NORTH CHANNEL BANK

Privately owned since 1924

Disclosure Report 2020

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Annexes:

1 Introduction

The purpose of the present report is to meet the disclosure requirements of North Channel Bank GmbH & Co. KG (“NCB”) as of the reporting date December 31, 2020.

The publication of this disclosure report on the reporting date of December 31, 2020 is in accordance with the disclosure requirements of Part 8 of the Capital Requirements Regulation (CRR) as well as the relevant implementation and regulatory standards for disclosure.

In accordance with Article 432 CRR and in line with EBA/GL/2014/14 on materiality and confidentiality of disclosure, the information disclosed in this report is subject to the principle of materiality. Information that is legally protected or confidential is not subject to disclosure.

The adequacy and practicality of the disclosure practice is subject to review at regular intervals. The corresponding responsibilities and framework conditions are regulated by operating procedures.

The bank assumes that the following report provides comprehensive information on the overall risk profile.

In general, all amounts mentioned in this report are stated in thousand euros (KEUR) and are fundamentally based on the reports submitted on December 31, 2020. Should a different indication be required in individual cases, this will be explicitly indicated herein.

Possible differences in totals are due to rounding differences.

Article 441 CRR is not relevant for the bank.

2 Publication in Accordance with Art. 434 CRR

The bank publishes the disclosure report annually on its website after publication of the annual financial statements.

3 Statement on the Appropriateness of Risk Management Procedures Pursuant to Art. 435 CRR

The bank aims to generate a sustainable risk-adequate return on the capital invested for its shareholders. The bank purposefully exploits opportunities arising in its markets. To this end, the bank is willing to take risks in a conscious and economically viable manner.

The structure of the bank’s risk management system is determined by its business and risk strategy. The management is responsible for the development and implementation of these strategies. The risk strategy is derived consistently from the bank’s sustainable business strategy. It defines rules for dealing with risks arising directly or indirectly from the bank’s business activities.

These rules form the basis of a company-wide understanding of corporate risk management objectives.

The risk strategy particularly covers the objectives of risk management for the main business activities and is an instrument geared to market activities and internal mechanisms, which is reviewed on an annual basis and adjusted if required.

For each class of risk, a tailor made strategy has been defined and documented separately. Risks may only be assumed within the scope of the risk-bearing capacity.

The necessary awareness for risk is supported by effective communication. This is only achieved by a limited extent through instructions, control measures, and sanction mechanisms. Risk awareness is rather an expression of an opportunity- and risk-oriented corporate culture. In turn, this is significantly influenced by the management style and the management's handling of risks.

The risk management process covers all activities for the systematic handling of risks in any corporate division. This includes identifying, analyzing, evaluating, managing, and documenting risks within the organization, operational monitoring of the success of such measures, and monitoring of the effectiveness and appropriateness of risk management measures.

In summary, the bank assumes that the implemented methods, models, and processes are always suitable for ensuring a risk management system based on the strategy and the overall risk profile.

The Management Board

Stefan Rensinghoff	Gunnar Volkers	Harald Zenke

4 Statement by the Governing Body Regarding the Risk Profile of the Bank in Accordance with Art. 435 CRR

The bank's risk management is performed within the framework of Section 25a of the German Banking Act (KWG), the guideline "Supervisory Assessment of Internal Bank Risk-bearing Capacity Concepts" dated May 24, 2018, and other topic-related circulars.. The bank's supreme objective is to ensure its risk-bearing capacity at all times.

As part of its risk review(economic perspective), the bank has identified the following significant risks:

1. Counterparty default risks
2. Market price risks
3. Operational risks
4. Liquidity risks

If these risks are measurable, they are limited accordingly as part of the risk-bearing capacity calculation. This results in the following utilization rates from the risk-bearing capacity report as of December 31, 2020:

Risk Positions	Risk	Limit	Utilization
Counterparty Default Risk	4.637	7.526	62%
Liquidity Risk	176	772	23%
Market Price Risk	6.917	6.755	102%
Operational Risk	3.122	1.930	162%
Investment Risk	520	2.316	22%
Totals	**15.372**	**19.299**	**80%**

The Management Board

Stefan Rensinghoff Gunnar Volkers Harald Zenke

5 Risk Management Objectives and Policy Acc. to Art. 435 CRR

5.1 Strategies, Processes, Structure, and Organization

The targeted risk taking requires a systematic handling of these and thus an effective and efficient risk management system, which reviews and documents all developments at an early stage and on a regular basis with regard to their risk impact.

An integral part of the risk management system is the bank's business strategy and the overall risk strategy derived thereof.

In the overall risk strategy, the risks identified as material comprise "counterparty default risk", "liquidity risk", "market price risk", "operational risk", and "investment risk". These risks are taken into account in partial sub-strategies. The respective partial sub-strategy outlines the risk profile the bank is willing to accept, taking into account concentration risks, how to manage these risks, and which measures are taken to reduce risks.

The bank identifies, analyses, and manages these risks systematically, taking the results into account in the context of a risk-oriented overall bank management and documents them on a monthly basis as part of its risk reporting.

The bank's risk-bearing capacity concept takes into account consideration from two perspectives, the economic perspective and the normative perspective, which take into account the goal of the institution's continued operation on the one hand and the protection of creditors against losses on the other.

Within the economic perspective, when calculating risk-bearing capacity, the risk cover amount represents the starting point for deriving the risk capital to be used to cover risks. In line with the risk appetite defined by management, the risk capital is determined for the adverse scenario. The risk capital is then allocated to the risk categories defined as significant.

As part of risk management, the quantified risks are compared with the associated risk capital on a monthly basis. On the one hand, control of the overall risk position is carried out across the entire risk capital, and on the other hand a fine tuning of the individual risk categories is carried out with the associated share of risk capital. The procedures used take due account of both creditor protection and the continuation objective.

In addition to the existing stress tests, the bank examines the events at regular intervals with regard to its business model, taking into account the nature, scope, and complexity of the business activities in the context of inverse stress tests, which might endanger the bank's survival and viability. The identified risk factors are subject to critical reflection by the bank and quantified at regular intervals within the scope of the bank's risk-bearing capacity.

Furthermore, the normative risk-bearing capacity perspective includes, on the one hand, an analysis on an annual basis (risk observation horizon) and, on the other hand, three-year scenario-based capital planning in compliance with Pillar I ratios under one planning scenario and at least one adverse scenario.

The design of the risk management system is documented in writing in the form of organizational guidelines (e.g. business strategy, risk strategy, concept of risk-bearing capacity).

Even outsourced activities and processes that do not represent a significant risk are included in the risk controlling of the bank.

The Risk Management Department is responsible for the correct and efficient implementation of the defined risk management system within the bank. This responsibility includes a regular review of the adequacy of methods and procedures, compliance with legal and regulatory requirements, and the bank's risk reporting.

Risk Management is also responsible for the development and implementation of new methods as well as the adaptation of existing systems and the preparation of the monthly and quarterly risk reports.

Internal Audit reviews the effectiveness of the risk management system and the internal control system and is a process-independent monitoring body, which assesses in particular the compliance of all processes and activities on the basis of risk-oriented audit planning.

5.2 Management of Counterparty Default Risks

This risk means for the bank that borrowers/counterparties do not meet their contractual payment obligations, or do not fulfil them in full when due/upon maturity, which results in financial damage.

The counterparty default risks result from lending business as well as from securities transactions in connection with the investment of liquid funds and trading transactions for currency hedging purposes.

Counterparty Default Risks from Credit Transactions:

The counterparty default risks from credit transactions comprised the business segments “Financing of US Life Settlements” as well as Structured Finance.

The subject of the risk strategy is the planned development of the lending business in the aforementioned business areas, taking into account the macroeconomic environment and the definition of quantitative and qualitative risk tolerances, under consideration of the collateral provided and the concentration risks.

In addition, the bank verifies the creditworthiness of borrowers on the basis of documentation typical for lending business. It also verifies that the borrower has the sufficient knowledge with regard to the specifics of the investment made.

The bank uses a rating system to classify the risks of its existing credit commitments. The classification system is used as part of the loan application and approval process, for regular reviews (at least once a year) of credit exposure and in the event of significant changes in the lending requirements.

The Risk Management Department is responsible for designing and monitoring the functioning of the internal classification system.

