

Concorde Investments Ireland Limited IFD/IFR Annual Disclosures
for the year ended 31 December 2024

Contents

1. Introduction/overview.....	2
2. Business Model and Services	3
3. Basis of Disclosure.....	3
4. Risk Management Objectives and Policies.....	3
5. Governance	6
6. Diversity.....	7
7. Three Lines of Defence.....	8
8. Capital Resources	8
9. Capital Adequacy	9
10. Own Funds Composition.....	10
11. Remuneration	11

1. Introduction/overview

Background

Concorde Investments Ireland Ltd (“CII”) (the “Company” or the “Firm”) is authorised as an Investment Firm under Regulation 11(1) of the European Communities (Markets in Financial Instruments) Regulations 2007 and is deemed authorised under Part 2 Regulation 5(2) the S.I. No 375 of 2017. The Firm is also subject to the Central Bank of Ireland’s Client Asset Requirements.

The Firm is subject to the prudential framework under the Investment Firms Regulations and Investment Firm Directive (“IFD/IFR”) S.I. No. 355 of 2021, European Union (Investment Firms) Regulations 2021 (the IFD Regulations) transposing the Directive (EU) 2019/2034 on the prudential supervision of investment firms (the IFD) into Irish law. This consists of three “pillars”:

Pillar 1: It sets out the minimum capital requirements that the Firm is required to meet.

Pillar 2: This requires the Company and the Central Bank to take a view on whether additional capital should be held against risks not adequately covered by Pillar 1.

Pillar 3: This requires the Company to publish information on the Company’s risk management objectives and policies, capital resources and capital requirements.

The IFD/IFR allow for differentiated regulation of investment firms depending on their classification, with higher impact investment firms being subject to more intensive regulation. MiFID firms are required to comply with the IFD/IFR requirements in relation to capital, liquidity, reporting, governance, remuneration and public disclosure.

The Central Bank has categorised CII as a Class 2 investment firm under IFR/IFD, as a Category 3 firm for SREP purposes, and that the Firm will remain a Low impact investment firm.

Internal capital adequacy assessment process and internal risk assessment process (ICARAP) is the process for the ongoing assessment and maintenance of the amounts, composition and distribution of internal capital and liquid assets that the firm considers adequate to cover the nature and extent of the risks to which the investment firm is or may be exposed. In addition, the ICARAP has a Liquidity component, the Internal Liquidity Adequacy Assessment Process (ILAAP) which is a dedicated section of the ICARAP assessing the internal liquidity risk management practices of the Firm.

The Board of Directors (the “Board”), along with those persons with prescribed responsibilities under the Individual Accountability Framework are responsible for reviewing and approving the contents of the ICARAP along with the disclosure elements provided in this document. CII’s ICARAP is produced on an individual basis as it is not part of a Group. The Supervisory Review and Evaluation Process (SREP) is the Central Bank of Ireland’s process to review the firm’s ICARAP.

In summary, the ICARAP process has three components: Risk, Capital and Own Funds and Liquidity.

2. Business Model and Services

CII offers Investment and Ancillary services to retail and professional Clients, which as per the Central Bank Register are as follows.

The Investment Services and Activities:

- The Reception and Transmission (R&T) of orders.
- Investment Advice in relation to financial instruments.

Ancillary services:

- The Safekeeping and Administration (S&A) of financial instruments for the account of clients, including custodianship and related services such as cash/collateral management.
- Foreign exchange services where these are connected to the regulated services.

The above services are provided for the following financial instruments:

- Transferable Securities,
- Money Market Instruments
- Units in Collective Investment Undertakings.

As a Firm holding Client Assets, CII is also subject to the Central Bank of Ireland's Client Asset Requirements (SI No. 10 of 2023 of Central Bank (supervision and enforcement) act 2013, (section 48(1)) (investment firms) regulations 2023, SI No 10 of 2023, Part 6 Client Assets Requirements).

3. Basis of Disclosure

This disclosure document has been prepared by the Firm in accordance with the requirements of the IFR and IFD. Disclosures will be updated on an annual basis and made available via the website as soon as practicable. This document has been reviewed and approved by CII's Board. This document constitutes financial statements that are based on the audited financial statements as of 31st December 2024.

