

FX Central Clearing Ltd

DISCLOSURE AND MARKET DISCIPLINE REPORT FOR 2025

20/05/2026

Contact Us	
Address	2, Samou Street, Amorosa Centre, 2nd Floor, Germasogeia, CY-4043 Limassol
Telephone	+357 25 870 750
Fax	+357 25 870 753
Web site	www.fxcc.eu
Email	corporate@fxcc.com

The Disclosure and Market Discipline Report for the year 2025 has been prepared as per the requirements of 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.

Any information that was not included in this report was either not applicable on the Company's business and activities -OR- such information is considered as proprietary to the Company and sharing this information with the public and/or competitors would undermine our competitive position.



Contents

1. Board of Directors Declaration	3
2. Regulatory Supervision	4
3. Introduction	5
3.1. Scope	5
3.2. The Company	6
4. Risk Governance	7
4.1. Enterprise Risks	7
4.1.2. <i>Credit Risk</i>	7
4.1.3. <i>Market Risk</i>	8
4.1.4. <i>Operational Risk</i>	9
4.1.5. <i>Compliance, Reputational and Legal Risks</i>	10
4.1.6. <i>Anti-Money Laundering and Terrorist Financing Risk</i>	10
4.2. Risk Appetite	11
4.3. Risk Management Committee	12
4.4. Diversity Policy	12
4.5. Board Recruitment	13
4.6. Remuneration	14
4.7. Directorships held by Members of the Management Body	15
5. Capital Adequacy	16
5.1. IFR Risks and related requirements	16
5.1.1. <i>Risk-to-Client (RtC)</i>	16
5.1.2. <i>Risk-to-Market (RtM)</i>	17
5.1.3. <i>Risk-to-Firm (RtF)</i>	17
5.1.4. <i>Liquidity Requirement</i>	18
5.1.5. <i>Fixed Overhead Requirement (FOR)</i>	18
5.1.6. <i>Permanent Minimum Capital Requirement (PMC)</i>	19
5.2. Regulatory Capital	19
5.3. Capital Ratio	19
5.4. Capital Management	20
5.5. Internal Capital Adequacy Assessment Process	28
6. Regulatory Reporting	29

1. Board of Directors Declaration

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

The Board of Directors approves in full the adequacy of Risk Management arrangements of the institution providing assurance that the risk management systems in place are adequate with regards to the institution's profile and strategy.

This declaration has been signed by the Board of Directors on 20/05/2026.

2. Regulatory Supervision

All CIFs under CySEC's authority must meet the requirements with respect to capital adequacy and market discipline, as per the below legal framework:

- Law 87(I)/2017 regarding the provision of investment services, the exercise of investment activities and the operation of regulated markets (hereafter “the Law”)
- Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012
- Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (Capital Requirements Regulation - CRR)
- Directive 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC (Capital Requirements Directive IV – CRD IV)
- 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 (Investment Firms Regulation - IFR)
- 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 (Investment Firms Directive - IFD)

3. Introduction

3.1. Scope

The scope of this report is to promote market discipline and to improve transparency of market participants. The present report is prepared by *FX Central Clearing Ltd* (the “Company”), a Cyprus Investment Firm (“CIF”) authorized and regulated by the Cyprus Securities and Exchange Commission (the “CySEC”, the “Commission”) which operates in harmonisation with the Markets in Financial Instruments Regulation and Directive (“MiFIR” & “MiFID II” respectively).

Company name	FX Central Clearing Ltd
CIF Authorization date	03/09/2010
CIF License number	121/10
Company Registration Date	02/12/2009
Company Registration Number	HE 258741

Investment Services
Reception and transmission of orders in relation to one or more financial instruments
Execution of orders on behalf of clients
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

In accordance with Regulation (EU) 2019/2033 (the Investment Firm Regulation, “IFR”), the Company is required to disclose information relating to its risk management, capital structure and capital adequacy as well as the most important characteristics of the Company’s corporate governance. The information contained in this report is audited by the Firm’s external auditors and published on the Company’s website on an annual basis. The Company is making the disclosures on a solo basis.

This document is based on and published along the audited Financial Statements on an annual basis.

3.2. The Company

FX Central Clearing Ltd operates in Europe, offering MiFID II regulated financial instruments with a particular focus on Foreign Exchange (“Forex”) and Contracts for Difference (“CFDs”).

We pursue a dynamic business model, trying to maintain a well-balanced capital allocation in our operations, a geographically diversified strategy and always ensure that compliance rules are strictly respected, especially in the area of anti-money laundering and counterterrorism financing.

