Ernst & Young Cyprus Ltd
Jean Nouvel Tower
6 Stasinou Avenue
1060 Nicosia
P.O. Box 21656
1511 Nicosia, Cyprus

Tel: +357 22209999
Fax: +357 22209998
ey.com

Assurance Report to the Cyprus Securities and Exchange Commission in respect to the public disclosures referred to in Part Six of Regulation (EU) 2019/2033 of the European Parliament, of SPA Financial Services Limited for the year ended 31 December 2021.

1. Scope

We have been engaged by SPA Financial Services Limited (hereinafter the "Firm") to perform a 'limited assurance engagement', as defined by the International Standards on Assurance Engagements, here after referred to as the engagement, to report on the Firm's public disclosures pursuant to Part Six of Regulation (EU) 2019/2033, for the year ended 31 December 2021 (hereinafter the "Disclosures"). The Disclosures are attached as an Appendix and have been initialed for identification purposes.

2. Criteria applied by SPA Financial Services Limited

In preparing the Disclosures, the Firm applied the Regulation. Such Regulation was specifically designed for public disclosures by investment firms to reinforce market discipline. As a result, the Disclosures may not be suitable for another purpose.

3. Management's responsibilities

The Firm's Board of Directors is responsible for the preparation and fair presentation of the Disclosures in accordance with the Regulation, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the Disclosures, such that it is free from material misstatement, whether due to fraud or error.

4. EY's responsibilities

Our responsibility is to express a conclusion on the presentation of the Disclosures based on the evidence we have obtained.

We conducted our engagement in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information 3000 ('ISAE 3000') and the terms of reference for this engagement as agreed with the Company on 21 June 2022. This standard requires that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Disclosures, in order for it to be in accordance with the Regulation, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Ernst & Young Cyprus Ltd is a member firm of Ernst & Young Global Ltd.
Ernst & Young Cyprus Ltd is a limited liability company incorporated in Cyprus with registration number HE 222520. A list of the directors' names is available at the company's registered office, Jean Nouvel Tower, 6 Stasinou Avenue, 1060 Nicosia, Cyprus.
Offices: Nicosia, Limassol.

Building a better working world

5. Our Independence and Quality Control

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

6. Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than, for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of personnel responsible for the preparation of the Disclosures and related information and applying analytical and other appropriate procedures.

Our procedures also included verification, on a sample basis, of the compliance of the Disclosures with the requirements of the Regulation, as well as obtaining evidence supporting certain of the amounts and notifications included in the Disclosures. Our procedures also included an assessment of any significant judgements and estimates made by the Firm's management and/or Board of Directors in the preparation of the Disclosures. We also performed such other procedures as we considered necessary in the circumstances.

7. Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that need to be made to the Disclosures for the year ended 31 December 2021, in order for it to be in accordance with the Regulation.

Building a better working world

8. Specific purpose and Restricted use

This report is intended solely for the information and use of the Cyprus Securities and Exchange Commission for evaluating the Firm's compliance of the Disclosures being in accordance with the Regulation and is not intended to be and should not be used by anyone other than those specified parties, without our express permission. The report refers exclusively to the Disclosures and must not be associated with any of the Firm's financial statements as a whole.

Nicolas Pavlou
Certified Public Accountant and Registered Auditor
for and on behalf of

Ernst & Young Cyprus Limited
Certified Public Accountants and Registered Auditors

Nicosia, 25 July 2022

SPA Financial Services Ltd

Disclosures in accordance with Part Six of Regulation (EU) 2019/2033 of the European Parliament and of the Council of 27 November 2019 on the prudential requirements of investment firms for the year ended 31 December 2021 (the "Disclosures")

July 2022

INITIALLED FOR PURPOSES OF IDENTIFICATION
ERNST & YOUNG CYPRUS LIMITED

Table of Contents

1. INTRODUCTION 4
1.1. Corporate Information 4
1.2. Regulatory Framework: The new Investment Firms Regime 5
1.2.1 Basis of Disclosures 5
1.2.2 Scope of Disclosures 6
1.3. Frequency & Means of Disclosures 6
1.4. Verification of the Disclosures 7
1.5. Operating Environment 7
2. RISK MANAGEMENT, OBJECTIVES AND POLICIES 9
2.1 Risk Management Framework & Governance 9
2.1.1 The Board of Directors 9
2.1.2 The Risk Management Function 9
2.1.3 The Risk Management Framework, Strategy & Processes 11
2.2 Risk Identification & Mitigating controls 12
2.2.1 Credit Risk 12
2.2.2 Market Risk 14
2.2.3 Operational Risk 15
2.2.4 Liquidity Risk 17
2.2.5 Business risk 17
2.2.6 Reputational Risk 18
2.2.7 Strategic Risk 18
2.2.8 Settlement risk 18
2.2.9 Information technology risk 19
2.2.10 Capital Risk Management 19
2.3 Risk Management Declaration 20
2.4 Concise Risk Statement 20
3. GOVERNANCE ARRANGEMENTS 22
3.1. Governance Framework 22
3.1.1. Investment Committees 22
3.1.2. Control Functions 22
3.2. Number of directorships 25
3.3. Recruitment policy 26
3.4. Diversity policy 27

FILED FOR PURPOSES OF IDENTIFICATION
ERNST & YOUNG CYPRUS LIMITED

3.5. Reporting & Information flow 27
4. OWN FUNDS 29
5. OWN FUND REQUIREMENTS 32
5.1. Assessment of Capital Adequacy 32
5.2. Minimum Capital Requirements 32
5.2.1. Fixed Overheads Requirement 32
5.2.2. Permanent Minimum Capital Requirement 32
5.2.3. K-Factor requirements 33
5.2.4. Quantitative Information 33
6. INVESTMENT POLICY 35
7. REMUNERATION POLICY & PRACTICES 36
7.1. Remuneration Policy 36
7.2. Remuneration Committee 37
7.3. Design characteristics of the remuneration system 37
7.4. Aggregate quantitative information on remuneration 38
8. APPENDICES 40
8.1. Appendix I: Main Features of Common Equity Tier 1 40
8.2. Appendix II: References to Investment Firm Regulation("IFR") 42
8.3. Appendix III: Abbreviations 44
8.4. Appendix IV: List of tables 45

INITIALLED FOR PURPOSES OF IDENTIFICATION
ERNST & YOUNG CYPRUS LIMITED

1. INTRODUCTION

1.1. Corporate Information

SPA Financial Services Ltd (hereinafter "SPAFS" or "the Company"), with Legal Entity Identifier (LEI) 213800TD3HLDHKI3YS67 was incorporated on 7 July 2010 as a limited liability company under the Cyprus Companies Law, offering a wide range of investment services to clients in Cyprus and abroad. During 2021, the Company was licensed to provide the following investment and ancillary services:

Investment Services
Reception and transmission of orders in relation to one or more financial instruments
Portfolio management
Provision of investment advice
Ancillary Services
Safekeeping and administration of financial instruments, including custodianship and related services

Table 1: Investment and Ancillary Services

The Company had been operating as a Cyprus Investment Firm ("CIF"), with license number 141/11, since 18 May 2011. On 16 November 2021, the Company obtained an initial approval from the Cyprus Securities and Exchange Commission (the 'CySEC') to modify its operating licence from a CIF to an Alternative Investment Fund Management company (hereinafter "AIFM"). Final approval for the modification of the Company's operating licence was received on 9 May 2022, and since then the Company operates as an Alternative Investment Fund Management Company (AIFM), under license number AIFM53/56/2013. As a result, this will expand the Company's activities, since it will be able to offer both its existing services and those of the alternative investment manager.

For further details on the license information of the Company refer to CySEC website: Cyprus Securities and Exchange Commission | Authorised AIFM (cysec.gov.cy)

INITIALLED FOR PURPOSES OF IDENTIFICATION
ERNST & YOUNG CYPRUS LIMITED

1.2. Regulatory Framework: The new Investment Firms Regime

1.2.1 Basis of Disclosures

The new prudential regime for Investment Firms under the Investment Firms Regulation 2019/2033[1] (the "IFR") and the Investment Firms Directive 2019/2034[2] (the "IFD") entered into effect on 26 June 2021. The new prudential regime, specific for EU-regulated Investment Firms, has been introduced by the European Commission, to enhance the proportionality of the prudential framework for certain types of Investment Firms which used to follow the full Basel III CRR/CRD IV requirements.

Therefore, the introduction of IFR/IFD aims to address the vulnerabilities and risks inherent specifically to investment firms, and ensure proportionate and appropriate prudential requirements on capital adequacy and overall risk management arrangements.

To this end, the Disclosures have been prepared in accordance with the following legislative documents, which have become applicable on 26th of June 2021 and have replaced the previous prudential framework comprising of the Capital Requirements Regulation ("CRR") and Directive ("CRD IV"):

- Part Six of IFR.
- Law 165(I)/2021 of the CySEC for the Prudential Supervision of Investment Firms, which harmonizes the European Directive 2019/2034 Directive with local legislation.
- The Implementing Regulation 2021/2284 of 10 December 2021 laying down the technical standards for the application of Regulation 2019/2033 of the European Parliament and of the Council with regard to supervisory reporting and disclosures of investment firms.

