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PILLAR III

2021

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OVERVIEW

According to the new prudential framework of the Investment Firms Regulation (EU) 2019/2033 ([‘IFR’](#)) and Investment Firms Directive (EU) 2019/2034 ([‘IFD’](#)) which came into force on 26th June 2021, Inveza Capital Ltd (the ‘Company’) has an obligation to publicly disclose information relating to its risk management objectives and policies, as well as information regarding its capital adequacy requirements. The information will be published on an annual basis at a minimum, and at the latest within five months from the end of each financial year. The disclosures are based on the audited financial statements of Inveza Capital Ltd for the year ended 31 December 2021.

MATERIALITY OF DISCLOSURES

The Regulation provides that the Company may omit one or more of the disclosures if it believes that the information is immaterial. Materiality is based on the criterion that the omission or misstatement of information would be likely to change or influence the decision of a reader relying on that information for the purpose of making economic decisions. Where the Company has considered a disclosure to be immaterial, this was not included in the document.

DISCLOSURES AND CONFIDENTIAL INFORMATION

The Regulation also permits the Company to omit one or more of the required disclosures if it believes that the information is regarded as confidential or proprietary. The Directive defines proprietary as if sharing that information with the public would undermine its competitive position. It may include information on products or systems which, if shared with competitors, would render an investment firm’s investments therein less valuable.

Information is regarded as confidential if there are obligations to customers or other counterparty relationships binding an investment firm to confidentiality. Under the light of the above, the Company avoided to disclose such confidential information in this report.

COMPANY INCORPORATION & ACTIVITIES

Inveza Capital Ltd is an independent international financial markets participant, providing brokerage services in stocks, bonds and ETFs for retail and institutional investors.

Inveza Capital Ltd (the “Company”) is registered in Cyprus and is licensed by the Cyprus Securities and Exchange Commission (CySEC), under License No 209/13 in accordance with MIFID II.

The Company currently offers the following investment and ancillary services:

INVESTMENT SERVICES

- Reception and Transmission of Orders in Relation to One or More Financial Instruments
- Execution of Orders on Behalf of Clients
- Dealing on Own Account
- Portfolio Management
- Investment Advice

ANCILLARY SERVICES

- Safekeeping and administration of financial instruments, including custodianship and related services
- Granting credits or loans to one or more financial instruments, where the firm granting the credit or loan is involved in the transaction
- Foreign exchange services where these are connected to the provision of investment services
- Investment research and financial analysis or other forms

The licence covers the following financial instruments:

- (1) Transferable securities
- (2) Money-market instruments
- (3) Units in Collective Investment Undertakings

LOCATION AND FREQUENCY OF DISCLOSURES

The risk management disclosures must be included either in the financial statements of the investment firm, if these are published, or on its website.

In addition, these disclosures must be verified by the external auditor of the investment firm. The investment firm will be responsible for submitting its external auditor's verification report to CySEC.

The Company intends to make its disclosures annually in a document other than the Audited Financial Statements. The Board of Directors of Inveza Capital Ltd has decided that the disclosures will be uploaded on the website of the Company.

The current disclosures are based on the position of the Company as at 31st December 2021.

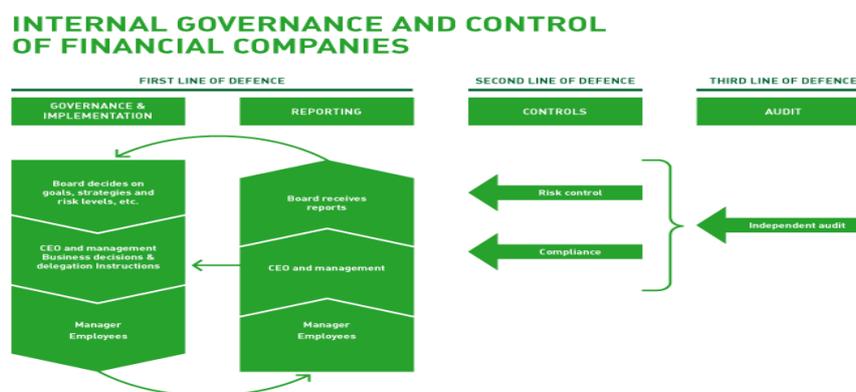
SCOPE OF DISCLOSURES

Inveza Capital Ltd is making the disclosures on an individual (solo) basis.