4. Risk Management Objectives and Policies

Risk Management Policy

CII considers risk management to be an integral part of its internal controls. CII has a Risk Management Policy that establishes a structured and disciplined approach to risk management. The Firm aims to ensure that all its potential and actual risks are appropriately identified and addressed on an ongoing basis.

In general, CII's risk management process consists of the following steps:

- Risk Identification,
- Risk Assessment and Categorisation,
- Risk Mitigation and Control,
- Risk Monitoring and Testing, and
- Risk Reporting and Escalation.

Each risk is identified, assessed, and categorised based on CII's scoring system. All the risks identified

are reviewed by the Firm and appropriate controls are put in place to mitigate those risks. The Chief Risk Officer is responsible for the controls testing and monitoring. Any breach of control or issues arising would be reported to the Risk Committee on a quarterly basis by the Chief Risk Officer.

Overall Risk Profile

CII maintains a comprehensive Risk Register which details each of the key risks that the Firm faces. This initial identification then allows for each risk to be identified, assessed, categorised and mitigated against. This register is reviewed on an ongoing basis and is contained within CII's Risk Management Policy and Internal Capital Adequacy Assessment Process ("ICARAP").

CII is exposed to a variety of risks as detailed in the Firm's Risk Register. However, the Board has adopted a conservative approach to risk, resulting in a low risk profile for the Firm, as CII is not authorized for services, ancillary services and financial instruments, like execution, dealing on own account, granting credits, derivatives; (note this is a non-exhaustive list) that would add complexity to its business model. Consequently, CII's business model is non-complex and is regularly reviewed to ensure that it remains within the Board approved strategic risk appetite.

Each Risk applicable to CII is analysed in terms of Probability and Impact. The mitigants are listed and Probability and Impact is re-calculated after mitigants and assigned a rating. The rating co-relates to a sequence of values within the scoring and the residual value of allocation given. The most recent Risk Register summary (after mitigation and capital allocated) for 28/02/2025 is as follows:

Key Risks	Capital Allocated (in €)
Concentration Risk	5,000
Credit Risk	5,000
Interest rate Risk	10,000
Market Risk	5,000
Strategy (or business) Risk	20,000
Operational	50,000
Other	25,000
Total	120,000

Part of risk control and the Risk Register is monitoring the Key Risk Indicators (KRIs), that are critical predictors of unfavourable events that can adversely impact the Firm. They monitor changes in the levels of risk exposure and contribute to the early warning signs that enable the Firm to report risks, prevent crises and mitigate them in time. KRIs are owned by the First Line Operational Team, reviewed and monitored by the Second Line, and submitted quarterly to the Risk Committee.

IFD/IFR and K-factors

The IFR/IFR introduces the concept of K-factor, which seeks to ensure the investment firm holds enough capital appropriate to the type and level of activities the firm undertakes and the risks, particularly in relation to client assets. The IFD/IFR requires that firms assess the level of capital required by the business by reference to K factors.

The K- factor provides for three types of risks: risk-to-client, risk-to-market and risk-to-investment firm as shown below:

a. Risk to Client

Risk to Client addresses risks carried by an investment firm during the undertaking of its services, actions or responsibilities, which could negatively impact clients.

K-CMH (Client Money Held) and **K-ASA** (Asset Safeguarded and Administered) K-CMH reflects the amount of client money that an investment firm holds, taking into account the legal arrangements in relation to asset segregation and irrespective of the national accounting regime applicable to client money. The K-CMH capital requirement is the sum of the most recent 9 months of CMH, excluding the 3 most recent months values multiplied by a coefficient of 0.4% (on segregated accounts) and/or 0.5% (on non- segregated accounts).

K-ASA (Assets Safeguarded and Administered) is the value of assets that an investment firm safeguards and administers for clients, irrespective of whether assets appear on an investment firm's own balance sheet or third-party accounts. The K-ASA capital requirement, the sum of the most recent 9 months of ASA, excluding the 3 most recent months values multiplied by a coefficient of 0.04%.

