Moneycorp Technologies Limited (“MTL”)

2022 IFR Public Disclosures

17 November 2023

Contents

1. Introduction and Background

MTL is authorised and regulated by the Central Bank of Ireland ("CBI") as an E-Money Institution (EMI) under the European Communities Electronic Regulations 2011 and as an Investment Firm under the European Union (EU) Market in Financial Instruments (MiFID) Regulations 2017.

Regulation (EU) 2019/2033 of the European Parliament and of the Council of 27 November 2019 on prudential requirements for investment firms, otherwise known as the Investment Firm Regulations ("IFR"), Part Six, Disclosure by Investment Firms, Articles 46-53 sets out specific annual public disclosure obligations.

This document sets out the 2022 MTL public disclosure information as required by the IFR.

1.2 Regulatory Background

The activities of investment firms are governed at EU-level by the Markets in Financial Instruments Directive. In addition, EU investment firms are also subject to prudential rules that aim to ensure that investment firms have sufficient resources to cover potential losses from their activities. This reduces the risk of their failure of those firms and hence the risk of undue economic harm to their customers or disruption in markets they operate in.

Until 25 June 2021, the prudential rules for investment firms were part of the wider EU prudential framework which applies to banks, as set out in Regulation (EU) No 575/2013, also known as the Capital Requirements Regulation (CRR), and Directive 2013/36/EU, also known as the Capital Requirements Directive (CRD).

On 26 June 2021, most investment firms became subject to a new prudential framework, composed of Regulation (EU) 2019/2033, also known as the Investment Firms Regulation ("IFR"), and Directive (EU) 2019/2034, also known as the Investment Firms Directive ("IFD").

1.2.1 The IFR-IFD framework

The IFR-IFD prudential framework is designed to reflect better the nature, size, and complexity of investment firms' activities compared to the CRR/CRD framework. One key aspect of the new framework is that it provides for simpler and more bespoke capital requirements for investment firms. The IFR and the IFD apply to investment firms deemed sufficiently small and non-interconnected (so called "class 3" firms) and to investment firms not falling under any of the other categories (so called "class 2" firms).

MTL is a class 2 Investment Firm.

1.3 Scope, Frequency, and Location of Disclosures

MTL's MiFID regulatory authorisation brings it within scope of the IFD-IFR obligations. MTL reports these disclosures at a legal entity level inclusive of the Ireland head office and EU branches in Spain, Romania, and France.

The disclosures have been prepared as of 31 December 2022, MTL's financial reporting year end, and are prepared solely for the purpose of fulfilling the Firm's IFD-IFR disclosure requirements. They have not been audited nor do they constitute any form of audited financial statement.

The disclosures are prepared annually and published on the MTL website at:

[Regulatory Information | moneycorp]

2. Risk Management Objectives and Policies

2.1 Risk Management Framework

The MTL Board has ultimate responsibility for the governance of all risk-taking activity including, but not limited to:

- Overall risk strategy, including risk appetite and the overall risk framework including key policies, considering the macroeconomic and business cycle.
- Ensuring an adequate and effective internal control framework is in place including a clear organisational structure including, but not limited to, controls to prevent money laundering and terrorist financing.
- Periodically assessing the effectiveness of the internal control framework and the implementation of processes, strategies and policies and taking steps to address any deficiencies.
- Monitoring that MTL's Risk Culture is implemented appropriately and consistently.
- Ensuring effective policies are in place to identify, manage and mitigate actual or potential conflicts of interest.
- Measures to ensure MTL's adequate capitalisation and liquidity.
- Approving the Firm's Compliance Policy.
- Monitoring the implementation of the internal audit plan.
- Overseeing the integrity of financial information and reporting and the related internal control framework.

MTL maintains a holistic Enterprise Risk Management framework ("ERM") which takes account of top-down and bottom-up analysis of current and potential future risks and facilitates informed decisions on risk taking and includes effective communication regarding risk and risk strategy to help prevent decisions which inappropriately increases risk. All relevant risks are considered, both financial and non- financial.

