, information systems, and the entire environment, necessary for Operational Risk Management.

The strategy must be periodically updated according to the level of risk tolerance, changes in the market and in the economic environment that may affect the Bank's operations.

This strategy must be approved by the Board of Directors.

8.2 Bank’s Operational Risk Management including Risk Assessments and Controls, Amongst Others.

The Bank has established a process for identifying, cataloguing, and subsequently documenting the lines of business that it develops in its commercial activity, together with the related macro processes and procedures, at a level of detail that allows it to adequately identify risk events and distinguish its critical processes.

In the risk identification process, the Bank must ensure that sufficient information is provided to determine the exposure to Operational Risk, which must include that corresponding to Legal Risk.

To guarantee the necessary conditions and information for this exercise, Senior Management must ensure that there is effective communication between the business areas and the Risk Unit or function; the latter is responsible for coordinating the necessary aspects regarding the identification of the organisation's risk events.

Management will be based on the analysis of all the processes that allow the identification of some type of risk, using tools that gather the necessary information to consider possible risk events in different applicable contexts.

The risk levels considered by the Bank are five (Minimum-Low-Medium-High-Critical). For the Bank, the possible magnitude of the risk expressed in terms of the combination of its probability and impact in case of materialization, will be expressed in these five levels.

The level of potential risk accepted by the Bank is minimum and low, with medium, high, and critical levels to be treated. The resulting residual risk level for each risk event will be compared against the established risk appetite.

Control and mitigation refer to the actions or hedging mechanisms and controls implemented by the Bank for modifying the probability (frequency) of occurrence and/or the impact of operational risk events that, according to the Risk Analysis, exceed its Operational Risk appetite.

For such events, the Bank must implement and maintain a plan that establishes the actions to be taken, the estimated execution term, the degree of progress, and those directly responsible for such execution.

8.3 Operational Losses Reporting and Summary

The Bank is in the implementation stage of Operational Risk, under regional guidelines, which will allow measuring the processes developed by the Bank, to establish a control of operational events that will allow Management to analyse and make decisions in a timely manner.

8.4 Operational Risk Management, Framework

As part of operational risk management, the bank has defined the following framework.

- **Comprehensive Risk Management:** This is a process through which the Bank identifies, measures, mitigates, monitors, controls, and informs the areas of the different types of risk to which they are exposed according to their processes, products, and services.
- **Operational Risk Appetite:** It is the level of operational risk that a Bank is willing to undertake. The determination of risk appetite is part of the development of Risk Management systems and is established through a set of risk indicators and parameters.
- **Operational Risk Factor:** Primary cause or origin of an operational risk event. Factors can be internal: human resources, internal processes, technology, external threats, management information, and model risk, over which the organisation can have direct control, or not, in case these factors are external, with causes and origins that escape the control of the organisation.

- **Operational Risk Event:** Event of internal or external origin, which could or may cause losses to the Bank.
- **Operational Risk Incidence:** Event of internal or external origin, which causes losses to the bank.
- **Risk Map:** It is the graphic representation of the concentration of operational risks by type of risk, contained in the risk matrices and in the database.
- **Risk Appetite Framework:** It is a general system that includes policies, organisation, processes, controls, and information systems, through which risk is managed in the Bank. It must include the indicators that allow defining the risk appetite, the tolerance levels, and the risk limits.
- **Mitigation:** It consists of reducing exposure to significant operational risks, making controls more robust or using programs and risk coverage as a complement to internal control measures.
- **Criticality Levels:** It is the level of risk with which the frequency, exposure, and severity of events and incidents are evaluated in accordance with the established limits.
- **Risk Profile:** It is defined based on the evaluation of the amount and magnitude of risk exposure inherent to the bank's business and administrative activities.

As part of the definition of Operational Risk, the following classes of risks are considered:

- **Regulatory Risk:** associated with Compliance issues.
- **Legal Risk:** possibility of being sanctioned, fined, or forced to pay punitive damages because of supervisory actions or private agreements between the parties.
- **Risk of External Fraud:** This Risk is because of the commission of criminal acts by third parties, whether customers or not.
- **Internal Fraud Risk:** Risk for irregular actions, criminal acts, infidelity, abuse of trust, etc., carried out for committing crimes or for profit by the internal staff of the Bank, as well as the performance of other unauthorized activities.
- **Information Security Risk:** the preservation of confidentiality, integrity, and availability of the information itself and the organisation's other computer resources.
- **Technology Risk:** Possibility of economic losses derived from an event related to technological infrastructure, access, or use of technology, which affects the development of business processes or the bank's risk management, by threatening the confidentiality, integrity, availability, efficiency, reliability, compliance, or timely use of information.