APPROACH TO RISK MANAGEMENT

In the *Three Lines of Defense* model,

- management control is the first line of defence in compliance risk management,
- the various risk control and compliance oversight functions established by management are the second line of defence, and
- independent assurance is the third.



Each of these three “lines” plays a distinct role within the organization’s wider governance framework.

Although neither the Board of Directors, nor the senior management are considered to be among the three “lines” in this model, no discussion of risk management systems, including compliance risks, could be complete without first considering the essential roles of both governing bodies (i.e., the Board of directors and senior management (4 eyes team)).

The Board of Directors, and senior management are the primary stakeholders served by the “lines,” and they are the parties best positioned to help ensure that the *Three Lines of Defense* model is reflected in the organization’s risk management and control processes.

The Three Lines of Defense model distinguishes among three groups (or lines) involved in effective risk management:

- I. Functions that own and manage risks.
- II. Functions that oversee risks, which includes the Compliance function
- III. Functions that provide independent assurance, Internal Audit

RISK APPETITE

Risk Appetite is set by the Board of Directors as the level of risks which the Company can accept while achieving its business objectives.

Risk Appetite is formally reviewed annually and is monitored on an ongoing basis for adherence.

The Company’s strategy, business plan and capital and liquidity plans are set with reference to Risk Appetite.

The Board approves the Risk Appetite, which defines the level of risk that the Company is prepared to accept to achieve its strategic objectives and is translated into specific risk measures that are tracked, monitored and reported to the Board.

The Company’s Risk Appetite statement covers three main primary areas: credit risk, reputational risk and operational risk.

The Board approves the Company’s business plans, budget, Internal Capital Adequacy Assessment Process (ICAAP), and any new product and services. The Board also monitors the Company’s risk profile and capital adequacy position.

BOARD RISK MANAGEMENT DECLARATION

The Board is responsible for reviewing the effectiveness of the Company's risk management arrangements and systems of financial and internal control. These are designed to manage rather than eliminate the risks of not achieving business objectives, and – as such – offer reasonable but not absolute assurance against fraud, material misstatement and loss.

The Board considers that it has *in place adequate systems and controls* with regard to the Company's profile and strategy and an appropriate array of assurance mechanisms, properly resourced and skilled, to avoid or minimise loss.

RISK MANAGEMENT GOVERNANCE ARRANGEMENTS

The Company's Risk Management Framework aims to manage risks in order to minimise the exposure of itself and its stakeholders to any event, or set of occurrences able to cause adverse effects, while concurrently maximising the efficiency and effectiveness of its operations in accordance with best practice.

For the Company, the purpose of managing risks is the prompt identification of any potential problems before they occur so that risk-handling activities may be planned and invoked as needed to mitigate adverse impacts and allow the Company to achieve its overall objectives.

The Framework is set to establish, implement and maintain adequate policies and procedures designed to manage any type of risk relating to the Company's activities. The current Risk Management Framework sets the process applied in all activities across the Company, designed to identify, assess and report potential events that may affect its business and all operational issues.

Taking into account the nature, scale and complexity of investment services and activities undertaken in the course of this business, the integrated objective of the distinct functions of Internal Audit, Risk Management and Compliance along with the brokerage department, and operations departments, the main purpose is to enhance the accuracy and overall effectiveness of the Company's risk management and monitoring structure.

The Risk Management Framework addresses issues that endanger the achievement of critical objectives. For the Company, a continuous risk management approach applies to effectively anticipate and mitigate the risks that may pose certain dangers or have critical impact on the Company's operations.

ROLE OF THE BOARD OF DIRECTORS

The Board comprises of 4 directors, 2 independent non-executive directors and 2 executive directors.