The ERM framework includes policies and procedures, risk limits and controls and uses forward-looking and backward looking tools and trend analysis to ensure adequate and timely assessment, monitoring, management, mitigation and reporting of risk under normal and under stressed conditions and to assess the economic substance of the Firm's risk profile, including the risks to the Firm, the Firm's customers and the market, and whether the risk profile is consistent with risk appetite and consistent with the sound operation of the Firm, including in respect of liquidity and capital, and with its strategic goals.

2.2 Objectives, Policies and Strategies

The MTL Board owns the Risk Appetite Statement (RAS) and assisted by the Head of Risk and Compliance ("HORC"), leads the development of the RAS in consultation with the Chief Executive Officer (CEO), Chief Operating Officer (COO) and Chief Finance Officer (CFO), and other key business leaders and stakeholders to ensure that the determinations presented accurately describe the toleration levels of residual risk that MTL is prepared to accept in the delivery of its business objectives.

Once approved by the Board, the RAS is communicated to relevant stakeholders, via the MTL Executive Team. The RAS is published internally to staff so that they can understand the Firm's appetite towards risk and can apply it in their business activities, actions, and behaviours. As part of this process, risk limits are set which are consistent with RAS and which are used for day-to-day risk management.

Risk appetite is formally reviewed, refreshed, and adjusted, at least annually or immediately following - or in anticipation of - an issue, event or opportunity that has the potential to impact significantly on MTL either directly or indirectly. Any change to risk appetite is recorded and reflected in the RAS. Detail of changes to risk appetite will be communicated, as is appropriate, to the Executive Team and stakeholders.

2.3 Risk Governance

MTL's Enterprise Risk Management Framework (ERMF) is the responsibility of the MTL Board. The Board's Risk and Compliance sub-Committee was established to monitor risk and compliance governance and to assist the MTL Board in discharging its responsibilities in ensuring that risks are properly identified, reported, and assessed; that risks are properly controlled; and that strategy is informed by and aligned with the Firm's risk appetite. The Committee also oversees the Firm's implementation of compliance programs, policies and procedures required to meet legal, compliance and regulatory requirements.

MTL has a dedicated Chief Risk Officer ("CRO"), a CBI approved PCF 14 role, and second line Risk Management Function ("RMF"). The RMF is aligned to the Moneycorp Group RMF and strategy and leverages the Group RMF including group support.

The CRO is a member of the MTL Executive Management Team and is responsible for the implementation and operationalisations of the MTL ERMF within the MTL legal entity inclusive of the EU branches.

The CRO reports directly to the MTL Chief Executive Officer and has primary obligations and reporting lines to the MTL Risk & Compliance Committee and Board. The CRO formally reports quarterly to the Risk & Compliance Committee and Board. Quarterly reporting includes Key Risk Indicator ("KRI") reporting including notification of changes to KRI metrics.

2.4 Key Risks

2.4.1 Strategic Risks

MTL has a low-risk appetite for strategic risk and the threats to the delivery of strategic initiatives. Strategic risk is defined as the risk that MTL will be constrained in strategic planning or will fail to deliver strategic initiatives effectively and efficiently.

MTL recognises that constraints on strategic planning or the actual or perceived inability to deliver strategic initiatives could have a significant impact on its ability to achieve its objectives as well as its reputation. MTL develops and implements strategy within its core capability.

MTL's Executive Team meets regularly to discuss major initiatives and to ensure that these initiatives are prioritised appropriately, and that the associated risks are identified and managed appropriately.

2.4.2 Business Risks

MTL has a low-risk appetite for business risk which is defined as the risk of material losses due to negative variances in revenues and/or costs relative to its business plan and strategy. Material losses are losses which could impact capital or liquidity falling outside risk appetite. MTL's business model, and the sustained profitability of that business model over time means MTL does not expect to take material losses from its ordinary business activities.

