IFCM CYPRUS LIMITED

(Former Infin Markets Limited)

Regulated by the Cyprus Securities and Exchange Commission License no. 147/11

Pillar 3 Disclosures 2020

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I. EXECUTIVE SUMMARY

As a Cyprus Investment Firm, IFCM CYPRUS LIMITED (former Infin Markets Ltd) (the "Company") is obliged, pursuant to Article 433 of part Eight of the CRR to publish, at least on an annual basis, these disclosures.

The following report is published pursuant to the above obligations as well as in accordance with the circulars issued by Cyprus Securities and Exchange Commission (CySEC).

The purpose of this report is to inform the public and other market participants of the key components, scope and effectiveness of IFCM CYPRUS LIMITED (former Infin Markets Ltd) (the "Company") risk measurements, risk profile and capital adequacy.

The Company has been compliant with Basel II framework since commencement of its operations, and it has adopted the Standardized Approach for calculating the capital requirements of Credit Risk and Market Risk and the Basic Indicator Approach for determining the capital requirements for Operational Risk.

The Company's Capital Adequacy Ratio as of 31 December 2020 was equal to 48.96% which is well above the minimum required ratio of 8%. For the same period, its Total Capital Requirements summed up to EUR 19.281 and its Total Risk Weighted Assets to EUR 304.83 against its Total Eligible Own Funds at EUR 149.240.

II. INTRODUCTION

The present report is prepared by IFCM CYPRUS LIMITED (former Infin Markets Ltd) a Cyprus Investment Firm ("CIF") authorized and regulated by the Cyprus Securities and Exchange Commission (the "CySEC", the "Commission") under the license number 147/11 and operates in harmonisation with the Markets in Financial Instruments Directive (MiFID) (EU Directive 2004/39/EC).

In accordance with its CIF authorisation the Company is allowed to provide the following service:

- Investment Advice service

In accordance with Directive DI144-2014-14 for Capital Adequacy of CIFs (the "Directive"), the Company is required to disclose information relating to its capital structure, capital adequacy, its risk exposures and its assessment. The scope of this report is to promote market discipline and to improve transparency to market participants.

The report will be published on the Company's website at http://www.ifcmarkets.eu./ on an annual basis. The provisions of the Directive follow the fundamental steps of the Basel II Accord which has been implemented in the European Union through the Capital Requirements Directive ("CRD").

Under the Basel II, CRD fundamentally consists of three "pillars":

· Pillar 1 sets out the minimum regulatory capital requirements of firms to cover credit, market and operational risk. The minimum capital adequacy ratio an investment firm is required to maintain is set at 8%.

· Pillar 2 requires the firm to assess whether additional capital should be maintained against any risks not adequately covered under Pillar 1, and

· Pillar 3 specifies a set of disclosure requirements which enable market participants to assess information on firms' risks, capital and risk management procedures.

Under Pillar 3, the Company is required to publicly disclose information about the capital it holds and each material category of risks it faces, including the strategies and processes it has in place in order to manage and monitor these risks.

The Board of Directors and the Risk Management Committee have the overall responsibility for the internal control systems in the process of "Capital Adequacy Assessment".

The Company's business effectiveness is based on the guidelines of the risk management policies and procedures. The Board of Directors, Risk Management Committee, Internal Audit, and Risk Manager control and supervise the overall risk system so that all units charged with risk management perform their roles effectively on a continuous basis.

As with all Investment Firms, the Company is exposed to a variety of risks. In particular the Company is exposed to credit risk, operational risk, foreign exchange risk, liquidity risk, counterparty risk, funding liquidity risk, money laundering and terrorist financing risk, compliance risk, and technology risk.

To this end, this Report is focused on the following areas:

· Examination of the capital adequacy and the financial results of the Company

· Assessment and Monitoring of the risks faced by Company

III. CAPITAL STRUCTURE

The Company periodically manages its capital in order to ensure that it will be able to mitigate any risk exposures arising from the business while maximizing the return to shareholders.

In accordance with the Regulatory framework issued from CySEC, the Capital Adequacy of the Company is set to a minimum of 8%. In accordance with the Circular C038 and Directive DI144-2014-15, due to the services the Company is authorised to provide, Capital Adequacy Reports must be prepared and submitted on annual basis to the Commission. The Capital Adequacy Reports are prepared on a solo basis and the reporting currency is Euro.

