Virtu ITG Ventures Ltd

& its subsidiary

Virtu ITG Europe Limited

Pillar 3 Disclosures for the year ending 31 December 2019

Dated: 23-June-2020

CONTENTS

1 Introduction

1.1 Introduction

This document sets out the Pillar 3 Disclosures of Virtu ITG Ventures Limited ("VIVL") and its subsidiary Virtu ITG Europe Limited ("VIEL" or the "Company") as at 31 December 2019 (the "Disclosures").

This document sets out the Pillar 3 Disclosures of the consolidated entities of Virtu ITG Ventures Limited ("VIVL"), made up of its 100% owned subsidiary Virtu ITG Europe Limited ("VIEL"). Both entities are Irish registered private limited liability companies and are subsidiaries of Virtu Financial Inc. a NASDAQ listed company and hereafter referred to as "Virtu Inc.". The Pillar 3 disclosures (the "Disclosures") are compiled as at 31 December 2019.

The Disclosures are required by Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms (the "CRR") and the Capital Requirements Directive 2013/36/EU (the "CRD") (herein referred to together as "CRD IV").

VIEL is regulated by the Central Bank of Ireland ("CBI") and is authorised as an Investment Firm under Regulation 8(3) and deemed authorised under Regulation 5(2) of the Statutory Instrument No. 375/2017 European Union (Markets in Financial Instruments) Regulations 2017.

1.2 Regulatory Background

CRD IV is a capital adequacy framework for credit institutions and investment firms in the European Union. Its purpose is to provide for a comprehensive and risk-sensitive capital adequacy structure within credit institutions and investment firms and to promote enhanced risk management systems and controls amongst financial institutions. CRD IV is made up of three prudential components called "Pillars":

- ***Pillar 1*** sets out the methodology for the calculation of the Company's minimum regulatory capital requirements to meet the Company's credit, market and operational risks.
- ***Pillar 2*** requires the Company to fully assess its risks and to ensure there is a credible link between its risk profile and the capital it maintains. The Pillar 2 assessment is also called the Internal Capital Adequacy Assessment Process ("ICAAP").
- ***Pillar 3*** requires the Company to make public disclosures of certain specific information concerning capital adequacy, risk exposures and risk management arrangements in order to promote greater market discipline and transparency through the disclosure of key information about a firm's capital adequacy, risk exposures and risk management arrangements.

The Disclosures meet VIVL's and VIEL's obligations with respect to Pillar 3 and the requirements outlined in Articles 431-455 of the CRR. The Disclosures are drafted having regard to such guidance as issued by the European Banking Authority ("EBA") from time-to-time and taking into account the recently published EBA Report on Assessment of Institutions' Pillar 3 Disclosures.

1.3 Scope, Frequency, location and verification of disclosures

The Disclosures are solely in respect of the Company and on a consolidated basis by VIVL. The

Disclosures have been prepared as at 31 December 2019, which is the fiscal year end of VIVL and VIEL.

The Company publishes its Pillar 3 Disclosures on the Virtu Financial group's website at the following address https://www.virtu.com/regulatory-disclosures/.

These disclosures have been prepared solely for the purpose of fulfilling the Company's Pillar 3 disclosure requirements and are not used by management for any other purpose. They have not been audited nor do they constitute any form of audited financial statement.

2 Summary of business changes during the year

This Disclosure is the Company's 2019 Pillar 3 disclosure updated to reflect the Company's current business model and metrics as at year end 31 December 2019.

On 1 March 2019, the Company's now ultimate parent, Virtu Financial Inc. ("Virtu") concluded its acquisition of Investment Technology Group Inc. ("ITG") and its subsidiaries including the European subsidiary which was subsequently named Virtu ITG Europe Limited ("VIEL"), a Central Bank of Ireland agency brokerage and multi-lateral trading facility operator.

VIEL is regulated and authorised by the Central Bank of Ireland as an Investment Firm under Regulation 8 (3) and deemed authorised under Regulation 5 (2) of the Statutory Instrument No. 375/2017 European Union (Markets in Financial Instruments) Regulations 2017 and has the following investment services authorised: (1) Reception and transmission of orders in relation to one or more financial instruments; (2) Execution of orders on behalf of clients; (3) Dealing on own account; (4) investment advice; and (5) Operation of multilateral trading facilities.

Following the acquisition Virtu has devoted significant resources to execute a plan to bring Virtu's leading technology, risk management and operational efficiency to ITG's array of agency solutions to better serve a global client franchise. In Europe, following a strategic review in Q2 2019, it was determined that the Company would take on existing clients of Virtu Financial Ireland Limited ("VFIL"), the existing European subsidiary of Virtu, so that the Company could focus and build on its institutional equity agency brokerage service. This migration of clients is due to be affected in H1 2020.

The Company's revised business model, electronic strategies and risk systems and controls in addition to its updated governance framework are summarized in this Pillar 3 disclosure.

3 Risk Management Framework

3.1 Risk Appetite

Risk appetite is defined as the aggregate level and types of risk an organization is willing to assume within its risk capacity to achieve its strategic objectives and business plan. Risk capacity is defined as the maximum level of risk the Company can assume given its current level of resources before breaching constraints determined by regulatory capital and liquidity needs, the operational environment and obligations, also from a conduct perspective to shareholders, clients and other stakeholders.

The risk appetite for the Company is encapsulated in the entities budget and medium-term business plan, which is aligned with the Company's overall business risk appetite as set out in the Risk Policy and is sanctioned by the board on an annual basis. Consequently the Company's risk appetite is reflective of its strategy, including organizational objectives, business plans and shareholders expectations. The Company acknowledges a willingness and capacity to take on risks and is inclusive of a tolerance for loss or negative events that can be reasonably quantified, such as operational risk losses resulting from trade errors, lost revenue as a result of third party outages (venues, brokers etc.) and others, such losses are referred to as expected losses.

The Company's risk appetite incorporates a balanced mix of both quantitative and qualitative measures. The quantitative measures include financial targets, for example capital adequacy, transaction processing costs and others as well as expected losses for events that are reasonably quantified. These are tracked, monitored and managed by ExCo through a series of Key Performance Indicators and by the Risk Officer through a series of Risk Key Risk Indicators.

Qualitative measures refer to reputational impact, management effort and regulatory compliance amongst others. In consideration of the Company's risk profile, the Board of Directors has set the following risk appetite.

Credit & Counterparty Risk (CCR) Appetite:

<u>Credit Risk</u>

There is a very low appetite for Credit risk. The Company will only extend credit to an affiliate/subsidiary company in full consideration off and compliance with the Company's Liquidity Risk Management Framework and Intercompany Lending Policy. This framework requires that any loan with a maturity of more than 10 days or values at more than £5 million will require pre-approval from the Board of Directors of the relevant entity making the loan.

<u>Counterparty Risk</u>

There is medium appetite for Counterparty risk.

Counterparties can be broadly placed in two categories;

- Banks in which the VIEL has cash deposits and therefore there is a risk that those funds become unavailable in the event the bank (counterparty) is unable to provide access to those funds.
- Trading counterparties in which there is an obligation to deliver cash to pay for shares purchased or shares for shares sold; the risk here is initially a settlement delay followed by a settlement default.

The Company has robust credit approval and treasury policies with the primary objective of preserving principal, maintaining liquidity obligations and limit capital and credit risk exposure due to customer defaults.

Market Risk Appetite:

There is no appetite for Market risk.

VIEL has no "intent to trade" and consequently does not run a trading book for proprietary trading purposes.

However from time to time positions and consequently market risk will occur as a result of operational risk events such as errors and accommodations for which there is an expected loss tolerance agreed and approved by the Board as part of the budget and business planning approval process.

VIEL's policy is to trade immediately out of any positions resulting from a trade error or accommodation. When that is not possible (markets closed, liquidity) and the position is material or the markets are volatile, the policy is to put on a hedge.

Liquidity & Funding Risk Appetite:

There is no appetite for VIEL being unable to meet all payment obligations as and when they become due.

The Company has a liquidity metric called the liquidity survival horizon, expressed as the time the Company is able to fulfil all its fixed overhead obligations in a stressed scenario that simulates a cease in all revenues and related variable costs.