The MTL Board regularly monitors business performance, quarterly at a minimum,

2.4.3 Concentration Risk

MTL has a low-risk appetite for concentration risk which is defined as the risk of material loss when an individual exposure or small number of exposures suffer loss of value at the same time.

2.4.4 Credit Risk

MTL has a low-risk appetite for credit risk defined as losses relating to a credit event.

MTL's credit approval process and thresholds provide significant assurance that exposure is limited and subject to close management oversight. MTL applies a strict set of criteria to credit extension and exposure including limits for individual client credit, aggregate credit, and out of the money positions.

Credit exposures are monitored and managed daily, including reviewing the daily mark-to-market positions of client's foreign exchange contracts and clients' settlement risk.

Counterparty risk is managed by prefunding client payments and by carrying out back-to-back transactions. As a result, counterparty risk relates primarily to intra-day timing differences between the two legs of the back-to-back transactions.

Market risk can arise because of open positions created because of a client default. MTL does not create market risk otherwise than because of a credit event.

2.4.5 Liquidity Risk

MTL has a zero-risk appetite for liquidity risk which is defined as the risk that MTL will operate outside regulatory requirements for liquidity or will be, or likely to be, unable to meet its obligations as they fall due.

Liquidity risk arises because of:

- Client transactions including related credit.
- Safeguarding and Client Asset Requirements.
- Related party transactions with Moneycorp Group companies.
- Operational expenses.

A further source of liquidity risk relates to management of payments due to those providers including related management of margin and collateral requirements.

MTL manages liquidity risk by:

(a) Facilities with banking partners.

(b) Settlement of related party transactions.

(c) Budgeting and credit arrangements for operational expenses.

(d) Regular monitoring and management of liquidity risk.

(e) Regular review to ensure a buffer exists over Investment Firms Directive (“IFD”) requirements.

2.4.6 Capital Risk

MTL has a zero-risk appetite for regulatory capital risk which is defined as the risk that MTL will operate outside regulatory requirements.

MTL has a low-risk appetite for the risk that capital constraints adversely place material constraints on our ability to maintain business in accordance with its strategic and business plans.

MTL manages capital risk through consistent profitability, through consideration of the capital implications of strategic growth, through assessment of Pillar 2 requirements as part of the ICAAP process and through ongoing monitoring of MTL’s capital requirement and capital resources as prescribed by the EMI regulations and the IFD.

2.4.7 People Risks

MTL has a low-risk appetite for people risk. People risk relates to the risks that:

- MTL will not attract and retain sufficiently skilled personnel to manage its business safely and in accordance with business plans and strategies.
- MTL staff will operate in a manner inconsistent with the operation of its business in accordance with strategic and business plans.

MTL manages its people risk through strategic resourcing and retention strategies, clear definition of responsibilities including in respect of risk management and performance assessment and reward systems which take account of overall performance including in respect of risk management.

2.4.8 Operational Risks

MTL has an overall low-risk appetite for operational risk. MTL incurs operational risk in many areas including, but not limited, to the areas below with differing risk appetites and different approaches to management for the various areas:

2.4.8.1 Information Technology

Information Technology (IT) risks cover both daily operations and ongoing enhancements to the MTL’s IT systems. These include:

- Processing - prolonged outage of a core system: MTL has a very low-risk appetite for risks to the availability of systems which support its critical business functions, including those which relate to payment operations, financial crime and finance and treasury. Service availability requirements have been identified and agreed alongside maximum recover times.
- Security – cyber-attack on systems or networks: MTL has a low-risk appetite for damage to assets from threats arising from malicious attacks. To address this risk, MTL aims for strong internal processes and the development and continuous improvement of robust technology controls.

2.4.8.2 Compliance

MTL is committed to a high level of compliance with relevant legislation, regulation, industry codes and standards as well as internal policies and sound corporate governance principles. Identified breaches of compliance will be remedied as soon as practicable. MTL has zero appetite for deliberate or purposeful violations of legislative or regulatory requirements.