The Company ensures optimal operating conditions via monitoring that sufficient capital is available for its operations and for covering its exposures to risks. The Company maintains only Tier 1 Capital as eligible Own Funds and as at 31 December 2020 its Capital Structure was as indicated in the table below:

Capital Structure as of 31 December 2020	
EUR (000)	
Ordinary Share Capital	2
Share Premium	598
Shareholders Contribution	1.962
Eligible Capital	149
Eligible Reserves	269
Original Own Funds (Tier 1 Capital)	149
Total Eligible Own Funds	149

As of 31 December 2020, the Company's Capital Adequacy Ratio was 48.96% It's regulatory own funds, capital requirements/risk weighted assets and capital adequacy Ratio was as follows:

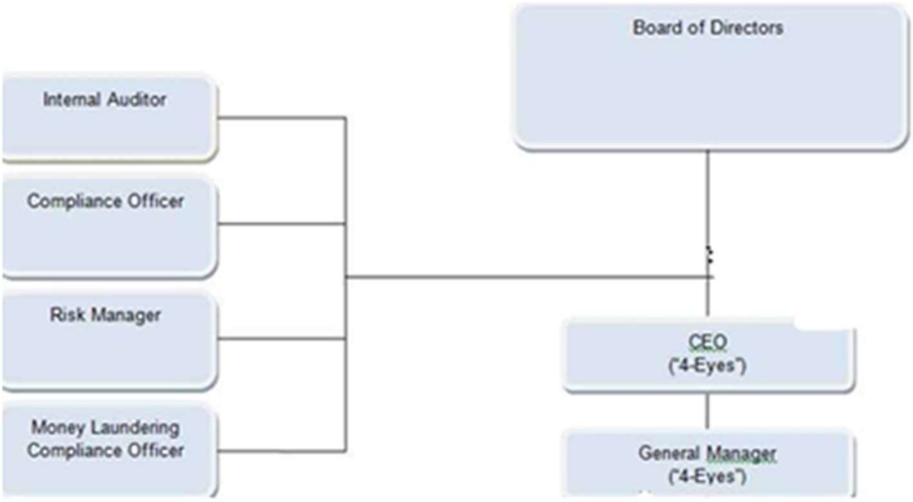
	Weighted Assets EUR (000)	**Capital Requirements EUR (000)**
Credit Risk	63.82	5.11
Foreign Exchange Risk	52.00	4.2
Operational Risk	241.01	19.3
Total	**356.83**	**28.61**
Total Eligible Own Funds	149	
Capital Adequacy Ratio	41.82%	

IV. RISK MANAGEMENT & MITIGATION

Risk Management Structure

The Board of Directors ("BoD") appoints a Risk Manager to head the Risk Management function and is responsible for implementing the Risk Management Policy of the Company and ensuring that is properly followed. The Risk Management Structure of the Company can be found below:

RISK MANAGEMENT STRUCTURE OF THE COMPANY



The risk management policy established by the Company sets out the Company's procedures and mechanisms regarding risk. It also identifies the main reporting procedures and outlines the process followed by the Risk Manager to evaluate the effectiveness of the Company's internal control procedures

The Risk Manager ensures that all different types of risks taken by the Company are monitored and reported to the Senior Management and the BoD via the Risk Management Committee. It also ensures that efficient management of the Company's risks in the provision of the investment to clients, as well as the risks underlying the operation of the Company, in general. Moreover, the Risk Manager is responsible for making recommendations and indicating whether the appropriate remedial measures have been taken in the event of any deficiencies identified, as aforementioned.

V. OBJECTIVES UNDER RISK MANAGEMENT

The Company manages all its risks in an integrated and consistent way. The overall goals are to:

- Ensure that Company's exposure to the relevant risk factors is properly understood and evaluated;
- Ensure that Company's actual risk level is in line with its available equity capital;
- Ensure that Company optimizes the return on the risks that it takes.

The Company has the following reports to be submitted to the BoD and relevant authorities:

Report name	Description	Responsible person	Recipient	Frequency of submission
Internal Audit	Annual Internal Audit review	Internal Auditor	BoD, CySEC	Annually
Compliance report	Annual Compliance review	Compliance officer	BoD, CySEC	Annually
AMLCO annual report	Annual report on the Prevention and Suppression of Money Laundering and Terrorist Financing Activities	AMLCO	BoD, CySEC	Annually
Financial statements	Audited financial statements	External Auditor	BoD, CySEC	Annually
Risk Management report	Annual risk manager report	Risk manager	BoD, CySEC	Annually
Pillar III report	Pillar 3 Disclosure regarding risk management, capital adequacy, capital structure and risk exposures.	Risk manager	BoD, CySEC, Public (web-site)	Annually
Capital adequacy report	Capital requirements calculation	Accountants	BoD, CySEC	Annually

The Company is committed to having corporate governance, risk management and control framework appropriate to the size of the business.