The Company's risk appetite would be considered breached (operating outside of appetite) if the survival horizon dropped below 1 months under stressed conditions.

The finance department and Head of Finance acting in the capacity of treasury management will ensure they are able to identify measure and manage the liquidity requirements of the Company through the monitoring of operational liquidity as well as determining and securing the Company's longer term funding requirements.

The Company has zero tolerance as relates to breaches of its regulatory capital requirements and has in place near real-time monitoring of said requirements and alerting mechanisms that provide early warning when requirements versus own funds are marginal or stressed.

The Company's risk appetite as regards capital adequacy would be considered breached (operating outside of appetite) if the excess of own funds to capital requirements was equal to or less than 5% for 6 consecutive days.

Operational Risk Appetite:

Operational Risk is pervasive, managed across the organization and a consequence of operating the business; consequently articulating a risk appetite is more challenging than doing so for other risk types.

To this end the business has, in addition to the impact on earnings approach, extended the operational risk appetite to include statements across i) information technology, ii) fraud and corruption & iii) information management.

At a high-level operational risk appetite is based on an impact on earnings approach.

This involves looking at how much the Company could potentially lose due to operational risk losses. In setting operational risk appetite both the impact on solvency and reputation are considered.

3.2 Risk Management, Culture & Structures

The Board seeks to have in place an integrated and institution-wide risk culture. This cultural approach means that employees are aware of their responsibilities relating to risk management, understand the risks the Company faces and is aware of how such risks are managed within the Company. This risk culture is developed through staff training, formal and informal reporting, meetings and formal communications to staff from Senior Management as regards the Company's risk policies and procedures.

The Company has established regular and transparent reporting mechanisms so that the Directors and all of the relevant functions within the Company are provided with reports in a timely and meaningful manner. This enables the sharing of relevant information about the identification, measurement or assessment and monitoring of risks both vertically and horizontally.

In order for the Board to achieve its risk objectives it has put in place a permanent independent Risk Management Function supervised by the Chief Risk Officer. The Risk Management Function is organizationally separate from the activities which it is assigned to monitor and control, but it is not isolated from them.

The Company's control environment is highly automated through the use of Virtu Financial Group's proprietary technology infrastructure. The Company's infrastructure incorporates automated risk protections and risk limiting tools to protect against operational, trading and other potential risk areas. Within the Company there is a strong focus on rigorous risk management techniques and early identification of issues with escalation protocols to the Board.

The governance framework is based upon the concept of 3 internal lines of defence against risk. This concept aims to ensure that accountability for the management of risk is pushed "towards the coal-face" to ensure that it is embedded in day-to-day management, but the boundaries between lines of defence should not be considered rigid. This concept ensures that each line reports independently to the Board and relevant Sub-Committees. The three lines of defence are as follows:

1st line: The First Line of Defence is the individuals who adhere to policy and standards and principles established by the Board and are responsible for day to day business management. Each business line owns the risks and controls for its respective business and retains full accountability for control of related business issues.

2nd line: The Second Line of Defence is performed by the control functions including:

- The Risk Management Function supervised by the Chief Risk Officer;
- The Finance Function supervised by the Head of Finance; and
- Compliance Function managed by the Company's Compliance Officers.

3rd line: Independent assurance stakeholders comprising Internal Audit and External Audit. The Internal Audit function provides assurance to the Company's Risk and Compliance Committee, Audit Committee, Governance and Nomination Committee and the Board on the adequacy of the Company's systems of internal controls, risk management and governance processes. The function of Internal Audit is undertaken by EisnerAmper Ireland, the Irish subsidiary of a global audit and risk management assurance services provider. The External Audit function provides independent assurance to the Audit Committee and the Board on the adequacy of the internal controls, accounting systems and accuracy and completeness of the financial statements. External Audit is provided by PwC.

3.3 The Board of Directors

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

The Board comprises 2 independent non-executive directors, 2 non-executive directors affiliated to the Company's ultimate parent entity and two executive directors (the "Directors"). 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. As of 31 December 2019 the Directors held the following directorship appointments:

Directorship Type	Director	Number of Directorships *
Executive Director	Mr R. Boardman	7
Independent Non-Executive Director	Mr K. O'Doherty	17
Chairman & Independent Non-Executive Director	Ms G. Jones	11
Non-Executive Director	Mr B. Fairclough	7
Executive Director	Mr D. Carbery	2
Non-Executive Director	Mr D. Furlong	3

During 2019 the Board met 6 times.

3.4 Subcommittees of the Board

The Directors have delegated responsibility for supervision of certain functions within the Company to various sub-committees of the Board and to senior management who report back to the Board at periodic meetings.

3.4.1 Audit Committee

The Audit Committee has specific responsibility to assist the Board in fulfilling its oversight responsibilities in respect of the Company and its affairs relating to the financial reporting process, including the integrity of the financial information provided to the Board, the Company's parent, the Central Bank of Ireland, the Companies Registration Office and others; the effectiveness of the Company's systems of internal control and internal audit; the statutory audit of the annual and consolidated accounts; and the independence of the statutory auditor or audit company, and in particular the provision of additional audit or advisory services to the Company.

The membership of the Audit Committee is comprised of non-executive Directors of the Company and is chaired by an independent non-executive director.

During 2019 the Audit Committee met 4 times.

3.4.2 Risk and Compliance Committee

The Risk & Compliance Committee is appointed by the Board of Directors of the Company. The primary function of the Committee is to assist the Board in fulfilling its oversight of the appropriateness of the Company's operational risk management framework, the significant operational risks in the Company's business, the appropriateness of the Company's compliance framework and the Company's regulatory compliance.

The Committee consists of no fewer than two members and each member is a member of the Board and is chaired by an independent non-executive director.

During 2019 the Risk and Compliance Committee met 4 times.

3.4.3 Nomination and Governance Committee

The Nominating & Corporate Governance Committee is appointed by the Board of Directors. The primary function of the Committee is to assist the Board in identifying individuals qualified to become Board members, and to select, or to recommend that the Board select director nominees. They are also tasked to develop and recommend to the Board the corporate governance guidelines applicable to the Company, oversee a review of the Board's and its committees' performance and of the Company's management's performance with respect to the corporate governance of the Company and to recommend to the Board director nominees for each committee, including the Nominating & Corporate Governance Committee.

During 2019 the Nomination and Governance Committee met 3 times and is chaired by an independent non-executive director.

3.5 Board Reporting

The Sub-Committees report directly to the Board via their respective Committee Chairmen at each sitting of the Board. The Senior Management Team also report directly to the Board at each meeting on each of their functional areas and provide detailed periodic reports on metrics in the areas of finance, legal, compliance, risk management, trading, technology & IT and general business.

4 Risk Assessment

The Board considers that risk management arrangements of the Company are appropriate and that they provide the Board with assurance that the risk management systems put in place are adequate with regard to the institution's profile and strategy.

4.1 Operational Risks

Operational risks are the risks of direct or indirect losses arising from a wide variety of causes associated with the Company's processes, personnel, technology and infrastructure, and from external factors other than credit and market risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour.

General operational risks include those risks arising from inadequate internal processes or systems, external events or inadequate employee performance. To mitigate against such risks the Company has a comprehensive suite of process controls, automated risk controls, procedures, monitoring and reporting programs which ensure that these risks are identified and mitigated rigorously.

Information and communication technology ("IT") risk is a sub-classification of Operational Risk and relates to the impact of current or prospective risk of losses to the Company due to the inappropriateness or failure of technical infrastructures which can in turn compromise the availability, integrity, accessibility and security of such infrastructures and of data. The Company is a technology enabled company and accepts that its business model increases its exposure to material levels of technology risk. To mitigate the likelihood of such risks occurring, the Company has implemented multiple levels of failover and contingency arrangements which ensure the continued operation of the Company's processes and risk controls in the event of a technological interruption or failure. In addition, the Company has a suite of monitoring controls which examine the health of the Company's hardware, infrastructure and software performance. These monitoring tools are supervised in real-time by dedicated risk, operations and trading teams who have predefined procedures to manage a risk event should it occur.