K-COH (Client Order Handling) K-COH relates to the value of orders that an investment firm handles for clients, through the receipt and transmission of client orders and through the execution of orders on behalf of clients. The K-COH capital requirement is the sum of the most recent 6 months of COH, excluding the 3 most recent months values multiplied by a coefficient of 0.1% (cash trades) and/ or 0.01% (derivatives).

b. Risk to Market

Risk to Market relates to the impact an investment firm could have on the markets in which it operates, and on those counterparties, it trades with. CII doesn't have exposure to risk to market.

c. Risk to Firm

Risk to Firm captures risks to an investment firm's solvency from its trading activity and market participation. CII doesn't have exposure to risk to firm.

For CII, the Risk to Client is the only component impacting the K-factor capital requirement. The most recent metrics for the K-Factor for 28/02/2025 is as follows:

K-Factor	Capital requirement (in €)
Client Money Held	34,963
Assets safeguarded and Administered	67,991
Client Orders Handled	499
Total	103,453

Liquidity

Liquidity risk is the risk that the Firm does not have the ability to meet its short-term obligations or capital requirements. CII actively monitors the cash balances to ensure that it has a sufficient amount as required. CII does not rely on borrowings to fund its operations. In line with Investment Firms Regulation (IFR), investment firms should hold a minimum of one third of their fixed overheads requirement in liquid assets at all times. CII holds cash substantially in excess of this requirement, based on the 2024 Audited accounts. The most recent metrics for Liquidity, based on 2024 Audited

accounts is as follows:

Liquidity	Value in €
Fixed Overhead requirement - 1/3	70,933
Excess Liquidity	748,606

In addition, The ICARAP within its ILAAP component has stress tested adverse scenarios and has determined that there is no requirement to provide for additional economic capital for CII business risk. The stress testing approach comprises of scenario and sensitivity analysis that seeks to ensure that liquidity risk assessment is dynamic and forward-looking and considers not only existing risks but also potential and emerging threats. Stress testing is integral part of the ICARAP process and considered for capital planning. As part of CII's planning process stress scenarios were run. CII prepared stress and worst-case scenarios to quantify any impact of adverse economic scenarios on capital. CII's capital position remains strong, significantly above requirements under any of these scenarios in the full 3-year planning horizon as set by the Firm's Business Plan for 2025-27. The ICARAP within its ILAAP component has determined that there is no requirement to provide for additional economic capital for CII business risk.

Wind-down

While not an explicit capital requirement under IFR/IFD, CII would need to hold adequate capital to plan an orderly wind-down. CII conservatively assumes a 6-month wind-down with and expected total consideration of €254,960 based on its Business Plan for 2025-27. This amount is set aside as the liquidity requirement, CII must have in its procession to facilitate orderly wind-down.

5. Governance

CII has robust corporate governance arrangements which include a clear organisational structure with well defined, transparent and consistent lines of responsibility, effective processes to identify, manage, monitor and report the risks to which it is or might be exposed, adequate internal control mechanisms, including sound administrative and accounting procedures, IT systems and controls and practices which are consistent with and promote sound and effective risk management.

Board of Directors

CII has a three-person Board with majority of Non-executive Directors, proportionate to the scale, nature and complexity of its business model. The Board monitors conflicts and the directors regularly report their activities outside of CII. Currently the number of directorships held by the 3 Directors in total, outside of CII, is 25.

Concerning the ICARAP, CII's Board has appointed a Risk Committee which is responsible for the oversight on Risk management and sets the Firm's level of risk appetite or tolerance, as well as reviewing and approving the ICARAP.

There are 5 committees established by the Board, which each have their own Terms of Reference regularly reviewed and approved by the Board:

- I. Operations, Risk, Compliance and Audit - ORCA
- II. The Investment Committee
- III. IT steering committee
- IV. Risk Committee
- V. Audit Committee

I. Operations, Risk, Compliance and Audit Committee (“ORCA”)

The ORCA is the executive management committee of the Firm. Its Objective is to run the Firm on a day-to-day, executive basis, and to ensure proper communication across the different functions of the Firm and is a forum for reviewing, discussing, analysing and raising items with the relevant heads of function. ORCA shall deal with matters from an executive day-to-day operational perspective.

