



CosmoCo
Services Ltd

Certified Public Accountants and Registered Auditors - CY

Nanina Veziala

29.05.2014

11:28

To: Cyprus Securities and Exchange Commission

Investment Firm Department

29 May 2014

Subject: NBI Investments Limited (authorisation 162/12)

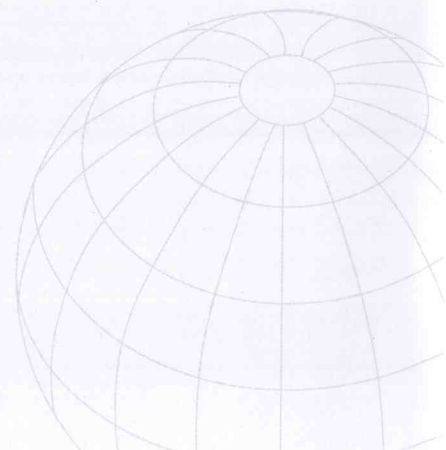
With respect to the requirements of Directive DI144-2007-05, please find enclosed our audit report together with the risk disclosures for 2013.

Please do not hesitate to contact us in case that you need further clarifications.

Yours sincerely

Stelios Ioannou

CosmoCo Services Ltd





Independent Auditors' Report to the Cyprus Securities and Exchange Commission in respect of NBI Investments Limited for the year ended 31 December 2013 pursuant to paragraph 37(1) of Chapter.7 of Part C of the Directive DI144-2007-05 of the Cyprus Securities and Exchange Commission for the Capital Requirements of Investment Firms

1. We report in relation to the fair presentation of the disclosures of NBI Investments Limited (the "Company") for the year ended 31 December 2013, required by paragraph 34(1) of Chapter 7 of Part C (the "Disclosures") of the Directive DI144-2007-05 of the Cyprus Securities and Exchange Commission for the Capital Requirements of Investment Firms (the "Directive"). The Disclosures, which are set out on the Company's website, are attached as an Appendix and have been initialled for identification purposes.

Respective responsibilities

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

Scope of work performed

3. We conducted our work in accordance with International Standard on Assurance Engagements .3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information". This Standard requires that we plan and perform our work to obtain limited assurance whether any matters have come to our attention that cause us to believe that the Disclosures are not fairly presented, in all material respects, in accordance with the requirements of the Directive. Our procedures included verifying, on a sample basis, the compliance of the Disclosures with the requirements of paragraph 34(1) of Chapter 7 of Part C of the Directive, as well as obtaining evidence supporting certain of the amounts and notifications included in the Disclosures. Our procedures also included an assessment of any significant estimates made by the Company's Board of Directors in the preparation of the Disclosures. We believe that our procedures provide a reasonable basis for our conclusion.

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

Conclusion

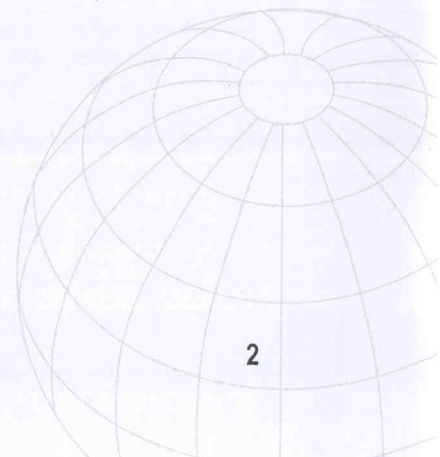
5. Based on our work described in this report, nothing has come to our attention that causes us to believe that the Disclosures for the year ended 31 December 2013 are not fairly presented, in all material respects, in accordance with the requirements of the Directive.



6. Our report is solely for the purpose as set out above and is not to be used for any other purpose or to be distributed to any other parties without our prior consent in writing. This report relates only to the Disclosures required pursuant to paragraph 34(1) of Chapter 7 of Part C of the Directive and does not extend to any financial statements or other financial information of the Company.

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Stelios Ioannou
Certified Public Accountant and Registered Auditor
for and behalf of
CosmoCo Services Ltd
Certified Public Accountants and Registered Auditors

Nicosia, Cyprus
29 May 2014





**INVESTMENTS
LIMITED**

Appendix 1

NBI Investments Limited

Regulated by the Cyprus Securities and Exchange Commission
License № CIF 162/12

RISK MANAGEMENT DISCLOSURES FOR THE YEAR 2013

This report has been prepared in accordance with the requirements of the Directive DI144-2007-05

A handwritten signature in black ink, appearing to read 'S. Potapov', written over a horizontal dotted line.