Both of the executive members of the Board hold no other directorship. One of the non-executive directors is also an executive director in another CIF while the other holds one more non-executive position in another CIF with permission from each CIF for such directorship. The Board of Directors, being responsible for monitoring risk management – undertakes the following roles:

- ✓ approves and periodically reviews risk strategy and policies;
- ✓ approves the risk appetite annually and monitors the Company's risk profile against this appetite;
- ✓ ensures that management takes steps necessary to monitor and control risks;
- ✓ ensures that management maintains an appropriate system of internal control and reviews its effectiveness;
- ✓ ensures that the Company's overall credit risk exposure is maintained at prudent levels and is consistent with the available capital;
- ✓ reviews and approves changes/amendments to the risk management framework;
- ✓ reviews and approves risk management procedures and controls for new products and activities;
- ✓ periodically receives risk reports from the management highlighting key risk areas, controls failures and remedial action steps taken by the Management (this is to be done at least once every quarter);
- ✓ ensures that the Management as well as individuals responsible for credit risk management possess the requisite expertise and knowledge to accomplish the risk management function;
- ✓ ensures that the Company implements a sound methodology that facilitates the identification, measurement, monitoring and control of risk;
- ✓ ensures that detailed policies and procedures for risk exposure creation, management and recovery are in place.

The Company is monitoring its risk exposure on a continuous basis.

The Company is identifying the key risks faced and reports them to the Board of Directors, which then determines the Company's risk appetite and ensures that an appropriate amount of capital is maintained.

The Company's Senior Management and Members of the Board receive at least annually information relating to risks and risk management for assessment and take appropriate measures to address any deficiencies.

RISK MANAGEMENT FUNCTION

The Company has put in place procedures in order to ensure that the full spectrum of risks it faces, is properly identified, measured, monitored and controlled to minimize adverse outcomes, while Internal Audit has the responsibility of auditing the risk management function and of proposing recommendations, where needed.

The Risk Management function shall be assigned the monitoring of the following:

- 1. The adequacy and effectiveness of the company's risk management policies and procedures*
- 2. The level of compliance by the company and its relevant persons with the arrangements, processes and mechanisms adopted*
- 3. The adequacy and effectiveness of measures taken to address any deficiencies in those policies, procedures, arrangements, processes and mechanisms, including failures by the relevant persons of the company to comply with such arrangements, processes and mechanisms or follow such policies and procedures.*

RISK MANAGEMENT COMMITTEE

The function of the Risk Management Committee was performed during 2021 by the BoD itself with the view to ensure the efficient management of the risks inherent in the provision of the investment services to Clients as well as the risks underlying the operation of the Company. In this capacity, the BoD is responsible for monitoring and controlling the Risk Manager in the performance of his/her duties.

In order to achieve the overall risk management process, the Company creates specific tasks and reporting relationships among all Company layers and staff. In case of major risks, the Company has procedures in place for specifying permissible and desirable actions and formulating specific Action Plans along with Departments and the Risk Management Function. For the critical role of the Risk Management, Compliance and Internal Audit Functions there are clear strategies and policies as these relate to each responsibility and framework of these Functions.

REMUNERATION DISCLOSURE

The Company's remuneration disclosure is subject to the principle of proportionality, which takes into account the scale, nature and complexity of activities of the Company.

The Company's remuneration policy is set by the Board of Directors.

The level of remuneration offered by the Company to management and staff is established based on skills, knowledge, and individual performance and market rates. Staff performance

is assessed on an annual basis through the Company's HR processes, based on range of performance criteria (financial and non-financial).

The remuneration structure offered by the Company to management and staff comprised of fixed remuneration.

The remuneration policy of the company is not related at all to any risk taking and actually risk taking is discouraged.

During the year 2021, the Company employed between 4 and 5 persons.

The Company's annual total remuneration to management in 2021 was as follows:

Aggregate quantitative information on remuneration

Number of Beneficiaries		Amounts of remuneration for the financial year 2021		Total Remuneration
		Fixed Remuneration €'000	Variable Remuneration €'000	€'000
Senior Management	2	224	0	224
Non-Executive Directors	2	14	0	14

Considering the limited number of management and employees, the Company is restricted in providing more detailed disclosures as this could lead to the confidentiality breach with respect to the Company's management and personnel.