We consider our reputation to be an asset of great value that must be protected in order to ensure our business development. The prevention and detection of reputation risks is integrated within all the Company’s operating practices and further protected by making our employees aware of the values of responsibility, ethical behaviour and commitment.

The Company’s business effectiveness is based on the guidelines of the risk management policies and procedures put in place. The Board of Directors (“BoD”), Internal Audit, Risk Manager, Compliance and Anti-Money Laundering Compliance Officer control and supervise the overall risk system so that all units charged with risk management perform their roles effectively on a continuous basis.

Furthermore, the Board of Directors and the Senior Management have the overall responsibility for the internal control systems of capital adequacy assessment, and they have established effective processes to ensure that the full spectrum of risks faced by the Company is properly identified, measured, monitored and controlled to minimise adverse outcomes.

As with all Investment Firms, the Company is exposed to a variety of risks and with main categories being credit, market and operational risk. More information can be found in the sections below.

4. Risk Governance

Implementing an efficient risk management structure is a critical undertaking for the Company, in all businesses, markets and regions in which it operates. The Company's risk management is supervised at the highest level to be compliant with the regulations enforced by CySEC and the European regulatory framework.

The Company operates in the financial services industry and considers the below risks as the most important, hence are continuously monitored in order to be mitigated the soonest possible:

Enterprise Risks

- Credit risk
- Market risk
- Operational risk
- Compliance risk
- Reputational risk
- Strategic risk

IFR-related Risks

- Risk-to-Client (RtC)
- Risk-to-Market (RtM)
- Risk-to-Firm (RtF)
- Concentration Risk

Although the risks mentioned in the lists above are interconnected, for the purposes of these disclosures we will separate them in order to be able to capture all the different components both from a regulatory as well as a general risk perspective.

4.1. Enterprise Risks

4.1.2. Credit Risk

Credit risk corresponds to the risk of losses arising from the inability of the Company's customers, issuers or other counterparties to meet their financial commitments. It mainly arises by the Company's deposits in credit and financial institutions and by assets held from debtors or prepayments made.

Although the capital requirement of Credit Risk has been essentially removed from the own funds requirement reporting under IFR, the company continues to consider Credit Risk as a key risk category under its broader risk management approach and it follows various credit risk mitigation strategies in order to minimize the possibility of occurrence of this risk, such as:

- All Client funds are held in segregated accounts, separated from Company's funds.
- The Company maintains regular credit review of counterparties, identifying the key risks faced and reports them to the Board of Directors, which then determines the firm's risk appetite and ensures that an appropriate amount of capital is maintained.
- In order to maintain its Credit risk to the minimum, the Company is using EU credit institutions for safekeeping of funds and always ensures that the banks it cooperates with have high ratings based on top credit rating agencies (Moody's, S&P or Fitch), it frequently monitors their compliance with the EU regulatory framework and diversifies the funds over several credit institutions thus mitigating the risk exposure efficiently.

Further to the above, the Company has policies to diversify credit risk and to limit the amount of credit exposure (concentration risk) to any counterparty, at all times.

4.1.3. Market Risk

Market risk corresponds to the risk of a loss of value on financial instruments arising from changes in market parameters, the volatility of these parameters and correlations between them. These parameters include but are not limited to exchange rates, interest rates, and the price of securities (equity, bonds), commodities, derivatives and other assets. Market risk mainly arises from:

1. *Position Risk*: It refers to the probability of loss associated with a particular trading (long or short) position due to price changes.
2. *Interest rate risk*: The risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.
3. *Commodities Risk*: It refers to the uncertainties of future market values and of the size of the future income, caused by the fluctuation in the prices of commodities. These commodities may be oil, metals, gas, electricity etc.
4. *Foreign Exchange Risk*: It is a financial risk that exists when a transaction is denominated in a currency other than the base currency of the company. The foreign exchange risk in the Company is effectively managed by the establishment and control of foreign exchange limits, such as through the establishment of maximum value of exposure to a currency pair as well as through the utilization of sensitivity analysis.

The Company monitors its market risk exposures regularly and additionally reports them on a quarterly basis to CySEC, as per the Net Position Risk (NPR) method of the K-Factor Requirement of IFR (see the next section for more information).

4.1.4. Operational Risk

Operational risk corresponds to the risk of losses/failure arising from inadequacies or failures in internal procedures, systems or staff, or from external events, including low-probability events that entail a high risk of loss.

The Company has in place processes, management tools and a control infrastructure to enhance the Company-wide control of its operational risk. These include, among others, specific procedures, permanent supervision, business continuity plans, and functions dedicated to the oversight and management of specific types of operational risks, such as fraud, risks related to external service providers, legal risks, information system security risks and compliance risks.