Legal risk is a sub-classification of Operational Risk and is defined as the risk of a loss of legal, human or financial integrity, reputation or capital as the result of government action, legislation, contract or other laws or regulations. Compliance risk is the risk of adverse legal outcomes, market conduct risk which include risks associated with regulatory sanctions, material financial loss, or loss to reputation a financial institution may suffer as a result of its failure to comply with laws, regulations, rules, related self-regulatory organization standards, and codes of conduct applicable to its activities. As a regulated entity, the Company operates in a highly regulated environment and may therefore be subject to such risks. In order to manage legal and compliance risks, the Company has a dedicated Compliance Team which oversees the Company's compliance and legal risk management framework.

4.2 Market Risk

Market risk can be defined as the risk of losses in on and off-balance sheet positions arising from adverse movements in market prices. From a regulatory perspective, market risk stems from all the positions included in the Company's trading book as well as from commodity and foreign exchange risk positions in the whole balance sheet.

In regard to the Company's agency execution services, the Company is not typically exposed to market risk. However, from time-to time market risk may arise as a result of trading errors or client adjustments. In such cases the Company would seek to trade out of any market risk or hedge such positions.

The Board of the Company therefore have no appetite for market risk. The Chief Risk Officer monitors the Company's overall compliance with its market risk appetite and the Head of Trading monitors the Company's market risk management policies and procedures.

4.3 Liquidity Risk

Liquidity risk represents the risk that the Company does not have sufficient liquid assets to meet short and medium-term liquidity requirements over an appropriate set of time horizons, that the Company does not maintain adequate levels of liquidity buffers, under both normal and stressed conditions or the Company does not have sufficient funding plans to support strategic objectives. The liquidity position of the Company is monitored on a daily basis by finance and operations, with

management information on liquidity provided on a regular basis to senior management and periodically reported to the Board. On an annual basis a five-year forward looking liquidity plan is prepared by the finance function and reviewed by the Board.

In the opinion of the Board, the Company has sufficient funds available to meet all operational requirements, future operations and stated objectives.

4.4 Credit Risk, Custodian Risk, Default Risk

Credit (Custodian, Default) risk is the current or prospective risk to earnings and capital arising from counterparty's failure to meet the terms of any contract or its failure to perform as agreed.

The Company's primary credit risks relate to exposures arising from Company deposits and balances held with banks and General Clearing Members, to institutions and exposures to clients arising from agency and client receivables as well as balances owed to the Company by third parties (including affiliates) exposing it to credit risk or risk of default. Agency client settlements, which are unable to be centrally cleared and conducted on the basis of "delivery versus payment", which minimizes the risk of exposure to more substantial trading positions. This does not, however, eliminate risk entirely in circumstances in which the counterparty fails and the value of stock awaiting settlement against payment has changed adversely. Such defaults could have an adverse effect on the Company's financial results, financial condition and cash flows. For the purpose of the calculation of risk weighted exposures relating to credit risks, external credit assessment institutions are used.

The Company has a diversified client base and does not consider there to be a significant risk of individual client default impacting the viability of the overall business. Pre-settlement exposure to clients is monitored by the Company's Risk management function, and the Company has effective procedures in place to identify and manage potential settlement failure. This enables management to respond very quickly in the event of emerging risk issues arising from overall exposure to, and/or the specific creditworthiness of, a particular counterparty or group of counterparty. The Board has delegated responsibility for allocating and monitoring counterparty/client credit limits to the Risk and Compliance Committee. Compliance and Risk liaise with Operations and Trading to manage the assignment of the limits to the Company's counterparties.

The Company encountered no credit or default scenarios with its counterparties during the period.

4.5 Settlement Risk

Settlement risk is the risk that one party will fail to deliver the terms of a contract with another party at the time of settlement. The Company does not hold positions in the trading book and all counterparty exposures are incurred in the ordinary course of settlement which in Europe is over two business days.

Overall the Company considers that settlement risk is extremely low with the risk of loss to be suffered due to incorrect settlement considered to be negligible.

5 Capital Resources & Capital Adequacy

5.1 Capital Resources

As at 31 December 2019 and at all times throughout the year, the Company complied with its

prudential minimum capital requirements of CRD IV in that the capital resources were in excess of the capital required by the Company.

The Company's capital resources consist of Tier 1 capital, the characteristic being that Tier 1 capital is available to absorb losses, ranks for repayment on winding up after other debts and has no fixed costs attached. The Company's Tier 1 capital comprises ordinary shares and retained earnings. The Company also has intangible assets which are deductible for the purposes of calculating its Capital resources. The following is the Company's Capital resources calculated in line with CRD IV requirements:

CAPITAL RESOURCES*	As at 31-Dec-19 EUR '000	As at 31-Dec-18 EUR '000
Tier 1 Capital		
Ordinary Share Capital	120	115
Share Premium	1,701	1,618
Capital Contributions	-	-
Other Reserves	(666)	(590)
Retained Earnings	64,236	42,672
Adjustments to Tier 1		
intangible assets	(8,410)	(990)
Value adjustments due to the requirements for prudent valuation	-	(8,867)
Total Tier 1 Capital	56,981	33,958

* COREP for period 31 December 2019.

VIEL's audited financial statements for the year ending 31-Dec-2019 recorded a net loss after tax of EUR 405,679 VIEL's COREP as at 31-Dec-2019 reflects Own Funds of EUR 56,981,448.

Reconciliation of Accounting Capital with Regulatory Capital	
	€'000
Total shareholders equity	58,130
Regulatory adjustments	(8,410)
Unaudited portion oif current year profit and loss	7,261
Common Equity Tier 1 Capital	**56,981**

5.2 Capital Ratios

The Common equity tier 1 capital ("CET1") is the highest quality form of regulatory capital under

CRD IV that comprises the Company's capital contributions and retained earnings, and deducting specified regulatory adjustments. The CET1 ratio is a measure of Tier 1 capital compared to its risk weighted assets. The Company's CET 1 ratio, Tier 1 ratio and Total capital ratio are the same as the Company's capital is only made up of capital of the highest quality as defined in CRD IV.

CAPITAL RATIOS	As at 31-Dec-19	As at 31-Dec-18
CET 1 Capital ratio	17.26%	12.81%
T1 Capital ratio	17.26%	12.81%
Total Capital ratio	17.26%	12.81%

5.3 Return on Assets

Article 90 of the CRD requires institutions to disclose return on assets as a key indicator, calculated as net profit divided by total balance sheet. For the year ended 31 December 2019 VIEL's return on assets was -0.6%.

5.4 Capital Adequacy

The Company's regulatory capital policy seeks to ensure that the Company has sufficient capital to cover the risks of its business and support its strategy, and at all times complies with CRD IV regulatory capital requirements.

Formal procedures are in place to monitor and manage capital resources on an active and timely basis. Responsibility for day-to-day monitoring of capital adequacy rests within the Compliance and Risk Management functions. Reports are produced to monitor regulatory capital and forecasts are distributed to the Board and senior management on a regular basis.

Pillar 1 sets out the methodology for the calculation of the Company's risk weighted exposures as a percentage of Common Equity Tier 1 Capital and as a by-product, the Company's minimum regulatory capital subsequent to its conditions of authorisation. The Company calculates Operational Risk capital requirements in accordance with the fixed overhead approach.

As at 31 December 2019 the Company's Capital Requirements were as follows:

CAPITAL REQUIREMENTS	As at 31-Dec-19 EUR '000	As at 31-Dec-18 EUR '000
Pillar 1 Regulatory Capital Requirements		
Credit & Counterparty Credit Risks *	3,104	3,179
Settlement & Delivery Risks	-	-
Position, FX and Commodity Risks *	231	307
Fixed Overheads	23,072	17,721
Total Capital Requirement	26,407	21,207

*Using Standardised Approach

5.5 Pillar 1 – Capital Requirements

The following outlines how the Company's Pillar 1 capital is calculated.

5.5.1 Pillar 1 - Methodologies

The Company calculates Pillar 1 capital requirements in accordance with the regulatory capital requirements of CRD IV. The risks arising in the Company which gives rise to the requirement for capital under CRD IV is as follows:

- Credit and Counterparty Risk arises from exposures on the Company's balances held with or due from GCMs, banks and amounts due from other third parties.
- Market Risk arises from adverse changes in interest rates, foreign exchange rates or other market prices (relating to equities, commodities, ETFs, derivatives etc.) due to the Company's activities.
- Settlement & Delivery risks arise for the Company where issues occur during the settlement process.
- Operational Risk arising from a wide variety of causes associated with the Company's processes, personnel, technology and infrastructure, and from external factors other than credit and market risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour.