MTL aspires to a very low compliance risk appetite achieved through the implementation of robust risk and compliance frameworks that are subject to continuous review and enhancement.

2.4.9 Governance Risks

MTL has a very low appetite for Governance Risk which is the risk of loss arising from unsound or poorly informed decisions because of weaknesses in definition or implementation of decision-making processes.

MTL ensures that suitable structures and guidance is in place whilst being appropriate to the nature, scale, and complexity of the Firm. MTL has an appropriately qualified Board with dedicated sub-Committees supporting their oversight. MTL recognises that failure to maintain appropriate governance behaviours may result in behaviour which risk its reputation and stability.

2.4.10 Outsourcing Risks

MTL will only outsource where the benefits of outsourcing, including cost and access to skills, expertise and resources which would not otherwise be available, significantly outweigh the related risks. MTL selects outsourcing partners to take advantage of the benefits of outsourcing and to manage the related risks and will only outsource where the outsourcing arrangement can be governed and effectively risk managed.

MTL aspires to a low outsourcing risk appetite achieved through the implementation of outsourcing risk management frameworks.

3. Governance

3.1 Governance Framework

- MTL’s governance framework is built upon three lines of defence model that aims to ensure that accountability for the management of risk is owned and embedded in day-to-day management of the business. This concept ensures that each line reports independently to the Board and relevant sub-Committees. The three lines of defence are as follows:
- The first line of defence includes the functions that adhere to policies, procedures and standards established by the MTL Executive Team and Board and are responsible for management of the day-to-day business operations. Each business line owns the risks and controls for its respective business and retains full accountability for control of related business issues.
- The second line of defence is performed by the control functions including the Risk Management Function, managed by the Head of Risk and the Compliance Function, managed by the Head of Compliance.

- The third line of defence comprising Internal Audit provides assurance to the Firm's Risk & Compliance Committee, Audit Committee, and the Board on the adequacy of the Firm's systems of internal controls, risk management and governance processes.

3.2 The Board of Directors

The Board has overall responsibility for the Firm including ensuring that governance arrangements are in place to ensure effective and prudent management of the business.

The Board has responsibility for managing the Risk Management Framework and monitoring the Company's risk management policies and procedures, including the identification and management of each of the key risks that the Company faces. The Board is committed to ensuring that high standards of governance are in place to protect the interests of shareholders and stakeholders, and promotes the highest standards of integrity, transparency, and accountability.

At 31 December 2022 the Board was comprised of six directors, a majority of non-executive directors. It is the Board's responsibility to ensure that the Board, taken as a whole, is of sufficient size and has sufficient expertise to oversee the Company's operations.

The Directors are appointed based on their skills, qualifications and experience whilst ensuring that they have appropriate time to devote to their responsibilities as a Board member in consideration of the commitments of other professional roles they may have.

Board composition on 31 December 2022

Directorship Type	Director	Number*
Independent Non-Executive Director	Ronan White	4
Independent Non-Executive Director	Charles J McCreevy	5
Non-Executive Director	Emma Alley	1
Non-Executive Director	Peter Green	6
Executive Director	Eoin Walsh	1
Executive Director	Bryan McSharry	2

*Directorships within the same corporate group are counted as one

3.3 Board sub-Committees

The Board has established a Risk and Compliance Committee and Audit Committee.

3.3.1 Risk & Compliance Committee

The Risk & Compliance Committee ("RCC") comprises three members, the majority are independent non-executive directors and non-executive directors, whom the Board believes have appropriate knowledge, skills, and expertise to understand and monitor risk strategy and risk appetite.

The RCC Chairperson is an independent non-executive director and cannot be the Chairperson of the MTL Board to avoid any conflicts of interest.