In extend, the management of operational risk is geared towards:

- Maintaining a strong internal control governance framework.
- Managing operational risk exposures through a consistent set of processes that drive risk identification, assessment, control and monitoring.

The Company implements the below mitigation strategies in order to minimize its operational risk and develop risk awareness:

- Provide of adequate information to the Company's management, in all levels, in order to facilitate decision making for risk control activities.
- Implement a strong system of internal controls to ensure that operational losses do not cause material damage to the Company and have a minimal impact on profitability and objectives.
- Implement improvements on productivity, efficiency and cost effectiveness, with an objective to improve customer service and protect shareholder value.
- Establish a "four-eye" structure and board oversight.
- Implement improvements on its methods of detecting fraudulent activities.
- Updating its business contingency and disaster recovery plan.

Finally, the Senior Management employs specialized tools and methodologies to identify, assess, mitigate and monitor operational risk. To this effect, the following are implemented:

- Incident collection



- Key Risk Indicators
- Business Continuity Management
- Training and awareness

For the calculation of operational risk in relation to the new capital adequacy reporting under IFR the Company uses the Fixed Overhead Requirement (further information can be found in the next section).

4.1.5. Compliance, Reputational and Legal Risks

Compliance risk corresponds to the risk of legal, administrative or disciplinary sanctions or material financial losses, arising from failure to comply with the provisions governing the Company's activities. Compliance means acting in accordance with applicable regulatory rules, as well as professional, ethical and internal principles and standards. Fair treatment of customers, with integrity, contributes decisively to the reputation of the Company. By ensuring that these rules are observed, the Company works to protect its customers and, in general, all its counterparties, employees, and shareholders.

The Compliance Officer verifies that all compliance laws, regulations and principles applicable to the Company's services are observed, and that all staff respect the codes of good conduct and individual compliance. The Compliance Officer also monitors the prevention of reputational damage, performs compliance controls at the highest level and assists with the day-to-day operations.

Independent compliance policies have been set up within the Company's different business lines to identify and prevent any risks of non-compliance.

4.1.6. Anti-Money Laundering and Terrorist Financing Risk

Money laundering and terrorist financing risk mainly refers to the risk where the Company may be used as a vehicle to launder money and/or assist/involved in financing terrorism. The Company has in place policies, procedures and controls in order to mitigate the money laundering and terrorist financing risks. Among others, these policies, procedures and controls include the following:

- A risk-based approach that involves specific measures and procedures in assessing, identifying and managing the Money Laundering and Terrorist Financing risks faced by the Company.
- Adequate Client due diligence and identification procedures.

- Minimum standards of quality of the required identification data for each type of Client (e.g. documents from independent and reliable sources, third party information).
- Obtaining additional data and information from Clients, where this is appropriate and relevant, for the proper and complete understanding of their activities and source of wealth.
- Monitoring and reviewing the business relationship with clients and potential clients of high-risk countries.
- Ensuring that the Company's personnel receive the appropriate training and assistance.

The Company is frequently reviewing its policies, procedures and controls with respect to money laundering and terrorist financing to ensure top level compliance with the applicable legislation.

4.2. Risk Appetite

The Company defines Risk Appetite as the level of risk, by type and by business that the Company is prepared to incur given its strategic targets and is one of the strategic oversight tools available to the Management body. The positioning of the business in terms of risk/return ratio as well as the Company's risk profile by type of risk are analysed and approved by the BoD. The Company's risk appetite strategy is implemented by the Senior Management in collaboration with the BoD and applied by all divisions through an appropriate operational steering system for risks.

Essential indicators for determining the Risk Appetite are regularly monitored over the year to detect any events that may result in unfavourable developments on the Company's risk profile. Such events may give rise to remedial action, up to the deployment of a recovery plan in the most severe cases.

Throughout the year, **the Company's risk profile has remained within acceptable levels despite effects of recent macroeconomic factors**. Finally, in regard to the IFR capital requirements, we keep our regulatory appetite levels in response to IFR changes as per the below tables:

	Total Ratio
● Well Above the limit	> 150%
● At the limit	100% - 150%
● Below the limit	< 100%

	Own Funds (\$)
● Well Above the limit	>200,000
● At the limit	166,000 – 200,000
● Below the limit	<166,000

4.3. Risk Management Committee

The Risk Management Committee (“RMC”) advises the Board of Directors on the overall strategy and the appetite to all kinds of risks and helps the Board to verify that this strategy is implemented. It is responsible for:

- Reviewing the risk control procedures and is consulted about setting overall risk limits.
- Reviewing on a regular basis the strategies, policies, procedures and systems used to detect, manage and monitor the liquidity risk and submitting its conclusions to the Board of Directors.
- Reviewing the policies in place and the reports prepared to comply with the regulations on internal control.
- Reviewing the policy concerning risk management and the monitoring of off-balance sheet commitments, especially considering the memoranda drafted to this end by the without prejudice to the Compensation Committee’s missions, reviewing whether the incentives provided by the compensation policy and practices are compatible with the Company’s situation with regard to the risks it is exposed to, its share capital, its liquidity and the probability and timing of expected benefits.