5.5.2 Pillar 1 - Calculations

The following disclosures details the calculations for Pillar 1 requirements as at 31 December 2019 with prior year comparatives provided.

5.5.2.1 Credit risk

All calculations have been calculated using the standardised approach to credit risk as determined by CRR Article 111. The main source of credit risk exposure arises from the Company's agency brokerage client and market receivables.

The breakdown of the calculation is as follows:

CREDIT RISK EXPOSURES AND CAPITAL REQUIREMENTS	Year ended 31 December 2019		Year ended 31 December 2018	
	Risk Weighted Asset EUR '000	Capital Requirements EUR '000	Risk Weighted Asset EUR '000	Capital Requirements EUR '000
Credit Risk Exposures				
Institutions	3,278	262	2,838	227
Corporates	14,037	1,123	13,312	1,064
Public Sector Entities	2	0	3	-
Claims on institutions and corporate with a short-term credit assessment.	8,501	680	12,605	1,008
Central governments or central banks	-	-	95	7
Other items	12,986	1,039	10,974	877
Total	38,804	3,104	39,827	3,183

CREDIT RISK EXPOSURES AND CAPITAL REQUIREMENTS	Year ended 31 December 2019		Year ended 31 December 2018	
	Risk Weighted Asset EUR '000	Capital Requirements EUR '000	Risk Weighted Asset EUR '000	Capital Requirements EUR '000
Credit Risk Exposures				
Institutions	3,278	262	2,838	227
Corporates	14,036	1,123	13,312	1,064
Public Sector Entities	2	0	3	-
Claims on institutions and corporate with a short-term credit assessment.	8,501	680	12,605	1,008
Central governments or central banks	-	-	95	7
Other items	12,986	1,039	10,974	877
Total	38,803	3,104	39,827	3,183

The geographic distribution of each class of exposure is as follows as at the reporting date- (institutions includes all corporates and institutions):

GEOGRAPHIC ANALYSIS OF CREDIT RISK EXPOSURES 12/31/2018	Total EUR '000	Republic of Ireland EUR '000	United Kingdom EUR '000	United States of America EUR '000	Sweden EUR '000	France EUR '000	Bermuda EUR '000	Other EUR '000
Credit Risk Exposures								
Central governments or central banks	95	-	95	-	-	-	-	0
Institutions*	68,319	16,691	27,994	942	18,657	1,697	-	2,338
Other exposures	9,063	2,909	5,239	-	-	915	-	-
Total exposures	77,477	19,600	33,328	942	18,657	2,612	-	2,338

GEOGRAPHIC ANALYSIS OF CREDIT RISK EXPOSURES 12/31/2019	Total EUR '000	Republic of Ireland EUR '000	United Kingdom EUR '000	United States of America EUR '000	Sweden EUR '000	France EUR '000	Bermuda EUR '000	Other EUR '000
Credit Risk Exposures								
Central governments or central banks	798	-	48	-	-	750	-	-
Institutions*	66,159	243	29,403	1,036	14,773	4,458	13,810	2,436
Other exposures	8,621	1,915	5,675	-	-	1,031	-	-
Total exposures	75,578	2,158	- 35,126	1,036	14,773	6,239	13,810	2,436

**includes institutions and corporates with and without short term credit rating*

Other geographic areas above includes Switzerland, Cyprus, Israel, Germany, Turkey, Norway, Belgium, Austria, Sweden, Spain and Italy.

Industry analysis of exposures

The Company's exposures at the balance sheet date comprise of regulated financial services firms and financial services entities.

The average credit exposure of each class of exposure is as follows during the period:

AVERAGE CREDIT RISK EXPOSURES AND CAPITAL REQUIREMENTS	1 January to 31 December 2019		1 January to 31 December 2018	
	Total Exposure EUR '000	Capital Requirements EUR '000	Total Exposure EUR '000	Capital Requirements EUR '000
Credit Risk Exposures				
Institutions	10,071	273	9,509	266
Corporates	13,709	845	18,119	1,450
Public sector entities	15	-	16	-
Central governments or central banks	600	-	382	-
Claims on institutions and corporate with a short-term credit assessment	43,585	725	45,278	907
Other items	9,737	1,107	7,683	729
Total	77,716	2,950	80,987	3,352

The residual maturity of each class of exposure is as follows as at the reporting date:

Residual Maturity of credit exposures 2019	On demand €'000	0<3 Months €'000	3<6 months €'000	6 months<1 year €'000	1<3 years €'000	Total Exposures €'000
Central governments and central banks	-	798	-	-	-	798
Public sector entities	-	13	-	-	-	13
Institutions	-	9,160	-	-	-	9,609
Corporates	-	217	-	13,812	-	14,029
Retail	-	-	-	-	-	-
Claims on institutions and corporate with a short term credit assessment	25,434	17,073	-	-	-	42,507
Equity	-		-	-	-	-
Other	-	328	-	1,650	6,644	8,622
Total Exposures	25,434	27,589	-	15,462	6,644	75,578

Residual Maturity of credit exposures 2018	On demand €'000	0<3 Months €'000	3<6 months €'000	6 months<1 year €'000	1<3 years €'000	Total Exposures €'000
Central governments and central banks	-	96	-	-	-	96
Public sector entities	-	18	-	-	-	18
Institutions	-	8,582	-	-	-	8,582
Corporates	-	177	-	13,135	-	13,312
Retail	-	-	-	-	-	-
Claims on institutions and corporate with a short term credit assessment	27,775	18,633	-	-	-	46,408
Equity	-	-	-	-	-	-
Other	-	94	-	3,382	5,590	9,066
Total Exposures	27,775	27,600	-	16,517	5,590	77,482

Total exposure value split by external rating and credit quality assessment step as at the reporting date:

Total Exposure split by external rating 2019	Standard and Poors €'000	Total Rated €'000	Total unrated €'000	Total €'000
Exposure Class				
Central governments and central banks	-	-	798	798
Public sector entities	-	-	13	13
Institutions	-	-	9,610	9,610
Corporates	-	-	14,028	14,028
Retail	-	-	0	-
Claims on institutions and corporate with a short term credit assessment	42,507	42,507	0	42,507
Equity	-	-	0	-
Other	-	-	8,622	8,622
				-
Total exposures	42,507	42,507	33,071	75,578

Total Exposure split by external rating 2018	Standard and Poors €'000	Total Rated €'000	Total Unreated €'000	Total €'000
Exposure Class				
Central governments and central banks	-	-	96	96
Public sector entities	-	-	18	18
Institutions	-	-	8,582	8,582
Corporates	-	-	13,312	13,312
Retail	-	-	-	-
Claims on institutions and corporate with a short term credit assessment	46,408	46,408	-	46,408
Equity	-	-	-	-
Other	-	-	9,065	9,065
				-
Total exposures	46,408	46,408	31,072	77,480

Total exposures value split by credit quality assessment step 2019	Step 1 €'000	Step 2 €'000	Step 3 €'000	Step 4 €'000	Step 5 €'000	Total Rated €'000
Exposure Class						
Central governments and central banks	-	-	-	-	-	-
Public sector entities	-	-	-	-	-	-
Institutions	-	-	-	-	-	-
Corporates	-	-	-	-	-	-
Retail	-	-	-	-	-	-
Claims on institutions and corporate with a short term credit assessment	42,507	-	-	-	-	42,507
Equity	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total exposures	42,507	-	-	-	-	42,507

Total exposures value split by credit quality assessment step 2018	Step 1 €'000	Step 2 €'000	Step 3 €'000	Step 4 €'000	Step 5 €'000	Total Rated €'000
Exposure Class						
Central governments and central banks	-	-	-	-	-	-
Public sector entities	-	-	-	-	-	-
Institutions	-	-	-	-	-	-
Corporates	-	-	-	-	-	-
Retail	-	-	-	-	-	-
Claims on institutions and corporate with a short term credit assessment	44,520	1,888	-	-	-	46,408
Equity	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total exposures	44,520	1,888	-	-	-	46,408

To calculate risk weighted exposure amounts, risk weights have been applied to all exposures unless deducted from own funds.