Counterparty Default Risks from Deposits and Currency Hedging Transactions with Credit Institutions:

As part of its liquidity management activities, the bank invests its liquidity at other commercial banks and the European Central Bank (ECB), among others. In addition, trading transactions are closed with credit institutions to hedge exchange rate risks from the loan book. The bank has decided on size of credit lines for the respective counterparties. Compliance with these limits is monitored daily. As in the lending business, a rating system for risk classification is used as part of the granting and monitoring of internal limits for counterparties and issuers.

5.3 Management of Market Price Risks

The bank is to be classified as a non-trading book institution because the volume of trading transactions carried out in the trading book does not exceed the de minimis limits acc. to Article 94 (1) CRR.

Market price risks are risks arising for the bank by fluctuating market prices (such as interest rates, exchange rates), which might have a negative impact on the bank's earnings situation. According to the bank's overall risk profile, the main market price risks are in the areas of interest rates, exchange rates, spread and/migration risks, and price risks. In addition, hedging risks exist as hedgings of exchange-rate risks or currency options are carried out by rolling forward exchange transactions during the year.

The aforementioned risks are managed by defining quantitative and qualitative risk tolerances, in particular by monitoring tight limits of risk positions.

5.4 Management of Liquidity Risks

Liquidity risk is the risk that the bank will not be able to meet its payment obligations properly, on time, cost-effectively, and in full, resulting in financial losses for the bank or failure to exploit existing opportunities. The liquidity risk can be divided into the individual risks of refinancing risk and liquidity risk.

To avoid liquidity risks, the bank has a number of measures at its disposal:

- Refinancing is carried out in accordance with economic aspects and predominantly congruent with maturities. The refinancing strategy is conservative and refinancing tends to be longer rather than shorter.
- Daily updates of rolling liquidity planning.
- Carrying out regular stress tests (including foreign currencies) taking into account both internal and external causes.
- Maintaining a liquidity buffer. The amount of the buffer depends on the already known or expected cash flows in the future, supplemented by amounts based on historical data that are used to hedge liquidity risks arising from market price fluctuations. In addition, a minimum amount is set correlating with the overall business volume.
- Implementation of a liquidity transfer pricing system enabling source-based internal offsetting of the respective liquidity costs, benefits, and risks.
- Implementation of an emergency concept which defines the procedure to be followed in the event of a liquidity emergency.
- Consideration of additional liquidity costs in the risk-bearing capacity.

5.5 Management of Operational Risks

Operational risk is the risk of losses occurring as a result of the inadequacy or failure of internal procedures, people, and systems or the consequences of external events. This definition includes legal risks, but does not include strategic risks, business or reputational risks.

The management of operational risks is based on the definition of quantitative and qualitative risk tolerances.

Losses occurring as well as so-called "near losses" or "boundary events" are recorded in a database, analyzed, and evaluated in order to derive appropriate measures.

The bank identifies the quality of the structural and procedural organization as a key driver for the emergence of operational risks. In addition, the technical infrastructure and the regular training of all employees play an important role for the bank.

5.6 Investment Risk

The bank's investments in Fiducia IT AG and NorthStar Life Services, LLC, were mainly made for strategic reasons. In the balance sheet, the shares in Fiducia IT AG are shown as “investments”, while shares in NorthStar Life Services, LLC, are shown as “shares in affiliated companies”.

Investment risk is defined as the risk of unexpected losses resulting from the decline of the market value of the investment below book value. In principle, the losses are limited to the book value of the investment.

The monitoring and management of both categories of investments are appropriately integrated in the internal control procedures pursuant to Article 25 a of the German Banking Act (KWG). Risks are also taken into account in the risk-bearing capacity.

5.7 Nature and Scope of the Risk Reports

The risk-bearing capacity for all risk categories is determined on a monthly basis. Management is informed in a timely manner about the results and the risk situation.

A comprehensive report on the risk situation, the results of scenario analyses and stress tests and their possible impact on the future risk situation and risk cover is prepared at quarterly intervals.

In addition, the bank has implemented an escalation mechanism, which triggers ad-hoc reporting to pre-defined recipients once certain thresholds are reached.

5.8 Corporate Governance Rules

In the year under review, the bank was managed by the bank's personally liable partner, North Channel GmbH, Mainz:

Mr. Gunnar Volkers,

Mr. Harald Zenke, and

Mr. Stefan Rensinghoff

Of the members of the bank's management board (in the financial year 2020), Mr. Zenke also held 3 management mandates and 2 supervisory mandates, whereby the number of supervisory mandates has been only 1 since the beginning of 2021, as he resigned from the Supervisory Board of Fakt International. Mr. Volkers has one further supervisory mandate and Mr. Rensinghoff does not exercise any further management or supervisory mandates.

Due to its size, the internal organization, and the type of business, the bank had neither a supervisory board nor a separate risk committee.

The selection of the members of the management board is performed in compliance with the German General Equal Treatment Act (GETA) - (Allgemeines Gleichbehandlungsgesetz, AGG) on the basis of the professional qualifications by the shareholders.

In addition, the shareholders and the management hold annual discussions on goal achievement for the previous year and new targets for the upcoming fiscal year. Responsibility for the monitoring is assumed by the shareholders' meeting.

6 Consolidation Requirements for Accounting and Regulatory Purposes Acc. to Art. 436 CRR

The scope of application of this provision is limited exclusively to North Channel Bank GmbH & Co. KG.

7 Equity Capital Structure Acc. to Art. 437 CRR

The bank's equity capital structure as of December 31, 2020 is as follows:

a)Reconciliation of on-Balance-Sheet Own Funds to Regulatory Own Funds (After Assessment)

Equity According to Balance Sheet	**36.699**
Intangible Assets	-43
Additional Valuation Adjustments (Deduction Item of the Hard Core Capital)	-8
Other Non-Corresponding Capital Instruments	-14.784
Total Adjustment Items	**-14.835**
Regulatory Capital	**21.864**

b)Equity Capital as of December 31, 2020

Instruments	Before Approval	After Approval	Reference to Articles in the EU
1 Capital Instruments Including Associated Agio	54.020	54.020	26 (1), 27, 28, 29, Register
2 Accumulated Other Income (and Other Reserves Accounting Unrealized Profits & Losses in Accordance with Applicable Accounting Standards)	-17.344	-17.321	
Core Capital (CET 1) - Before Regulatory Adjustments -	**36.676**	**36.699**	
Additional Core Capital (AT 1) - Before Regulatory Adjustments	**0**	**0**	
Supplementary Capital (T 2) - Before Regulatory Adjustments	**0**	**0**	62 c and d
3 Additional Valuation Adjustments (Deduction Items of Hard Core Capital)	8	8	34, 105
4 Intangible Assets	100	43	36 (1) (b), 37, 472 (4)
5 Other deductions of Core Capital	14.784	14.784	
Deduction Items - Total	**14.892**	**14.835**	
Regulatory Own Funds (Hard Core Capital - CET 1)	**21.784**	**21.864**	
Additional Core Capital (AT 1)	**21.784**	**21.864**	

Supplementary Capital (T 2)	**21.784**	**21.864**	

A detailed representation of the equity capital structure and the main characteristics of the capital instruments can be derived from the enclosed attachments (Annex 1 “Equity Capital Structure/Equity Base”, Annex 2 “Capital Instruments”).

c) Equity Capital Requirements

In 2018, the bank received a notice from the Federal Financial Supervisory Authority (BaFin) in the Supervisory Review and Evaluation Process (SREP), which demands a supplementary capital requirement. The final capital backing is thus derived from the Pillar I requirement and the SREP surcharge.

The subsequent overview shows the equity capital requirements.

Risk Category	Risks	Equity Backing
Counterparty Default	119.378	14.624
Market Price Risk	0	0
CVA - Risk	853	104
Operational Risk	22.079	2.705
Totals	**142.310**	**17.433**

d) Capital Ratios

	Before Approval	After Approval
Overal Risk Value	142.310	142.310
Regulatory Own Funds (CET 1)	21.784	21.864
Additonal Core Capital (AT 1)	21.784	21.864
Supplementary Capital (T 2)	21.784	21.864
Hard Core Capital Ratio	**15,31%**	**15,36%**
Core Capital Ratio	**15,31%**	**15,36%**
Total Capital Ratio	**15,31%**	**15,36%**

The capital ratios are thus comfortably above the regulatory minimum requirements.

8 Equity Capital Requirements Acc. to Art. 438 CRR

The bank calculates the regulatory capital requirement in accordance with the CRR rules.