The RCC was established to monitor risk and compliance governance and to assist the MTL Board in discharging its responsibilities in ensuring that risks are properly identified, reported, and assessed; that risks are properly controlled; and that strategy is informed by and aligned with the Firm's risk appetite. The Committee also oversees the Firm's implementation of compliance programs, policies and procedures required to meet legal, compliance and regulatory requirements.

The RCC met 4 times during 2022.

3.3.2 Audit Committee

The Audit Committee comprises three members including one independent non-executive director who is the Committee Chair. The MTL Board Chair and the MTL Chief Executive Officer are not permitted to be Audit Committee members. The Committee has an appropriate mix of skills and relevant financial experience. The Committee has at least one or more members who, the Board believes, have an appropriate qualification and recent and relevant financial experience, including competence in accounting and or auditing. The Audit Committee and Risk and Compliance Committees will at all times have at least one shared member.

The Audit Committee has specific responsibility to assist the Board in fulfilling its oversight responsibilities in respect of the Firm and its affairs relating to the financial reporting process and the Company's internal control processes including the integrity of the financial information provided to the Board, the Central Bank of Ireland, the Companies Registration Office, etc. The Audit Committee also has jurisdiction over the independence and performance of the statutory auditor, and in particular the provision of additional audit or advisory services to the Firm.

The Audit Committee met 4 times during 2022.

3.4 Diversity Policy

MTL is an equal opportunity employer, committed to a diverse and inclusive workplace, and does not discriminate based on gender, sexual orientation, civil or family status, race, religion or belief, nationality, ethnic or national origin, membership of the Traveller Community, disability, age, pregnancy or trade union membership, or the fact that they are a part-time worker or a fixed-term employee.

The principle of non-discrimination and equality of opportunity applies equally to the treatment of visitors, clients, and suppliers by members of our workforce and, in some circumstances, ex-employees.

Those working at a management level in MTL have a specific responsibility to set an appropriate standard of behaviour, to lead by example and to ensure that those they manage adhere to the policy and promote the values and objectives of the Firm regarding equal opportunities.

MTL believes in the power of the individual. Our people are our most valued asset. MTL is committed to ensuring an inclusive working environment for all employees to thrive in. MTL believes that the individual differences, self-expression and unique capabilities that people have should be recognised and celebrated, not discriminated against.

4. Remuneration Policies and Procedures

4.1 MTL's Remuneration Policy

MTL's remuneration policy sets the framework for all remuneration related policies, procedures and practices for all employees and directors. MTL is committed to developing sound remuneration polices and effective risk management on variable remuneration for its identified staff. The remuneration policy takes into consideration the following:

- Directive 2019/34/EU on the prudential supervision of investment firms ('IFD'').
- The European Union (Capital Requirements) Regulations 2019 (S.I. No 355 of 2021) ('the 2019 Regulations') which transpose IFD into Irish law.
- Guidelines on sound remuneration policies under Directive (EU) 2019/2034 (the 'Guidelines').
- EBA Opinion on the application of the principle of proportionality to the remuneration provisions in Directive 2013/36/EU.
- ESMA Guidelines on Remuneration Policies and Practices (MiFID).
- Central Bank Guidelines on Variable Remuneration Arrangements for Sales Staff.

The remuneration policy applies to all staff and ensures, amongst other things, sound internal governance arrangements, including remuneration policies and practices that are consistent with and promote sound and effective risk management and ensures a customer focused culture. The remuneration policy promotes gender neutrality by aligning MTL's commitment to the provision of equal pay for male and female workers for equal work or work of equal value.

MTL ensures that policies and practices are appropriately implemented and aligned with the Firm's overall corporate governance framework, corporate and risk culture, risk appetite and the related governance processes.

4.2 Fixed and Variable Remuneration

MTL defines fixed remuneration and variable remuneration as:

- Fixed remuneration is permanent, pre-determined, non-discretionary, non-revocable and cannot be reduced, suspended, or cancelled by MTL without the agreement of the employee. Fixed remuneration should primarily reflect the level of professional experience, organisational responsibility, and seniority of employees. The fixed remuneration includes annual salary paid in 12 monthly equal instalments, employer pension contributions and private health care contributions.