IFR/IFD introduced several changes to the methodologies that investment firms are required to apply, which include amongst others the following:

- The quantification of risk exposures.
- The derivation of Capital Adequacy ratio.
- The required level of initial capital.

[1] Regulation (EU) 2019/2033 of the European parliament and of the council of 27 November 2019 on the prudential requirements of investment firms and amending Regulations (EU) No 1093/2010, (EU) No 575/2013, (EU) No 600/2014 and (EU) No 806/2014.

[2] Directive (EU) 2019/2034 of the European parliament and of the council of 27 November 2019 on the prudential supervision of investment firms and amending Directives 2002/87/EC, 2009/65/EC, 2011/61/EU, 2013/36/EU, 2014/59/EU and 2014/65/EU.

INITIALLED FOR PURPOSES OF IDENTIFICATION
ERNST & YOUNG CYPRUS LIMITED

- The Internal Capital Adequacy Assessment Process ("ICAAP") which under IFR/IRD is replaced by the Internal Capital Adequacy & Risk Assessment ("ICARA") Process, and.
- A Liquidity Requirement according to which firms are required to maintain liquid assets equal to at least one third of their Fixed Overhead Requirement.

1.2.2 Scope of Disclosures

In accordance with new prudential regulation IFR/IFD, the Company is categorized as a Class 2 Investment Firm and thus, it is required to hold a minimum initial capital of €150,000. Therefore, the Company, in accordance with Article 46 of the IFR, does not meet the requirements of article 12(1) of the IFR, i.e., categorized as small and non-interconnected investment firms, and thus publicly discloses within this Report, the information set out in Part Six of the IFR.

The Company owns 100% of Larixent Holdings Limited. However, the Company is not required by the Cyprus Companies Law, Cap. 113, to prepare consolidated financial statements because the Company and its subsidiaries constitute a small sized group as defined by the Cyprus Companies Law.

Therefore, the Company makes the disclosures on a solo basis, on an annual basis.

Information in the Disclosures is presented in thousands of Euros (€), unless otherwise indicated.

1.3. Frequency & Means of Disclosures

These Disclosures present the evaluation and management of the various risks faced by the Company during the year ended 31 December 2021. The Company is obliged to disclose information regarding its capital, its risk exposures, own funds, remuneration policies, practices and its investment policy.

The Company's policy regarding the Pillar III disclosure requirements is aligned with the requirements of IFR/IFD and other applicable legislation.

The Pillar III Disclosures Report publishes annually on the Company's website: https://www.spafs.com/

ERNST & YOUNG CYPRUS LIMITED

1.4. Verification of the Disclosures

The Disclosures have been prepared by the Risk Manager and then final review and approval is obtained by the Board of Directors (the "Board" or "BoD"), that approve the adequacy of risk management arrangements of the Company and provide assurance that the risk management systems in place are adequate with regards to the Company's profile and strategy.

The Board notes that the Disclosures should be reviewed in conjunction with the audited financial statements of the Company for the year ended 31 December 2021, with the view of explaining how the Company manages risks under the requirements of IFR/IFD and how much capital is assigned to these risks for their management. It is also noted that the Company's Financial Statements are also prepared on a stand-alone basis and in accordance with the International Financial Reporting Standards ("IFRS").

1.5. Operating Environment

Covid-19 Pandemic

The rapid development of COVID-19 outbreak resulted in the world entering in a period of unprecedented health care crisis, causing significant disruption to business and economic activity. It is an emerging risk that the Company is monitoring closely and assesses the range of possible impacts and will continue to respond to the situation as it evolves.

The Management of the Company has considered the unique circumstances that could have a material impact on the business operations and the risk exposures of the Company and considers that it is not in a position to predict all the developments that could have an impact on the Cyprus economy and consequently what effect, if any, they could have on future financial performance, cash flows and financial position of the Company.

The Management is taking the necessary measures to ensure the viability of the Company's activities; however, the future effects of the current financial situation are difficult to predict, and the current forecasts of the Management could differ from the actual results.

INITIALLED FOR PURPOSES OF IDENTIFICATION
ERNST & YOUNG CYPRUS LIMITED

Events after the reporting date

On 7 February 2022, the Company approved the distribution of dividends for its Class B shareholders.

In addition, the geopolitical situation in Eastern Europe intensified on 24 February 2022 with the commencement of the conflict between Russia and Ukraine. The impact on the Company largely depends on the nature and duration of uncertain and unpredictable events, such as further military action, additional sanctions, and reactions to ongoing developments by global financial markets.

The financial effect of the current crisis on the global economy and overall business activities cannot be estimated with reasonable certainty at this stage, due to the pace at which the conflict prevails and the high level of uncertainties arising from the inability to reliably predict the outcome.

The conflict is expected to negatively impact the tourism and services industries in Cyprus. Furthermore, the increasing energy prices, fluctuations in foreign exchange rates, unease in stock market trading, rises in interest rates, supply chain disruptions and intensified inflationary pressures may indirectly impact the operations of the Company. The indirect implications will depend on the extent and duration of the crisis and remain uncertain. On this basis, the Management has considered the unique circumstances and the risk exposures of the Company and will continue to monitor the situation closely so as to assess the need for any actions in case the crisis becomes prolonged.

Finally, on 9 May 2022 the Company obtained the final approval from CySEC for the modification of its operating licence, as described in Section 1.1. of these Disclosures.

INITIALLED FOR PURPOSES OF IDENTIFICATION
ERNST & YOUNG CYPRUS LIMITED

2. RISK MANAGEMENT, OBJECTIVES AND POLICIES

2.1 Risk Management Framework & Governance

2.1.1 The Board of Directors

The Board of Directors (hereinafter the "BoD" or the "Board"), which consists of both executive and non-executive members, has responsibility for the overall risk management of the Company, including aligning business strategy with risk appetite, and ensuring that all key risks are controlled and managed under a robust risk management framework. The risk management of the Company is embedded in its strategy and decision-making process. The Board's responsibilities are clearly stated in the Internal Operation Manual of the Company.

The BoD ensures, on an ongoing basis, that the risk management framework in place monitors the process of identifying, evaluating, managing and reporting the risks faced, and to this end the BoD receives updates on risk and regulatory capital matters from management. The risk management framework of the Company is frequently reviewed, and enhancements/amendments are performed, when necessary, by the Board of Directors.

The Company's Management is tasked with ensuring that all key risks are effectively and efficiently controlled and have unrestricted access to the Board to discuss risk, compliance, and control issues on an ongoing basis. The ultimate responsibility of risk management of the Company lies with the Board.

2.1.2 The Risk Management Function

The Company is required, where appropriate and proportionate in view of the nature, scale and complexity of its business and the nature and range of the investment services and activities undertaken in the course of that business, to establish and maintain a risk management function that operates independently.

The risk management function establishes policies and procedures for the identification of risks that may arise within the Company and monitors their effectiveness in respect to the management of risks. In summary, the Risk Management Function carries out the following tasks:

(a) implements risk management policies and procedures which identify the risks relating to the Company's activities, processes and systems, and
(b) prepares and provides written reports and advice to the BoD.

INITIALLED FOR PURPOSES OF IDENTIFICATION
ERNST & YOUNG CYPRUS LIMITED

The person responsible for the Risk Management function is the Risk Management Officer that is appointed by the BoD. Given the relatively small scale, nature and scope of the Company's operations, there is no risk committee in place. The risk management function is adequately carried out by the Risk Manager, who is an independent professional and reports directly to the Company's Senior Management and the BoD.

Overall, the Risk Manager's main responsibilities are summarized below:

(a) Establish, implement and maintain adequate risk management policies and procedures in order to identify the risk related to the Company's activities, processes and systems, and where appropriate, set the level of risk tolerated by the Company.
(b) To adopt effective arrangements, processes and mechanisms to manage the risks relating to the firm's activities, processes and systems, in light of that level of risk tolerance.
(c) To monitor the following:
    - The adequacy and effectiveness of the Company's risk management policies and procedures.
    - The level of compliance of the Company and its relevant persons with regards to the firm's arrangements, processes and mechanisms adopted in for managing relevant risks.
    - 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 to comply with such arrangements, processes and mechanisms, or follow such policies and procedures.
(b) To report to the BoD on a regular and on an ad-hoc basis, if deemed necessary.

The Company has established Risk Policy Guidelines, that form an integral part of the Company's Internal Operations Manual Framework, the purpose of which is to address the areas which may expose the Company to risks, and to efficiently manage those risks, accordingly.

INITIALLED FOR PURPOSES OF IDENTIFICATION
ERNST & YOUNG CYPRUS LIMITED

2.1.3 The Risk Management Framework, Strategy & Processes

The Risk Management is a continuous and developing process which runs throughout the Company's strategy and the implementation of that strategy. It addresses methodically all the risks surrounding the Company's activities past, present and in particular, future.

The Company, taking into account the current nature, scale and complexity of its operations, follows a policy that establishes and applies processes and mechanisms that are most appropriate and effective in monitoring the various activities. The policy aims to promptly identify, measure, manage, report and monitor risks that affect the achievement of strategic, operational and financial objectives. It includes adjusting the risk profile in line with the Company's stated risk tolerance to respond to new threats and opportunities in order to minimize risks and optimize returns.