None of the risk-taking staff was paid remuneration close or above Eur 1 mln.

For the selection of the members of the management body, the Company pursues the target of having a professionally experienced, balanced, and top-integrity management team. The members need to have higher education, necessary professional qualifications, advanced financial knowledge in particular in the areas of financial markets, accounting and financial reporting, have appropriate skills, knowledge and diverse financial experience to perform their duties.

The Company's Board of Directors comprises of professionally qualified members, with sufficient financial experience and understanding of financial markets, their professional expertise includes in particular accounting and auditing, IT, financial management and other areas.

The Company recognizes the benefits of having a management team with diverse backgrounds, financial specialization, knowledge, skills and expertise. Diversity of the Board contributes to higher quality management decisions.

BOARD RISK STATEMENT

The Company's strategic objective is to provide high quality services to its customers. The Company operates with a strong customer focus and facilitates customer needs and achieves clients' goals.

The Company's strategy is pursued within a defined Risk Appetite.

The Board express the Risk Appetite through a number of key Risk Appetite measures which define the level of risk acceptable across three categories:

- ✓ Financial: credit, market, insurance and liquidity risks;
- ✓ Reputational: conduct, customer, regulatory and external reputational risk;
- ✓ Operational & People: the risk associated with the failure of key processes or systems and the risk of not having the right quality and quantity of people to operate those processes and systems.

The risk appetite measures support the overarching objective to manage profit volatility within prescribed limits which are agreed with the shareholder annually. The profit volatility limits seek to ensure that the company remains profitable under severe market or economic stress conditions.

The risk appetite measures are integrated into decision making, monitoring and reporting processes, with early warning trigger levels set to drive any required corrective action before overall tolerance levels are reached.

CAPITAL REQUIREMENTS

The adequacy of the Company's capital is monitored by reference to the provisions of the new prudential framework of the Investment Firms Regulation (EU) 2019/2033 ('[IFR](#)') and Investment Firms Directive (EU) 2019/2034 ('[IFD](#)') which came into force on 26th June 2021. Together the Regulation and Directive is an EU legislative package covering prudential rules for investment firms.

PILLAR I – MINIMUM CAPITAL REQUIREMENTS

Since June 26 2021 the new prudential framework of the Investment Firms Regulation (EU) 2019/2033 ('[IFR](#)') and Investment Firms Directive (EU) 2019/2034 ('[IFD](#)') has come into force.

The purpose of the new framework is to apply prudential supervision that considers the business model of Investment Firms (IFs) and to avoid disproportionate administrative burden on IFs.

According to the new framework, the minimum capital requirements depend on the type of IF and takes into account Fixed Overheads, Permanent Minimum Capital and the various risks associated with the IF namely, Risk to Client, Risk to Market and Risk to Firm.

PILLAR II – INTERNAL CAPITAL ADEQUACY AND RISK ASSESSMENT PROCESS

The Supervisory Review Process provides rules to ensure that adequate capital is in place to support any risk exposures the Company may have, in addition to requiring appropriate risk management, reporting and governance structures.

Pillar II covers any risk not fully addressed in Pillar I, such as concentration risk, reputation risk, business and strategic risk and any external factors affecting the Company.

Pillar II connects the regulatory capital requirements to the Company's Internal Capital Adequacy Assessment Procedures and to the reliability of its internal control structures. The function of Pillar II is to provide communication between supervisors and investment firms on a continuous basis and to evaluate how well the investment firms are assessing their capital needs relative to their risks. If a deficiency arises, prompt and decisive action is taken to restore the appropriate relationship of capital to risk.

Under the new prudential framework the Company should replace its existing ICAAP with the new ICARA by establishing new assessments with respect to the liquidity adequacy of the Company. ICARA includes a Liquidity Adequacy Assessment and Contingent Funding Plan. Internal Liquidity Adequacy Assessment Process (ILAAP) and all its components, including risk elaboration on liquidity risks that are applicable to the firm and a Liquidity stress testing will be incorporated within ICARA.