- Variable remuneration is all remuneration which is not fixed and will include such things as:
    - annual bonus awards.
    - where eligible, participation in share incentive plans.

4.2.1 Flexible Policy on Variable Remuneration

MTL has a flexible policy on variable remuneration. The amount of variable remuneration awarded will appropriately react to changes of the performance of the employee and MTL. In addition, unethical or non-compliant behaviour will impact employee member's variable remuneration. When setting the fixed elements of Identified staff, MTL will take account of several factors:

- Degree of seniority.
- Level of expertise and skill.
- Experience.
- Relevant business activity.
- Market conditions in the relevant jurisdiction.

When setting total remuneration, remuneration in the previous year shall be considered. Corporate and individual performance will be examined when reviewing variable remuneration.

MTL has set appropriate ratios between the fixed and variable components of the total remuneration whereby the variable component shall not exceed 100% of the fixed component of the total remuneration for any individual. There are no exceptions to this rule.

Variable remuneration comprised cash awards only, there are no share or deferrals awarded for 2022 performance year.

4.2.2 Share Incentive Plans

Certain key members of management may be eligible to participate in a Group B share scheme. Eligibility for such participation is subject to the Moneycorp Group Remuneration Committee.

4.2.3 Deferred Remuneration

MTL does not operate a deferral remuneration program. Consequently, there were no deferred remuneration awards vested in the 2022 performance year.

4.2.4 Guaranteed Variable Remuneration

MTL does not operate guaranteed variable remuneration programs. Consequently, there was no guaranteed remuneration award in the 2022 performance year.

4.2.5 Severance Awards

MTL did not make any severance payments in the 2022 performance year.

MTL did not pay out any severance payments previously awarded in prior years.

4.2.6 Derogations

MTL did not avail of the derogation provided for in Article 32(4) of EU Directive 2019/2034.

4.3 Aggregate quantitative remuneration information for staff who have a material impact on the risk of the institution.

For the year ended 31 December 2022, eight members of senior management and five other employees were identified as having a material impact on the risk profile of the Firm.

	Senior Management	Other Employees	Total
Fixed remuneration	€1,386,066	€592,869	€1,978,935
Variable remuneration	€ 909,838	€324,000	€1,233,838
Total	**€2,295,904**	**€916,869**	**€3,212,773**

Fixed remuneration consisted of salary payments, pension payments and private health care contributions.

5 Own Funds

5.1 Reconciliation between regulatory capital and accounting capital

Appendix 1 sets out a full reconciliation of regulatory own funds to balance sheet in the audited financial statements, in the format outlined by the EBA.

5.2 Main features of Own Funds

The following summary table sets out the make-up of the Firm's Tier 1 Capital as per the submitted 31 December 2022 regulatory capital returns under the IFR and EMR's.

Capital Resources	€'000
Tier 1 Capital	
Ordinary fully paid up Share Capital	5,650
Audited retained earnings per 2021 financial statements	7,154
Total Tier 1 Regulatory Capital	**12,804**

Appendix 2 includes a full composition of regulatory own funds table in the format outlined by the EBA.

5.3 Description of restrictions

The Firm currently has one restriction on own funds: own funds are restricted by the combined regulatory capital requirements which are required to be held under the IFR and the European Communities (Electronic Money) Regulations 2011 ("EMRs").

6 Own Funds Requirements

6.1 Approach to Assessing Capital Adequacy

In accordance with the IFR and EMR's and the Firm's internal capital and liquidity requirement methodology document, the Firm's capital requirement is monitored daily by the MTL Finance Team. Following the preparation of quarterly accounts, capital adequacy calculations are prepared and filed with the Central Bank of Ireland under both the Firm's MiFID and EMI licences.