The Company's aim is to embed explicit and robust risk management practices across its entire business operations, in order to ensure that the level of risk it faces is consistent with its corporate objectives and its level of risk tolerance. This is achieved through the implementation of a comprehensive risk management framework for the identification, assessment, monitoring and control of all relevant risks. The framework also enables the Company to continually align its business objectives against a background of changing risks and uncertainty. Specifically, the risk management framework:

- Enables the Company to proactively manage its risks in a systematic manner.
- Ensures that appropriate measures are in place to mitigate risks.
- Creates a culture of risk awareness within the Company, and
- Ensures that risk management is an integral part of the Company's decision-making process.

Risks are assessed systematically and evaluated as to the probability of a risk scenario occurring, as well as the severity of the consequences should they occur. Also, 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.

In establishing the risk tolerance, the risk management function and together with the BoD consider appropriate business opportunities and the associated risks. The risk tolerance is expressed at a holistic level in qualitative terms that clearly identify how it fits in with the tactical and strategic objectives of the Company. The qualitative expression

ERNST & YOUNG CYPRUS LIMITED

of the risk appetite is subsequently translated into day-to-day tractable quantitative measures. This level of risk is expressed quantitatively in terms of how much the firm is "prepared to lose" from credit, market or operational events over a three-year time horizon. Altogether, the quantitative and qualitative expressions of the risk appetite serve as a "moral compass" to guide day-today decisions.

2.2 Risk Identification & Mitigating controls

In accordance with IFR Article 47, this section of the Disclosures presents a description of each separate category of risk, as set out in Parts Three "Capital Requirements", Part Four "Concentration Risk" and Part Five "Liquidity" of the IFR, together with a summary of the strategies and processes to manage those risks.

2.2.1 Credit Risk

Credit risk is defined as the current or prospective risk to earnings and capital arising from an obligor's failure to meet its financial obligations towards the Company. The Company identifies and monitors credit related risks which include:

(a) Cash and cash equivalents: The Company has significant exposure to cash and cash equivalents with financial institutions in the European Union. In order to mitigate risks related to this area, the Company utilizes banks with lower default risk and tries to limit maximum cash amount that can be deposited with a single counterparty.

(b) Debt securities: The Company is not exposed to credit risk from third parties where it holds securities issued by those entities. Moreover, it does not intend to hold debt securities in the near future neither through sovereign nor institutional issuers.

(c) Receivables: The Company is not exposed to credit risk from receivables from third party agents, brokers and other intermediaries since it collects all commissions from third party liquidity providers within a short period of time following trade execution.

(d) Derivatives: The Company is not exposed to credit risk arising from derivative financial instruments, such as swaps, options, future and forward contract.

The Company's objective in managing credit risk exposures is to maintain them within parameters that reflect the strategic objectives and risk tolerance. Sources of credit risk are assessed and monitored. To assess counterparty credit risk, the Company uses the

ERNST & YOUNG CYPRUS LIMITED

ratings assigned by external rating agencies to that counterparty and where not possible the country ratings assigned to the jurisdiction the counterparty maintains its base. This is primarily emphasized on the credit institutions where the Company maintains its corporate and clients' accounts.

Under IFR, Risk to Firm (RtF) refers to the risk that the Company faces through its trading activity and market participation, which could affect the orderly operation of the firm. The K-Factor captures the exposure of company in those risk. There are three K-factors under RtF, which are also presented in Section 5.2.3 of this Report:

- K-TCD (Trading Counterparty Default): Considers the risk of losses arising from the default of a counterparty with which a firm maintains open Trading Book positions in derivatives and other specified transactions. This includes both clients and liquidity providers.
- K-DTF (Daily Trading Flow): Captures the operational risk related to the value of trading activity that the investment firm conducts.
- K-CON (Concentration Risk): This seeks to apply additional own funds to manage concentration to a single counterparty or a group of connected counterparties to which a company incurs Trading Book exposures.

As at 31 December 2021, RtF for the Company is zero.

Credit concentration risk

This refers to large individual exposures and significant exposures to companies whose likelihood of default is driven by common underlying factors, such as the economy, geographical location, instrument type or to a client. Some concentration of credit risk with respect to trade receivables exists, due to the Company's small number of customers. The Company's experience in the collection of trade receivables has never caused debts which are past the due payment period of 180 days to be impaired. Due to these factors, there are no additional credit risks beyond amounts provided for collection losses is inherent in the Company's trade receivables. Also, the size of such exposures is negligible in comparison to the Company's current financial strength and the size of its assets (against its liabilities).

Residual Risk

Residual risk relates to any credit risk that remains after all measures and controls have been implemented. This could occur because of low performance or failure of credit risk mitigation techniques, which could give rise to other risks that may render the overall risk

INITIALED FOR PURPOSES OF IDENTIFICATION ONLY
ERNST & YOUNG CYPRUS LIMITED

reduction less effective. These additional risks are legal risk, documentation risk and liquidity risk. The Company's nature is such that it is not exposed to residual risk.

2.2.2 Market Risk

Market risk is defined as the current or prospective risk to earnings and capital arising from adverse movements in the prices of equities, real estate assets, interest rates and currency exchange rates. The Company manages the market risk of assets relative to liabilities on an economic total balance sheet basis. It strives to maximize the economic risk-adjusted excess return of assets relative to the liability benchmark taking into account the Company's risk tolerance as well as regulatory constraints.

Market risk arises mainly from the following, all of which are summarized below:

(a) Equity and real estate market prices:

- Risks arising from equity securities and real estate could affect the Company's liquidity, reported income, surplus and regulatory capital position. Such exposure may include, but is not limited to, common stocks, direct holdings in real estate, or listed real estate company shares and funds.
- The Company is not currently exposed to any risks resulting from price fluctuations on equity securities, real estate or capital markets. Moreover, it is highly unlikely that the Company will be exposed to such risks in the future considering its current authorization (not licensed to trade on own book) and own funds consisting mainly of bank deposits.

(b) Interest rate risk

- Interest rate risk is the risk of loss resulting from changes in interest rates, including changes in the shape of yield curves. Such exposure may include, but is not limited to, debt securities, reserves for insurance contracts, liabilities for investment contracts, employee benefit plans and loans and receivables.
- Currently, the Company is not exposed to interest rate risk since its deposits are held in current accounts.

(c) Currency risk

- Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Company's functional currency.

INITIALLED FOR IDENTIFICATION PURPOSES
ERNST & YOUNG CYPRUS LIMITED

- The Company is exposed to the financial impact arising from changes in the exchange rates of various currencies in the following three ways:
    - The Company may receive income in a currency other than Euro, which is the base currency of the Company.
    - The Company may have expenses denominated in a currency other than Euro, which is the base currency of the Company.
    - The Company may have deposits denominated in a currency other than Euro, which is the base currency of the Company.
- During 2021, the Company had income, minor expenses and deposits in foreign currency, namely in USD. Fluctuations in the exchange rate did not have any significant impact on the Company's financials. Although there was a notable change in the exchange rate, the impact was insignificant as the amounts did not have a material effect on the results of the Company.
- The Company continues to regularly monitor the impact of exchange rate risks and if deemed necessary corrective actions will be taken to minimize the effect. Any measures should be in line with the Company's risk appetite given that exposure to foreign exchange can lead to gains as well as losses.

Under IFR, Risk to Market (RtM) is the risk that the Company may pose to the financial markets that it operates in and the counterparties that it trades in. It relates to the trading book positions of the Company which are either their positions or their clients' positions.

There are two K-factors under RtM, which are further explained in Section 5.2.3 of this Report:

- K-NPR (Net Position Risk): This is the Risk where an investment firm is subject to market risk as a result of its trading activities and would be exposed to losses if adverse market movement cause the value of its trading positions to decline.
- K-CMG (Clearing Margin Given): This is an alternative to K-NPR to provide for market risk for trades that are subject to clearing as set out in Article 23 of IFR.

2.2.3 Operational Risk

Operational risk is defined as the risk of a direct or indirect impact resulting from human factors, inadequate or failed internal processes and systems, or external events. Operational risk includes, inter alia, actual and/or potential losses caused from deficiencies in the Company's set-up of operations, including but not limited to, system integrity and reliability, employee fraud, weaknesses in personnel appointment, organizational structure and internal communication inefficiencies.

FILED FOR PURPOSES OF IDENTIFICATION
ERNST & YOUNG CYPRUS LIMITED

The Company's exposure to operational risk is limited to the extent of its current scale and complexity. The Company has a comprehensive framework with a common approach to identify, assess, quantify, mitigate, monitor and report operational risk. Overall planning, coordination, and monitoring is centralized; however, most operational risks are managed within the departments in which they arise.

Moreover, the Company is applying the guidelines issued by the CySEC in relation to the recruitment of its personnel. Also, in order to mitigate operational risks, the Company has specific processes and systems in place to focus continuously on high priority operational matters such as information security, managing business continuity and combating fraud.

The Company's services do not include "Dealing on Own Account" which virtually eliminates the potential scale of operational risk it may face. The absence of a trading book means that its operational risk is virtually reduced to information technology security risk both external and internal (external intrusion and internal theft or sabotage) and regulatory risk. Both of these risks are taken very seriously, and policies are in place to monitor and manage such risks by taking various measures before they manifest. The Company maintains an updated Business Continuity Policy, which forms an integral part of the Internal Operational Manual of the Company, which details all the measures taken in such operationally disruptive cases.