The requirement originates from the rightful assumption that the Pillar I risk assessments may not cover fully the risks assessed under Pillar I calculations, and the Pillar I does not cover unique to the Company (or its particular sector) internal and external risks it may be exposed to.

Therefore, the capital requirements calculated under Pillar I, do not reflect real amount of capital to be held to cover all relevant risks.

COMPANY'S APPROACH

Our approach for meeting the Pillar II requirements, are based on the Pillar I Minimum Capital Requirement Plus Approach, as it takes the Pillar I capital requirements calculation as a starting point and then considers whether this results in an adequate amount of capital to cover the Company's actual risk profile.

The Company chooses to apply this method and uses, as a starting point, the minimum capital calculated according to the provisions of the Regulation, under Pillar I for credit risk, operational risk and market risk.

The capital calculated as a minimum requirement, under Pillar I, is then assessed internally as to its adequacy vis-à-vis the following:

- Risks covered in Pillar I (additional counterparty credit risk);
- Risks not fully covered in Pillar I (additional concentration and market risks);
- Pillar II risks (reputational, political and client concentration risks).

The Company assesses the above elements of the overall risk, following the chosen approach, and uses the stress scenarios approved at the strategic management levels, mainly for external factors, to ensure that the Company's plans and current level of the capital are sufficient to:

- meet the Company's liabilities as they fall due;
- survive a recession and meet the Pillar I capital requirement through a severe recession.

The Company aims to operate at all times over and above the required statutory capital and currently maintains a prudent level of capital for both short and long term requirements.

PILLAR III – MARKET DISCIPLINE

Market Discipline requires the disclosure of information regarding the risk management policies of the Company, as well as the results of the calculations of minimum capital requirements, together with concise information with respect to the composition of own funds.

OWN FUNDS

The regulatory capital base of the Company consists of original own funds (Common Equity Tier 1 capital), which include share capital.

Intangible assets are deducted from the Company's original own funds.

The primary objective of the Company's capital supervision is to ensure its compliance with externally (regulatory) imposed capital requirements and the maintenance of healthy capital ratios, in order to support its business and maximise shareholders' value.

The Company manages its capital structure and allocations and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its activities on an ongoing basis. The monitoring of capital level is a simultaneous, continuous task.

The current legal and regulatory framework under which the Company operates stipulates that the Company must maintain a minimum capital adequacy ratio of 100%. The method of calculation is set up by the Regulation. The Company aims to always maintain a high capital adequacy ratio that is well above the required minimum. The capital adequacy ratio is reported to the Company's regulating authority since December 2015 on a quarterly basis.

The Company's regulatory capital can be analysed as follows:

All the elements on the Company's CET1 capital satisfy the requirement laid down in the IFR Regulation to be qualified as CET1 elements, in particular:

- The capital instruments were issued directly by the Company;
- The capital instruments were paid up;
- The capital instruments are classified as equity within the meaning of the IFRS;
- The capital instruments are clearly and separately disclosed in the Company's statement of financial position;
- The capital instruments are of perpetual nature;

- The capital instruments rank below all other claims in the event of insolvency or liquidation of the Company;
- Entitle their owners to a claim on the residual assets of the institution;
- Retained earnings and other reserves are available for unrestricted and immediate use to cover risks or losses as soon as these occur and verified by the persons independent of the Company that are responsible for the auditing of the accounts of the Company.

The Company's share capital consists of ordinary shares:

- 200.000 shares, issued on the date of incorporation at a nominal value of EUR1 each;
- 5.000 shares issued on August 12 , 2016 of a nominal value of EUR1 at a premium of EUR 109,42
- 4.000 shares issued on September 12 , 2016 of a nominal value of EUR1 at a premium of EUR 485,77
- 1.000 shares issued on January 31, 2018 of a nominal value of EUR1 at a premium of EUR 84,00

In the Company's statement of financial position the Company's shares are classified as shareholders equity.

In accordance with the regulatory treatment the Company's ordinary shares are classified as CET1 capital (both transitional and post-transitional provisions).

At the reporting date, the Company's eligible reserves include accumulated losses.