All risks are managed according to the same basic principles of governance and organization. The main responsibilities can be summarized as follows:

- The Board of Directors has a supervisory function. It is responsible for the Company's fundamental approach to risk for approving the risk principles and for defining risk capacity and risk appetite;

- The Risk Manager has the overall responsibility for the development, implementation, and enforcement of the Company's risk principles.

Risk Tolerances

In order to achieve its business objectives, the Company recognizes that it will take on certain business risks. The Company aims to take business risks in an informed and proactive manner such that the level of risk is aligned with the potential business rewards.

VI. ASSESMENT OF RISK EXPOSURES

The duty of the Risk Manager is to monitor the risks individually and report on them to the Risk Management Committee, the Senior Management, and the Board, as requested and when applicable.

a. Credit Risk

Credit risk is the risk of loss that the Company would incur if counterparty failed to perform its contractual credit obligations. The Company follows the Standardized Approach for calculating its Credit risk capital requirements as specified in paragraphs 2 to 7 of Chapter 1 of Part C of the Directive. It categories the assets in respect to their exposure class and uses the Credit Quality Step methodology to determine their respective Risk Weights.

Credit Exposure Analysis

The following tables illustrate the results of credit risk exposure analysis as at 31 of December 2020.

Exposure category	Amount `000	Assets`000	Requirements `000
Institutions	83.5	17	1.34
Other Assets	126.5	47	3.77
Total	210	64	5.11

Institutions

For its exposures to institutions, the Company has used the ratings provided by top credit rating agency Moody's to determine the applicable risk weight. Drawing on this,

€83,008 from the Company's exposures to institutions were assigned 20% risk weight due to exposure to Alpha Bank, and the Company's exposures to all other institutions, amounting to €488.00 were assigned a 20% risk weight.

Other Items

A risk weight of 0% was applied to €21,050 cash in hand and transit, and a risk weight of 100% was applied to all other items.

The Credit Risk exposures can be found below by business sector:

Business Sector			
Exposure category	Financial Services / Banking `000	Other`000	Total `000
Institutions	83.5	-	83.5
Other Assets	0	126.5	126.5
Total	83.5	126.5	210

The table below outlines the Company's exposures by asset class and geographic area of the

Counterparty, net of any specific provisions and before applying Credit Risk Mitigation:

Exposures per Asset Class per region of Counterparty – 31 Dec 2020	CY'000	UK '000	Total'000
Institutions	83.5	0.5	83.5
Other Assets	126.5		126.5
Total	210	0.5	210

Mitigation Strategies

The Company employs the following credit risk mitigation strategies:

· Regular credit review of counterparties by the Risk Manager, 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.

· The Company also has policies to ensure that customers place sufficient funds prior to entering new deals.

b. Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, and systems or from external factors.

Mitigation Strategies

The Company employs the following operational risk mitigation strategies:

· Four eyes structure and board oversight. This structure ensures the separation of power regarding vital functions of the Company. The board further reviews any decisions made by the Management while monitoring their activities;

· Detection methods are in place to detect fraudulent activities.

· The Compliance Officer has established a monitoring program with the aim to evaluate whether the Company's operations are conducted in compliance with its obligations under the legislation and the effectiveness and appropriateness of the internal control measures of the Company.

· The compliance officer in addition to its core responsibilities also ensures the accuracy of any statements made during the marketing and advertising processes. The Compliance officer also ensures that the information addressed to the client is fair, clear and not misleading.

· The Company outsources the Internal Audit function to K. Treppides & Co Ltd, a member of the Institute of Chartered Public Accountants of Cyprus (ICPAC). The internal audit visits are performed in order to ensure that employees comply with the Company's internal procedures.

· It maintains a contingency plan for disaster recovery and periodic testing of backup facilities.

· The in-house risk manager is responsible for the monitoring of the Company's risk exposure.

The Company manages operational risk through a control-based environment in which important processes (daily trading, risk management and back office) are thoroughly documented, recorded, and monitored according to its policies and procedures within the Internal Operations Manual.