Additionally, the Company follows a very strict implementation of the "4-eye" principle at all levels of its hierarchy, which adheres to a need-to-know rule that compartmentalizes important information and tasks.

The Company's risk report includes a detailed analysis of operational risk and relevant findings on the below operational risks:

- Security risk
- System provider risk
- Platform risk
- Employee fraud
- Employee knowledge and experience
- Organisational structure
- Outsourcing of operations
- Client service

Under IFR, Risk to Clients (RtC refers to the risk that an investment firm poses to clients if it fails to carry out its services or operations correctly. RtC captures the Company's

INITIALED FOR PURPOSES OF IDENTIFICATION
ERNST & YOUNG CYPRUS LIMITED

exposures to risk to clients taking into consideration assets under management, client money held, assets safeguarded and administered, and client orders handled. There are four K-factors under RtC, which are presented in Section 5.2.3 of this Report:

- K-AUM (Assets Under Management): Considers risks associated with discretionary portfolio management and non-discretionary arrangements constituting investment advice of an ongoing nature.
- K-CMH (Client Money Held): Captures the risk of an investment firm causing potential harm to clients where it holds their money.
- K-ASA (Assets Safeguarded and Administered): The risk of harm associated with the safeguarding and administering of a client's financial instruments.
- K-COH (Client Orders Handled): Captures the potential risk to clients of an investment firm which executes orders in the name of the client.

2.2.4 Liquidity Risk

Liquidity risk is the risk that the Company may not have sufficient liquid financial resources to meet its obligations when they fall due or would have to incur excessive costs to do so.

The Company's policy is to maintain adequate liquidity and contingent liquidity to meet its liquidity needs under both normal and stressed conditions. To achieve this, the Company monitors and manages its liquidity needs on an ongoing basis. Also, the Company ensures that it has sufficient cash on demand to meet expected operational expenses. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

An additional requirement for the investment firms is the Liquidity requirement, as defined in Part Five of the IFR, where an investment firm is obliged to hold an amount of liquid assets at least one third of its fixed overhead requirement.

During the year, the Company had liquid assets amounting to €960K, consisting of unencumbered short-term deposits and receivables due within 30 days, in accordance with the IFR.

2.2.5 Business risk

Business risk includes the current or prospective risk to earnings and capital arising from changes in the business environment including the effects of deterioration in economic

ERNST & YOUNG CYPRUS LIMITED

conditions. Research on economic and market forecasts are conducted with a view to minimize the Company's exposure to business risk. Additionally, reports from external providers are constantly reviewed (i.e., BOC Outlook, Moody's Outlook etc). All these are analysed and taken into consideration when implementing the Company's strategy.

2.2.6 Reputational Risk

Reputational risk can arise from direct Company actions or by actions of third parties that it may or may not have a relationship with. Such Company actions may include internal security breaches, employee fraud, client misinformation, mistakes in handling client requests and any other actions that can lead to significant negative public opinion and subsequently loss of business and income. Third party actions can include problems with the provision of the outsourced services that can lead to operational interruptions, database hosting and security, spreading of rumours and unsubstantiated information.

The Company strives to preserve its reputation by adhering to applicable laws and regulations, and by following the core values and principles of the Company, which include integrity and good business practice. The Company centrally manages certain aspects of reputational risk, for example, communications, through functions with the appropriate expertise. It also places great emphasis on the information technology security which is one of the main causes of such reputational risk manifestation.

2.2.7 Strategic Risk

Strategic risk corresponds to the unintended risk that can result as a by-product of planning or executing the strategy. A strategy is a long-term plan of action designed to allow the Company to achieve its goals and aspirations. Strategic risks can arise from:

- Inadequate assessment of strategic plans;
- Improper implementation of strategic plans; and
- Unexpected changes to assumptions underlying strategic plans.

Risk considerations are a key element in the strategic decision-making process. The Company assesses the implications of strategic decisions on risk-based return measures and risk-based capital to optimize the risk-return profile and to take advantage of economically profitable growth opportunities as they arise.

2.2.8 Settlement risk

Settlement risk occurs if, as part of a trade, the Company delivers an asset or cash value to the counterparty (or the opposite meaning that the Company must receive an asset or

ERNST & YOUNG CYPRUS LIMITED

cash value from the counterparty) and does not receive the corresponding cash value or asset as expected.

The Company has not faced any such issues and exposure to settlement risk is considered low given the measures the Company takes to ensure that its clients have the necessary funds to conclude a transaction or the financial instruments in case of sale (no short selling).

2.2.9 Information technology risk

Information technology risk could occur because of inadequate information technology security, or inadequate use of the Company's information technology. Policies have been implemented regarding back-up procedures, software maintenance, hardware maintenance, as well as use of both hardware and software intrusion aversion measures such as (but not limited to) firewalls, anti-virus software, use of security keys, access restrictions, network fencing, and encryption techniques. Materialization of this risk has been minimized to the lowest possible level given the Company's current complexity of its operations and the services it offers to its clients.

2.2.10 Capital Risk Management

This is the risk that the Company will not comply with capital adequacy requirements. The Company's objectives, when managing capital, are to safeguard the Company's ability to continue as a going concern for the benefit of both the shareholders and all stakeholders. The Company has a regulatory obligation to monitor and implement policies and procedures for capital risk management. This ultimately ensures the going concern of the Company. Such procedures are explained in detail in the Internal Operations manual of the Company.

The Company is further required to report to CySEC, amongst other matters, on its capital adequacy, on a quarterly basis and has to maintain at all times the following minimum capital ratios, as defined by the IFR:

- CET 1 Ratio of 56%
- Tier 1 Ratio of 75%
- Own Funds Ratio of 100%

The capital ratios are calculated as the Company's capital/own funds over its own fund requirement, with the latter representing the higher of the Company's permanent minimum capital requirement, fixed overhead requirement and total K-Factor Requirement.

ERNST & YOUNG CYPRUS LIMITED

The management monitors such reporting and has policies and procedures in place to help meet the specific regulatory requirements. This is achieved through the accounting system which enables the management to have up to date financial reporting information so that capital ratios can be calculated and monitored at all times.

2.3 Risk Management Declaration

The Board of Directors is ultimately responsible for the risk management, processes, framework and practices of the Company. The risk management framework is the totality of systems, structures, policies, processes and people within the Company that identify, assess, mitigate and monitor all internal and external sources of risk that could have a material impact on the Company's operations.

The Board is responsible for reviewing the implementation and overall 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. Additionally, it is the Board's responsibility to conduct an ongoing and an annual review to make sure of the effectiveness and adequacy of the risk management framework and internal controls.

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 minimize loss.

2.4 Concise Risk Statement

The Company concluded that its current risk profile is in line with the level of its risk tolerance. The BoD and the Management of the Company constantly monitor the relevant regulatory ratios, thus whenever the minimum regulatory limits are close to be reached or a breach occurs, the necessary actions are taken. The following table sets out a number of key measures used to monitor the Company's risk profile, even though the list is not exhaustive:

ERNST & YOUNG CYPRUS LIMITED

Key Risk Area	Relevant Metrics	31 December 2021	Comment
Capital Adequacy	▪ CET 1 Ratio ▪ Tier 1 Ratio ▪ Own Funds Ratio	▪ 1,188.57% ▪ 1,188.57% ▪ 1,188.57%	▪ The Company's objective is to maintain regulatory ratios well above the minimum thresholds set by CySEC and the applicable legislative framework. ▪ It therefore aims to maintain its capital ratios at a minimum level equal to the following, as defined by the IFR: ▪ CET 1 Ratio of 56% ▪ Tier 1 Ratio of 75% ▪ Own Funds Ratio of 100%
Liquidity	▪ At least one third of the fixed overhead requirement to be held in liquid assets	▪ €918k excess liquidity	▪ As per IFR Article 43, the Company shall hold an amount of liquid assets equivalent to at least one third of the fixed overhead requirement
Concentration Risk	▪ 25% of own funds exposure to non-Financial Institutions (FI) ▪ 100% of own funds to FI	▪ No material exposures to non-financial institutions ▪ Highest exposure to institution is 37.5% which is lower than 100% as IFR[3] dictates	▪ As per IFR Article 37, the limit with regard to concentration risk shall be the higher of 25% of the investment firm's own funds or EUR 150 million provided that for the sum of exposure values with regard to all connected clients that are not credit institutions or investment firms, the limit with regard to concentration risk remains at 25% of the investment firms' own funds. ▪ To this end, the Company's objective is to minimize the potential loss from counterparties, thus limits its exposure to a single financial institution at levels of 50% of its overall cash positions or less

Table 2: Concise Risk Statement

ERNST & YOUNG CYPRUS LIMITED

[3] As per Article 37(1) of the IFR *"An investment firm's limit with regard to the concentration risk of an exposure value with regard to an individual client or group of connected clients shall be 25 % of its own funds. Where that individual client is a credit institution or an investment firm, or where a group of connected clients includes one or more credit institutions or investment firms, the limit with regard to concentration risk shall be the higher of 25 % of the investment firm's own funds or EUR 150 million provided that for the sum of exposure values with regard to all connected clients that are not credit institutions or investment firms, the limit with regard to concentration risk remains at 25 % of the investment firms' own funds. Where the amount of EUR 150 million is higher than 25 % of the investment firm's own funds, the limit with regard to concentration risk shall not exceed 100 % of the investment firm's own funds."*

3. GOVERNANCE ARRANGEMENTS

3.1. Governance Framework

In addition to the information presented in Section 2.1, the Company presents in this Section the additional governance framework in place, as presented in detail in the Company's Internal Operational Manual.