The Disclosures were prepared based on the audited financial statements of the Company and the amount of the eligible reserves (accumulated losses carried forward) is respectively based on the audited figures.

In accordance with the relevant provisions the following deductions were made from the Company's CET1 capital:

- ✓ Losses for the current financial year;
- ✓ Intangible assets (effect of transitional provisions assessed as immaterial);

Except for the above stated, other elements referred to in the relevant Article are not applicable, considering the Company's capital structure.

-Deductions from Additional Tier1 capital are not applicable for the Company due to absence of element of Additional Tier1 capital in the Company's own funds structure;

- Deductions from Tier2 capital are not applicable for the Company due to absence of element of Tier2 capital in the Company's own funds structure;

-According to CySEC circular C162, the amount contributed to the Investor Compensation Fund is deducted from the Company's CET1 capital.

The table below provides detailed analysis on the Company's own funds structure as at the reporting date of 31st of December 2021 considering both application of transitional provisions and also calculation of own funds based on fully phased-in provisions.

Own Funds Elements	Based	Based on fully phased-in provisions
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	on transitional provisions EUR,000	EUR,000
Share Capital	210	210
Share Premium	2.574	2.574
Total equity capital	2.784	2.784
Funds for general banking risks	31	31
Less:		
Retained accumulated losses brought forward (based on audited financial statements for the year end 2020)	(1,756)	(1,800)
Less Deductions:		
Intangible Assets	(0)	(0)
Investors' Compensation Fund	(58)	(58)
Total eligible own Funds	1.001	957

INTANGIBLE ASSETS

Intangible assets include computer software and are deducted from the Firm's Common Equity Tier 1 capital subject to the transitional provisions of CySEC's Directive DI 144-2014-15.

RECONCILIATION BETWEEN THE COMPANY'S AUDITED STATEMENT OF FINANCIAL POSITION ITEMS USED TO CALCULATE OWN FUNDS AND REGULATORY OWN FUNDS ELEMENTS

Detailed information regarding reconciliation between the Company's audited statement of financial position items used to calculate own funds and regulatory own funds elements is provided in the tables below.

Reconciliation between audited Statement of Financial Position on a solo basis (SoFP) items, presented in Euros and regulatory own funds as at 31 December 2021.

	Audited SoFP elements (rounded to the nearest thousand)	Adjustments for regulatory own funds requirements	SoFP adjusted for regulatory own
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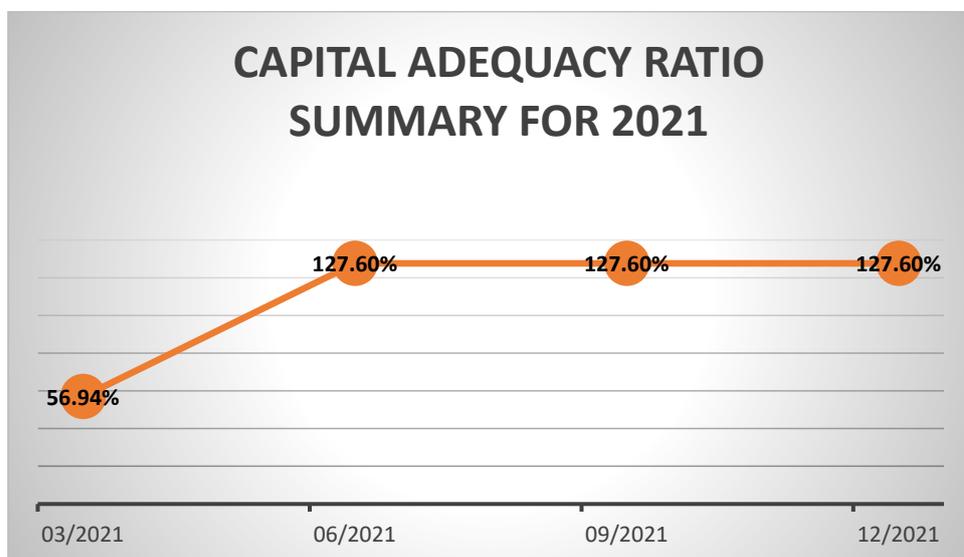
			funds requirements
ASSETS			
Non-current assets			
Property, plant and equipment	4	-	4
Intangible assets	-	-	-
Receivables	58	(58)	-
	62	(58)	4
Current assets			
Trade Receivables	77	-	77
Cash at bank and in hand	933	-	933
	1.010	-	1.010
Total assets	1.072	(58)	1.014
EQUITY AND LIABILITIES			
Equity			
Share Capital	210	-	210
Share Premium	2.574	-	2.574
Other reserves	(1.725)	-	(1.725)
Adjustments for regulatory own funds calculations	-	(58)	(58)
Total Equity	1059	(58)	1.001
Current Liabilities			
Trade and other payables	13	-	13
	13	-	13
Total equity and liabilities	1.072	(58)	1.014