The Credit Risk Standard Approach (CRSA) - (Kreditrisikostandardansatz, KSA) in accordance with Section 3, Title II, Chapter 2 of the CRR - is applied to determine the capital requirements for counterparty default risk.

Proprietary trading activities are carried out only to a limited extent according to Article 94 (1) CRR to generate short-term profits from market price changes. Therefore, the bank is not classified as a trading book institution. In connection with market price risks, therefore, only potential foreign currency risks are to be backed by equity capital. Standard methods are used to determine equity capital requirements for foreign currency risks.

The regulatory capital for the risk of a credit valuation adjustment is calculated on the basis of the standard method pursuant to Article 384 CRR. As of December 31, 2020, the bank does not apply any eligible hedging transactions in accordance with Article 386 CRR.

For the calculation of capital requirements for operational risk, the bank applies the basic indicator approach set out in Section 3, Title III of Chapter 3 of the CRR.

The overall overview of risks (KEUR 142.310) and capital requirements of KEUR 17.433 has already been explained in section 7. The detailed overview of the capital requirements for counterparty default risk is indicated in the subsequent chart.

Overview Counterparty (Default) Risk

Risk Positions	**Equity Backing**
Central States or Central Banks	0
Regional or Local Public Authorities	0
Other Public Authorities	0
Covered Bonds	0
Institutions	1.249
Corporates	7.856
Secured by Real Estate	1.235
Retail Business	0
Shareholdings	57
Other Positions	2.335
Defaulted Exposures	1.007
Investments, OGA	885
Totals	**14.624**

"Other Positions" mainly result from US life policies in the bank's own portfolio.

The bank assesses the adequacy of the internal capital, i.e. the risk-bearing capacity, by comparing the risks classified as material with the risk capital on a monthly basis. The risk-bearing capacity was complied with at all times in 2020.

Additionally, the adequacy of the equity capital is determined according to CRR / CRD IV. In doing so, both the continuation objective and the creditor protection are taken into account. The regulatory capital requirements were complied with at all times throughout the year.

9 Counterparty Default Risk Art. 439 CRR

9.1 Internal Capital Allocation and Credit Limit for Loans to Counterparties

Loans in foreign currencies are hedged with standardized derivative instruments for the foreign currency risks resulting from the underlying lending business. Effective risk management is ensured by an internal limit system. The selection of the trading partners is to achieve both strategic and solvency-related goals.

The risks arising from the aforementioned derivative instruments are accounted for as counterparty default risks (see 5.2 Counterparty Default Risks) within the risk-bearing capacity calculation.

Derivative counterparty default risk positions are carried at their credit equivalent amounts using the market price method.

9.2 Procedure for Acceptance of Collateral and for Creation of Loan Loss Provisions

The bank enters into forward exchange transactions or currency options exclusively for the purpose of hedging bank assets denominated in foreign currencies, generally USD, with renowned German banks. At present, it is not necessary to set up special procedures for accepting collateral or forming risk provisions for such transactions.

9.3 Correlation of Market and Counterparty Risks

Correlations between market and counterparty risks are currently not apparent. Possible diversification effects between market and counterparty risks are not taken into account.

9.4 Impact of Credit Standing Deterioration on Margin Payments

The bank’s use of credit lines is fully secured by pledging credit balances or securities. No different agreements exist with regard to deteriorations in creditworthiness.

9.5 Quantitative Information

As of December 31, 2020, derivative positions had positive gross time values of KEUR 2.542. Due to margin payments received (collateral), there are no default risk positions from derivatives. Derivative counterparty default risk positions are recognized as of the reporting date using the market price valuation method with the credit equivalent amount of KEUR 3,001.

9.6 Anticyclical Capital Buffers (Counterparty Failure) Acc. to Art. 440 CRR

Pursuant to Article 440 CRR in conjunction with the Delegated Regulation (EU) No. 1555/2015 of May 28, 2015, financial institutions are obliged to disclose the geographical distribution of the credit risk positions relevant for the calculation of the anticyclical capital buffer and the respective financial institute’s individual amount. The anticyclical capital buffer may range between 0% and 2.5% of the sum of risk-weighted assets and must be maintained by means of hard core capital. The amount of the anticyclical capital buffer in Germany is determined by the German Federal Financial Supervisory Authority (BaFin), taking into account possible recommendations of the Financial Stability Committee.

For 2020, the German Federal Financial Supervisory Authority (BaFin) sees no need for an anticyclical capital buffer in Germany. If a bank has granted significant loans to other countries, the institution-specific anticyclical capital buffer is calculated as the weighted average of domestic and foreign anticyclical capital buffers. Summaries of the quotas for anticyclical capital buffers can be retrieved on the homepages of the European Systemic Risk Board (ESRB).

The subsequent overview shows the regional distribution of risk positions as well as the amount of the bank's respective institution-specific anticyclical capital buffers.

	General Credit Risk Positions	Risk Positions in the Trading Book	Securitization Risk Positions	Capital Requirements					
Countries	**Risk Position Value**	**Totals of Long and Short Position Values in the Trading Book**	**Risk Position Value (SA)**	**Thereof : General**	**Thereof: Risk Positions in the Trading Book**	**Thereof: Securitization Exposures**	**Totals**	**Evaluation of the Capital Requirements**	**Ratio of the Anticyclical Capital Buffers**
Germany	213.025	0	0	12.793	0	0	12.793	0,87	0,0000%
France	2.625	0	0	0	0	0	0	0,00	0,0000%
The Netherlands	2.496	0	0	306	0	0	306	0,02	0,0000%
USA	4.431	0	0	55	0	0	55	0,00	0,0000%
Croatia	12.000	0	0	1.470	0	0	1.470	0,10	0,0000%
Totals	**234.577**	**0**	**0**	**14.624**	**0**	**0**	**14.624**	**1**	**0,0000%**

The table below lists the amount of the institution-specific anticyclical capital buffer:

Anticycicle Buffer		
Total Amount Receivables		234.577
Institution-Specific Ratio of the Anticyclical Capital Buffer		0,00%
Requirements for the Institution-Specific Capital Buffer		0

10 Credit Risk Adjustments Acc. to Art. 442 CRR

Receivables with late payments (for example, interest / redemptions / fees) in excess of 90 days are considered to be overdue.

Non-performing receivables are those that have defaulted. Specific valuation allowances are recognized for such receivables. The bank does not use a differnt definition for accounting purposes.

All loan commitments are subject to regular review.

Risk provisioning is made in accordance with the commercial regulations and in line with the lowest value principle. Bad debts are written off. Individual provisions are made for doubtful receivables.

For general latent default risks, general provisions are made in accordance with tax-recognized procedures. Individual provisions are made during the year and when required and audited at least once a year.

The bank only releases individual risk provisions once the borrower's financial situation has noticeably improved with a lasting effect or sufficient collateral has been provided.

As part of the quarterly risk reporting, information is provided on the development of general and individual risk provisions.

11 Credit Risk Adjustments Acc. to Art. 442 CRR

11.1 Overview of Risk Positions (Counterparty Default Risks)

The total amount, including commitments, amounted to KEUR 234.577 as of December 31,2020.

The averages are based on the latest day of each quarter, i.e. March 31, / June 30, / September 30, and December 31, 2020.