The Bank carries out risk identification in accordance with the methodology established in the Operational Risk Policy for mapping risks or possible risk scenarios within the institution. With the Operational Risk Matrix, not only the identification of risk events is established, but it also allows accompanying the areas that own processes to implement action plans that allow improving the processes maintained by the bank.

This methodology makes it possible to identify the risks in the organisational areas, generate analyses in which risks are prioritized according to their residual risk (after incorporating the effect of the controls), link the risks to the processes, and establish solutions for each risk.

Operational risk management includes the following:

- Identify the causes of operational losses suffered by the Group and establish measures that allow their reduction. For this, there must be procedures that allow the capture and analysis of the operational events that cause the losses.

- Identify, analyse, and quantify events with a low probability of occurrence and high impact. Due to their exceptional nature, it is very possible that they are not included in the loss database, or if they are, it may be with impacts that are not very representative to ensure their mitigation.
- Operational Risk Management requires methodologies and procedures to be established to identify, assess, and monitor this type of risk to implement appropriate mitigation measures in each case.
- Operational Risk Management oversees the Risk Area.

The calculation of the indicator of Operational Risk is carried out in accordance with what is established by the regulator for the Simplified Method that consists of multiplying a fixed beta (15%) by the profits of each year, averaging the result of the last three years, and in turn, said average is multiplied by 12.5 times as defined by the regulator. As of 31 December 2024, the effect of operational risk charge was US$23.0 million.

9. Reputational Risk

9.1 Definition and General Approach to Reputational Risk

The Bank defines reputational risk as the possibility of loss that the Bank may incur due to loss of prestige, and due to bad image, negative publicity, which may or may not be true, regarding business practices, conduct of its directors and employees, or financial condition. Losses may be of customers, employees, business, income, among others, that lead to the reduction of the Bank's value.

The Bank has defined, within its framework of action, the importance of maintaining proactive and prudent management of reputational risk, which allows us to identify, measure, control, mitigate, monitor, and communicate the exposures undertaken by the bank based on local regulations, guidelines, and/or group policies and international best practices, to protect the results, assets, and financial sustainability of the bank.

The Bank establishes the basic strategic lines and the action protocols necessary for managing events and providing a communication response to a situation that generates or may become a crisis, to:

- Protect the corporate reputation of the Bank by demonstrating a prompt and effective response to all the Bank's Stakeholders.
- Be prepared for the escalation of events in a crisis, thereby minimizing its potential negative effects, continually demonstrating the Bank's transparent and responsible attitude.
- Lead communication, demonstrating the ability to react and act in difficult situations at the Bank.

The Bank manages reputational risk through objective evaluation criteria of seven factors. These assessment criteria are focused on compliance with a baseline that allows minimizing exposure to image risk and reacting to events that may generate a negative impact on reputation.

The seven factors evaluated represent sensitive areas within the organisation, which may affect the perception by third parties of the Bank's image.

- Governance of the Bank.
- Social commitment.
- Financial soundness.
- Capacity to retain human talent.
- Innovation of products and services.
- Regulatory compliance.
- Management's reaction to crises.

10. Anti-Money Laundering (AML) and Counter-Terrorism Financing (CTF) Risk Management

10.1 Definition and General Approach to AML/FT Risk

The Bank defines Anti-Money Laundering (AML) and Counter-Terrorism Financing (CTF) Risk Management as the potential for economic, image, or reputational loss due to "Money Laundering", which is defined as a series of processes through which money from illicit activities is transferred, with the purpose of converting it or disguising it as money of apparently legitimate origin.

AML/CTF risk refers to the potential for a financial institution to be exploited for money laundering or terrorism financing activities, either due to weaknesses in its controls or through intentional non-compliance. This risk encompasses regulatory penalties, financial losses, and reputational damage arising from inadequate policies, procedures, or due diligence in detecting and preventing illicit activities.

10.2 Approach and Regulatory Framework

The entity adheres to the regulatory framework established by the Cayman Islands Monetary Authority (CIMA) and complies with international standards, such as those issued by the Financial Action Task Force (FATF). Robust internal controls are in place to prevent and detect money laundering and terrorism financing activities (AML/CFT).