Risk weights are applied based on the exposure class to which the exposure is assigned and to the extent to which a credit assessment by a nominated ECAI is available is assigned a risk weight in accordance with its credit quality.

External credit assessment have been used to determine risk weight of an exposure where the ECAI has been endorsed in accordance with Regulations. For the purposes of applying a risk weight the exposure value is multiplied by the risk weight specified in accordance with CRR Part Three Articles 114 -134.

Short term credit assessments have been used for all credit exposures to institutions and corporates as they all classify as short term.

The following ratings apply to the credit quality assessment steps

Step 1: AAA to AA (S&P)

Step 2: A+ to A- (S&P)

Step 3: BBB+ to BBB- (S&P)

Step 4: BB+ to BB- (S&P)

Step 5: B+B- (S&P)

Step 6: CCC+ and below (S&P)

Past Due and Impaired Exposures

As of 31 December 2018 and 2017 there were no material past due or impaired exposures.

Credit Risk Mitigation techniques

As of 31 December 2019 and 2018 the Company has an intercompany netting agreement with affiliates which allow intercompany payables and receivables with these parties to be netted into a single account thereby mitigating credit risk.

5.5.2.2 Settlement risk

Settlement risk is generally understood as the risk that an executed transaction is not settled as expected through a settlement system. Settlement risk is calculated in accordance with CRR Article 378.

In accordance with Article 378 of the CRR, the Company calculates own funds requirements for transactions in equities that settle after their due settlement date as the price difference to which the Company is exposed.

The price difference is calculated as the difference between the agreed settlement price of the equity and the current market value, where the difference involves a loss for the Company. The price difference is then multiplied by the appropriate factor specified by Article 378 in order to calculate the Company's own funds requirements for settlement risk.

5.5.2.3 Market risk

The Company is not typically exposed to market risk. However, from time-to time market risk may arise as a result of trading errors or client adjustments. In such cases, the Company would seek to trade out of any market risk or hedge such positions. Before the hedge is completed, the Company is exposed to the potential for adverse changes in assets or liabilities arising from movements in the prices of equities, bonds, ETFs, derivatives, currency exchange rates and interest rates on its trading book.

Where an equity position were to arise, VIEL avails of the derogation in Article 94 of the CRR and provides for credit risk regulatory capital rather than position risk.

5.5.2.4 Operational Risk

VIEL is a CRR Article 96.1(a) investment firm that deals on own account only for the purposes of fulfilling or executing a client order. Article 96.1(2) of the CRR directs these investment firms to calculate their operational risk requirement as prescribed by Article 97 of the CRR. This involves holding eligible capital of at least one quarter of the fixed overheads of the preceding year. This is known as the Fixed Overhead Requirement ("FOR").

Firms are required to calculate fixed overheads of the preceding year, using figures resulting from the applicable accounting framework, by subtracting certain allowable items from the total expenses after distribution of profits to shareholders in their most recent audited financial statements.

5.6 Asset Encumbrance

The asset encumbrance disclosure has been produced in line with the 2014 EBA Guidelines on disclosure of encumbered and unencumbered assets and the tables are based on the EBA reporting

templates. An asset should be treated as encumbered if it has been pledged or if it is subject to any form of arrangement to secure, collateralise or credit enhance any on-balance-sheet or off-balance-sheet transaction from which it cannot be freely withdrawn (for instance, to be pledged for funding purposes). Assets pledged that are subject to any restrictions in withdrawal, such as assets that require prior approval before withdrawal or replacement by other assets, should be considered encumbered.

As part of principally its General Clearing Member ("GCM") relationships and managing its funding requirements assets may be encumbered to support lines of credit from institutions.

Template A – Encumbered and unencumbered assets

	Assets as at 31 December 2018	Carrying amount of encumbered assets	Fair value of encumbered assets	Carrying amount of unencumbered assets	Fair value of unencumbered assets
		EUR '000	EUR '000	EUR '000	EUR '000
		010	040	060	090
010	Assets of the reporting institution	28,730		675,503	
020	Loans on demand				
030	Equity instruments				
040	Debt securities				
120	Other assets	28,730		675,503	

	Assets as at 31 December 2019	Carrying amount of encumbered assets	Fair value of encumbered assets	Carrying amount of unencumbered assets	Fair value of unencumbered assets
		EUR '000	EUR '000	EUR '000	EUR '000
		010	040	060	090
010	Assets of the reporting institution	30,975		604,822	
020	Loans on demand				
030	Equity instruments				
040	Debt securities				
120	Other assets	30,975		604,822	

Template B – Collateral received

	As at 31 December 2018	Fair value of encumbered collateral received or own debt securities issued	Unencumbered Fair value of collateral received or own debt securities issued available for encumbrance
		EUR '000s	EUR '000s
		010	040
130	Collateral received by the reporting institution	-	-
140	Loans on demand		
150	Equity instruments		
160	Debt securities		
230	Other collateral received		
240	Own debt securities issued other than own covered bonds or asset-backed securities		

	As at 31 December 2019	Fair value of encumbered collateral received or own debt securities issued	Unencumbered Fair value of collateral received or own debt securities issued available for encumbrance
		EUR '000s	EUR '000s
130	**Collateral received by the reporting institution**	-	-
140	Loans on demand		
150	Equity instruments		
160	Debt securities		
240	**Own debt securities issued other than own covered bonds or asset-backed securities**		

Template C: Encumbered assets/collateral received and associated liabilities

Template C-Sources of encumbrance		
	As at 31 December 2018	**Matching liabilities, contingent liabilities or securities lent**
		EUR '000s
		010
010	**Carrying amount of selected financial liabilities**	
010	**Carrying amount of selected financial liabilities**	
020	Derivatives	
030	of which: Over-The-Counter	
040	Deposits	
050	Repurchase agreements	
060	of which: central banks	
070	Collateralised deposits other than repurchase agreements	
080	of which: central banks	
090	Debt securities issued	
100	of which: covered bonds issued	
110	of which: asset-backed securities issued	
120	**Other sources of encumbrance**	**28,730**
170	**TOTAL SOURCES OF ENCUMBRANCE**	**28,730**

Template C-Sources of encumbrance		
	As at 31 December 2019	Matching liabilities, contingent liabilities or securities lent
		EUR '000s
		010
010	**Carrying amount of selected financial liabilities**	**-**
010	**Carrying amount of selected financial liabilities**	
020	Derivatives	
030	of which: Over-The-Counter	
040	Deposits	
050	Repurchase agreements	
060	of which: central banks	
070	Collateralised deposits other than repurchase agreements	
080	of which: central banks	
090	Debt securities issued	
100	of which: covered bonds issued	
110	of which: asset-backed securities issued	
120	**Other sources of encumbrance**	**30,975**
170	**TOTAL SOURCES OF ENCUMBRANCE**	**30,975**

5.7 Capital Buffers

CRD introduced a number of additional capital requirements which are being phased in gradually from 1 January 2016 to 1 January 2019 to apply to institutions. They are designed to provide additional financial buffers within firms to absorb future losses as a result of external market loss impacts.

The following buffers which apply to the Company:

- Capital Conservation buffer: in anticipation of a potential financial downturn of CET 1 capital of up to 2.5%.
- Countercyclical buffer: this requires additional CET1 capital of up to 2.5% to be held where there credit growth is deemed to be excessive leading to a build-up of system wide risk.

As at the balance sheet date the buffers were the following:

	2019 EUR'000	2019 rate	2018 EUR'000	2018 rate
Capital Conservation buffer	8,252	2.50%	4,970	1.875%
Countercyclical buffer	-	Dependent on country	-	Dependent on country

For further detail on a country by country breakdown of counter-cyclical buffer exposure, please see Appendix 1.

5.8 Other Risks

Pillar 1 – Other Risks

Pillar 1 does not consider some risks, such as strategic risk, concentration risk, liquidity risk, and reputational risk, all of which can prove to be substantial during a risk event.

Pillar 2

Pillar 2 represents a review process used to assess if the additional capital deemed as necessary to supplement the Pillar 1 calculation is adequate. Pillar 2 requires the Company to fully assess its risks and to ensure there is a credible link between its risk profile and the capital it maintains in accordance with its Internal Capital Adequacy and Assessment Process ("ICAAP").