II. Investment Committee (“IC”)

The IC is responsible for discussing and evaluating investment performance of products and formulate a view. The IC will also be responsible for new product approval process, identifying target markets, and general adherence to product governance rules.

III. IT steering committee (“ITSC”)

The ITSC is responsible for having a full control and effective ownership over the IT strategy. This has been done to ensure that cyber security is given sufficient and specific attention, both at an operational and Board level.

IV. Risk Committee Terms of Reference

The Risk Committee is responsible for ensuring the proper risk control of the Firm ensuring that all employees are operating within the identified risk parameters. The Board of Directors is ultimately responsible for the Firm’s risk framework.

V. Audit Committee Terms of Reference

The Audit Committee has the responsibility for monitoring the effectiveness and adequacy of the Firm’s internal control and IT systems. Further it is responsible for addressing any audit findings or recommendations and reviewing the integrity of the Firm’s financial statements and ensuring that they give a “true and fair view” of the financial status of the Firm.

6. Diversity

Diversity is increasingly seen as an asset to organizations and linked to better economic performance. It is an integral part of how the Firm does business and imperative to commercial success. CII recognizes the value of a diverse and skilled workforce and management body, which includes and makes use of differences in age, skills, experience, background, race and gender between them. CII recognises the importance and benefits of Diversity in its composition and is committed to maintain a diverse organisation. Concerning diversity, CII diversity representation in its all Committees, amongst its CF, PCF and PR role holders.

7. Three Lines of Defence

CII's governance structure is based on the three lines of defence model of risk management. The first line of defence lies with the Operations Team, the second line of defence is provided by the Compliance, and Internal Audit forms the third line of defence.

First Line of Defence – Operations Team

The first line of defence is provided by front line staff who are involved in business operations. The Front and Mid Office Teams (Operational Team) are responsible for maintaining effective internal controls and for executing risk and control. They are aware of their duty to report any breaches or any issues arising to the Head of Compliance without delay. Training will be provided to them to ensure they are aware of the current regulations and any changes in the policies and procedures.

Second Line of Defence – Compliance and Risk

The second line of defence consists of internal governance such as identifying, managing and monitoring risks. This is provided by the Chief Risk Officer. The Head of Compliance provides the oversight and advice necessary to support the First Line. The Head of Compliance is responsible for performing compliance control testing and monitoring on a risk-based approach, as outlined in the Compliance Plan. The Head of Compliance and the Chief Risk Officer have direct reporting lines to the Board.

Third Line of Defence – Quality Assurance Internal Audit Services

The third line of defence comprises of Internal Audit services. While not a requirement by the CBI for the Firm, to have an Internal Auditor, which would be a PCF role, the Board's view is that having 'internal audit services' provides robust support for the Firm's control environment. On this basis CII have always had and will continue to avail of 'internal audit services' provided by Concorde Securities, who report their findings to the Board.

8. Capital Resources

The table below details the composition of the capital resources of the Firm as of 31 December 2024.

Type of Capital	Capital Resources (in €)
Paid Up Shares Capital	2,400,000
Retained Earnings	-1,580,434
Common Equity Tier 1 Capital	819,566
Additional Tier 1 Capital	0
Tier 1 Capital	819,566
Tier 2 Capital	0
Total Capital Resources	819,566

The total capital resources of CII comprise paid up share capital and audited retained earnings as per 31 December 2024 financial statements of the Firm. CII has no Tier 2 capital.

9. Capital Adequacy

Pillar 1 Capital Requirement

CII is required, at all times, to have its own funds in accordance with Article 9 of the IFR. The Firm is required to continuously monitor the level and composition of the capital and to ensure it holds sufficient capital to cover the risks to which the Firm is exposed.

As per the IFR the Firm's own funds requirement is the highest of the followings:

- (a) The fixed overheads requirement calculated in accordance with Article 13,
- (b) The permanent minimum capital requirement in accordance with Article 14, or
- (c) The K Factor requirement calculated in accordance with Article 15.