10.3 AML Risk Assessment

The institution's approach to managing AML risk includes:

- **Prevention and Detection:** The comprehensive approach to managing AML/CTF risk involves a robust prevention, detection, and reporting system. This includes:
  - Implementing internal policies and procedures to identify and mitigate risks associated with money laundering and terrorism financing.
  - Conducting an ongoing AML/CTF risk assessment based on customer profiles, product types, channels, and services offered.
  - Using advanced technological tools, such as transaction monitoring systems and unusual behaviour analysis, to detect suspicious activity.
- **Know Your Customer (KYC):** The bank must know its customers thoroughly. This is achieved through due diligence procedures, which include collecting and verifying customer identities, as

well as analysing their financial activities and background to ensure they are not involved in illicit activities.

- **AML Risk Assessment:** The bank conducts an ongoing and adaptive risk assessment to detect changes in risks associated with money laundering and terrorism financing. This involves segmenting risks by:
  - ➢ Customer type (individuals, legal entities, high-risk customers, etc.)
  - ➢ Types of transactions (international, high amounts, unusual transactions).
  - ➢ Geographic location of clients and transactions.
- **Reporting Policies:** As a bank, we are required to report suspicious transactions to the competent authorities, in this case, the Financial Reporting Authority. This is essential to prevent illegal activities from continuing to be carried out through the financial system.
- **Education and Training:** It is essential for bank staff to be trained to recognize warning signs related to money laundering and terrorism financing. This includes regular training sessions and annual updates on regulations and best practices.
- **Regulatory Compliance:** The Bank must comply with local and international standards and regulations related to AML/CFT, such as the Financial Action Task Force (FATF) guidelines and the national regulations of the country in which they operate.

10.4 Key Risk Indicators (KRI) for AML

These indicators measure the level of risk exposure and allow for anticipating vulnerabilities in the organisation:

Indicator	Value
Total customers at the end of the reporting period	1700
Percentage of customers classified as high, medium, and low risk.	High 9%, Medium 14%, and Low 77%
Customers' residency in countries identified by FATF as high risk.	508
Suspicious Activity Reports (SARs) filed	-
Compliance rate in internal AML audits (%)	100%
Employees trained in AML/CFT (%)	100%
Reports submitted within established deadlines. (%)	100%

10.5 Mitigation Measures

Anti-Money Laundering (AML) and Terrorism Financing (FT) mitigation measures are strategies and procedures established by the Bank to prevent, detect, and report money laundering and terrorism financing activities. These measures are aligned with international regulations and standards:

- Improved monitoring of customer transactions through the creation of predictive alerts and more robust monitoring tools.
- Automation of compliance management processes for more detailed customer analysis.
- Alignment with emerging international regulations on AML/CFT sanctions.
- Quarterly review and update of AML/CFT policies.

- Politically Exposed Customer (PEP) rules.
- Sanctions List verification.
- Maintenance of transaction records and customer documentation.
- Suspicious Transaction Reporting (STR).
- Enhanced due diligence.

11. Regulatory Ratios

11.1 Definition and General Approach to Regulatory Ratios

CIMA establishes a series of regulatory indicators, which the Bank monitors and reports to ensure the stability and transparency of the financial system. The main indicators include:

- **Capital Adequacy:** The ratio of total capital to risk-weighted assets, ensuring that institutions maintain sufficient capital to cover potential losses.
- **Liquidity Risk:** Measures the institution's ability to cope with net cash outflows over a 30-day horizon.
- **Leverage:** Relates Tier 1 capital to total non-risk-weighted exposure, limiting the Bank's leverage.

11.2 Stress Testing - design, execution, and documentation.

The Bank's Risk Unit performs stress tests for the capital adequacy ratio, the leverage ratio, and the minimum liquidity ratio regulatory indicators.

- The tests included extreme simulations and other conservative scenarios on the Bank's capital level and liquidity position.