Risk Positions	As of December 31, 2020	Averages 2020
Central States or Central Banks	54.967	41.682
Regional or Local Public Authorities	0	0
Other Public Authorities	2.625	3.635
Covered Bonds	0	253
Institutions	37.516	39.311
Corporates	68.953	100.867
Secured by Real Estate	12.000	3.000
Shareholdings	470	470
Other Positions	19.059	29.499
Defaulted Positions	31.763	7.948
Investments, OGA	7.224	9.568
Totals	**234.577**	**236.233**

11.2 Geographical Distribution of Risk Positions (Counterparty Default)

a) **Total Overview Corporates Including the Risk Position Secured by Real Estate**

Risk Positions	As of December 31, 2020
Germany	66.457
The Netherlands	2.496
Croatia	12.000
Total	**80.953**

b) **Overview Corporates Subdivided by Loans and Securities**

Risk Positions	As of December 31, 2020
Loans	
Germany	65.455
Croatia	12.000
Subtotal	77.455
Securities	
Germany	1.002
The Netherlands	2.496
Subtotal	3.498
Total	80.953

a)The Subsequent Overview Shows the Geographical Distribution of the Exposure Class Institutions:

Risk Positions	As of December 31, 2020
Germany	37.516
Total	**37.516**

b)The Subsequent Overview Shows the Geographical Distribution of the Exposure Class Defaulted Positions:

Risk Positions	As of December 19, 2020
Germany	27.782
USA	3.981
Total	31.763

11.3 Breakdown by Industries

The exposure class Central States largely comprises claims against the European Central Bank (ECB). Receivables in the institutions exposure class are allocated to the institutions sector. The subsequent overview shows the breakdown of the exposure classes Corporates and Defaulted Positions by Industry:

a) **Overview of the Exposure Class Corporates by Industry Including the Position Secured by Real Estate**

Risk Positions	As of December 31, 2020
Loans (Exposure Class Corporates/Collateralized by Real Estate)	
Own Asset Management Corporates	2.464
Environmental Protection	7.000
Service Activities	13.000
Management Consulting	21.000
Real Estate	13.500
Metal Products	5.000
Sports	8.000
Recycling	3.200
Electricity	3.900
Other	391
Subtotal	77.455
Securities	
Software Development	1.002
Other Financing Institutions	2.496
Subtotal	3.498
Total	80.953

b) **Overview of the Exposure Class Defaulted Positions by Industry**

Risk Positions	**As of December 31, 2020**
Own Asset Management Corporates Provision of Services	10.000 21.763
Total	31.763

11.4 Contractual Residual Terms of Risk Positions

Exposure Class Corporates **Including the Position Secured by Real Estate**

Risk Positions	**As of December 31, 2020**
0 to 12 Months 13 to 60 Months	23.055 57.898
Total	**80.953**

Exposure Class Institutions:

Risk Positions	**As of December 31, 2020**
0 to 3 Month	33.378
More than 3 Months Others (Accruals)	4.126 12
Total	**37.516**

11.5 Impact of the Application of Credit Risk Reduction

The bank applies credit risk mitigation techniques only in individual cases, after separate individual assessment As of the balance sheet date, guarantees in the amount of KEUR 2.700 were applied as a credit mitigation technique..

As of December 31, 2020, the gross loan volume was distributed as follows:

Risk Weighting in %	Before Reduction of Credit Risk	After Reduction of Credit Risk
0	57.592	60.296
20	33.398	33.398
50	3.840	3.840
75	0	0
100	139.737	137.033
150	10	10
Totals	**234.577**	**234.577**

The reported gross loan volume with a risk weight of 150% results from the positions in the exposure class “Defaulted Positions

11.6 Non-Performing and Defaulting Loans

The subsequent overview shows the breakdown:

Defaulted Receivables or Risk Positions	Amount in KEUR	SVA
Corporates	31.585	23.460
Individuals	0	0
Totals	**31.585**	**23.460**

11.7 Value Adjustments Non-Performing and Defaulted Loans

	As of January 01, 2020	Formation	Usage	Reversal	Rate Assessment	As of December 31, 2020
Specific Valuation Allowance	7.114	19.676	0	-2.935	-394	23.461
General Bad Debt Allowance	484	0	0	-124	0	360
Direct Write-Downs	0	0	0	0	0	0
Totals	**7.598**	**19.676**	**0**	**-3.059**	**-394**	**23.821**

The information on risk provisions in this section is based on the audited and approved annual financial statement for 2020. This results in deviations from the data in the reports as of December 31, 2020, as these are based on the data relevant at the time of reporting.

General loan loss provisions are made by the bank for its existing business, in compliance with the letter from the German Federal Ministry of Finance (Bundesinnenministerium der Finanzen - BMF) dated January 10, 1994, as provisions for latent risks resulting from customers’ accounts receivables where no specific allowance for bad debts was made. The bank continues to make a general provision amounting to 0.5% of the volume of receivables.

12 Unencumbered Assets Acc. to Art. 443 CRR

The reporting of asset encumbrance ratios (for short AE ratio) is intended to provide a cross-institutional standardization of information for lenders and providers of unsecured or subordinated refinancing as well as an indicator for the vulnerability to refinancing problems.

The tables below give an overview of the degree of the encumbrance of assets and, derived thereof, provide an assessment of the bank's solvency. Assets are considered encumbered or tied if they are not freely available to the financial institution. This is always the case if they are pledged or lent or used as a collateral to secure the bank's own loans and potential liabilities resulting from the derivatives business, or to improve creditworthiness in the context of on-balance-sheet or off-balance-sheet transactions.

The following information is based on the requirements for disclosure for encumbered and unencumbered assets according to the EBA Guidelines (EBA/GL/2014/03). The information is determined on the basis of the median values of the quarterly data for the period of the previous 12 months.

Encumbered and Unencumbered Assets (Template A)

	Encumbered Assets		Unencumbered Assets	
Assets	Book Value	Fair Value	Book Value	Fair Value
Loans on Demand, Payable Daily	0	N/A	77.532	N/A
Equity Instruments	0	0	10.218	10.133
Debt Instuments	0	0	8.946	8.951
Therof Covered Bonds	0	0	0	0
Thereof Asset-Backed-Securities	0	0	0	0
Thereof Central Governments	0	0	2.625	2.619
Thereof Institutions	0	0	2.124	2.116
Thereof Non-Financial Institutions	0	0	4.197	4.216
Loans Not Callable	20	N/A	89.926	N/A
Other Assets	0	N/A	36.483	N/A
Totals	**20**	**0**	**223.105**	**19.084**

Collateral Received (Template B)

Liabilities	**Fair Value of Collateral Received or Own Debt Instruments Issued**	**Fair Value of Collateral Received or Own Debt Instruments Issued Eligible for Encumbrance**
Loans on Demand, Payable on Demand	0	795
Equity Instruments		
Debt Securities	0	0
Other Assets	0	0
Total	**0**	795

Encumbered Assets / Collateral Received and Related Liabilities (Template C)

Liabilities	**Cover of the Liabilities, Contingent Liabilities or Borrowed Securities**	**Assets, Collateral Received and Other Debt Instruments than Encumbered Bonds and ABS**
Book Value Derivatives Congruent Liabilities, Contingent Liabilities, and Securities Loans	90	0
Deposits	0	0
Repurchase Agreements	0	0
Therof Central Banks	0	0
Other Sources of Exposure	0	0
Other Congruent Collateral	0	0
Book Value of Selected Liabilities	**90**	**0**

13 Use of ECAI Acc. to Art. 444 CRR

Our institution has not mandated any external rating agencies nor used any export insurance agencies.

14 Disclosure Requirements for Market Risks Acc. to Art. 445 CRR

The standard method is used to determine the equity capital requirements for foreign currency risks. Proprietary risk models are not used.

In the area of market price risks, there were no equity capital requirements as of December 31, 2020.

15 Disclosure Requirements for Operational Risks Acc. to Art. 446 CRR

The equity capital requirements for operational risks are determined according to the basic indicator approach in compliance with Art. 315 CRR.

16 Disclosure Requirements for Shareholdings in the Banking Book Acc. to Art. 447 CRR

The bank holds a strategic, unlisted shareholding of KEUR20 in Fiducia IT AG, Karlsruhe. Fiducia IT AG is the central IT service provider for the bank. The reporting in the balance sheet is at cost of acquisition.

The bank holds 100% of a strategic interest in NorthStar Life Settlements Trading LLC, Irvine CA., USA. The affiliated company is valued in the balance sheet at a fair value of KEUR 450.

17 Disclosure of Interest Rate Risk in the Asset Ledger Acc. to Art. 448 CRR

Based on Article 98 (5) CRD IV and the revised EBA guidelines (EBA/GL/2018/02), the bank calculates the following eight interest rate scenarios for a sudden and unexpected change in interest rates (impact on the present value of the interest book) on a monthly basis.

When calculating the change in present value, the bank assumes a static view, i.e. only existing business is taken into account; new business, on the other hand, is not. The positions are taken into account in the present value calculation in accordance with their contractual fixed interest rates.

When determining the effects of a sudden and unexpected change in interest rates, all transactions in the banking book subject to interest rate risk that are material for this determination are included. Equity components are not taken into account. An appropriate assumption is made for positions with indefinite contractual interest rate commitments.

For USD positions, the change in present value is calculated in the same way as for positions in Euros. The respective changes are taken into account in the associated scenarios. Positive changes will be taken into account with a share of 50%.