The ICAAP supplements the Pillar 1 minimum regulatory capital requirements by considering a broader range of risk types and the Company's risk and capital management capabilities. Under Pillar 2, the adequacy of the Company's minimum capital is not defined by the minimum regulatory capital requirement under Pillar 1 but rather by the Company itself subsequent to the Company assessing and quantifying the risks it faces and the effectiveness of systems and controls in place to mitigate those risks. After assessing and quantifying the risks it faces, the Company determines whether the capital it holds is adequate to meet those risks. The Pillar 2 identification and quantification of risks and evaluation of mitigating factors is detailed in the Company's Risk Universe and reflected in its most recent ICAAP document approved by the Board.

On an annual basis the Company's Board, in conjunction with the Risk and Compliance Committee and the Compliance, Risk and Finance functions assess internal capital adequacy as part of the ICAAP process.

The ICAAP sets out the Company's analysis of its Pillar 2 requirements. By virtue of the ICAAP being a risk based document, it is continually updated to reflect a changing risk based reality, being updated at least annually or when the Company's risk materially alters. This methodology enables the Company to adjust its capital profile as necessary taking into account material market changes or changes to its internal environment.

In order to determine the Pillar 2 capital requirements the Company undertakes a comprehensive risk assessment and sensitivity analysis based on exceptional but plausible scenario analysis which is documented in the Risk Universe. All material risk areas, including credit, market and operational risks, have been assessed and taken into consideration when assessing the Company's internal Pillar 2 capital requirements in addition to non-Pillar 1 risks such as legal, concentration, Company risks etc. On a periodic basis Senior Management review its ICAAP assumptions, risk based scenarios and wind-down assumptions. The ICAAP is reviewed by the Board on an ongoing basis.

6 Remuneration

The Company is subject to Article 450 of the CRR and is required to disclose certain metrics and features relating to the Company's remuneration policies, decision making processes, linkages between pay and performance and disclosure of remuneration of staff who have a material risk impact on the Company's activities.

The Company remuneration policy considers in full the requirements of and our obligations to the Capital Requirements Directive IV. The Company neutralizes through the application of proportionality a number of requirements of the directive in line with the guidelines on remuneration set out by the European Banking Authority ('EBA'). The Company's compensation program is designed to attract, develop, retain and reward employees for contributing to its success, whilst maintaining financial stability including a sound capital base for the underlying entity's, and robust and effective risk management.

The Board of Directors oversees the Company's Remuneration policy.

Remuneration is made up of basic salary, variable compensation (cash and equity deferral award ('stock award')), and benefits (e.g. pension, healthcare, employee insurance, etc.).

Basic salary compensation is generally based upon individual expertise, internal and external parity and the level of responsibility the position has on supporting the success of the Company. The length of service with the Company is not considered when determining basic salary levels.

The Company aims to maintain appropriate ratios between fixed and variable compensation to ensure balance. Basic salary and benefits should represent an appropriate proportion of employee total remuneration to allow a fully flexible variable compensation policy.

In addition to an employee's basic salary compensation, employees may be eligible to participate in the Company's variable compensation program. Variable compensation is a bonus paid in excess of basic salary and benefits to incentivise employee performance. Unless an employee contract states differently, the payment and amount of any variable compensation under the program is at the complete discretion of the Company, and the Company is under no obligation to pay an employee any variable compensation. Variable compensation may be based on individual performance relative to expectations and objectives, business unit performance against the business plan, overall Company financial results, and other factors. Variable compensation, if paid, will be paid in cash and/or stock units as applicable, and in accordance with the programs and policies in effect, from time to time.

A portion of variable remuneration which, at the Company's sole discretion, may be awarded in Stock Units ("Stock Award"). Any such Stock Award shall be subject to terms and conditions which are consistent with the Virtu Financial Group's policies relating to equity interests.

Benefits are extended to employees at the discretion of the Company. There is a standard offering to employees for the benefits. In some cases the benefits are linked to length of service (e.g. holiday entitlement) but no benefit is dependent on individual performance (other than variable compensation detailed above).

Quantitative disclosures

The quantitative remuneration data is provided on a Company-wide basis. These disclosures are made in consideration that the EU Data Protection Directive has precedence over the remuneration disclosures under Article 450 of the Regulation. Where specific disclosures relate to a group of 10 individuals or less this data has not been presented separately, rather aggregate information is presented to minimise the risk of individual identification that could breach the Data Protection Directive. Where quantitative information is required to be disclosed and the group is less than 10

individuals in total, the aggregate information has been disclosed without reference to the numbers of individuals and highest awards made to an individual.

Remuneration metrics for key staff:

REMUNERATION METRICS	31-Dec-2019 EUR '000	31-Dec-2018 EUR '000
Identified Staff		
Fixed Remuneration	10,967	8,402
Variable Remuneration	3,160	10,154
cash	2,757	4,431
cash: # of beneficiaries	35	35
shares	403	5,723
shares: # of beneficiaries	35	35
Total Remuneration	14,127	28,780
Outstanding deferred remuneration		
of which is vested	4,696	-
of which is unvested	3,370	2,888
Deferred remuneration		
awarded during the year	1,516	-
paid out during the year	563	
Remuneration reduced through performance adjustments	-	-
New severance / sign on payments made during the year	-	-
Severance payments awarded during the year	10,954	32

7 Leverage Ratio

Article 451 of the CRR requires institutions to disclose information regarding leverage ratios calculated in accordance with Article 429 and to disclose how it manages excessive leverage.

The leverage ratio is defined as the capital measure, being Tier 1 capital divided by the assets exposures. The leverage ratio is designed as a back-stop measure to risk based capital requirements with the aim of reducing leverage in a firm and across the financial system as a whole.

VIEL as an Article 96.1(a) firm is exempt from the leverage requirements on a solo reporting basis. However, the Group falls within scope for consolidated reporting as VIVL is a parent financial holding company.

The Company's leverage ratio is 75.39%% (2018: 43.83%) on a CRR IV transitional basis and a full implementation basis. VIEL uses equity, in the form of paid-in capital and retained earnings, rather than debt, to finance its investments. As a result the business is not highly leveraged from a long term perspective.

The Company will ensure it is in line with the minimum requirement for the leverage ratio once the final level is set out in EU requirements. The current Leverage ratio proposed is at 3% which the Company would comfortably comply with.

	Table LRSum: Summary reconciliation of accounting assets and leverage ratio exposures	**2019**	**2018**
		Applcable Amounts	**Applcable Amounts**
		EUR '000's	**EUR '000's**
1	Total assets as per published financial statements	635,798	719,737
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation		-
3	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the leverage ratio exposure measure in accordance with Article 429(13) of Regulation (EU) No 575/2013 "CRR")		-
4	Adjustments for derivative financial instruments		-
5	Adjustments for securities financing transactions "SFTs"		-
6	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)		-
EU-6a	(Adjustment for intragroup exposures excluded from the leverage ratio exposure measure in accordance with Article 429 (7) of Regulation (EU) No 575/2013)		-
EU-6b	(Adjustment for exposures excluded from the leverage ratio exposure measure in accordance with Article 429 (14) of Regulation (EU) No 575/2013)		-
7	Other adjustments	(560,220)	(642,257)
8	**Total leverage ratio exposure**	**75,578**	**77,480**