11.3 Main indicators related to Reputational Risk

The main regulatory indicators as of 31 December 2024, are detailed below:

INDICATORS	APETITE	Dec-24
Liquidity Ratio (MLR)	≥15%	28.83%
Capital Adequacy Ratio	≥12%	13.55%
Leverage Ratio	≥3%	11.02%

12. Linkages between Financial Statements and Regulatory Exposure

12.1 Differences between carrying value of assets in the financial statements and under scope of regulatory consolidation.

	a	b	c	d	e	f	g
			Carrying values of items:				
	Carrying values as reported in published financial statements	Carrying values under scope of regulatory consolidation	Subject to credit risk framework	Subject to counterparty credit risk fra<mework	Subject to the securitisation framework	Subject to the market risk framework	Not subject to capital requirements or subject to deduction from capital
Assets							
Cash items	$ 70 091	$ 37 094	$ 37 094	$ -	$ -	$ -	$ (32 997)
Items in the course of collection from other banks	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Investments - Held-to-maturity	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Financial assets at fair value	$ 48 832	$ 48 834	$ 48 834	$ -	$ -	$ -	$ 2
Derivative financial instruments	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Loans and advances to banks	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Loans and advances to customers	$ 279 927	$ 281 305	$ 281 305	$ -	$ -	$ -	$ 1 378
Reverse repurchase agreements and other similar secured lending	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Available for sale financial investments	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other assets	$ 6 154	$ 38 836	$ 38 836	$ -	$ -	$ -	$ 32 682
Total assets	$ 405 004	$ 406 069	$ 406 069	$ -	$ -	$ -	$ 1 065
Liabilities							
Deposit from banks	$ -	$ 8 185					
Items in the course of collection due to other banks	$ -	$ -					
Customer accounts	$ 332 851	$ 324 666					
Repurchase agreements and other similar secured borrowings	$ -	$ -					
Trading portfolio liabilities	$ -	$ -					
Financial liabilities designated at fair value	$ -	$ -					
Derivative financial instruments	$ -	$ -					
Other liabilities	$ 28 196	$ 29 261					
Total liabilities	$ 361 047	$ 362 112					

- Cash items - The variation corresponds to investments on demand, which for IFRS FS purposes are shown as cash equivalents, and for regulatory purposes are shown in section 5.9 of the QPR as other investments.
- Loans and advances to customers - The variation corresponds to the allowance for loan portfolio impairment, which for FS purposes is shown net, and for regulatory purposes, this allowance is shown in section 17.1 of the QPR.

- Other Assets - This change includes the investments on demand classified for regulatory purposes in section 5.9 and the reserve on interest on the loan portfolio shown in regulatory section 17.1 of the QPR.
- Deposits from banks - For regulatory purposes, this line shows bank deposits with Group banks, and for FS purposes everything is shown as customer deposits.
- Other liabilities - For regulatory purposes, it includes the allowance for loan portfolio impairment.

12.2 Differences between regulatory exposure amounts and carrying values in Financial Statements.

		a	b	c	d	e
			Items subject to:			
		Total	Credit risk framework	Securitisation framework	Counterparty credit risk framework	Market risk framework
1	**Asset carrying value amount under scope of regulatory consolidation (as per template LI1)**	$ 406 069	$ 406 069	$ -	$ -	$ -
2	Liabilities carrying value amount under regulatory scope of consolidation (as per template LI1)	$ -	$ -	$ -	$ -	$ -
3	Total net amount under regulatory scope of consolidation	$ 406 069	$ 406 069	$ -	$ -	$ -
4	Off-balance sheet amounts	$ -	$ -	$ -	$ -	$ -
5	Differences in valuations	$ -	$ -	$ -	$ -	$ -
6	Differences due to different netting rules, other than those already included in row 2	$ -	$ -	$ -	$ -	$ -
7	Differences due to consideration of provisions	$ -	$ -	$ -	$ -	$ -
8	Differences due to prudential filters	$ -	$ -	$ -	$ -	$ -
9	**Exposure amounts considered for regulatory purposes**	$ 406 069	$ 406 069	$ -	$ -	$ -

13. Capital Management

13.1 Overview of Risk Weighted Assets and differences between last two reporting periods explained.

		a	b	c
		RWA		Minimum capital requirements
		T	T-1	T
1	Credit risk (excluding counterparty credit risk) (CCR)	$ 298 346	$ 244 594	$ 35 802
2	Securitisation exposures	$ -	$ -	$ -
3	Counterparty credit risk	$ -	$ -	$ -
4	Of which: current exposure method	$ -	$ -	$ -
5	Of which: standardized method	$ -	$ -	$ -
6	Market risk	$ -	$ -	$ -
7	Of which: Equity risk	$ -	$ -	$ -
8	Operational risk	$ -	$ -	$ -
9	Of which: Basic Indicator Approach	$ 22 973	$ 18 046	$ 2 757
10	Of which: standardized method	$ -	$ -	$ -
11	Of which: Alternative Standardised	$ -	$ -	$ -
12	Total (1+2+3+6+8)	$ 321 319	$ 262 640	$ 38 559

- The main variations in total assets for the year 2024, compared to the year 2023, correspond to an increase of US$ 53,752, mainly in the Corporate for US$ 36,918 and in banks for the sum of US$ 11,253.