The committee held three (3) meetings in 2025.

4.4. Diversity Policy

The Company recognizes the value of a diverse and skilled workforce and management body, as diversity is an asset to organizations and linked to better economic performance.

We are committed on creating and maintaining an inclusive and collaborative workplace culture that will provide sustainability for the organization into the future.

The Company considers itself diverse in regard to its main workforce and has in place a diversity policy in relation to its management body and all employees.

The Company while assessing diversity should consider the following aspects:

- Educational and professional background: The management body should consist of members of different backgrounds to the financial services sector.
- Gender: The management body should ensure gender balance to ensure adequate representation of population.
- Age: The management body should consist of members of different age, to ensure adequate representation of population and target market.
- Geographical provenance: The management body should be consistent of members of different jurisdictions to ensure that is collectively has sufficient knowledge and views on the culture, market specificities and legal frameworks of the areas the Company is active in.

In order to facilitate an appropriately diverse pool of candidate for the management body and Key Holders, the Company should ensure that all diversity aspects are taken into consideration in the selection process and equal treatment and opportunities are provided for all staff of different genders, age, etc.

4.5. Board Recruitment

The Company and its shareholders rely on a strong Board of Directors, hence they carefully evaluate the recruitment of all Directors and ensure appropriate succession planning. The persons proposed for the appointment need to have specialised skills and/or knowledge to enhance the collective knowledge of the BoD and most importantly emphasis is given on their commitment in terms of time and effort. The Senior Management is assigned the responsibility to review the qualifications of potential director candidates and make recommendations to the existing BoD to ensure selecting the most appropriate candidate.

The Company considers the following factors (which also form the basis of its BoD recruitment policy):

- Integrity, honesty and the ability to generate public confidence.
- Knowledge of and experience with financial institutions (“fit-and-proper”).
- Knowledge of financial matters including understanding financial statements and financial ratios.
- Demonstrated sound business judgment.

- Specialised skills and/or knowledge in accounting, finance, banking, law, business administration or related subjects.

4.6. Remuneration

Remuneration refers to payments or compensations received for services or employment. The Company's remuneration system includes the base salary and bonuses or other economic benefits that an employee or executive may receive during employment. These benefits are frequently reviewed in order to always be appropriate to the CIF's size, internal organization and the nature, scope and complexity of its activities.

The Company's remuneration policy is designed to regulate the benefits of all employees with particular focus on those categories of staff whose professional activities have a material impact on its risk profile, such as the Senior Management, Heads of the Departments and the members of the Board of Directors. In the case of the latter, the remuneration policy is designed in such a way as to provide the right incentives to achieve the key business aims of the Company.

Aggregate Remuneration for 2025 broken down by business area:

S	No. of staff	Fixed	Variable	Non-cash	Total
Board of Directors	3	68,761	0	0	68,761
Senior Management (Excluding Board Members)	0	0	0	0	0
Heads of Departments (Excluding Board or Senior Members)	3	102,650	0	0	102,650
Members of staff whose actions have a material impact on the risk profile of the institution and other staff	0	0	0	0	0
Grand Total	6	171,411	0	0	171,411

4.7. Directorships held by Members of the Management Body

The Company's members of the Management Body, and in particular of the non-Executive positions, are often experienced professionals and businessmen that are invited to participate in other corporate boards. In line with this, the Company is responsible to approve and monitor such individuals in terms of conflicts of interest. In 2025, the following table summarizes the number of positions that each member holds:

Name	Position in the Firm	Executive Directorships	Non-Executive Directorships
Mrs. Neda Herodotou	Independent Non-Executive director	0	1
Mr. Elenodoros Gavriel	Independent Non-Executive director	0	1
Mr. Thayer Attarifi	Executive director	2	0
Mr. Saed Shalabi	Executive director	1	0



5. Capital Adequacy

Capital management and adequacy of liquid funds is a paramount priority for the Company. The Company continuously monitors its capital reserves and risk exposures. This is currently performed in accordance with the Investment Firms Regulation (IFR).

5.1. IFR Risks and related requirements

The introduction of IFR, brought significant changes in the way investment firms calculate their capital requirements. As such our Firm has created a separate policy in avoid mixing risks arising from the Company's operations (i.e. Enterprise risks as these are presented in the section above) with risks arising from the revised capital requirements framework, presented below alongside, the rest of the "non-risk" capital requirements.