In accordance with the provisions of the new prudential framework, institutions shall at all times satisfy the following own funds requirements:

Minimum regulatory requirements for CET1, Tier1 and Total capital ratios

	Year 2018	Year 2019	Year 2020	Year 2021
Common Equity Tier 1 capital	4.5%	4.5%	4.5%	56%
Tier 1 Capital	6.0%	6.0%	6.0%	75%
Capital Ratio	8.0%	8.0%	8.0%	100%

The Company as at the reporting date of 31 December 2021 and during the reporting year maintained a sufficient capital base and a healthy capital ratio in order to safeguard the Company's compliance with imposed regulatory requirements and its ability to continue as a going concern as well as to support the future development of the business.



The entire capital of the Company is formed of CET1 capital elements only, therefore both CET1 Capital and Tier1 Capital equal to the total eligible own funds and all three capital ratios are respectively equal. As it is shown in the table above all three capital ratios are substantially above the minimum regulatory requirements.

The table below presents relevant capital requirements. The capital requirements are calculated based on relevant legislative provisions as at reporting date.

Regulatory own funds and capital adequacy ratio as at 31 December 2021

Label	Amount in thousands EUR
OWN FUNDS	
COMMON EQUITY TIER 1 CAPITAL	957
ADDITIONAL TIER 1 CAPITAL	-
TIER 1 CAPITAL	957
TIER 2 CAPITAL	-
TOTAL OWN FUNDS	957
OWN FUNDS REQUIREMENTS	
Permanent minimum capital requirement	750
Fixed overhead requirement	140
Total K-Factor Requirement	1
Total own funds requirement	750
CET 1 Ratio	<u>127.60%</u>
Tier 1 Ratio	<u>127.60%</u>
Own Funds Ratio	<u>127.60%</u>
Transitional requirement based on CRR own funds requirements	-
Transitional requirement based on fixed overhead requirements	-
Transitional requirement for investment firms previously subject only to an initial capital requirement	-
Transitional requirement based on initial capital requirement at authorisation	-
Transitional requirement for investment firms that are not authorised to provide certain services	-
Transitional requirement of at least 250 000 EUR	-
Total own funds requirement (including Transitional Requirements)	750
CET 1 Ratio (including Transitional Requirements)	<u>127.60%</u>
Tier 1 Ratio (including Transitional Requirements)	<u>127.60%</u>
Own Funds Ratio (including Transitional Requirements)	<u>127.60%</u>

MITIGATION STRATEGIES

Some of the mitigation strategies that the Company follows are the following:

- The Company has a four-eyes structure and board oversight as required by CySEC. The Board further reviews any decisions made by management and monitors its activities.
- The Company reviews credit limit on a regular basis.
- Several detection methods are in place by the accounting function in order to detect incorrect activities.
- The Compliance Office ensures the appropriate level of compliance with legislation and ensures that the information addressed to the client is fair, clear and not misleading.
- Internal audit visits to ensure that employees comply with the Company's internal procedures.
- The Company's Procedures Manual includes Business Continuity Policy, together with Employee Replacement Policy, which includes recovery procedures and actions to be followed in the case of damage to any vital part of the Company's structure.
- The Company continually obtains legal advice and suggestions on the preparation of its legal documents and any issues that may arise relating to the legal and regulatory environment under which it operates and more specifically on Compliance and Risk Management issues.