3.1.1. Investment Committees

The Company, in order to support effective governance and management of the wide range of responsibilities of the Board, has established the Investment Committee. The Investment Committee consists of at least 3 members (one of which is the Chairman) and aims at the processing and analysis of various investment products and the provisions of recommendations to clients and the Board.

The Investment Committee ensures the practice of a proper investment policy and the monitoring of the provision of adequate investment services to clients. Its responsibilities include the below:

- Suggesting markets and financial instruments where the Company could invest.
- Provides its views/suggestions on the investment strategy of the Company.
- Provides general guidelines in regard to portfolio management.
- Creates profiles and respective portfolios based on the investment profiles of its clients.
- Provides its views on the pricing policy of the asset management department.
- Rebalances the proposed portfolios considering the financial outlook as well as other factors that could potentially indicate the need for such rebalancing.
- Decides on the means, content and frequency of reporting to clients regarding the movement and balance of their trading accounts.

3.1.2. Control Functions

The Company has the following control mechanisms to ensure its proper functionality:

- Compliance function
- Risk management function (refer to Section 2.1.2 of these Disclosures)
- Internal audit function
- Anti-Money laundering function

These aforesaid functions are outsourced. They are independent and report directly to the BoD. It is noted that the Compliance and Risk management function have been outsourced since February 2016.

INITIALLED FOR PURPOSES OF IDENTIFICATION
ERNST & YOUNG CYPRUS LIMITED

Compliance Function

The Compliance function assists the various business units of the Company to understand and comply with relevant local laws and regulations and with Company's internal policies. It also aims to minimise the compliance risks identified and to assist CySEC in the effective performance of its supervisory duties. The person responsible for the Compliance Function is the Compliance Officer that is appointed by the Board of Directors ('BoD'). Main responsibilities include the following:

- Monitoring and collection of legal and regulatory documentation and of material issued internally (e.g., internal operating rules/guidelines).
- Notification on updates of regulations, directives to the relevant units/departments within the Company.
- Monitoring compliance and identification of potential deficiencies in the compliance arrangements established by the Company. Proposals of mitigating action for such deficiencies.
- Assisting the units/departments of the Company in compliance matters.
- Communication with third parties (e.g., legal advisors, the competent authorities etc.).
- Reporting and submission of reports to the BoD. Reports are provided to the BoD on a regular and on an ad-hoc basis if deemed necessary.
- Record keeping.

Internal Audit Function

The main objective of the Internal Audit Function is to review and assess the effectiveness and efficiency of the Company's system. Its main objective is to review and assess the effectiveness and efficiency of the Company's systems, of the mechanisms used for the internal audit and of the arrangements established and implemented. The Internal Audit Officer is the person responsible for the Internal Audit function that is appointed by the BoD, the main responsibilities of whom are set out below:

- Set up and implement a schedule for regular internal audits.
- Carrying out internal audit for example in case of events that detriment the best interest of the clients or the Company or if this is considered necessary by the Head of Internal Audit.
- Recommends to the Company's management team and personnel on the implementation of the Company's procedures, if deficiencies are identified.
- Reporting and submission of reports to the BoD. Reports are provided to the BoD on a regular and on an ad-hoc basis if deemed necessary.
- Record keeping and maintenance of an internal control book.

INITIALLED FOR PURPOSES OF IDENTIFICATION
ERNST & YOUNG CYPRUS LIMITED

The roles and responsibilities of each function are enlisted in more detail in the Internal Operations manual of the Company.

Anti-Money Laundering Function

The Anti-Money Laundering function establishes policies and procedures relevant to prevention of Money Laundering ('ML') and Terrorist Financing ('TF'). The Money Laundering Compliance Officer ('MLCO') is the person responsible for the anti-money laundering function and is appointed by the BoD the main responsibilities of whom are listed below:

- Design the internal practice, measures, procedures and controls relevant to the prevention of ML/TF.
- Develop and establish the customers' acceptance policy and submit to BoD for approval.
- Apply appropriate monitoring mechanisms to assess the correct and effective implementation of the internal practice, measures, procedures and controls relevant to the prevention of ML/TF.
- Receive, examine and evaluate information from the Company's employees, which is considered to be knowledge or suspicion of ML/TF activities and following evaluation, report the suspicious activities to MOKAS.
- Detect, record and evaluate, at least on an annual basis, all risk arising from existing and new client and update and amend Company's systems and procedures applied by the Company for the effective management of ML/TF risks.
- Provide advice and guidance to the employees of the Company on subjects related to ML/TF.
- Prepare the Annual report within two months from the end of each calendar year.

INITIALLED FOR PURPOSES OF IDENTIFICATION
ERNST & YOUNG CYPRUS LIMITED

3.2. Number of directorships

In accordance with Section 9 of the Law the number of directorships which may be held by a member of the board of directors of a CIF that is significant in terms of its size, internal organization and in terms of the nature, the scope and the complexity of its activities, shall not hold more than one of the following combinations of directorships at the same time:

(a) one executive directorship with two non-executive directorships;
(b) four non-executive directorships.

The overall responsibility for approving and monitoring the Company's overall strategy and policies for managing risks lies with the Board of Directors.

The table below provides the number of directorships a member of the management body of the Company holds at the same time in other entities. Executive or non-executive directorships in organizations which do not pursue predominantly commercial objectives, such as non-profit-making or charitable organizations, are not taken into account for the purposes of the below. Directorships within the same group are treated as single directorship, as per the provisions of the Investment Services Law. The Directorships in the table below do not include the position of each director in the Company.

Name of Director	Position within SPAFS	Executive Directorships	Non-Executive Directorships	Notes
Gabriel Anastassiades	Executive	-	2	-
George Lyssiotis	Executive	-	3	Note 3
Andis Scordis	Non-Executive	1	1	Note 1
Michalis Papapetrou	Non-Executive	1	-	Note 2
Yiangos Kleopas	Non-Executive	-	-	-
Panagiotis Siakkas	Non-Executive	2	-	Note 3

Table 3: Number of Directorships

Note 1: Mr. Scordis, in his past capacity as an executive director in Scordis, Papapetrou & Co DEPE and its affiliates; all members of a single group: Scordis, Papapetrou & Co (SP & Co), has been appointed as director in numerous companies to which SP & Co offers its services. These directorships within the same group are treated as a single directorship, as per the provisions of the Investment Services Law. Additionally, he is the non-executive chairman of Demetra Holdings PLC, a listed company.

INITIALLED FOR PURPOSES OF IDENTIFICATION
ERNST & YOUNG CYPRUS LIMITED

Note 2: Mr. Papapetrou, in his past capacity as an executive director in Scordis, Papapetrou & Co DEPE and its affiliates; all members of a single group: Scordis, Papapetrou & Co (SP & Co), has been and still is appointed as director in many companies to which SP & Co offers its services. These directorships within the same group are treated as a single directorship, as per the provisions of the Investment Services Law.

Note 3: These directors hold directorships in entities within the same group, hence these are treated as a single directorship, as per the provisions of the Investment Services Law.

All the Company's Directors have been approved by CySEC.

3.3. Recruitment policy

Recruitment of Board members combines an assessment of both technical capability and competency skills referenced against the Company's regulatory and operational framework as well as its strategic plan. The persons proposed for appointment to the Board commit the necessary time and effort to fulfil their obligations and obtain the approval of the Commission. Main factors influencing the decision to propose the appointment of potential members include:

- Integrity and honesty
- High business acumen and judgment
- Knowledge of financial matters
- Knowledge and experience relevant to financial institutions
- Risk Management experience
- Specialized skills and knowledge in finance, accounting, law, or related subject

Members of the Board are chosen for their high academic and professional qualifications, diversity, skills and experience with local and international financial matters, as well as for their integrity and honesty. Diversity is taken into consideration in determining the optimum composition of the Board of Directors.

The Company has a full team of qualified and experienced investment professionals making up the management body. They are complemented by professionals in the fields of compliance and risk management, legal and accounting department and in the back office.

The management body of the Company has a long track record since 1996 and it specializes in financial engineering, wealth management, asset management, structured investment products modelling and alternative investment advisory.

INITIALLED FOR PURPOSES OF IDENTIFICATION
ERNST & YOUNG CYPRUS LIMITED

As of the date of this report, the Board of Directors consists of 2 Executive and 4 Non-executive members.

3.4. Diversity policy

The Company recognizes the benefits of having a diverse Board of Directors which includes and makes use of the differences in the skills, experience and background between members of the Board. Diversity is taken into consideration in determining the optimum composition of the Board of Directors. The diversity policy is included in the policy for the selection and appointment of the members of the Board.