In line this this, the risks under IFR are collectively refer to as K-Factors. K-Factor requirements (KFR) is a methodology recommended by the European Banking Authority, in order to capture the range of risks which an investment firm is exposed to.

The K-factors essentially replace the CRR credit, market and operational risk approach in order to better calibrate the capital needed to meet the risks of the investment firm.

Broadly speaking, K-factors are quantitative indicators or factors which represent the risks that an investment firm can pose to customers, market/liquidity and the firm itself. There are three K-factor groups:

5.1.1. Risk-to-Client (RtC)

The K-factors under RtC capture client assets under management and ongoing advice (K-AUM), client money held (K-CMH), assets safeguarded and administered (K-ASA), and client orders handled (K-COH).

As at 31/12/2025, our firm was exposed to:

Risk-to-Client	K-factor Requirement
K-AUM	0
K-CMH	444
K-ASA	0
K-COH	67

5.1.2. Risk-to-Market (RtM)

The K-factor under RtM captures net position risk (K-NPR) in accordance with the market risk provisions of CRR or, where permitted by the competent authority for specific types of investment firms which deal on own account through clearing members, based on the total margins required by an investment firm's clearing member (K-CMG).

As at 31/12/2025, our firm was exposed to:

Market risk capital requirements based on NPR	K-factor Requirement
Position risk	0
Foreign exchange risk	2,522
Commodity risk	0
Total (NPR)	2,522

5.1.3. Risk-to-Firm (RtF)

The K-factors under RtF capture an investment firm's exposure to the default of their trading counterparties (K-TCD) in accordance with simplified provisions for counterparty credit risk based on CRR, concentration risk in an investment firm's large exposures to specific counterparties based on the provisions of CRR that apply to large exposures in the trading book (K-CON), and operational risks from an investment firm's daily trading flow (K-DTF).

As at 31/12/2025, our firm was exposed to:

Risk-to-Firm	K-factor Requirement
K-TCD	0
K-DTF	0
K-CON	0

5.1.4. Liquidity Requirement

Liquidity requirement corresponds to the risk of the Company not being able to meet its cash or collateral requirements as they arise. The Company's primary objective is to ensure the funding of its activities in the most cost-effective way by managing liquidity risk and adhering to regulatory constraints (such as the requirement of always holding a minimum of one third of their fixed overheads requirement in liquid assets). The table below shows the Firm's liquidity requirement as at 31/12/2025.

	Amount
Liquidity Requirement	43,978
Client guarantees	0
Total liquid assets	282,449
Unencumbered short-term deposits	282,449
Total eligible receivables due within 30 days	0
Level 1 assets	0
Level 2A assets	0
Level 2B assets	0
Qualifying CIU shares/units	0
Total other eligible financial instruments	0

5.1.5. Fixed Overhead Requirement (FOR)

Under IFR, the Firm is required to report its Fixed Overhead requirement, essentially substituting the CRR operational risk, calculated as a quarter of the fixed overheads of the preceding year. The table below indicates the calculations used for our reporting, as at 31/12/2025:

	Amount
Fixed Overhead Requirement	131,935
Annual Fixed Overheads of the previous year after distribution of profits	527,738
Total expenses of the previous year after distribution of profits	527,738
(-) Total deductions	0
Projected fixed overheads of the current year	528,470
Variation of fixed overheads (%)	0%

5.1.6. Permanent Minimum Capital Requirement (PMC)

The Permanent Minimum Capital Requirement is the initial capital required for authorisation to conduct the relevant investment services set in accordance with the Investment Firm Directive (IFD).

As at 31/12/2025, the Firm's PMC was USD 176,250 for offering the services refer to in the Scope section of this report.

Finally, since the reporting obligation under IFR, started recently, the Firm is collecting information to draft a policy in relation to the aforementioned risks and capital requirements. In relation to our most recent reported figures under IFR, please refer to section **Capital Management**.

5.2. Regulatory Capital

In line with the International Financial Reporting Standards (IFRS) and IFR, the Company's regulatory capital mainly consists of Common Equity Tier 1 Capital, composed primarily of ordinary shares and related share premium accounts and retained earnings.

In some cases, additional capital tiers can come into force such as the Tier 2 Capital which could introduce the use of loans to support the business and operational capital. Such loans are highly regulated and are always subordinated to other claims.

5.3. Capital Ratio

The capital (adequacy) ratio is a key metric for a financial institution and is calculated by comparing the institutions' own funds with the highest of the three Capital Requirements (K-Factor Requirement, Fixed Overhead Requirement and Permanent Minimum Capital Requirement) as mentioned in **IFR Risks and related requirements** section. The calculations always follow a strict set of rules as defined by IFR. The minimum Total Capital Ratio that must be maintained **AT ALL** times is 100%.