The Company has adopted the Basic Indicator Approach (BIA) for the calculation of the operational risk capital requirements as shown in the table below:

OPERATIONAL RISK AS AT 31 DECEMBER 2020	
BASIC INDICATOR APPROACH	**Capital Requirement**
	19.28

c. Foreign Exchange Risk

Foreign exchange ("FX") risk is the effect where unanticipated exchange rate changes have on the Company. In the ordinary course of business, the Company is exposed to minimal foreign exchange risk, which is monitored through various control mechanisms.

The foreign exchange risk in the Company is effectively managed by setting and controlling foreign exchange risk limits, such as through the establishment of maximum value of exposure to a particular currency pair as well as through the utilization of sensitivity analysis.

The Company has adopted the standardized approach for the calculation of the foreign exchange risk capital requirements. The table below shows the Capital Requirements for foreign exchange risk of IFCM Cyprus limited, as at 31 of December 2020:

FOREIGN EXCHANGE RISK AS ON 31 DECEMBER 2020	
STANDARDISED APPROACH	Capital requirement
	4,16 EUR (000)

Mitigation Strategies

The Company employs the following FX risk mitigation strategies:

- The risk manager monitors risk awareness and ensures that the company's exposure is consistent with its policy. and ensures that any deviations are reported to senior management and appropriate action is taken.

d. Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. In periods of up normal fluctuations in market conditions or financial crisis, liquidity risk can expose the Company to shortfall of access to the capital markets resulting to damages. Liquidity exposes the Company to the risk of not having enough cash to fulfil its duties against creditors/debtors that can eventually cause sanctions and loss of business.

Mitigation Strategies

To minimize its exposure to liquidity risk, the Company has established procedures that enable to monitor on a daily basis its cash flows and to manage them properly through its Accounting Department.

e. Compliance and Regulatory Risk

Compliance risk is defined as the risk of legal sanctions, material financial loss, or loss to reputation the CIF may suffer because of its failure to comply with laws, its own regulations, code of conduct, and standards of best/good practice.

Compliance risk is sometimes also referred to as integrity risk because a CIF's reputation is intricately connected with its adherence to principles of integrity and fair dealing.

The risk that a change in laws and regulations will materially impact a security, business, sector or market. A change in laws or regulations made by the government or a regulatory body can increase the costs of operating a business, reduce the attractiveness of investment and/or change the competitive landscape. Regulatory risk is the risk the Company faces by not complying with relevant Laws and Directives issued by its supervisory body. The Company has documented procedures and policies based on the requirements of relevant Laws and Directives issued by the Cyprus Securities and Exchange Commission (The Commission); these can be found in the Internal Operations Manual. Compliance with these procedures and policies are further assessed and reviewed by the Company's Internal Auditors and suggestions for improvement are implemented by management. The Internal Auditors evaluate and test the effectiveness of the Company's control framework.

VII Capital conservation buffer

The capital conservation buffer (CCoB) is a capital buffer of 2.5% of a bank's total exposures that needs to be met with an additional amount of Common Equity Tier 1 capital. Its objective is to conserve a bank's capital. When a bank breaches the buffer, automatic safeguards apply to limit the amount of dividend and bonus payments it can make.

As at 31 December 2020, the Capital Conservation Buffer of the Company was equal to 8.92% using a fully phased- in definition of Tier 1 and the buffer sits on top of the 4.5% minimum requirement for Common Equity Tier 1 capital.

VIII. REMUNERATION SYSTEM

The Company has established and implemented its Remuneration Policy which is appropriate to its size, internal organisation and the nature, the scope and the complexity of its activities whilst adhering to the provisions of the Directive DI144-2014-14.

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 Law in remuneration and of course to improve the services provided by the Company.

The Company must ensure that its remuneration system includes measures to avoid conflicts of interests and to ensure compliance with the legislative requirements concerning the conduct of business to ensure that clients' interests are not impaired by the remuneration policy and practices of the Company in the short-, medium- and long-term horizon. For instance, the remuneration of any supervisory function shall not be linked with the profitability performance of the Company. This policy has been designed in such a way so as not to create incentives that may lead persons to favor their own interests, or the Company's interests, to the potential detriment of clients.

Remuneration consists of all forms of payments and/or benefits provided directly or indirectly to relevant persons in the provision of investment and/or ancillary services to clients. Remuneration can be either financial, such as cash, shares, options, cancellations of loans to relevant persons at dismissal, pension contributions, remuneration by third parties (e.g., through carried interest models, wage increases) or non-financial, such as career progression, health insurance, discounts or special allowances for car, mobile phone, generous expense accounts, seminars in exotic destinations etc.).