MTL is classified as a Class 2 Firm under IFR and utilises the higher K-factors and/or Fixed Overhead Requirements to calculate its Pillar I capital requirements. Additionally, the Firm fully assesses its risk profile to ensure there is a credible link between its risk profile and the capital it maintains through the ICAAP process. This process identifies specific areas of risk outside of the Pillar 1 K-factors and assigns extra capital to ensure the Firm is fully capitalised to compensate for these risks.

In addition, MTL is authorised as an E-Money institution under the EMR and is required to calculate a separate regulatory capital requirement in accordance with the EMRs.

As of 31 December 2022, and always throughout the 2022 calendar year, the Firm complied with its prudential minimum capital requirements of IFR and EMRs in that the capital resources were well in excess of the combined regulatory capital requirements.

6.2 K-factor requirements

The following table sets out the Firms K-factor requirements as per the 31 December 2022 IFD capital return submitted to the Central Bank of Ireland.

Group	**K Factor Requirements**	**€'000**
Risk to Client (RtC)	Asset under management (K-AUM)	-
	Client money held (K-CMH)	1
	Assets safeguarded and administered (K-ASA)	-
	Client orders handled – cash trades (K-COH)	-
	Client orders handled – derivative trades (K-COH)	-
Risk to Market (RtM)	Net position risk (K-NPR)	45
	Clearing margin given (K-CMG)	-
Risk to Firm (RtF)	Trading counterparty default (K-TCD)	805
	Daily trading flow – cash trades (K-DTF)	-
	Daily trading flow – derivatives trades (K-DTF)	-
	Concentration risk requirement (K-CON)	573
	Total K Factor Requirement	**1,424**

6.3 Fixed Overheads Requirements

The following table lists the annual fixed overhead requirement of the previous year (based on the audited 2021 Financial Statements):

Fixed Overhead Requirement (FOR)	**€'000**
Total expenses per 2021 Financial Statements	9,025
Less deductions:	
Staff bonuses and other variable remuneration	(1,555)
Shared commissions and fees payable	(1,024)
Total Fixed Overheads	**6,446**
Fixed Overhead Requirements @ 25%	**1,611**

6.4 E-Money Capital requirements

The following table sets out the Firms E-Money capital requirement as per the 31 December 2022 E-money supplementary return submitted to the Central Bank of Ireland:

E- money Capital requirement	**€'000**
Initial Capital requirement	350
Method B – Payments volume calculation	2,527

6.4 MTL Combined Capital requirements versus Own Funds

The below table summarises the combined (MiFID and EMI) capital requirements as of 31st December 2022 compared to regulatory Own Funds:

Capital requirements versus Own Funds	€'000
MTL Regulatory Own funds 31/12/22	12,804
Capital Requirements:	
MiFID (IFR)	(1,611)
EMI	(2,527)
Total combined capital requirements	(4,138)
Additional Pillar 2 requirements	(150)
Total Pillar 1 and Pillar 2 requirements	4,288
Excess own funds over capital requirements	8,516
Regulatory capital excess %	66.5%

7. Investment Policy

MTL does not hold any proprietary investment positions and therefore does not have an investment policy in place.

8. Environmental, social and governance risks ("ESG" risks)

MTL is a subsidiary of the Moneycorp Group, Group ESG risks are disclosed in the Group annual report publicly available at Moneycorp Annual Report 2022.