Predefined 8 scenarios by the supervisory authority:

a) Parallel shift +200 basis points

b) Parallel shift -200 basis points

The following interest rate scenarios are to be applied for the calculation of the early warning indicator:

(c) Parallel shift upward

d) Parallel shift downwards

e) Steepening

f) Flattening

g) Short-term shock upward

h) Short-term shock downward

In the context of risk-bearing capacity, scenarios a and b or c and d are taken into account, which also entail the highest risks for the bank. As the bank currently has only core capital, it is not necessary to differentiate between the aforementioned scenarios.

As of December 31, 2020, negative and positive parallel shifts of 200 basis points result in present value losses of K€1.177 and present value gains of K€7.293, respectively. Accordingly, the Basel II ratios are -3,05% and 18,92%, respectively.

18 Disclosure Requirements for Securitizations Acc. to Art. 449 CRR

This includes all securitization transactions covered by the scope of the securitization pursuant to Article 242 et sqq. Such securitization transactions were not carried out by the bank.

19 Remuneration Policy Pursuant to Art. 450 CRR

North Channel Bank GmbH & Co. KG (hereinafter referred to as NCB), which is not a significant institution pursuant to Section 25n of the German Banking Act (KWG), is required to disclose its remuneration policy as a CRR (Capital Requirements Regulation) institution pursuant to Section 16 (2) of Regulation (EU) No. 575/2013. In application of this, NCB provides information on its remuneration policy:

At NCB, the structure of the remuneration systems is identical across all divisions. The amount of the fixed remuneration is based in each case on the qualifications, the tasks and the degree of responsibility. Although NCB is not bound by collective bargaining agreements, its basic remuneration is based on the general banking tariff. The monitoring function of the control units is not affected by the remuneration system. No variable compensation is granted for any position that would encourage the assumption of disproportionately high risks.

The remuneration of employees and managers consists of a basic remuneration/gross annual salary. The appropriateness of this is reviewed annually. As a non-significant institution, NCB does not have a Compensation Control Committee.

The remuneration is paid in 12 monthly salaries on a pro rata basis. In addition to this basic remuneration, variable remuneration may be paid. This is measured by the achievement of the individual employee's annual targets, which are defined in advance in a target agreement. In addition to the achievement of the employee's own targets, the calculation also takes into account the economic success of the bank and, if applicable, special targets/special tasks of the respective employee.

The evaluation of the individual employee is conducted by the respective supervisor in final consultation with the management or the shareholders.

If a bonus is guaranteed in connection with the establishment of an employment relationship, this guarantee is set at a maximum for the first year of employment.

In 2020, NCB paid € 4,040 thousand in fixed compensation (= gross taxable amount) to an average of 48.5 full-time equivalents (including management).

The variable compensation (= gross taxable amount) was paid out in the amount of € 880 thousand to 44.8 beneficiary full-time equivalents (incl. management).

The above amounts include the remuneration of the risk takers identified by NCB. They are shown separately again below:

In 2020, NCB paid €1,550 thousand in fixed remuneration (= gross taxable amount) to an average of 10.5 full-time equivalents/risk takers.

The variable compensation (= gross taxable amount) was paid out in the amount of €556 thousand to 9.5 beneficiary full-time equivalents/risk takers.

With reference to Section 286 (4) of the German Commercial Code (HGB), the compensation of the Executive Board is not disclosed separately here, as this allowed conclusions to be drawn about their fixed and variable compensation.

Neither Executive Board members nor employees received compensation in excess of €1 million.

20 Indebtedness Art. 451 CRR

According to Article 451 CRR in conjunction with Article 429 CRR, information on the debt ratio (leverage ratio) must be provided. The debt ratio puts the generally unweighted total of on-balance-sheet and off-balance-sheet transactions in relation to regulatory core capital. Detailed information can be found in Annex 3.

Applying the provisions of the new Delegate Regulation (EU) 2015/62 and the Implementing Regulation 2016/200 for the disclosure of the debt ratio, the bank's debt ratio as of December 31, 2020 is 12,58%.

The risk of an excessive debt ratio is taken into account in the bank’s planning and strategy process.

Overall, the ratio ranged from 12,58% to 24,16%.

21 Disclosure Requirements when Applying Advanced Approaches Acc. to Art. 452 CRR

Due to the application of the CRSA approach, no further disclosure requirements exist.

22 Credit Risk Minimization Techniques Subject to Disclosure Acc. to Art. 453 CRR

The bank does not make use of on-balance-sheet and off-balance-sheet netting arrangements.

The bank applies credit risk mitigation techniques only in exceptional cases. The bank takes these into account according to the simple substitution method, in which the collateralized part is assigned the risk weight which would have to be set according to the CRSA’s rules if a direct risk position existed in the hedging instrument. When selecting business partners and products, the bank always takes care to avoid risk concentrations in the context of credit risk mitigation techniques.

In the financial year 2020, guarantees amounting to KEUR 2,700 were used as credit mitigation techniques.

23 Advanced Measurement Approaches for Operational Risks Acc. to Art. 454 CRR

Due to the application of the basic indicator approach, no further disclosure requirements exist.

24 Use of Internal Models for Market Risk Acc. to Art. 455 CRR

Due to the application of the standard approach, no further disclosure requirements exist.

25 Return on Investment acc. to Art. 26 a German Banking Act

Pursuant to Article 26a (1) Clause 4 KWG, the return on capital, defined as the quotient of net profit or loss (net profit or loss after tax) and total assets, must be disclosed. As of December 31, 2020, the result was a return on capital of -9,27%.

26 Final Declaration

With its signature, the executive board states that the risk managemenent methods and procedures used by the bank are suitable for providing a comprehensive picture of the bank's risk profile at all times. In particular, the models used sustainably ensure the bank's risk-bearing capacity.

Mainz, December 23 2021

North Channel Bank GmbH & Co. KG

Stefan Rensinghoff

Gunnar Volkers

Harald Zenke

Disclosure of Capital During the Transitional Period

		(A) AMOUNT ON DAY OF DISCLOSURE* (KEUR)	(B) REFERENCE TO ARTICLES IN THE EU REGULATION (EU) NO. 575/2013	(C) AMOUNTS SUBJECT TO TREATMENT BEFORE REGULATION (EU) NO. 575/2013 OR BALANCE REQUIRED UNDER REGULATION (EU) NO. 575/2013 (K EUR)
Hard Core Capital (CET1): Instruments and Reserves				
1	Capital instruments and the their related agio	54.020	26 (1), 27, 28, 29, list of the EBA pursuant to Art. 26 (3)	
	Thereof, credit balances	N/A	List of EBA pursuant to Art. 26 (3)	
	Thereof, type of financial instrument 2	N/A	List of EBA pursuant to Art. 26 (3)	
	Thereof, type of financial instrument 3	N/A	List of EBA pursuant to Art. 26 (3)	
2	Retained Earings	N/A	26 (1) (c)	
3	Accumulated other comprehensive income (and other reserves, to allow for unrealized profits and losses under applicable accounting standards)	-17.344	26 (1)	
3a	Fund for general banking risks	N/A	26 (1) (f)	
4	Amount of the items referred to in Article 484(3) plus the agio associated with them which expires on CET1.	N/A	486 (2)	
	State capital injections with grandfathering until January 1, 2018	N/A	483 (2)	
5	Minority interests (permissible amount in consolidated CET1)	N/A	84, 479, 480	
5a	Independently audited interim profits, less any foreseeable fees or dividends	N/A	26 (2)	
6	Hard core capital (CET1) before regulatory adjustments	36.676		
Hard Core Capital (CET1): Regulatory Adjustments				
7	Additional valuation adjustments (negative amount)	-8	34, 105	
8	Intangible assets (reduced by corresponding tax liabilities) (negative amount)	-100	36 (1) (b), 37, 472 (4)	
9	In the EU: blank			
10	Deferred tax assets dependent on future profitability, except those resulting from temporary differences (reduced by corresponding tax liabilities if the conditions of Art. 38 (3) are met) (negative amount)	N/A	36 (1) (c), 38, 472 (5)	
11	Reserves from profits or losses on transactions recognized at fair value to hedge cash flows	N/A	33 (a)	
12	Negative amounts from the calculation of expected loss amounts	N/A	36 (1) (d), 40, 159, 472 (6)	
13	Increase in equity resulting from securitized assets (negative amount)	N/A	32 (1)	
14	Profits or losses from own liabilities assessed at fair value due to changes in own creditworthiness	N/A	33 (b)	
15	Pension plan assets with defined benefit obligation (negative amount)	N/A	36 (1) (e), 41, 472 (7)	
16	Direct and indirect positions of an institution in own instruments of hard core capital (negative amount)	N/A	36 (1) (f), 42, 472 (8)	
17	Positions in hard core capital instruments of financial sector companies that have entered into a cross-shareholding with the institution with the aim of artificially increasing its own funds (negative amount).	N/A	36 (1) (g), 44, 472 (9)	
18	Direct and indirect positions of the institution in hard core capital instruments of financial sector entities in which the institution has no significant interest (more than 10 % less eligible selling positions) (negative amount)	N/A	36 (1) (h), 43, 45, 46, 49 (2) (3), 79, 472 (10)	
19	Direct, indirect and synthetic positions of the institution in hard core capital instruments of financial sector entities in which the institution has a significant interest (more than 10 % and net of eligible long positions) (negative amount)	N/A	36 (1) (i), 43, 45, 47, 48 (1) (b), 49 (1) bis (3), 79, 470, 472 (11)	
20	In the EU: blank			
20a	Receivables from the following items, to which a risk weight of 1 250 % is assigned, if the institution deducts as an alternative that receivable amount from the amount of the hard core capital items	N/A	36 (1) (k)	
20b	Thereof, qualifying holdings outside the financial sector (negative amount)	N/A	36 (1) (k) (i), 89 to 91	
20c	Thereof, securitization positions (negative amount)	N/A	36 (1) (k) (ii) 243 (1) (b) 244 (1) (b) 258	
20d	Thereof, negative advance services (negative amount)	N/A	36 (1) (k) (iii), 379 (3)	