All employees of the Company are covered by the Policy including any employee who can have a material impact on the services provided, on the conduct of business risk profile, and who can influence corporate behavior. This includes but is not limited to:

a) client-facing front-line staff;

b) Sales force staff, and/or;

c) other staff indirectly involved in the provision of investment services whose remuneration may create inappropriate incentives to act against the best interests of the clients.

The following principles apply to the Company to the extent that is appropriate to the size, internal organization and the nature, the scope, and the complexity of the Company's activities:

a) Complete and effective risk management is promoted which is not encouraging risk- taking that exceeds the level of tolerated risk of the Company;

b) the management body, in its supervisory function, of the Company adopts and periodically reviews the general principles of the remuneration policy and is responsible for its implementation;

c) 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;

d) the remuneration of the senior officers in the risk management and compliance functions is directly overseen by the management body in its supervisory function;

e) directly overseen by the management body in its supervisory function;

f) where remuneration is performance related, the total amount of remuneration is based on a combination of the assessment of the performance of the individual and of the business unit concerned and of the overall results of the Company and when assessing individual performance, financial and non-financial criteria are taken into account;

g) Fixed and variable components of total remuneration are appropriately balanced, and the fixed component represents a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy, on variable remuneration components, including the possibility to pay no variable remuneration component.

The remuneration policy and practices of the Company should allow the operation of a flexible policy on variable remuneration. In this respect, the Company may decide not to pay variable remuneration at all in case where such a variable remuneration may decrease the employees' interests to act for the best interest of the Company's clients.

The Company must ensure that the basic remuneration primarily reflects the relevant professional experience and organizational responsibility as set out in an employee's job description as part of the terms of the employment.

The remuneration of the key management personnel of the Company in 2020 stood at EUR 67,000

PMA&Co
CHARTERED ACCOUNTANTS

Independent Auditors' Report to the Cyprus Securities and Exchange Commission in respect of The Company for the year ended 31 December 2020 pursuant to paragraph 32(1) of Part II of the Directive DI2014-144-14 of the Cyprus Securities and Exchange Commission for the Capital Requirements of IFCM Cyprus Ltd.

1. We report in relation to the fair presentation of the disclosures of IFCM Cyprus Ltd (the "Company") for the year ended 31 December 2020, required by paragraph 32(1) of Part II (the "Disclosures") of the Directive DI2014-144-14 of the Cyprus Securities and Exchange Commission for the Capital Requirements of The Company (the "Directive"). The Disclosures, which are set out on the Company's website, are attached as an Appendix and have been initialed for identification purposes.

Respective responsibilities

2. The Company's Board of Directors is responsible for the preparation and fair presentation of the Disclosures in accordance with the Directive. Our responsibility is to express an independent conclusion in relation to the fair presentation of the Disclosures, in all material respects, in accordance with the requirements of the Directive.

Scope of work performed

3. We conducted our work in accordance with International Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information". This Standard requires that we plan and perform our work to obtain limited assurance whether any matters have come to our attention that cause us to believe that the Disclosures are not fairly presented, in all material respects, in accordance with the requirements of the Directive. Our procedures included verifying, on a sample basis, the compliance of the Disclosures with the requirements of paragraph 32(1) of Part II of the Directive, 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 estimates made by the Company's Board of Directors in the preparation of the Disclosures. We believe that our procedures provide a reasonable basis for our conclusion.

4. The procedures performed do not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, and hence we do not express any assurance other than the statement made below. Had we performed an audit or review in accordance with International Standards on Auditing or International Standards on Review Engagements, other matters might have come to our attention that would have been reported to you.

PMA & Co

CHARTERED ACCOUNTANTS

Conclusion

5. Based on our work described in this report, nothing has come to our attention that causes us to believe that the Disclosures for the year ended 31 December 2020 are not fairly presented, in all material respects, in accordance with the requirements of the Directive.6. Our report is solely for the purpose as set out above and is not to be used for any other purpose or to be distributed to any other parties without our prior consent in writing. This report relates only to the Disclosures required pursuant to paragraph 32(1) of Part II of the Directive and does not extend to any financial statements or other financial information of the Company.

PMA & CO. LTD

Panos M. Anastasiou
For and on behalf of PMA & Co. Ltd

Limassol, 1 June 2021