The Investment Services Law (Article 10 (2) (b) (ii)) requires institutions to set a target for the representation of the underrepresented gender in the Board and the preparation of a policy on how to increase the number of the underrepresented gender in the Board to achieve this target. The target, policy and their implementation shall be made public.

At the date of these Disclosures, the Board has yet to set the above required policy, even though it aspires towards representation of the underrepresented gender within its Board of Directors. The Company intends to set and implement a relevant target in the future.

3.5. Reporting & Information flow

The Board is updated on risk matters through the submission of reports. Thus, the information flow on risk to the management body is achieved through regular reporting to the BoD. The following table presents the key information provided to the Board on matters concerning risk:

Report	Prepared by	Submitted to	Frequency
Risk management Report	Risk Manager	– CySEC – Board	Annually
Internal Audit report	Internal Auditor	– CySEC – Board	Annually
Compliance Report	Compliance Officer	– CySEC – Board	Annually
Financial Statements	Finance Manager	– CySEC – Board	Annually
Suitability Report	Risk Manager	– Board	Annually
Pillar I - Capital Adequacy Report-165-01	Risk Manager	– CySEC	Quarterly

INITIALLED FOR PURPOSES OF IDENTIFICATION
ERNST & YOUNG CYPRUS LIMITED

ICAAP (Pillar 2) Report	Risk Manager	– Board	Upon request
Pillar III Disclosures	Risk Manager	– CySEC – Board	Annually
AMLCO Report	MLCO	– Board	Annually

Table 4: Flow of Information

INITIALLED FOR PURPOSES OF IDENTIFICATION
ERNST & YOUNG CYPRUS LIMITED

4. OWN FUNDS

Own Funds is considered to be the amount of capital which the Company is obliged to maintain in order to be able to absorb losses. It can consist of the sum of Common equity Tier 1 capital, additional Tier 1 capital and Tier 2 Capital. The Company is obliged to hold adequate funds according to the provisions of IFR/IFD. As per the Article 9 of IFR, investment firms are required to maintain Own Funds consisting of the sum of their Common Equity Tier 1 capital, Additional Tier 1 capital and Tier 2 capital, and shall at all times exceed all of the following thresholds:

a) Common Equity Tier 1 Capital of at least 56% of Own Funds Requirements.
b) Common Equity Tier 1 Capital and Additional Tier 1 Capital of at least 75% of Own Funds Requirements.
c) Common Equity Tier 1 Capital, Additional Tier 1 Capital and Tier 2 Capital of at least 100% of Own Funds Requirements.

For the year ended 31 December 2021 the Company complies in full of its initial capital requirement of €150,000. The own funds of the Company are comprised entirely by Common Equity Tier 1 capital. Common Equity Tier 1 capital comprise of share capital and reserves. As at 31 December 2021, the level of own funds was € 1.783K.

There were no Additional Tier 1 capital and Tier 2 capital as of 31 December 2021 and as at the date of this Report.

A detailed description of the main features of Common Equity Tier 1 and Additional Tier 1 instrument issued by the Company are presented in Appendix I.

Additionally, the following two tables present the composition of the Company's Own Funds as at 31 December 2021, and how these Own Funds reconcile with the Company's audited Balance Sheet as of this date, respectively. The following tables have been prepared using the format set out in the Draft Implementing Standards issued by the EBA on reporting and disclosure requirements of investment firms under the IFR (EBA/ITS/2021/02) and the EU Implementing Technical Standards 2021/2284, as per Annex VI and VII of the latter.

INITIALLED FOR PURPOSES OF IDENTIFICATION
ERNST & YOUNG CYPRUS LIMITED

Template EU IF CC1.01			
Ref	**Item**	**Amounts €'000**	**Source based on reference numbers/letters of the Balance Sheet in the audited Financial Statements**
1	**OWN FUNDS (CET1+T1)**	**1,783**	
2	**TIER 1 CAPITAL**	**1,783**	
3	**COMMON EQUITY TIER 1 CAPITAL**	**1,783**	
4	Fully paid-up capital instruments	580	Ref 12
6	Retained earnings	2,609	Ref 13
12	**(-) TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1**	**(1,351)**	
19	(-) Other intangible assets	(1)	Ref 2
24	(-) CET1 instruments of financial sector entities where the institution has a significant investment	(0)	Ref 3
26	(-) Other deductions	(1,350)	Ref 14
27	CET1: Other capital elements, deductions and adjustments	(56)	Ref 4
28	**ADDITIONAL TIER 1 CAPITAL**	-	
40	**TIER 2 CAPITAL**	-	

Table 5: Template EU IF CC1.01 – Composition of Regulatory Own Funds

INITIALLED FOR PURPOSES OF IDENTIFICATION
ERNST & YOUNG CYPRUS LIMITED

Template EU IF CC2

As at 31/12/2021 *(EUR '000)*		Balance Sheet as in audited Financial Statements	Cross reference to EU IF CC1
Ref			
1	Property, Plant and Equipment	11	
2	Intangible Assets	1	Ref 19
3	Investment in subsidiary	0	Ref 24
4	Payment guarantees	56	Ref 27
5	Receivables	1,091	
6	Cash and cash equivalents	950	
7	**Total Assets**	**2,109**	
	Liabilities- Breakdown by liability classes according to the Balance Sheet in the audited Financial Statements		
8	Current Liability - Payables	187	
9	Deferred income	27	
10	Income tax payable	55	
11	**Total Liabilities**	**269**	
	Shareholders' Equity		
12	Share capital	580	Ref 4
13	Accumulated profit	2,609	Ref 6
14	Dividends	(1,350)	Ref 26
15	**Total Shareholders' Equity**	**1,840**	

Table 6: Template EU IFCC2: Own Funds: Reconciliation of Regulatory Own Funds to Balance Sheet in the audited Financial Statements

The Company notes that in accordance with the Commission Implementing Regulation (EU) 2021/2284 (Annex VII, paragraph 11), the column of template EU IFCC2, namely *"Under regulatory scope of consolidation"* is not reported since the Company complies with the disclosure requirements of Part Six of the IFR on an individual basis.

INITIALLED FOR PURPOSES OF IDENTIFICATION
ERNST & YOUNG CYPRUS LIMITED

5. OWN FUND REQUIREMENTS

5.1. Assessment of Capital Adequacy

The Company calculates the capital adequacy ratio on a quarterly basis and monitors its direction in order to ensure its compliance with externally imposed capital requirements. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Company's objectives when managing capital are:

(i) to comply with the capital requirements set by the regulator;
(ii) to safeguard the Company's ability to continue as a going concern, and;
(iii) to maintain a strong capital base to support the development of the business.

The Company's policy of capital management is designated to maintain the capital base sufficient to keep the confidence of customers, creditors, other market participants and to secure the future development of the Company. Capital adequacy and the use of the regulatory capital are monitored by the Company's management. The required information is filed with the Company's regulator on a quarterly basis.

As a Class 2 investment firm it is required to calculate the own funds requirement as the highest of its Fixed Overhead Requirements (FOR), its permanent minimum capital (PMC) and its K-Factor Capital Requirement (KFR), all of which are described in detailed in this section. At 31 December 2021 the Own fund ratio of the Company is 1,189%, which is higher than the minimum requirement of 100% as this is stated in article 9 of the IFR. During the year 2021, the ratio did not fall at any time below the minimum required by CySEC.

5.2. Minimum Capital Requirements

5.2.1. Fixed Overheads Requirement

The fixed overheads requirement shall amount to at least one quarter of the fixed overheads of the preceding year. Investment firms shall use figures resulting from the applicable accounting framework and where an investment firm has not been in business for one year from the date on which it started providing investments services or performing investment activities, it shall use the projected fixed overheads included in its projections for the first twelve months trading.

The Company's policy is to monitor Fixed Overheads Requirements at least on a quarterly basis. The Company complies with Article 12 of the IFR stating that the Company shall hold Own Funds of at least one quarter of the fixed overhead expenses of the preceding year. The Fixed Overheads Requirement as at 31 December 2021 amounted to €126K.

5.2.2. Permanent Minimum Capital Requirement

INITIALLED FOR PURPOSES OF IDENTIFICATION
ERNST & YOUNG CYPRUS LIMITED

The Company's policy is to monitor on a continuous basis its Own Funds and ensure that they remain above the Permanent Minimum Capital Requirement of €150K, which corresponds to the initial capital that applies to the Company, in accordance with Article 9(3) of the IFD.

5.2.3. K-Factor requirements

The K-Factor requirements are calculations introduced by the new framework IFR/IFD and are tailored to the respective activities of an investment firm according to its authorization. K-Factors are quantitative indicators targeting the services and business practices that are most likely to generate risk to the Company. K-Factors are categorized risk into three main groups which are Risk-to-Clients, Risk-to-Markets and Risk-to-Firm and reflects the risk of the Company on each of these areas, all of which are described in Section 2.2 in detail.
The Company's K-factor requirement is calculated in accordance with Articles 16-33 of IFR.

5.2.4. Quantitative Information

As stated in Article 11(1) of IFR, the Company is required to hold the higher of its K-factor requirement, fixed overhead requirement and permanent minimum capital requirement. Therefore, the Table below breaks down the Pillar 1 minimum capital requirement that the Company is required to hold as of 31 December 2021.