Own Funds Requirement	In €	Comment
(A) Fixed Overhead Requirement	212,798	As of 31 December 2024
(B) Permanent Minimum Capital	150,000	As per IFR
(C) K Factor	103,453	As per IFR calculation
Pillar 1 Capital Requirement	212,798	The greater of (A), (B) or (C)

CII Pillar 1 capital requirement as of 31 December 2024 Audited Accounts is €212,798.

Pillar 2 Capital Requirement

CII has carried out a detailed risk assessment of the potential and actual risks that may impact CII's clients and the market, in accordance with Article 29 of the IFD. The most recent summary of the Internal Assessment is as follows:

Own Funds Requirement	In €	Comment
Pillar 2 Capital Requirement	120,000	Internal Assessment

CII's Pillar 2 capital requirement as of 28 February 2025 is €120,000.

The Firm's Pillar 1 capital requirement is higher than its Pillar 2 capital requirement, therefore the Pillar 1 capital requirement is adopted as the Firm's current regulatory capital requirement.

While not an explicit capital requirement under the IFR/IFD, CII would need to hold adequate capital to plan an orderly wind-down. CII conservatively assumes a 6-month wind-down with and expected total consideration of €254,960. This amount is set aside as the liquidity requirement, instead of the Pillar 1 requirement, of €212,798 that CII must have in its procession to facilitate orderly wind-down. The following table shows a summary of own fund requirements in light of the above.

Own Funds Requirement	Metrics In €	Comment
Pillar 1 Capital Requirement	212,798	As of December 2024
Pillar 2 Capital Requirement	120,000	Internal Assessment
Regulatory capital requirement	212,798	Higher of Pillar 1 and 2
Wind-down calculation	254,960	Internal Assessment
Wind-down requirement	254,960	Higher than Pillar 1

10. Own Funds Composition

CII has the responsibility to assess the adequacy of its internal capital to ensure it maintains adequate capital to meet the capital requirements set under the IFR. The details of CII's capital assessment are set out in the ICARAP. ICARAP is reviewed annually and approved by the Board. The ICARAP process includes an assessment of all risks faced by CII. The level of capital required to cover identified risks is a function of impact and probability. CII assesses impact by modelling the changes in the Firm's income and expenses caused by potential risks over a 3-year time horizon. A number of factors are considered when accessing probability. The risks identified are also stress tested against various scenarios to determine the impact of severe events on CII's financial position. The composition of CII's own funds must, at all times, at least equal to the capital ratio thresholds set out in Article 9 of the IFR. The following tables show Regulatory Capital and Own Funds Composition as at 31/12/2024.

Regulatory Capital	Metrics In €	Comment
Capital & Reserves	819,566	2024 Audited Accounts
Regulatory Capital requirement	212,798	Pillar 1
Excess of regulatory capital	606,768	

Own Funds Composition	Metrics In €	IFR Threshold	CII's Ratio
Common Equity Tier 1 Capital Ratio	700,399	56%	385%
Tier 1 Capital Ratio	659,967	75%	385%
Total Capital Ratio	606,768	100%	385%

The Firm operates substantially above the required minimum levels set out in the IFR.

11. Remuneration

CII has set out Remuneration to ensure that CII appropriately compensates its employees, attracts and retains employees and motivates employees to perform in the best interests of the Firm and its stakeholders. CII is gender-neutral – the employees are assessed throughout the year and compensated based on their performance and contributions to the Firm and stakeholders. Remuneration is reviewed by the board on an annual basis. Remuneration consists of all forms of payment and benefits made directly or indirectly in exchange for professional services rendered by staff. The table below details the components of CII remuneration for the employees.

Fixed remuneration	Fixed remuneration is determined based on the role of the individual employee, including responsibility and job complexity, performance and local market conditions.
Pension Scheme Membership	All permanent employees are eligible to join a pension plan, to which CII contributes.
Benefits-in-Kind	CII provides health insurance to employees.
Variable Remuneration	Remuneration is awarded in a manner which promotes sound risk management and corporate governance in line with the firm's culture and risk management policy.

The following table provides a breakdown of the remuneration provided to the employees of the Firm as per 31st December 2024 financial statement.

Type of Remuneration	Remuneration in €
Fixed remuneration	554,000
Variable remuneration	61,000
Total	615,000