Appendix 1

Template EU IFCC2: Own funds: reconciliation of regulatory own funds to balance sheet in the audited financial statements				
		a	**b**	**c**
		Balance sheet as in published/audited financial statements	**Under regulatory scope of consolidation**	**Cross reference to EU IF CC1**
		As at period end €'000	**As at period end €'000**	
Assets - *Breakdown by asset classes according to the balance sheet in the published/audited financial statements*				
1	Property, plant and equipment	15		
2	Right of use asset	285		
3	Deferred tax asset	26		
4	Cash and cash equivalents	135,808		
5	Derivative Financial instruments	26,409		
6	Trade and other receivables	12,617		
7	Current tax asset	961		
8	Prepayments	71		
xxx	**Total Assets**	**176,192**		
Liabilities - *Breakdown by liability classes according to the balance sheet in the published/auditied financial statements*				
1	Lease liabilities	332		
2	Trade and other payables	137,527		
3	Derivative financial instruments	22,651		
4	Bank overdrafts	1		
xxx	**Total Liabilities**	**160,511**		
Shareholders' Equity				
1	Share capital	5,650	5,650	Included in Own Funds
2	Share based payment reserve	69		
3	Retained earnings	9,962	7,154	2021 retained earnings included in Own funds at 31 December 2022

xxx	**Total Shareholders' equity**	**15,681**	**12,804**	

Appendix 2

Template EU IF CC1.01 - Composition of regulatory own funds (investment firms other than small and non-interconnected)			
		(a)	**(b)**
		Amounts €000'	**Source based on reference numbers/letters of the balance sheet in the audited financial statements**
Common Equity Tier 1 (CET1) capital: instruments and reserves			
1	**OWN FUNDS**	**12,804**	
2	**TIER 1 CAPITAL**	**12,804**	
3	**COMMON EQUITY TIER 1 CAPITAL**		
4	Fully paid-up capital instruments	5,650	Page 14 Financial Statements
5	Share premium		
6	Retained earnings	7,154	Page 14 Financial Statements
7	Accumulated other comprehensive income		
8	Other reserves		
9	Minority interest given recognition in CET1 capital		
10	Adjustments to CET1 due to prudential filters		
11	Other funds		
12	(-)TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1		
13	(-) Own CET1 instruments		
14	(-) Direct holdings of CET1 instruments		
15	(-) Indirect holdings of CET1 instruments		
16	(-) Synthetic holdings of CET1 instruments		
17	(-) Losses for the current financial year		
18	(-) Goodwill		
19	(-) Other intangible assets		
20	(-) Deferred tax assets that rely on future profitability and do not arise from temporary differences net of associated tax liabilities		
21	(-) Qualifying holding outside the financial sector which exceeds 15% of own funds		

22	(-) Total qualifying holdings in undertaking other than financial sector entities which exceeds 60% of its own funds		
23	(-) CET1 instruments of financial sector entites where the institution does not have a significant investment		
24	(-) CET1 instruments of financial sector entities where the institution has a significant investment		
25	(-)Defined benefit pension fund assets		
26	(-) Other deductions		
27	CET1: Other capital elements, deductions and adjustments		
28	**ADDITIONAL TIER 1 CAPITAL**	**0**	
29	Fully paid up, directly issued capital instruments		
30	Share premium		
31	(-) TOTAL DEDUCTIONS FROM ADDITIONAL TIER 1		
32	(-) Own AT1 instruments		
33	(-) Direct holdings of AT1 instruments		
34	(-) Indirect holdings of AT1 instruments		
35	(-) Synthetic holdings of AT1 instruments		
36	(-) AT1 instruments of financial sector entities where the institution does not have a significant investment		
37	(-) AT1 instruments of financial sector entities where the institution has a significant investment		
38	(-) Other deductions		
39	Additional Tier 1: Other capital elements, deductions and adjustments		
40	**TIER 2 CAPITAL**	0	
41	Fully paid up, directly issued capital instruments		
42	Share premium		
43	(-) TOTAL DEDUCTIONS FROM TIER 2		
44	(-) Own T2 instruments		
45	(-) Direct holdings of T2 instruments		
46	(-) Indirect holdings of T2 instruments		
47	(-) Synthetic holdings of T2 instruments		
48	(-) T2 instruments of financial sector entities where the institution does not have a significant investment		
49	(-) T2 instruments of financial sector entities where the institution has a significant investment		
50	Tier 2: Other capital elements, deductions and adjustments		