Minimum Capital Requirements		**As at 31/12/2021**
K-Factor Requirement		**EUR '000**
Risk-to Client (RtC)	k-AUM	7
	k-CMH	0
	k-ASA	15
	k-COH	-
Risk-to Market (RtM)	k-NPR	11
	k-CMG	-
	k-TCD	-
Risk-to Firm (RtF)	k-DTF	-
	k-CON	-
Total K-Factor Requirement		**33**
Fixed Overhead Requirement ('FOR')		**126**
Permanent Minimum Capital Requirement ('PMCR')		**150**

Table 7: Minimum Capital Requirements

Additionally, the following table presents the excess capital of the Company, amounting €1,633K well above the minimum it is required to hold. This equates to a capital ratio of 1,189%, which is above the minimum threshold of 100% set out in Article 9(1)(c) of IFR.

INITIALLED FOR PURPOSES OF IDENTIFICATION
ERNST & YOUNG CYPRUS LIMITED

EUR '000	31 December	Reference
Capital		
Common Equity Tier 1	**1,783**	
Additional Tier 1	**-**	
Tier 2	**-**	
Total Own Funds	**1,783**	**a**
Own Funds Requirement		
K-factor Requirement	**33**	b
Fixed Overhead Requirement	**126**	c
Permanent Minimum Capital Requirement	**150**	d
Minimum Own Funds Requirement	**150**	**e = (higher of b, c,**
Capital Adequacy Ratios		
Capital Excess (€000)	**1,633**	a-e
Capital Ratio (%)	**1,189%**	a/e

Table 8: Capital Excess/Ratio

INITIALLED FOR PURPOSES OF IDENTIFICATION
ERNST & YOUNG CYPRUS LIMITED

6. INVESTMENT POLICY

Article 52 of the IFR requires investment firms, which do not meet the criteria referred to in point (a) of Article 32 (4) of the IFD, to disclose the following in accordance with IFR Article 46 of the same regulation:

(a) the proportion of voting rights attached to the shares held directly or indirectly by the investment firm, broken down by Member State and sector;

(b) a complete description of voting behaviour in the general meetings of companies the shares of which are held in accordance with paragraph 2 of IFR Article 52, an explanation of the votes, and the ratio of proposals put forward by the administrative or management body of the company which the investment firm has approved; and

(c) an explanation of the use of proxy advisor firms;

(d) the voting guidelines regarding the companies the shares of which are held in accordance with paragraph 2 IFR Article 52.

Article 32(4)(a) of the IFD refers to *"an investment firm, where the value of its on and off-balance sheet assets is on average equal to or less than EUR 100 million over the four-year period immediately preceding the given financial year"*.

As per IFR Article 52 (2) *"The investment firm referred to in paragraph 1 shall comply with that paragraph only in respect of each company whose shares are admitted to trading on a regulated market and only in respect of those shares to which voting rights are attached, where the proportion of voting rights that the investment firm directly or indirectly holds exceeds the threshold of 5% of all voting rights attached to the shares issued by the company. Voting rights shall be calculated on the basis of all shares to which voting rights are attached, even if the exercise of those voting rights is suspended"*.

Having considered the above references to the applicable legislation, and as at the reference date the Company did not hold any shares that would meet the criteria stated in Article 52(2) of IFR and therefore no disclosures regarding investment policy were made.

INITIALLED FOR PURPOSES OF IDENTIFICATION
ERNST & YOUNG CYPRUS LIMITED

7. REMUNERATION POLICY & PRACTICES

7.1. Remuneration Policy

The Remuneration Policy is an internally developed document which is approved by the BoD of the Company and its provisions are applicable to each Director, Officer and Employee. The remuneration varies for different positions/roles depending on each position's actual functional requirements, and it is set at levels, which reflect the knowledge level, experience, accountability, and responsibility needed for an employee to perform each position/role.

The Company when establishing and applying the total remuneration policies, inclusive of salaries and discretionary pension benefits, for categories of staff including Senior Management, risk takers, staff engaged in control functions and any employee receiving total remuneration that takes them into the same remuneration bracket as Senior Management and risk takers, whose professional activities have a material impact on their risk profile, must comply with the following principles in a manner and to the extent that is appropriate to their size, internal organization and the nature, scope and complexity of their activities:

- The Remuneration Policy is consistent with and promotes sound and effective risk management and does not encourage risk-taking that exceeds the level of tolerated risk of the Company.
- The Remuneration Policy is in line with the business strategy, objectives, values and long-term interests of the Company, and incorporates measures to avoid conflicts of interest.
- The Company's BoD adopts and periodically reviews the general principles of the Remuneration Policy and is responsible for overseeing its implementation.
- The implementation of the Remuneration Policy is, at least annually, subject to central and independent internal review for compliance with policies and procedures for remuneration adopted by the BoD.
- Staff engaged in control functions are independent from the business units they oversee, have appropriate authority, and are remunerated in accordance with the achievement of the objectives linked to their functions, independent of the performance of the business areas they control.
- The remuneration of the senior officers in the risk management and compliance functions is directly overseen by the remuneration committee or, if such a committee has not been established, by the BoD.
- The Remuneration Policy, taking into account national criteria on wage setting, makes a clear distinction between criteria for setting:
    - Basic fixed remuneration, which should primarily reflect relevant professional experience and organizational responsibility as set out in an employee's job description as part of the terms of employment; and
    - Variable remuneration which should reflect a sustainable and risk adjusted performance as well as performance in excess of that required to fulfil the employee's job description as part of the terms of employment.

INITIALLED FOR PURPOSES OF IDENTIFICATION
ERNST & YOUNG CYPRUS LIMITED

The purpose of the Remuneration Policy is to strengthen client's protection by improving the implementation of the conflicts of interest and conduct of business requirements under the Investment Services Law in the area of remuneration, whilst taking into account the staff's skills, experience and performance and supporting at the same time the long-term business interests of shareholders, investors and other stakeholders in the Company. To this respect, the Company's remuneration system takes into account the highly competitive sector in which the Company operates, the considerable amount of resources the Company invests in each member of the staff, the financial viability of the Company and the general financial situation of Cyprus.

The Company's BoD shall approve, after taking advice from the compliance function, its remuneration policy. The Company's senior management shall be responsible for the day-to-day implementation of the remuneration policy and the monitoring of compliance risks related to the policy.

7.2. Remuneration Committee

The Company's remuneration policy is determined by the Board of Directors, as it is not considered necessary for a separate Remuneration Committee to be established. Decisions on these matters are taken on a Board of Directors level, while the remuneration policy is periodically reviewed and updated.

7.3. Design characteristics of the remuneration system

None of the Company's employees and/or Directors can be remunerated based on the successful promotion of certain products or financial instruments over others as it may create a conflict of interest in promoting what is best or most suitable for the client. Where variable remuneration (i.e. performance related bonuses) is adopted, the Company will endeavour to maintain a balance between the fixed and the variable component with the variable not exceeding the fixed, in accordance with applicable legislation. In circumstances where the Company's overall performance allows for the variable remuneration to potentially exceed the fixed component, the BoD may extraordinarily approve such excesses.

Before confirming the amount, each recipient is entitled to on the merits of their qualitative and quantitative performance, the BoD will:

- ascertain whether the recipient was a direct contributor to the Company's performance (i.e. performance fee income).
- assess whether in exercising his/her role deviated from the client's prescribed risk tolerance levels.
- adjust the performance related bonus either lower if the risk level was exceeded, or higher if the risk level was maintained below eligible levels. The adjustment should be reflective of the extend of the deviation from the client prescribed risk appetite limits.

Performance-based remuneration is intended to motivate and reward high performers who strengthen long-term customer relations and generate income and shareholder value. Performance will be assessed using a set of both qualitative and quantitative criteria that differ

INITIALLED FOR PURPOSES OF IDENTIFICATION
ERNST & YOUNG CYPRUS LIMITED

according to the position and responsibilities of the employee concerned. For example, sales staff will be evaluated based on the number of clients introduced and the quality of customer service, among others.

As described below, the following are the key design characteristics of the remuneration system, in relation to members of staff whose professional activities have material impact on the Company's risk profile, as provided for in the Company's Remuneration Policy, which forms part of the Internal Operational Manual:

- Executive / Managing Directors and SM Personnel
  - Executive Directors and Senior Management of the Company shall be eligible for an annual fixed remuneration paid in 13 installments as may approved by the BoD, always taking into consideration the scale and complexity of the Company's operations, prevailing market conditions and geographical area of operation.
  - The BoD may recommend increments to the existing remuneration structure and approve them with the shareholder(s)' consent.
  - Executive Directors may receive part of their remuneration in the form of fixed Director's emoluments and may invoice the Company separately for the said fee.
  - Such emoluments should not exceed the remuneration that the Executive Director receives as salary.

- Non-Executive / Independent Director
  - The Non-Executive / Independent Director may receive a fixed monthly or annual remuneration by way of Director's fees invoiced to the Company.
  - All non-executive members will be required to attend regular BoD meetings at least once a month and when extraordinarily required to approve regulatory induced changes to the Company's structure and/or operations.
  - Attendance via teleconference is accepted in cases where the director cannot appear in person due to overseas travel.