		(A) AMOUNT ON DAY OF DISCLOSURE* (KEUR)	(B) REFERENCE TO ARTICLES IN THE EU REGULATION (EU) NO. 575/2013	(C) AMOUNTS SUBJECT TO TREATMENT BEFORE REGULATION (EU) NO. 575/2013 OR BALANCE REQUIRED UNDER REGULATION (EU) NO. 575/2013 (K EUR)
21	Deferred tax assets dependent on future profitability resulting from temporary differences (above the threshold of 10 %, reduced by corresponding tax liabilities if the conditions of Art. 38 (3) are met) (negative amount)	N/A	36 (1) (c), 38, 48 (1) (a), 470, 472 (5)	
22	Amount above the 15 % threshold (negative amount)	N/A	48 (1)	
23	Thereof, direct and indirect positions of the institution in hard core capital instruments of financial sector companies in which the institution holds a substantial interest	N/A	36 (1) (i), 48 (1) (b), 470, 472 (11)	
24	In the EU: blank			
25	Thereof, deferred tax assets dependent on future profitability resulting from temporary differences	N/A	36 (1) (c) , 38, 48 (1) (a), 470, 472 (5)	
25a	Losses for the current financial year (negative amount)	N/A	36 (1) (a), 472 (3)	
25b	Estimated tax burden on hard core capital items (negative amount)	N/A	36 (1) (l)	
26	Regulatory adjustments to hard core capital in respect of amounts subject to pre-CRR treatment	N/A		
26a	Regulatory adjustments in connection with unrealized gains and losses pursuant to Arts. 467 and 468	N/A		
	Thereof, deductions and adjustments for unrealized losses 1	N/A	467	
	Thereof, deductions and adjustments for unrealized losses 2	N/A	467	
	Thereof, deductions and adjustments for unrealized profits 1	N/A	468	
	Thereof, deductions and adjustments for unrealized profits 2	N/A	468	
26b	Amount to be deducted or added from hard core capital in respect of additional deductions and adjustments and deductions required under pre-CRR treatment	-14.784	481	
	Therof,	N/A	481	
27	Amount of items to be deducted from the extra core capital exceeding the institution's extra core capital (negative amount)	N/A	36 (1) (j)	
28	Total regulatory adjustments to hard core capital (CET1)	-108		
29	**Hard Core Capital (CET1)**	21.784		
Additional Core Capital (AT1): Instruments				
30	Capital instruments and the associated agio	N/A	51, 52	
31	Thereof, classified as equity in accordance with applicable accounting standards	N/A		
32	Thereof, classified as liabilities in accordance with applicable accounting standards	N/A		
33	The amount of the items referred to in Article 484(4) plus the related agio, the crediting of which to AT1 expires	N/A	486 (3)	
	State capital injections with grandfathering until January 1, 2018	N/A	483 (3)	
34	Qualifying core capital instruments included in consolidated additional core capital (including minority interests not included in line 5) issued by affiliates and held by third parties	N/A	85, 86, 480	
35	Thereof, instruments issued by affiliates whose recognition expires	N/A	486 (3)	
36	Additional Core Capital (AT1) Before Regulatory Adjustments	0		
Additional Core Capital (AT1): Regulatory Adjustments				
37	Direct and indirect positions of an institution in own instruments of additional core capital (negative amount)	N/A	52 (1) (b), 56 (a), 57, 475 (2)	
38	Positions in instruments of additional core capital of companies in the financial sector which have entered into a cross-investment with the institution for the purpose of artificially increasing its own funds (negative amount).	N/A	56 (b), 58, 475 (3)	

		(A) AMOUNT ON DAY OF DISCLOSURE* (KEUR)	(B) REFERENCE TO ARTICLES IN THE EU REGULATION (EU) NO. 575/2013	(C) AMOUNTS SUBJECT TO TREATMENT BEFORE REGULATION (EU) NO. 575/2013 OR BALANCE REQUIRED UNDER REGULATION (EU) NO. 575/2013 (K EUR)
39	Direct and indirect positions of the institution in instruments of additional core capital of financial sector entities in which the institution does not have a significant interest (more than 10 % and less eligible long positions) (negative amount)	N/A	56 (c), 59, 60, 79, 475 (4)	
40	Direct and indirect positions of the institution in instruments of additional core capital of financial sector entities in which the institution has a significant interest (more than 10 % and less eligible long positions) (negative amount)	N/A	56 (d), 59, 79, 475 (4)	
41	Regulatory adjustments to the additional core capital in respect of amounts subject to pre-CRR treatment and treatments during the transitional period will apply to the phasing-out arrangements under Regulation (EU) No 575/2013 (i.e. remaining amounts CRR)	N/A		
41a	Balances to be deducted from additional core capital in respect of items to be deducted from hard core capital during the transitional period pursuant to Art. 472 of Regulation (EU) No 575/2013	N/A	472, 472 (3) (a), 472 (4), 472 (6), 472 (8), 472 (9), 472 (10) (a), 472 (11) (a)	
	Thereof, line by line items to be disclosed, e.g. material interim losses (net), intangible assets, defaults on provisions for expected losses, etc.	N/A		
41b	Remainders to be deducted from additional core capital in respect of items to be deducted from additional capital during the transitional period pursuant to Article 475 of Regulation (EU) No 575/2013	N/A	477, 477 (3), 477 (4) (a)	
	Thereof, line by line items to be included, e.g. cross-holdings in supplementary capital instruments, direct positions of non-essential holdings in the capital of other financial companies, etc.	N/A		
41c	Amount to be deducted or added from additional core capital in respect of additional deductions and adjustments and deductions required under pre-CRR treatment	N/A	467, 468, 481	
	Thereof, possible deductions and adjustments for unrealized losses	N/A	467	
	Thereof, possible deductions and adjustments for unrealized profits	N/A	468	
	Thereof,	N/A	481	
42	Amount of items to be deducted from the items of supplementary capital exceeding the supplementary capital of the institution (negative amount)	N/A	56 (e)	
43	Total regulatory adjustments to additional core capital (AT1)	0		
44	**Additional core capital (AT1)**	0		
45	**Core capital (T1 = CET1 + AT1)**	21.784		
Supplementary Capital (T2): Instruments and Reserves				
46	Capital instruments and the related agio	N/A	62, 63	
47	The amount of the items referred to in Article 484(5) plus the agio related to them, the crediting of which to T2 expires	N/A	486 (4)	
	Government capital injections with grandfathering until January 1, 2018	N/A	483 (4)	
48	Qualifying equity instruments included in consolidated supplementary capital (including minority interests and AT1 instruments not included in lines 5 and 34, respectively) issued by affiliates and held by third parties	N/A	87, 88, 480	
49	Thereof, instruments issued by affiliates whose recognition expires	N/A	486 (4)	
50	Credit risk adjustments	N/A	62 (c) and (d)	
51	Supplementary capital (T2) before regulatory adjustments	0		
Supplementary Capital (T2): Regulatory Adjustments				
52	Direct and indirect positions of an institution in own supplementary capital instruments and subordinated loans (negative amount)	N/A	63 (b) (i), 66 (a), 67, 477 (2)	
53	Positions in supplementary capital instruments and subordinated loans from financial institutions which have entered into a cross-shareholding with the institution for the purpose of artificially increasing its own funds (negative amount)	N/A	66 (b), 68, 477 (3)	