As at 31/12/2025, the Company had a Total Capital Ratio of 193%.



5.4. Capital Management

As part of managing its capital, the Company ensures that its solvency level is always compatible with the following objectives:

- Maintaining its financial solidity and respecting the Risk Appetite targets
- Adequate allocation of capital among the various business lines according to the Company's strategic objectives
- Maintaining the Company's resilience in the event of stress scenarios
- Meeting the expectations of the regulator and shareholders

The Company determines its internal capital adequacy thresholds in accordance with the above and the Senior Management is tasked to monitor the capital on a constant basis. Further to the above, the Company is obligated to calculate and report its capital adequacy on a quarterly basis to the Cyprus Securities and Exchange Commission (the "CySEC").

Below you may find the latest results reported for 2025:

Capital Adequacy/Own Funds Requirements <i>\$ thousands</i>	31/12/2025 Audited
CET1 Capital	340,445
Tier 1 Capital	340,445
Total Capital	340,445
Permanent Minimum Capital Requirement (PMR)	176,250
Fixed Overhead Requirement (FOR)	131,935
K-Factor Requirement (KFR)	3,033
Requirement Used	PMC
Total Own Fund Requirement	176,250
Total Ratio	193%
CET1 Ratio	193%

EU IF CC1.01 - Composition of regulatory own funds (Investment firms other than small and non-interconnected).

	Amount	Source based on reference numbers/letters of the balance sheet in the audited financial statements
Common Equity Tier 1 (CET1) capital: Instruments and reserves		
OWN FUNDS	340,445.19	110000, 110050, 110100, 110150, 214000, 500000, 500050, 500100, 500150, 600000, 600050, 600300, 600400, 600600, 650400, 700000, 700010, 700030, 700040, 700050, 700060, 700070, 700080, 700090, 700100, 700110, 700120, 710010, 710020, 710030, 710040, 710050, 710070, 710080, 710090, 710110, 710120, 710140, 720030, 730000, 740000, 740010, 750000, 750010, 750020, 750025, 750060, 750080, 750120, 750190, 750260, 760000, 760010, 760020, 760030, 770000, 800100, 800200
TIER 1 CAPITAL	340,445.19	110000, 110050, 110100, 110150, 214000, 500000, 500050, 500100, 500150, 600000, 600050, 600300, 600400, 600600, 650400, 700000, 700010, 700030, 700040, 700050, 700060, 700070, 700080, 700090, 700100, 700110, 700120, 710010, 710020, 710030, 710040, 710050, 710070, 710080, 710090, 710110, 710120, 710140, 720030, 730000, 740000, 740010, 750000, 750010, 750020, 750025, 750060, 750080, 750120, 750190, 750260, 760000, 760010, 760020, 760030, 770000, 800100, 800200
COMMON EQUITY TIER 1 CAPITAL	340,445.19	110000, 110050, 110100, 110150, 214000, 500000, 500050, 500100, 500150, 600000, 600050, 600300, 600400, 600600, 650400, 700000, 700010, 700030, 700040, 700050, 700060, 700070, 700080, 700090, 700100, 700110, 700120, 710010, 710020, 710030, 710040, 710050, 710070, 710080, 710090, 710110, 710120, 710140, 720030, 730000, 740000, 740010, 750000, 750010, 750020, 750025, 750060, 750080, 750120, 750190, 750260, 760000, 760010, 760020, 760030, 770000, 800100, 800200
Fully paid up capital instruments	256,777.10	500000

Share premium	2,652,175.90	500050
Retained earnings	-3,910,491.89	500100
Previous years retained earnings	-3,910,491.89	500100
Profit or loss eligible	0.00	
Accumulated other comprehensive income	0.00	
Other reserves	1,959,939.00	500150
Minority interest given recognition in CET1 capital	0.00	
Adjustments to CET1 due to prudential filters	0.00	
Other funds	0.00	
(-)TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1	-562,475.71	110000, 110050, 110100, 110150, 600000, 600050, 600300, 600400, 600600, 650400, 700000, 700010, 700030, 700040, 700050, 700060, 700070, 700080, 700090, 700100, 700110, 700120, 710010, 710020, 710030, 710040, 710050, 710070, 710080, 710090, 710110, 710120, 710140, 720030, 730000, 740000, 740010, 750000, 750010, 750020, 750025, 750060, 750080, 750120, 750190, 750260, 760000, 760010, 760020, 760030, 770000, 800100, 800200
(-) Own CET1 instruments	0.00	
(-) Direct holdings of CET1 instruments	0.00	
(-) Indirect holdings of CET1 instruments	0.00	
(-) Synthetic holdings of CET1 instruments	0.00	
(-) Losses for the current financial year	-562,475.71	600000, 600050, 600300, 600400, 600600, 650400, 700000, 700010, 700030, 700040, 700050, 700060, 700070, 700080, 700090, 700100, 700110, 700120, 710010, 710020, 710030, 710040, 710050, 710070, 710080, 710090, 710110, 710120, 710140, 720030, 730000, 740000, 740010, 750000, 750010, 750020, 750025, 750060, 750080, 750120, 750190, 750260, 760000, 760010, 760020, 760030, 770000, 800100, 800200
(-) Goodwill	0.00	
(-) Other intangible assets	-0.00	110000, 110050, 110100, 110150