	Table LRCom: Leverage ratio common disclosure	CRR leverage ratio exposures 2019 EUR '000's	CRR leverage ratio exposures 2018 EUR '000's
	On-balance sheet exposures (excluding derivatives and SFTs)		
1	On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)	83,988	87,338
2	(Asset amounts deducted in determining Tier 1 capital)	(8,410)	(9,858)
3	**Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets) (sum of lines 1 and 2)**	**75,578**	**77,480**
	Derivative exposures		
4	Replacement cost associated with all derivatives transactions (ie net of eligible cash variation margin)	-	-
5	Add-on amounts for PFE associated with all derivatives transactions (mark-to-market method)	-	-
EU-5a	Exposure determined under Original Exposure Method	-	-
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	-	-
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	-	-
8	(Exempted CCP leg of client-cleared trade exposures)	-	-
9	Adjusted effective notional amount of written credit derivatives	-	-
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-
11	**Total derivative exposures (sum of lines 4 to 10)**	**-**	**-**
	Securities financing transaction exposures		
12	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	-	-
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-
14	Counterparty credit risk exposure for SFT assets	-	-
EU-14a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Article 429b (4) and 222 of Regulation (EU) No 575/2013	-	-
15	Agent transaction exposures	-	-
EU-15a	(Exempted CCP leg of client-cleared SFT exposure)	-	-
16	**Total securities financing transaction exposures (sum of lines 12**	**-**	**-**
	Other off-balance sheet exposures		
17	Off-balance sheet exposures at gross notional amount	-	-
18	(Adjustments for conversion to credit equivalent amounts)	-	-
19	**Other off-balance sheet exposures (sum of lines 17 to 18)**	**-**	**-**
	Exempted exposures in accordance with CRR Article 429 (7) and (14) (on and off balance sheet)		
EU-19a	(Exemption of intragroup exposures (solo basis) in accordance with Article 429(7) of Regulation (EU) No 575/2013 (on and off balance sheet))	-	-
EU-19b	(Exposures exempted in accordance with Article 429 (14) of Regulation (EU) No 575/2013 (on and off balance sheet))	-	-
	Capital and total exposures		
20	**Tier 1 capital**	**56,981**	**33,958**
21	**Total leverage ratio exposures (sum of lines 3, 11, 16, 19, EU-19a**	**75,578**	**77,480**
	Leverage ratio		
22	**Leverage ratio**	**75.39%**	**43.83%**
	Choice on transitional arrangements and amount of derecognised fiduciary items		
EU-23	Choice on transitional arrangements for the definition of the capital measure	**56,981**	33,958
EU-24	Amount of derecognised fiduciary items in accordance with Article 429(11) of Regulation (EU) NO 575/2013		-

	Table LRSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)	CRR leverage ratio exposures 31 December 2019	CRR leverage ratio exposures 31 December 2018
EU-1	Total on-balance sheet exposures (exempted exposures), of which:	75,577	77,480
EU-2	Trading book exposures	-	-
EU-3	Banking book exposures, of which:	-	-
EU-4	Covered bonds	-	-
EU-5	Exposures treated as sovereigns	811	114
EU-6	Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns	-	-
EU-7	Institutions	52,116	54,989
EU-8	Secured by mortgages of immovable properties	-	-
EU-9	Retail exposures	-	-
EU-10	Corporate	14,028	13,312
EU-11	Exposures in default	-	-
EU-12	securitisations, and other non-credit obligation assets)	8,622	9,065

8 Country by Country reporting

Article 89 of the CRD requires the Company to report certain information on an annual basis as follows on a consolidated basis:

Nature of Activities- 2019	The firm engaged in agency brokerage activities and operated a Multilateral Trading Facility
	€'000
Turnover	118,052
Employee Locations	
No. in Ireland	29
No. in United Kingdom	84
No. in France	10

9 Subsidiary Disclosures

CRD IV introduced an incremental disclosure requirement for significant subsidiaries of EU parent institutions and those subsidiaries which are of material significance to the local market, to disclose certain information on an individual or sub-consolidated basis. The respective disclosures for VIEL on an individual basis are contained in Appendix 2.

Appendix 1

Geographical breakdown of counter-cyclical buffers:

December 2018 Disclosures		€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000		
Row		General credit exposures		Trading book exposure		Securitisation exposure		Own funds requirements				Own funds requirement weights	Countercyclical capital buffer rate
		Exposure value for SA	Exposure value IRB	Sum of long and short position of trading book	Value of trading book exposure for internal models	Exposure value for SA	Exposure value for IRB	Of which: General credit exposures	Of which: Trading book exposures	Of which: Securitisation exposures	Total		
	Breakdown by country	10	20	30	40	50	60	70	80	90	100	110	120
	Australia	22	0	0	0	0	0	0	0	0	0	0.01%	0.000%
	Austria	3	0	0	0	0	0	0	0	0	0	0.00%	0.000%
	Bahrain	0	0	0	0	0	0	0	0	0	0	0.00%	0.000%
	Belgium	67	0	0	0	0	0	1	0	0	1	0.03%	0.000%
	Bermuda	0	0	0	0	0	0	0	0	0	0	0.00%	0.000%
	Canada	256	0	0	0	0	0	4	0	0	4	0.13%	0.000%
	China	3	0	0	0	0	0	0	0	0	0	0.00%	0.000%
	Czech Republic	18	0	0	0	0	0	0	0	0	0	0.01%	**0.500%**
	Denmark	33	0	0	0	0	0	1	0	0	1	0.02%	0.000%
	Egypt	1	0	0	0	0	0	0	0	0	0	0.00%	0.000%
	Finland	17	0	0	0	0	0	0	0	0	0	0.01%	0.000%
	France	2,614	0	0	0	0	0	121	0	0	121	3.83%	**0.625%**
	Germany	292	0	0	0	0	0	5	0	0	5	0.15%	0.000%
	Gibraltar	0	0	0	0	0	0	0	0	0	0	0.00%	0.000%
	Greece	0	0	0	0	0	0	0	0	0	0	0.00%	0.000%
	Hong Kong	714	0	0	0	0	0	11	0	0	11	0.36%	**1.250%**
	India	20	0	0	0	0	0	2	0	0	2	0.05%	0.000%
	Indonesia	0	0	0	0	0	0	0	0	0	0	0.00%	0.000%
	Ireland	19,601	0	0	0	0	0	1,359	0	0	1,359	42.96%	0.000%
	Isle of Man	0	0	0	0	0	0	0	0	0	0	0.00%	0.000%
	Israel	0	0	0	0	0	0	0	0	0	0	0.00%	0.000%
	Italy	69	0	0	0	0	0	1	0	0	1	0.03%	**0.000%**
	Japan	47	0	0	0	0	0	1	0	0	1	0.02%	0.000%
	Korea, Republic of	0	0	0	0	0	0	0	0	0	0	0.00%	0.000%
	Luxembourg	97	0	0	0	0	0	2	0	0	2	0.05%	0.000%
	Monaco	0	0	0	0	0	0	0	0	0	0	0.00%	0.000%
	Netherlands	300	0	0	0	0	0	5	0	0	5	0.15%	0.000%
	Norway	108	0	0	0	0	0	2	0	0	2	0.05%	**2.000%**
	Poland	20	0	0	0	0	0	0	0	0	0	0.01%	0.000%
	Portugal	0	0	0	0	0	0	0	0	0	0	0.00%	0.000%
	Russia	0	0	0	0	0	0	0	0	0	0	0.00%	0.000%
	Singapore	12	0	0	0	0	0	0	0	0	0	0.01%	0.000%
	South Africa	0	0	0	0	0	0	0	0	0	0	0.00%	0.000%
	Spain	114	0	0	0	0	0	2	0	0	2	0.06%	0.000%
	Sweden	18,657	0	0	0	0	0	299	0	0	299	9.44%	**2.000%**
	Switzerland	155	0	0	0	0	0	12	0	0	12	0.39%	0.000%
	Taiwan	0	0	0	0	0	0	0	0	0	0	0.00%	0.000%
	Turkey	0	0	0	0	0	0	0	0	0	0	0.00%	0.000%
	United Kingdom	33,280	0	0	0	0	0	1,335	0	0	1,335	42.21%	**0.500%**
	UAE	18	0	0	0	0	0	0	0	0	0	0.01%	0.000%
	United States	0	0	0	0	0	0	0	0	0	0	0.00%	0.000%
	Vietnam	0	0	0	0	0	0	0	0	0	0	0.00%	0.000%
	TOTAL	**76,537**	0	0	0	0	0	**3,164**	0	0	**3,164**	**100.00%**	

