Pillar 3 Disclosures

Introduction
Regulatory Context
The Pillar 3 disclosure of **Volopa Capital limited** ("the Firm") is set out below as required by the FCA's "Prudential Sourcebook for Banks, Building Societies and Investment Firms" (IFPRU 125K) specifically IFPRU 1.19.R (for ICAAP) and IFPRU SYSC 19 A (for remuneration principles). This follows the introduction of the Capital Requirements Directive ("CRD") which represents the European Union's application of the Basel Capital Accord. The regulatory aim of the disclosures is to improve transparency and thereby to protect consumers.

Frequency
The Firm will be making Pillar 3 disclosures annually. The disclosures will be as at the Accounting Reference Date ("ARD") which is currently 31 March.

Media and Location
The disclosure is published only in our Accounts and will be available from the Registered office on request.

Verification
This information has not been audited by the Firm's external auditors and does not constitute any form of financial statement and must not be relied upon in making any judgment on Volopa Capital limited.

Materiality
The Firm regards information as material in disclosures if its omission or misstatement could change or influence the assessment or decision of a user relying on that information for the purpose of making economic decisions. If the Firm deems a certain disclosure to be immaterial, it may be omitted from this statement.

Risk Management
The Firm is mindful of the FCA's comments regarding confidentiality and of the comment that both qualitative and quantitative data must be disclosed.

As such, the Firm's policy is to disclose that information required under the FCA Rules but to treat further information as proprietary if sharing that information with the public would undermine its competitive position. Proprietary information may include information on products or systems which, if shared with competitors, would render the Firm's investments therein less valuable. Further, the Firm will regard information as confidential if there are obligations to customers or other counterparty relationships binding the Firm to confidentiality. In the event that any such information is omitted, we shall disclose such and explain the grounds why it has not been disclosed.

Summary
The CRD requirements have three pillars. Pillar 1 deals with minimum capital requirements; Pillar 2 deals with Internal Capital Adequacy Assessment Process ("ICAAP") undertaken by a firm and the Supervisory Review and Evaluation Process through which the firm and

regulator satisfy themselves on the adequacy of capital held by the Firm in relation to the risks it faces and Pillar 3 which deals with public disclosure of risk management policies, capital resources, capital requirements and remuneration policy. The regulatory aim of the disclosure is to improve market discipline and transparency.

The Firm is a limited license scope firm primarily undertaking brokerage services. It acts as agent on behalf of clients and on a matched principal basis.

The Firm's key risks have been identified and grouped as either market, credit, business or operational risks. The Firm has assessed these risks in its ICAAP and has set out appropriate actions to manage them.

Market Risk
As a Broker, we have negligible exposure to settlement and price volatility. These risks are managed by having robust internal controls to limit our exposure. Other potential exposures are non-trading book exposures to foreign currency assets or liabilities held on our balance sheet.

Credit Risk
The Firm's exposure to credit risk is the risk that fees cannot be collected and the exposure to banks where cash held is deposited.
The Firm holds all cash with an EU bank.

Business Risk
By its nature a brokerage firm has a higher business risk than some other types of business. However, within this context the Firm again has a conservative business risk appetite. Currently the Firm has a simple business strategy and the main business risk is the loss of client business.

Operational Risk
This incorporates the processes undertaken as well as the regulatory and contingency planning done at the Firm level. Our operational risk appetite is conservative and, as a result, we invest to mitigate such risks.
Our staffing levels also provide a level of contingency cover in all critical business areas.
The Firm has documented contingency planning and disasters recovery procedures and these are regularly reviewed and tested.
We also aim to keep all aspects of our operations as simple as possible.

Background to the Firm
Background
The Firm is incorporated in the UK and is authorised and regulated by the FCA as an Investment Firm. The Firm's activities give it the IFPRU categorisation of a "limited license" and a "IFPRU €125K" firm.

For its Pillar 1 regulatory capital calculation of Credit Risk, under the credit risk capital component the Firm has adopted the Standardised approach and the Simplified method of calculating risk weights
Counterparty Credit Risk calculation @ 31 March 2018 is £30,415.
Credit Risk Capital Requirement £0 (Nil) Due to restructuring inactivity

Risk Management Objective
The Firm has a risk management objective to develop systems and controls to mitigate risk to within its conservative risk appetite.

Governance Framework
The Board meets formally on a Quarterly basis. Graham Farrow, as CEO has the daily management and oversight responsibility for the Firm.

Risk Framework
The Board is responsible for risk management and reviews the effectiveness of the Firm's system of internal controls to manage and mitigate the risks identified.

Overall Pillar 2 Rule
The Firm has adopted the "Structured" approach to the calculation of its ICAAP Capital Resources Requirement as outlined in the Committee of European Banking Supervisors Paper, 25 January 2006.

The ICAAP is reviewed by the Board of the Firm annually, or when a material change to the business occurs.

The Firm is primarily exposed to Credit Risk from the risk of non-collection of fees and the exposure to banks where cash assets held is deposited.

The Firm holds all cash with an EU bank.

This disclosure is not required as the Firm uses the Simplified method of calculating Risk Weights

The Firm's Fixed Overhead Requirement (FOR) is disclosed as a proxy for the Pillar 1 Operational risk and amounts to £60,000

Base Capital Requirement

EURO 125,000
PILLAR 1 and PILLAR 2
The firm’s Pillar 1 and Pillar 11 requirement is £60,000 and £60,000 respectively.

Pillar 1 Calculation	£	Pillar 2 Calculation	£
Fixed Overhead Req	60,000	Other risk	60,000
Standardised credit risk	30,415	Credit risk	30,415
Market risk	0	Market risk	0
Capital requirement	60,000	Capital requirement	60,000
Capital resources	110,276	Capital resources	110,276
Excess	50,276	Excess	50,276

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