7.4. Aggregate quantitative information on remuneration

The table below presents the total remuneration of all members of staff whose professional activities have a material impact on the Company's risk profile, for the year ended 31 December 2021, along with the respective number of beneficiaries. The quantitative information listed below comprises of both fixed remuneration and variable remuneration.

INITIALLED FOR PURPOSES OF IDENTIFICATION
ERNST & YOUNG CYPRUS LIMITED

Members of staff whose professional activities have material impact on the Company's risk profile	No of beneficiaries	Total Fixed Remuneration (€)	Total Variable Remuneration (€)	Total Remuneration for the year (€)
Non-Executive Directors fees	2	6,000	-	**6,000**
Executive Directors Remuneration	2	154,000	-	**154,000**
Senior Management	3	107,270	15,050	**122,320**
Total	**7**	**267,270**	**15,050**	**282,320**

Table 9: Remuneration – Aggregate quantitative information

No Variable remuneration granted during the year.

There were no Retirement Benefit Schemes, Share Options or Other Benefits granted to the members of staff whose professional activities have a material impact on the Company's risk profile.

No individuals were remunerated with an amount exceeding €1million during the year.

There were no new sign-on or severance payments awarded and paid out during the year.

Additionally, no outstanding deferred remuneration has been awarded or paid out during the financial year.

INITIALLED FOR PURPOSES OF IDENTIFICATION
ERNST & YOUNG CYPRUS LIMITED

8. APPENDICES

8.1. Appendix I: Main Features of Common Equity Tier 1

The following table, namely EU IF CCA, has been prepared in accordance with Article 49(1)(b) of the IFR and presents the main features, including full terms and conditions, of the ordinary shares of the Company, as at 31 December 2021 and as at the date of this report.

	CAPITAL INSTRUMENTS MAIN FEATURES TEMPLATE	Common Equity Tier 1 instruments
1	Issuer	SPA Financial Services Ltd
2	Unique identifier (ISIN)	N/A
3	Governing law(s) of the instrument	Cyprus Law
4	Transitional CRR rules	Common Equity Tier 1
5	Post-transitional CRR rules	Common Equity Tier 1
6	Eligible at solo/ (sub-)consolidated/ solo & (sub-) consolidated	Solo
7	Instrument type	Ordinary Shares
8	Amount recognised in regulatory capital (in thousands of EUR€)	EUR 580
9	Nominal amount of instrument (in thousands of EUR€)	EUR 581
9a	Issue price (in thousands of EUR€)	EUR 580
9b	Redemption price	N/A
10	Accounting classification	Shareholders' equity
11	Original date of issuance	N/A
12	Perpetual or dated	N/A
13	Original maturity date	No maturity
14	Issuer call subject to prior supervisory approval	N/A
15	Original call date, contingent call dates and redemption amount	N/A
16	Subsequent call dates	N/A
17	Fixed or floating dividend/ coupon	N/A
18	Coupon date and any related index	N/A
19	Existence of a dividend stopper	No
20	Fully discretionary, partially discretionary or mandatory (in terms of timing)	N/A
21	Fully discretionary, partially discretionary or mandatory (in terms of amount)	N/A
22	Noncumulative or cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A

INITIALLED FOR PURPOSES OF IDENTIFICATION
ERNST & YOUNG CYPRUS LIMITED

	CAPITAL INSTRUMENTS MAIN FEATURES TEMPLATE	Common Equity Tier 1 Instruments
25	If convertible, fully or partially	N/A
26	If convertible, conversion rate	N/A
27	If convertible, mandatory or optional conversion	N/A
28	If convertible, specify instrument type convertible info	N/A
29	If convertible, specify issuer of instrument it converts into	N/A
30	Write-down features	No
31	If write-down, write-down trigger(s)	N/A
32	If write-down, full or partial	N/A
33	If write down, permanent or temporary	N/A
34	If temporary write-down, description of write-up mechanism	N/A
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	N/A
36	Non-compliant transitioned features	No
37	If yes, specify non-compliant features	N/A

Table 10: EU IF CCA: Own funds: main features of own instruments issued by the firm

INITIALLED FOR PURPOSES OF IDENTIFICATION
ERNST & YOUNG CYPRUS LIMITED

8.2. Appendix II: References to Investment Firm Regulation("IFR")

IFR Article ref.	High-level summary	Pillar III Disclosures Section Reference
Scope		
46 (1)	Publicly disclosure of the information specified in Part Six on the same date as the publication of the annual financial statements.	Section 1.2
46 (2)	Investment firms that meet the conditions for qualifying as small and non-interconnected investment firms which issue Additional Tier 1 instruments shall publicly disclose the information set out in Articles 47, 49 and 50 on the same date as they publish their annual financial statements.	Not applicable – the Company is a Class 2 Investment Firm
46 (3)	Investment firms no longer meeting all the conditions for qualifying as a small and non-interconnected investment firm, shall publicly disclose the information set out in Part 6 of IFR as of the financial year following the financial year in which it ceased to meet those conditions.	Not applicable – the Company is a Class 2 Investment Firm
46 (4)	Determine the appropriate medium and location to comply effectively with the disclosure requirements referred to in Article 46(1) and 46(2). All disclosures shall be provided in one medium or location, where possible.	Section 1.3
Risk management objectives and policies		
47	Disclosure of information on strategies and processes to manage each separate category of risk set out in Parts Three – Five of the IFR, and a concise risk statement describing the investment firm's overall risk profile associated with the business strategy.	Section 2
Governance		
48 (a)	Number of directorships held by member of the management body.	Section 3.2
48 (b)	Diversity policy with regard to the selection of members of the management body, its objectives and any relevant targets set out in that policy, and the extent to which those objectives and targets have been achieved.	Section 3.4
48 (c)	Disclosure of whether a separate risk committee is in place, and number of meetings in the year.	Section 2.1
Own Funds		
49	Information regarding the Company's Own Funds.	Section 4
Own Funds Requirements		
50 (a)	Summary of institution's approach to assessing adequacy of capital levels.	Sections 2.2 & 5.1

INITIALLED FOR PURPOSES OF IDENTIFICATION
ERNST & YOUNG CYPRUS LIMITED.

IFR Article ref.	High-level summary	Pillar III Disclosures Section Reference
50 (b)	The result of the investment firm's internal capital adequacy assessment process, upon a request from the competent authority.	Not applicable – the Competent authority did not make such request.
50 (c)	The K-factor requirements in aggregate form RtM, RtF and RtC, based on the sum of the applicable K-factors.	Section 5.2.3
50 (d)	The fixed overhead requirement.	Section 5.2.1
Remuneration policy and practices		
51	Investment firms shall disclose the information disclosed in this Article of the IFR, regarding their remuneration policy and practices, including aspects related to gender neutrality and the gender pay gap, for those categories of staff whose professional activities have a material impact on investment firm's risk profile.	Section 7
Investment Policy		
52	Investment Policy	Section 6
Environmental, social and governance risks		
53	Information on environmental, social and governance risks, including physical risks and transition risks,	Not applicable – Disclosure on ESG should be made public from 26 December 2022 onwards, once in the first year and biannually thereafter.

Table 11: References to Investment Firm Regulation("IFR")

INITIALLED FOR PURPOSES OF IDENTIFICATION
ERNST & YOUNG CYPRUS LIMITED

8.3. Appendix III: Abbreviations

AIF	Alternative Investment Fund
AML	Anti-Money Laundering
BoD	Board of Directors
CET1	Common Equity Tier 1
CIF	Cyprus Investment Firm
CRD	Capital Requirement Directive
CRR	Capital Requirements Regulation
CSE	Cyprus Stock Exchange
CySEC	Cyprus Securities and Exchange Commission
EBA	European Banking Authority
EU	European Union
ICAAP	Internal Capital Adequacy Assessment Process
ICARA	Internal Capital Adequacy and Risk Assessment
IFR	Investment Firms Regulation
IFD	Investment Firms Directive
IT	Information Technology
ITS	Implementing Technical Standards
PMCR	Permanent Minimum Capital Requirement
SREP	Supervisory Review Process

Table 12: Abbreviations

INITIALLED FOR PURPOSES OF IDENTIFICATION
ERNST & YOUNG CYPRUS LIMITED

8.4. Appendix IV: List of tables

Table 1: Investment and Ancillary Services 4
Table 2: Concise Risk Statement 21
Table 3: Number of Directorships 25
Table 4: Flow of Information 28
Table 5: Template EU IF CC1.01 – Composition of Regulatory Own Funds 30
Table 6: Template EU IFCC2: Own Funds: Reconciliation of Regulatory Own Funds to Balance Sheet in the audited Financial Statements 31
Table 7: Minimum Capital Requirements 33
Table 8: Capital Excess/Ratio 34
Table 9: Remuneration – Aggregate quantitative information 39
Table 10: EU IF CCA: Own funds: main features of own instruments issued by the firm 41
Table 11: References to Investment Firm Regulation("IFR") 43
Table 12: Abbreviations 44

INITIALLED FOR PURPOSES OF IDENTIFICATION
ERNST & YOUNG CYPRUS LIMITED