December 2019 Disclosures

	000	000	000	000	000	000	000	000	000	000		
	General credit exposures		Trading book exposure		Securitisation exposure		Own funds requirements				Own funds requirement weights	Countercyclical capital buffer rate
	Exposure value for SA	Exposure value IRB	Sum of long and short position of trading book	Value of trading book exposure for internal models	Exposure value for SA	Exposure value for IRB	Of which: General credit exposures	Of which: Trading book exposures	Of which: Securitisation exposures	Total		
	10	20	30	40	50	60	70	80	90	100	110	120
Australia	4	0	0	0	0	0	0	0	0	0	0.00%	0.00%
Austria	3	0	0	0	0	0	0	0	0	0	0.00%	0.00%
Belgium	50	0	0	0	0	0	1	0	0	1	0.03%	0.00%
Bermuda	13,810	0	0	0	0	0	1,104	0	0	1104	35.59%	0.00%
Canada	26	0	0	0	0	0	0	0	0	0	0.01%	0.00%
China	2	0	0	0	0	0	0	0	0	0	0.00%	0.00%
Czech Republic	5	0	0	0	0	0	0	0	0	0	0.00%	1.50%
Denmark	44	0	0	0	0	0	0	0	0	0	0.02%	1.00%
Egypt	2	0	0	0	0	0	0	0	0	0	0.01%	0.00%
Finland	348	0	0	0	0	0	5	0	0	5	0.18%	0.00%
France	6,240	0	0	0	0	0	206	0	0	206	6.66%	0.25%
Germany	426	0	0	0	0	0	6	0	0	6	0.22%	0.00%
Greece	0	0	0	0	0	0	0	0	0	0	0.00%	0.00%
Hong Kong	566	0	0	0	0	0	9	0	0	9	0.29%	2.50%
India	18	0	0	0	0	0	1	0	0	1	0.05%	0.00%
Indonesia	0	0	0	0	0	0	0	0	0	0	0.00%	0.00%
Ireland	2,159	0	0	0	0	0	174	0	0	174	5.63%	1.00%
Isle of Man	0	0	0	0	0	0	0	0	0	0	0.00%	0.00%
Israel	0	0	0	0	0	0	0	0	0	0	0.00%	0.00%
Italy	55	0	0	0	0	0	1	0	0	1	0.03%	0.00%
Japan	123	0	0	0	0	0	2	0	0	2	0.06%	0.00%
Korea, Republic of	0	0	0	0	0	0	0	0	0	0	0.00%	0.00%
Luxembourg	116	0	0	0	0	0	2	0	0	2	0.06%	0.00%
Monaco	0	0	0	0	0	0	0	0	0	0	0.00%	0.00%
Netherlands	172	0	0	0	0	0	2	0	0	2	0.09%	0.00%
Norway	12	0	0	0	0	0	0	0	0	0	0.01%	2.50%
Poland	21	0	0	0	0	0	0	0	0	0	0.01%	0.00%
Portugal	0	0	0	0	0	0	0	0	0	0	0.00%	0.00%
Russia	0	0	0	0	0	0	0	0	0	0	0.00%	0.00%
Singapore	19	0	0	0	0	0	0	0	0	0	0.01%	0.00%
South Africa	1	0	0	0	0	0	0	0	0	0	0.00%	0.00%
Spain	202	0	0	0	0	0	3	0	0	3	0.10%	0.00%
Sweden	14,773	0	0	0	0	0	326	0	0	326	7.61%	2.50%
Switzerland	182	0	0	0	0	0	14	0	0	14	0.47%	0.00%
Turkey	14	0	0	0	0	0	1	0	0	1	0.05%	0.00%
United Kingdom	35,136	0	0	0	0	0	1,311	0	0	1311	42.25%	1.00%
UAE	13	0	0	0	0	0	0	0	0	0	0.01%	1.00%
United States	1,036	0	0	0	0	0	16	0	0	16	0.53%	0.00%
Total	75,578	-	-	-	-	-	3,184	-	-	3,184	100.00%	

Appendix 2

The below are disclosures satisfying the requirement in CRD IV to disclose certain information on an individual or sub-consolidated basis if the subsidiary is seen to be significant to the Company. The below are individual disclosures in relation to VIEL.

Own Funds Disclosure:

CAPITAL RESOURCES*	As at 31-Dec-19 EUR '000	As at 31-Dec-18 EUR '000
Tier 1 Capital		
Ordinary Share Capital	587	559
Share Premium	-	-
Capital Contributions	-	-
Other Reserves	-	-
Retained Earnings	57,389	45,934
Adjustments to Tier 1		
Intangible assets	(9,827)	(8,964)
Goodwill	(109)	-
Value adjustments due to the requirements for prudent valuation	-	(242)
Total Tier 1 Capital	48,040	37,287

*COREP for period 31 December 2019

Capital Ratios:

CAPITAL RATIOS	As at 31-Dec-19	As at 31-Dec-18
CET 1 Capital ratio	20.00%	20.14%
T1 Capital ratio	20.00%	20.14%
Total Capital ratio	20.00%	20.14%

Capital Requirements:

CAPITAL REQUIREMENTS	As at 31-Dec-19 EUR '000	As at 31-Dec-18 EUR '000
Pillar 1 Regulatory Capital Requirements		
Credit & Counterparty Credit Risks *	2,822	2,654
Settlement & Delivery Risks	-	-
Position, FX and Commodity Risks *	257	68
Operational Risk	16,139	12,087
Total Capital Requirement	19,218	14,809

*Using Standardised Approach

Credit Risk:

CREDIT RISK EXPOSURES AND CAPITAL REQUIREMENTS	Year ended 31 December 2019		Year ended 31 December 2018	
	Risk Weighted Asset EUR '000	Capital Requirements EUR '000	Risk Weighted Asset EUR '000	Capital Requirements EUR '000
Credit Risk Exposures				
Institutions	1,459	117	1,063	85
Corporates	14,636	1,171	13,588	1,087
Public Sector Entities	-	-	-	-
Claims on institutions and corporate with a short-term credit assessment.	6,507	521	7,925	634
Central governments or central banks	-	-	-	-
Other items	12,676	1,014	10,613	849
Total	35,278	2,822	33,188	2,655

Geographic Distributions of Credit Risk Exposure:

Geographic Distribution of credit exposures	2019 €'000	2018 €'000
Republic of Ireland	2,219	19,785
United Kingdom	23,135	21,217
France	4,888	1,487
Other	30,601	20,138
Total	60,843	62,627

Average Credit Risk Exposures:

AVERAGE CREDIT RISK EXPOSURES AND CAPITAL REQUIREMENTS	1 January to 31 December 2019			1 January to 31 December 2018	
	Risk Weighted Asset EUR '000	Capital Requirements EUR '000		Risk Weighted Asset EUR '000	Capital Requirements EUR '000
Credit Risk Exposures					
Institutions	2,679	214		1,488	119
Corporates	14,145	1,132		18,238	1,459
Public sector entities	-	-		-	-
Central governments or central banks	7,742	619		-	-
Claims on institutions and corporate with a short-term credit asses	-	-		7,738	619
Other items	13,506	1,080		8,688	695
Total	38,073	3,046	-	36,150	2,892

Asset Encumbrance Disclosures:

	Assets as at 31 December 2019	Carrying amount of encumbered assets	Fair value of encumbered assets	Carrying amount of unencumbered assets	Fair value of unencumbered assets
		EUR '000	EUR '000	EUR '000	EUR '000
		010	040	060	090
010	Assets of the reporting institution	30,975		591,590	
020	Loans on demand				
030	Equity instruments				
040	Debt securities				
120	Other assets	30,975		591,590	

	As at 31 December 2019	Fair value of encumbered collateral received or own debt securities issued	Unencumbered Fair value of collateral received or own debt securities issued available for encumbrance
		EUR '000s	EUR '000s
		010	040
130	**Collateral received by the reporting institution**	-	-
140	Loans on demand		
150	Equity instruments		
160	Debt securities		
230	Other collateral received		
240	**Own debt securities issued other than own covered bonds or asset-backed securities**		

Template C-Sources of encumbrance		
	As at 31 December 2019	**Matching liabilities, contingent liabilities or securities lent**
		EUR '000s
		010
010	**Carrying amount of selected financial liabilities**	
010	**Carrying amount of selected financial liabilities**	
020	Derivatives	
030	of which: Over-The-Counter	
040	Deposits	
050	Repurchase agreements	
060	of which: central banks	
070	Collateralised deposits other than repurchase agreements	
080	of which: central banks	
090	Debt securities issued	
100	of which: covered bonds issued	
110	of which: asset-backed securities issued	
120	**Other sources of encumbrance**	**30,975**
170	**TOTAL SOURCES OF ENCUMBRANCE**	**30,975**