

Concorde Investments Ireland Limited Pillar III Disclosure

For the period January 1, 2022 to December 31, 2022

1. Introduction

Concorde Investments Ireland Ltd (“CII”) is authorised and regulated by the Central Bank of Ireland as an Investment Firm under the Markets in Financial Instruments Directive (MiFID).

CII is an Irish-incorporated company, CII is not a member of a consolidation group and consequently does not report on a consolidated basis for accounting and prudential purposes.

As a MiFID authorised Investment Firm, CII is required to comply with the Capital Requirements Regulation Directive (CRD) which sets out the regulatory capital framework.

CII is required to have in place an Internal Capital Adequacy Assessment Process (or ‘ICAAP’) which is the process by which CII ensures that it operates with an appropriate level of capital. The CRD requires firms across the EU to consider regulatory capital based on three Pillars.

Pillar 1: Specifies the minimum regulatory capital requirements for Credit, Market and Operational Risks.

Pillar 2: Specifies the supervisory review process and an assessment conducted by CII on whether additional capital should be held for risks not covered by Pillar 1.

Pillar 3: Specifies the public disclosure of information concerning CII’s risk exposures and risk management processes.

Pillar 3 disclosures are made normally on an annual basis once the ICAAP is approved by the Board. If the Board identifies a material change to the risks of the company mid-year, which warrants a review of the ICAAP, the Pillar 3 disclosure will be updated accordingly.

These disclosures are based on the financial statements prepared to 31 December 2022.

The financial statements and the ICAAP were approved by the Board in March 2023.

2. CII’s Model

CII was incorporated in Ireland in 2017, and is authorised to provide the following investment services:

- Receipt and Transmission of Orders
- Investment Advice
- Ancillary services (FX services where these are connected to the provision of investment services and Safekeeping and administration of financial instruments for the account of clients, including custodianship and related services such as cash/collateral management but excluding maintaining securities accounts at the top tier level)

3. Governance

The Board of Directors has ultimate responsibility for ensuring the Firm has appropriate structures, processes, policies, and procedures in place. The Board has delegated more detailed oversight of risk to the Audit Committee, the Risk Committee, and the Operations, Risk, Compliance and Audit Committee (ORCA).

Audit Committee: provides assistance to the CII Board in fulfilling corporate governance responsibilities of its Board and will have responsibility for the oversight of and advice in relation to CII's financial reporting, internal control structures, the internal audit function, and the adequacy of the external audit function.

Risk Committee: provides assistance to the Board in fulfilling the corporate governance and oversight responsibilities in relation to risk management framework and material risk exposures. In particular, the Committee will oversee, on behalf of the Board, the management and control of risk with particular attention to conduct, operational, client assets and regulatory risk.

The ORCA: has responsibility for considering all matters of an administrative or routine nature that have been delegated to it in accordance with its Terms of Reference.

4. Risk Management

CII has in place a robust risk management framework which is integral to CII's identification, mitigation, and management of its risks. CII's framework is overseen by the Board. The Management and Board are also responsible for creating a strong culture of risk awareness amongst staff at all levels which serves to strengthen the Risk Framework. CII has in place a Chief Risk Officer (CRO) and a Head of Risk, responsible for the risk management of CII. The CRO and Head of Risk are members of management and the CRO has a direct reporting line to the Board of Directors. The CRO is responsible for the implementation of CII's risk framework and also for its ongoing development in order to strengthen the resilience and cultural awareness of risk management in CII.

CII has in place a Risk Appetite Statement which defines CII's risk appetite as the amount and type of risk that CII is willing to accept in order to achieve its objectives. The risk appetite takes into account the different stakeholder perspectives. The Firm assesses its overall risk appetite as low.

5. ICAAP Process

The process for completing the ICAAP document entailed identifying the principal areas of risk for the Capital Assessment, and these are listed below:

- Interim Risk
- Strategy
- Concentration Risk
- Market Conduct Risk
- Operational Risk
- IT and Cyber Security

- Outsourcing
- AML, CTF, Fraud and Anti-Corruption
- Client Asset Risk
- Fees
- Market/ Investment
- Risk associated with partner exiting business
- Reputational Risk

For the Pillar 2 requirement, scenarios were run for the key risks and capital set aside based on the potential financial impact and the likelihood. The minimum Pillar 2 capital requirement was calculated as €102,000

The Pillar 1 Capital requirement was calculated as €198,326.

The internal capital requirement is the higher of the Pillar 1 and Pillar 2 capital requirement and was therefore €198,326K.

6. Capital Resources

The most recent audited accounts for the Firm show the capital and reserves of CII to be €321,835 , which is in excess of the Firm's regulatory capital requirement. All capital is categorised as Tier 1 capital.