(-) Deferred tax assets that rely on future profitability and do not arise from temporary differences net of associated tax liabilities	0.00	
(-) Qualifying holding outside the financial sector which exceeds 15% of own funds	0.00	
(-) Total qualifying holdings in undertaking other than financial sector entities which exceeds 60% of its own funds	0.00	
(-) CET1 instruments of financial sector entities where the institution does not have a significant investment	0.00	
(-) CET1 instruments of financial sector entities where the institution has a significant investment	0.00	
(-) Defined benefit pension fund assets	0.00	
(-) Other deductions	0.00	
CET1: Other capital elements, deductions and adjustments	-55,479.21	214000
ADDITIONAL TIER 1 CAPITAL	0.00	
Fully paid up, directly issued capital instruments	0.00	
Share premium	0.00	
(-) TOTAL DEDUCTIONS FROM ADDITIONAL TIER 1	0.00	
(-) Own AT1 instruments	0.00	
(-) Direct holdings of AT1 instruments	0.00	
(-) Indirect holdings of AT1 instruments	0.00	
(-) Synthetic holdings of AT1 instruments	0.00	



(-) AT1 instruments of financial sector entities where the institution does not have a significant investment	0.00	
(-) AT1 instruments of financial sector entities where the institution has a significant investment	0.00	
(-) Other deductions	0.00	
Additional Tier 1: Other capital elements, deductions and adjustments	0.00	
TIER 2 CAPITAL	0.00	
Fully paid up, directly issued capital instruments	0.00	
Share premium	0.00	
(-) TOTAL DEDUCTIONS FROM TIER 2	0.00	
(-) Own T2 instruments	0.00	
(-) Direct holdings of T2 instruments	0.00	
(-) Indirect holdings of T2 instruments	0.00	
(-) Synthetic holdings of T2 instruments	0.00	
(-) T2 instruments of financial sector entities where the institution does not have a significant investment	0.00	
(-) T2 instruments of financial sector entities where the institution has a significant investment	0.00	
Tier 2: Other capital elements, deductions and adjustments	0.00	

EU IFCC2: Own funds: reconciliation of regulatory own funds to balance sheet in the audited financial statements.

	Balance sheet as in published/audited financial statements	Cross reference to EU IF CC1
	As at period end	
Assets		
Cash, cash balances at central banks and other demand deposits	369,631.25	201000, 201100, 201200, 201300, 201400, 209000, 217000, 219600
Other assets	62,743.45	211000, 212000, 214000, 218500, 219500
Tangible assets	33,960.79	100100, 100150, 100200, 100250, 100400, 100450, 100500, 100510, 130000
Intangible assets	0.00	110000, 110050, 110100, 110150
Total Assets	466,335.49	
Liabilities		
Other liabilities	70,411.09	220000, 220050, 220055, 220150, 220155, 220200, 300100, 400000, 400100, 400200, 400300, 400600, 400700, 400800, 420100
Total Liabilities	70,411.09	
Shareholder's Equity		
Capital	256,777.10	500000
Share premium	2,652,175.90	500050
Retained earnings	-4,472,967.60	500100, 600000, 600050, 600300, 600400, 600600, 650400, 700000, 700010, 700030, 700040, 700050, 700060, 700070, 700080, 700090, 700100, 700110, 700120, 710010, 710020, 710030, 710040, 710050, 710070, 710080, 710090, 710110, 710120, 710140, 720030, 730000, 740000, 740010, 750000, 750010, 750020, 750025, 750060, 750080, 750120, 750190, 750260, 760000, 760010, 760020, 760030, 770000, 800100, 800200
Other reserves	1,959,939.00	500150
Total Shareholders' equity	395,924.40	