		(A) AMOUNT ON DAY OF DISCLOSURE* (KEUR)	(B) REFERENCE TO ARTICLES IN THE EU REGULATION (EU) NO. 575/2013	(C) AMOUNTS SUBJECT TO TREATMENT BEFORE REGULATION (EU) NO. 575/2013 OR BALANCE REQUIRED UNDER REGULATION (EU) NO. 575/2013 (K EUR)
54	Direct and indirect positions of the institution in supplementary capital instruments and subordinated loans of financial entities in which the institution does not have a significant participation (more than 10% less eligible sales positions) (negative amount)	N/A	66 (c), 69, 70, 79, 477 (4)	
54a	Thereof, new items not subject to transitional provisions	N/A		
54b	Thereof, positions existing before January 1, 2013 subject to transitional provisions	N/A		
55	Direct and indirect positions of the institution in supplementary capital instruments and subordinated loans of financial institutions in which the institution has a significant participation (less eligible long positions) (negative amount)	N/A	66 (d), 69, 79, 477 (4)	
56	Regulatory adjustments to supplementary capital in respect of amounts subject to pre-CRR treatment and treatments during the transitional period for which phasing-out arrangements under Regulation (EU) No 575/2013 apply (i.e. CRR balances)	N/A		
56a	Balances to be deducted from supplementary capital in respect of items to be deducted from core capital during the transitional period pursuant to Article 472 of Regulation (EU) No 575/2013	N/A	472, 472 (3) (a), 472 (4), 472 (6), 472 (8) (a), 472 (9), 472 (10) (a), 472 (11) (a)	
	Thereof, line by line items to be disclosed, e.g. material interim losses (net), intangible assets, defaults on provisions for expected losses, etc.	N/A		
56b	Balances to be deducted from supplementary capital in respect of items to be deducted from supplementary core capital during the transitional period pursuant to Article 475 of Regulation (EU) No 575/2013	N/A	475, 475 (2) (a), 475 (3), 475 (4) (a)	
	Thereof, line by line items to be included, e.g. cross-holdings in instruments of additional core capital, direct positions of non-essential holdings in the capital of other companies in the financial sector, etc.	N/A		
56c	Amount to be deducted or added from supplementary capital in respect of additional deduction and adjustment items and deductions required under pre-CRR treatment	N/A	467, 468, 481	
	Thereof, possible deductions and adjustments for unrealized losses	N/A	467	
	Thereof, possible deductions and adjustments for unrealized profits	N/A	468	
	Thereof,	N/A	481	
57	**Total regulatory adjustments to supplementary capital (T2)**	0		
58	**Supplementary capital (T2)**	0		
59	**Total equity (TC = T1 + T2)**	21.784		
59a	Risk-weighted assets in respect of amounts subject to pre-CRR treatment and treatments during the transitional period to which phasing-out arrangements under Regulation (EU) No 575/2013 apply (i.e. CRR balances)	N/A		
	Thereof, items not deductible from core capital (Regulation (EU) No 575/2013, balances) (line by line items to be disclosed, e.g. deferred tax assets linked to future profitability reduced by corresponding tax liabilities, indirect positions in own instruments of hard core capital, etc.)	N/A	472, 472 (5), 472 (8) (b), 472 (10) (b), 472 (11) (b)	
	Thereof, items not deductible from additional core capital (Regulation (EU) No 575/2013, balances) (line by line items to be included, e.g. cross-holdings in instruments of additional core capital, direct positions of non-essential holdings in the capital of other financial institutions)	N/A	475, 475 (2) (b), 475 (2) (c), 475 (4) (b)	
	Thereof, items not deductible from supplementary capital (Regulation (EU) No 575/2013, balances) (line by line items to be included, e.g. indirect positions in instruments of own supplementary capital, indirect positions of non-significant holdings in the capital of other financial companies, indirect positions of significant holdings in the capital of other financial companies, etc.)	N/A	477, 477 (2) (b), 477 (2) (c), 477 (4) (b)	
60	**Risk-weighted total assets**	142.310		

		(A) AMOUNT ON DAY OF DISCLOSURE* (KEUR)	(B) REFERENCE TO ARTICLES IN THE EU REGULATION (EU) NO. 575/2013	(C) AMOUNTS SUBJECT TO TREATMENT BEFORE REGULATION (EU) NO. 575/2013 OR BALANCE REQUIRED UNDER REGULATION (EU) NO. 575/2013 (K EUR)
Equity Ratios and Buffers				
61	Hard core capital ratio (expressed as a percentage of total receivable)	15,31	92 (2) (a), 465	
62	Core capital ratio (expressed as a percentage of total receivable)	15,31	92 (2) (b), 465	
63	Total capital ratio (expressed as a percentage of the total receivable amount)	15,31	92 (2) (c)	
64	Institution-specific requirement for capital buffers (minimum requirement for the hard core capital ratio under Art. 92(1)(a), plus the requirements for capital maintenance buffers and countercyclical capital buffers, systemic risk buffers and buffers for systemically important institutions (G-SRI or A-SRI), expressed as a percentage of the total exposure)	3.557.739	CRD 128, 129, 130	
65	Thereof, capital maintenance buffer	3.557.739		
66	Thereof, anticyclical capital buffer	0		
67	Thereof, systemic risk buffer	0		
67a	Thereof, buffers for globally systemically important institutions (G-SRI) or other systemically important institutions (A-SRI)	0	CRD 131	
68	Available hard core capital for the buffers (expressed as a percentage of the total receivable amount)	10,81	CRD 128	
69	(Not relevant in EU regulation)			
70	(Not relevant in EU regulation)			
71	(Not relevant in EU regulation)			
Equity Ratios and Buffers				
72	Direct and indirect positions of the institution in equity instruments of financial institutions in which the institution has no significant interest (less than 10% less eligible short positions)	N/A	36 (1) (h), 45, 46, 472 (10), 56 (c), 59, 60, 475 (4), 66 (c), 69, 70, 477 (4)	
73	Direct and indirect positions of the institution in hard core capital instruments of financial companies in which the institution has a significant interest (more than 10% less eligible selling positions)	N/A	36 (1) (i), 45, 48, 470, 472 (11)	
74	In the EU: blank			
75	Deferred tax assets dependent on future profitability resulting from temporary differences (below the threshold of 10 %, reduced by corresponding tax liabilities if the conditions of Art. 38 (3) are met)	N/A	36 (1) (c), 38, 48, 470, 472 (5)	
Applicable Maximum Limits for the Inclusion of Value Adjustments in Supplementary Capital				
76	Credit risk adjustments eligible for supplementary capital relating to receivables to which the standardized approach applies (before the limit is applied)	N/A	62	
77	Maximum limit for offsetting credit risk adjustments against supplementary capital under the standardized approach	119.378	62	
78	Credit risk adjustments eligible for supplementary capital in respect of receivables for which the internal assessment based approach applies (before the limit is applied)	N/A	62	
79	Maximum limit for offsetting credit risk adjustments against supplementary capital under the internal assessment based approach	N/A	62	
Equity Instruments to Which the Expiry Rules Apply (Applicable Only From January 1, 2013 to January 1, 2022)				
80	Current ceiling for CET1 instruments to which expiry schemes apply	N/A	484 (3), 486 (2) and (5)	
81	Amount excluded from CET1 due to maximum limit (amount above maximum limit after repayments and due dates)	N/A	484 (3), 486 (2) and (5)	
82	Current ceiling for AT1 instruments to which expiry arrangements apply	N/A	484 (4), 486 (3) and (5)	
83	Amount excluded from AT1 due to maximum limit (amount above maximum limit after repayments and due dates)	N/A	484 (4), 486 (3) and (5)	
84	Current ceiling for T2 instruments to which expiry schemes apply	N/A	484 (5), 486 (4) and (5)	
85	Amount excluded from T2 due to maximum limit (amount above maximum limit after repayments and due dates)	N/A	484 (5), 486 (4) and (5)	