13.2 Capital Overview – Bank Policy in Relation to Capital, Capital Structure and CAP – Scope of Capital, CAP – Capital Adequacy.

Qualitative Disclosures	(a)	The name of the top corporate entity in the group to which these rules and guidelines apply.	St. Georges Bank & Trust Company (Cayman) 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 pro-rate consolidated; (c) that are given a deduction treatment; and (d) from which surplus capital is recognized; plus (e) that are neither consolidated nor deducted (e.g. where the investment is risk-weighted).	None
	(c)	Any restrictions, or other major impediments, on transfer of funds or regulatory capital within the group.	None
Quantitative Disclosures	(d)	The aggregate amount of surplus capital of insurance subsidiaries (whether deducted or subjeced to an alternative method) included in the capital of the consolidated group.	$ -
	(e)	The aggregate amount of capital deficiencies in all subsidiaries not included in the consolidation i.e. that are deducted and the name(s) of such subsidiaries.	$ -
	(f)	The aggregated amounts (e.g. current book value) of the firm's total interests in insurance entities, which are risk-weighted rather than deducted from capital or subjected to an alternate group-wide method, as well as their name, their country of incorporation or residence, the proportion of ownership interest and, if different, the proportion of voting power in these entities. In addition, indicate the quantitative impact on regulatory capital of using this method versus using the deduction or alternate group-wide method.	$ -

Qualitative Disclosures	(a)	Summary information on the terms and conditions of the main features of all capital instruments, especially in the case of innovative, complex or hybrid capital instruments	
Quantitative Disclosures	(b)	The amount of Tier 1 capital, with separate disclosure of: - paid-up share capital/common stock; - reserves; -minority interests in the equity of subsidiaries; - qualifying innovative instruments; - other capital instruments; - surplus capital from insurance companies; - regulatory calculation differences deducted from Tier 1 capital; - other amounts deducted from Tier 1 capital, including goodwill; and - investments	Tier 1 Capital: $43,956: Paid-up share capital/common stock - $20,000 Reserves - $23,956
	(c)	The total amount of Tier 2 and Tier 3 capital.	$ -
	(d)	Other deductions from capital.	$ -
	(e)	Total eligible capital.	$ 43 956

Qualitative Disclosures	(a)	A summary discussion of the bank's approach to assessing the adequacy of its capital to support current and future activities.	
Quantitative Disclosures	(b)	Capital requirements for credit risk: - portfolios subject to standardised or simplified standardised approach, disclosed separately for each portolio; and - securitisation exposures.	$ 35 802
	(c)	Capital requirements for market risk: - standardised approach	$ -
	(d)	Capital requirements for operational risk: - basic indicator approach; - standardised approach; and - alternative standardised approach.	$ 2 757
	(e)	Total and Tier capital ratio: - for the top consolidated group; and - for significant bank subsidiaries (stand alone or sub-consolidated).	Tier 1 Capital Ratio: 13.68% Total Capital Ratio: 13.68%

The Bank's policy is to maintain a strong capital base, which can sustain the future development of the investment and lending businesses within the market, with adequate levels of return on shareholders' equity and capital adequacy required by the regulator.

CIMA, the Bank's regulator, requires the Bank to maintain a total capital ratio measured by risk-weighted assets of 12%. The Bank follows the regulatory capital requirements to which it is subject.

13.3 Summary Comparison of Accounting Assets vs Leverage Ratio Exposure

		a	
1	Total consolidated assets as per published financial statements	$	405 004
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	$	-
3	Adjustment for securitised exposure that meet the operational requirements for the recognition of risk transference	$	-
4	Adjustments for temporary exemption of central bank reserves (if applicable)	$	-
5	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ration exposure measure	$	-
6	Adjustments for regular way purchases and sales of financial assets subject to trade date accounting	$	-
7	Adjustments for eligible cash pooling transactions	$	-
8	Adjustments for derivative financial instruments	$	-
9	Adjustment for securities financing transactions (i.e. repurchase agreements and similar secured lending)	$	-
10	Adjustment for off balance sheet items (i.e. conversion to credit equivalen amounts of off-balance sheet exposures)	$	-
11	Adjustments for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital	$	-
12	Other adjustments	$	-
13	Leverage ratio exposure measure	$	405 004

The Bank declares that no adjustments have been made that could modify the figures originally submitted to the Regulatory Authority, with respect to the figures shown in the audited financial statements.