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

	A	B	C
Issuer	Company	Company	
Unique identifier (e.g. CUSIP, ISIN, or Bloomberg identifier for private placement)	N/A	N/A	
Public or private placement	Private	Private	
Governing law(s) of the instrument	Cyprus Companies Law	Cyprus Companies Law	
Instrument type (types to be specified by each jurisdiction)	Ordinary Shares	Ordinary Shares	
Amount recognised in regulatory capital (Currency in million, as of most recent reporting date)	USD0.257M	USD2.652M	
Nominal amount of instrument	USD1	USD1	
Issue price	USD1	USD41,91- USD499	
Redemption price	N/A	N/A	
Accounting classification	Ordinary share capital	Share premium	
Original date of issuance	02/12/2009- 22/06/2018	30/03/2011- 22/06/2018	
Perpetual or dated	N/A	N/A	
Original maturity date	N/A	N/A	
Issuer call subject to prior supervisory approval	N/A	N/A	
Optional call date, contingent call dates and redemption amount	N/A	N/A	
Subsequent call dates, if applicable	N/A	N/A	
Coupons / dividends			
Fixed or floating dividend/coupon	N/A	N/A	
Coupon rate and any related index	N/A	N/A	
Existence of a dividend stopper	N/A	N/A	

Fully discretionary, partially discretionary, or mandatory (in terms of timing)	N/A	N/A	
Fully discretionary, partially discretionary, or mandatory (in terms of amount)	N/A	N/A	
Existence of step-up or other incentive to redeem	N/A	N/A	
Noncumulative or cumulative	N/A	N/A	
Convertible or non-convertible	N/A	N/A	
If convertible, conversion trigger(s)	N/A	N/A	
If convertible, fully or partially	N/A	N/A	
If convertible, conversion rate	N/A	N/A	
If convertible, mandatory or optional conversion	N/A	N/A	
If convertible, specify instrument type convertible into	N/A	N/A	
If convertible, specify issuer of instrument it converts into	N/A	N/A	
Write-down features	N/A	N/A	
If write-down, write-down trigger(s)	N/A	N/A	
If write-down, full or partial	N/A	N/A	
If write-down, permanent or temporary	N/A	N/A	
If temporary write-down, description of write-up mechanism	N/A	N/A	
Non-compliant transitioned features	N/A	N/A	
If yes, specify non-compliant features	N/A	N/A	
Link to the full term and conditions of the instrument (signposting)	N/A	N/A	



5.5. Internal Capital Adequacy Assessment Process

The Internal Capital Adequacy Assessment Process (“ICAAP”) requires institutions to identify and assess risks, maintain enough capital to face these risks and apply appropriate risk-management techniques to maintain adequate capitalization on an ongoing and forward-looking basis, i.e., internal capital supply to exceed internal capital demand.

The ICAAP also serves as a stress testing tool used by the Company to rehearse the business response to a range of scenarios, based on variations of market, economic and other operating environment conditions. Stress tests are performed for both internal and regulatory purposes and serve an important role in:

- Understanding the risk profile of the Company.
- The evaluation of the Company’s capital adequacy in absorbing potential losses under stressed conditions (This takes place in the context of the Company’s ICAAP/ILAAP on an semi-annual basis).
- The evaluation of the Company’s strategy.
- The establishment or revision of risk limits.

As of the day of this report:

- The firm holds funds **in excess of** the firm’s **Own Funds Threshold Requirement (OFTR)**.
- The firm liquid assets are **in excess of** the firm’s **Liquid Asset Threshold Requirement (LATR)**.

	Capital Requirements
Own Funds Available	352,184
Own Funds Threshold Requirement	251,207
Capital (deficit)/surplus	100,977
P2 Capital Adequacy Ratio	140%

6. Regulatory Reporting

In line with the regulatory requirements, the Company has been able to maintain a good reporting flow, as it can be seen below:

Annual Reporting Summary for 2025:

Report	Responsible Person	Recipients	Frequency	Due Date
Annual Compliance Report	Compliance Officer	BoD, CySEC	Annual	30/04/2026
Annual Internal Audit Report	Internal Auditor	BoD, CySEC	Annual	30/04/2026
Annual Risk Management Report	Risk Manager	BoD, CySEC	Annual	30/04/2026
Annual Anti-Money Laundering Compliance Report	AML Compliance Officer	BoD, CySEC	Annual	31/03/2026
Pillar III Disclosures (Market Discipline and Disclosure)	Risk Manager	BoD, CySEC, Public	Annual	30/04/2026
Financial Reporting	External Auditor	BoD, CySEC	Annual	30/04/2026
IFR Capital Adequacy Reporting	Risk Manager / Accounting	Senior Management, CySEC	Quarterly	12/05/2025 11/08/2025 11/11/2025 11/02/2026