* The data on the disclosure date (normally 12/31) are relevant

Main Features of Capital Instruments (1)

Hard Core Capital (CET1)

		Instrument I
1	Issuer	North Channel Bank GmbH & Co. KG
2	Uniform identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	Subscribed capital - capital contribution of the shareholders (limited partner, general partner)
3	Law applicable to the instrument	German law
	Regulatory Treatment	
4	CRR transitional arrangements	Hard Core Capital (CET 1)
5	CRR rules after the transitional period	Hard Core Capital (CET 1)
6	Attributable at solo/group/solo and group level	Solo
7	Instrument type (types to be specified by each country)	Subscribed capital - capital contribution of the shareholders (limited partner, general partner)
8	Amount eligible for regulatory own funds (currency in millions, as of last reporting date)	54,0
9	Nominal value of the instrument	54,0
9a	Issue Price	54,0
9b	Repayment Price	N/A
10	Accounting classification	Equity capital
11	Original issue date	N/A
12	Indefinite or with expiration date	Indefinite
13	Original expiration date	
14	Callable by issuers with the prior consent of the supervisor	No
15	Selectable notice date, conditional notice dates and repayment amount	N/A
16	Subsequent termination dates, if applicable	N/A
	Coupons / Dividends	
17	Fixed or variable dividend/coupon payments	Variable
18	Nominal coupon and any benchmark index	N/A
19	Existence of a "dividend freeze"	N/A
20a	Completely discretionary, partially discretionary or mandatory (in terms of time)	Completly discretionary
20b	Fully discretionary, partially discretionary or mandatory (in relation to the amount)	Completly discretionary
21	Existence of a cost escalation clause or other redemption incentive	No
22	Not cumulative or cumulative	N/A
23	Convertible or non-convertible	No

24	If convertible: trigger for the conversion	N/A
25	If convertible: in whole or in part	N/A
26	If convertible: conversion rate	N/A
27	If convertible: conversion mandatory or optional	N/A
28	If convertible: type of instrument to which the conversion is made	N/A
29	If convertible: issuer of the instrument to which the conversion is made	N/A
30	Depreciation characteristics	No
31	In the case of depreciation: trigger for depreciation	N/A
32	In the case of depreciation: in whole or in part	N/A
33	In the case of depreciation: permanent or temporary	N/A
34	In the case of temporary attribution: mechanism of reattribution	N/A
35	Position in the order of priority in the event of liquidation (name the respectively higher ranking instrument)	N/A
36	Improper characteristics of the converted instruments	N/A
37	Name any improper characteristics	N/A

(1) If a field is not applicable, please indicate "N/A

CRR Debt Ratio - Disclosure Template

Effective Date	December 31 ,2020
Institution Title	North Channel Bank GmbH & Co. KG
Application Level	Single Institution

Table LRSum: Summarized Comparison between Balance Sheet Assets and Total Risk Position Measure

		Assessment Values
1	Total assets reported in the annual financial statements	217.738
2	Adjustment for investments consolidated for accounting purposes but not included in the regulatory scope of consolidation	0
3	(Adjustment for trust assets recognized in the balance sheet in accordance with applicable accounting rules but excluded from the overall risk position measure in accordance with Article 429(13) of Regulation (EU) No 575/2013)	0
4	Adjustments for derivative financial instruments	2.672
5	Adjustments for securities financing transactions (SFT)	
6	Adjustments for off-balance-sheet items (i.e. conversion of off-balance-sheet items into credit equivalent amounts)	0
EU-6a	(Adjustment for exposures arising from intra-group exposures excluded from the overall risk position measure referred to in Article 429(7) of Regulation (EU) No 575/2013)	0
EU-6b	(Adjustments for exposures excluded from the overall risk position measure in accordance with Article 429(14) of Regulation (EU) No 575/2013)	0
7	Other adjustments	41.865
8	**Total risk position measure of the indebtedness ratio**	173.201

Table LRCom: Uniform Disclosure Scheme for Debt Ratio

		Risk Exposure Values of CRR Debt Ratio
	Balance Sheet Risk Positions (Excluding Derivatives and Securities Financing Transactions (SFT))	
1	On-balance-sheet items (excluding derivatives, securities financing transactions (SFT) and trust assets, but including collateral)	202.950
2	(Assets deducted to determine core capital)	35.107
3	**Total balance sheet risk positions (excluding derivatives, securities financing transactions (SFT) and trust assets) (total of lines 1 and 2)**	167.843
	Derivative Risk Positions	
4	Replacement costs for all derivative transactions (i.e. adjusted for eligible subsequent cash payments)	2.630
5	Mark-ups for potential future replacement value relating to all derivative transactions (market valuation method)	371
EU-5a	Risk position value according to original risk method	0
6	Amount added of collateral provided for derivative transactions when these are deducted from balance sheet assets in accordance with the applicable accounting rules	0
7	(Deduction for subsequent cash payments in derivative transactions)	0
8	(Excluded risk positions from transactions settled for customers via a qualified central counterparty (QCCP))	0
9	Adjusted effective nominal value of written credit derivatives	0
10	(Adjusted netting of effective nominal value and surcharge deductions for credit derivatives issued)	0
11	**Total derivative risk exposures (total of lines 4 to 10)**	3.001
	Risk Positions from Securities Financing Transactions (SFT)	
12	Gross assets from securities financing transactions (SFT; without recognition of netting), after adjustment for transactions recorded as sales	0
13	(Adjusted amounts of cash liabilities and receivables from gross assets from securities financing transactions (SFT))	0
14	Markup on the counterparty default risk from securities financing transactions (SFT)	0
EU-14a	Exemption for securities financing transactions (SFT): premium on counterparty default risk in accordance with Articles 429b(4) and 222 of Regulation (EU) No 575/2013	0
15	Risk positions from agent transactions	0
EU-15a	(Excluded risk positions from securities financing transactions (SFT) settled for customers via a qualified central counterparty (QCCP))	0
16	**Risk positions arising from securities financing transactions totaing (total of rows 12 to 15a)**	0
	Other Off-Balance-Sheet Exposures	
17	Off-balance sheet risk positions at gross nominal value	2.357
18	(Adjustments for conversion into credit equivalent amounts)	
19	**Other off-balance-sheet exposures (total of rows 17 and 18)**	2.357
	Risk Exposures Excluded Under Article 429(7) and (14) of the CRR (On-Balance-Sheet and Off-Balance-Sheet)	
EU-19a	(Intra-group exposures (individual basis) exempted under Article 429(7) of Regulation (EU) No 575/2013 (off-balance-sheet and on-balance-sheet))	0
EU-19b	(Risk exposures excluded in accordance with Article 429(14) of Regulation (EU) No 575/2013 (on- and off-balance-sheet))	0
	Equity and Overall Risk Positions	
20	**Core capital**	21.784
21	**Total risk position measure of debt ratio (total of lines 3, 11, 16, 19, EU-19a and EU-19b)**	173.201
	Dept Ratio	
22	**Debt ratio**	12,6%
	Application of Transitional Provisions and Value of Depreciated Fiduciary Positions	
EU-23	Application of transitional provisions for the definition of capital measures	0
EU-24	Value of written-off fiduciary positions pursuant to Article 429(13) of Regulation (EU) No 575/2013	0

Table LRSpl: Breakdown of Balance Sheet Risk Positions (Excluding Derivatives, Securities Financing Transactions (SFT) and Excluding Risk Positions)

		Risk Exposure Values of the CRR Debt Ratio
EU-1	**Total balance sheet risk positions (excluding derivatives, securities financing transactions (SFT), and excepted risk positions), thereof**	**202.949**
EU-2	**Risk positions in the trading book**	**0**
EU-3	**Risk positions in the trading book, thereof**	**0**
EU-4	Covered bonds	0
EU-5	Risk positions treated as risk positions towards central states	54.967
EU-6	Risk exposures to regional authorities, multilateral development banks, international organizations and public authorities that are NOT treated as risk exposures to central states	2.625
EU-7	Institutions	98.479
EU-8	Collateralised by mortgages on real estate	12.000
EU-9	Risk positions from retail business	0
EU-10	Corporates	470
EU-11	Defaulted positions	8.125
EU-12	Other asset classes (e.g. equity exposures, securitization risk exposures and other assets that are not loan obligations)	26.283