13.4 Leverage Ratio

		a	b
		T	T-1
	On-balance sheet exposures		
1	On-balance sheet exposures (excluding derivatives and securities financing transactions, but including collateral)	$ 406 069	$ 365 833
2	Gross up for derivatives collateral provided where deducted from balance sheet assets pursuant to the operative accounting framework	$ -	$ -
3	(Deductions of receivable assets for cash variation margin provided in derivatives transactions)	$ -	$ -
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	$ -	$ -
5	(Specific and general provisions associated with on balance sheet exposures that are deducted from Basel III Tier 1 capital)	$ -	$ -
6	(Asset amounts deducted in determining Basel III Tier 1 capital and regulatory adjustments)	$ -	$ -
7	**Total on balance sheet exposures** (excluding derivatives and SFTS) (sum of rows 1 to 6)	$ 406 069	$ 365 833
	Derivative exposures		
8	Replacement cost associated with all derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	$ -	$ -
9	Add on amounts for potential future exposure associated with all derivatives transactions	$ -	$ -
10	(Exempted central counterparty (CCP) leg of client cleared trade exposures)	$ -	$ -
11	Adjusted effective notional amount of written credit derivatives	$ -	$ -
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	$ -	$ -
13	**Total derivative exposures** (sum of rows 8 to 12)	$ -	$ -
	Securities financing transaction exposures		
14	Gross SFT assets (with no recognition of netting), after adjustment for sale accounting transactions	$ -	$ -
15	(Netted amounts of cash payables and cash receivable of gross SFT assets)	$ -	$ -
16	Counterparty credit risk exposure for SFT assets	$ -	$ -
17	Agent transaction exposures	$ -	$ -
18	Total securities financing transaction exposures (sum of rows 14 to 17)	$ -	$ -
	Other off-balance sheet exposures		
19	Off-balance sheet exposure at gross notional amount	$ -	$ -
20	(Adjustments for conversion to credit equivalent amounts)	$ -	$ -
21	(Specific and general provisions associated with on balance sheet exposures that are deducted from Tier 1 capital)	$ -	$ -
22	**Off-balance sheet items** (sum of rows 19 to 21)	$ -	$ -
	Capital and total exposures		
23	**Total Tier 1 Capital**	$ 43 956	$ 39 924
24	**Total exposures (sum of rows 7, 13, 18 and 22)**	$ 406 069	$ 365 833
	Leverage ratio		
25	**Basel III leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)**	10,82%	10,91%
25a	Basel III leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	10,82%	10,91%
26	**National minimum leverage ratio requirement**	3,00%	3,00%
27	**Applicable leverage buffers**	7,82%	7,91%

- The decrease in the leverage ratio is due to the increase in Balance Sheet Exposure

14. Securitisation

14.1 Bank's Approach to Securitisation.

The Bank does not deal in securitisation transactions.

15. Remuneration

15.1 Remuneration Disclosures.

As shown in section 2.3 of this report, the Bank's organisational structure is very small so that direct supervision of the compensation process is the responsibility of Senior Management, who in turn relies on control bodies such as Internal Audit.

The Bank aims to provide a merit-based compensation structure through a Performance Evaluation process, which is applied on an annual way to determine a Performance Rating for each employee based on the Bank's Core Values, the desired competencies for each function, and the performance objectives of each employee.

The main component of compensation consists of cash compensation paid monthly throughout the year that includes, but is not limited to, function, level of responsibility, and competitive industry market rates. There is also a discretionary performance incentive designed to reward individual performance and achievement during the year.

The Bank considers remuneration risk. Base salary is not incentivized.
The compensation process is the responsibility of the Administrative and Finance areas. The former oversees controlling and calculating payrolls, and the latter is responsible for crediting the funds to the employees' accounts.

Due to the Bank's structure, there are three levels of officers:

- Directors: entire management team and the main risk takers.
- Management: middle management; they are not risk takers.
- Operational: staff.

As of 31 December 2024, the Bank had a total of 54 employees, with an annual remuneration of US$ 2.0 MM.

16. Asset Encumbrance

16.1 Asset Encumbrance

The Bank does not hold assets with any type of pledge.