Sergei Potapov, Managing Director

May 2014

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General

This report has been prepared in accordance with the requirements of the Directive DI144-2007-05 ("Directive") of CySEC for the Capital requirements of Investment Firms ("the Directive"). The Directive implements the European Union's Capital Requirements Directive ("CRD").

NBI Investments Limited (herewith 'NBI' or the 'Company') has an obligation to publicly disclose information relating to the risk management objectives and policies as well as information regarding the capital adequacy requirements. Figures included in this document, are in accordance with the audited financial results of 2013. The information is disclosed only for the purpose of complying with the directive requirements and not for any other reason or use.

The Directive provides that the Company may omit one or more of the disclosures if it believes that the information is immaterial. Where the Company has considered a disclosure to be immaterial, this was not included in this document.

Further to the issuance of the Company's CIF authorisation on 4th of January 2012, the Company has extended the scope of its licence and obtained authorisation to provide the investment service of "Portfolio Management" on 6th of August 2012. This service was activated in July 2013. In particular, the investment and ancillary services that the Company is authorised to provide are the following:

Investment Services:

- a) Reception and transmission of orders in relation to one or more financial instruments.
- b) Execution of orders on behalf of clients.
- c) Portfolio Management.

Ancillary Services:

- d) Safekeeping and administration of financial instruments, including custodianship and related services.
- e) Granting credits or loans to one or more financial instruments, where the firm granting the credit or loan is involved in the transaction.
- f) Foreign exchange services where these are connected to the provision of investment services.

Policies and Objectives

Risk and internal capital management are fundamental to the business of NBI Investments Limited, representing an essential element of its operations. One of its major goals is the achievement of the Company's growth constantly through monitoring the related risks and improving stability of its operations by identifying and reacting to all types of risks on a timely basis. The purpose of managing risks is the prompt identification of any potential problems before they occur.

NBI considers maintaining of adequate capital levels as a key factor helping to counter the potential risks and not only as its legislative obligation. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The Company has a regulatory obligation to monitor and implement policies and procedures for capital risk management. Specifically, the Company is required to test its capital against regulatory requirements and has to maintain a minimum level of capital. Such procedures are explained in detail in the Internal Operations Manual (IOM) of the Company.

Risk Management Framework

The Board of Directors is ultimately responsible for the overall risk management approach and for approving the risk strategies and principles, identifying and controlling risks; however, there are separate independent bodies responsible for managing and monitoring risks.

In compliance with the legal requirements the Risk Management function in NBI Investments Limited in 2013 was represented by the Risk Manager appointed by the Board and Risk Management Committee - Mrs. Nina Dubovets starting from 1/06/2013, who replaced in this position and as a member of the Risk Management Committee Ms. Irina Sedova after her resignation from the Company.

According to the Company's IOM the Risk Manager must ensure that all the different types of risks taken by the Company are in compliance with the Law and the obligations of the Company under the Law, and that all the necessary procedures, relating to risk management are in place.

The Risk Manager examines the financial results of the Company and analyses the market trends from a risk management perspective; monitors the capital adequacy and the exposures of the Company; defines acceptable maximum risk assumption limits per class of risk; sets and reviews Client and counterparty limits (all limits are reviewed on a regular basis and are effective in respect of the activities of Reception, Transmission and Execution Department; no limits were established in respect of the activities of Portfolio Management due to its extremely limited scope for the time being).

Risk Management Committee comprised of the Managing Director of the Company - Mr. Dmitry Tsyarkin, replaced in this position as from 4/11/2013 after his resignation from the Company by Mr. Sergei Potapov, the Head of Back Office - Ms. Anna Averianova, replaced in this position as from 15/11/2013 after her resignation from the Company by Mr. Konstantin Yasnov, the Deputy Head of Back Office - Mrs. Svetlana Shishkova and the Risk Manager - Mrs. Nina Dubovets.

The Risk Management Committee is formed with the view to ensure the efficient monitoring of the risks inherent in the provision of the investment services to Clients, as well as the risks underlying the operation of the Company, in general.

It has assisted the Company to adopt and maintain risk management policies, which identify the risks relating to the Company's activities, processes and systems and set the risk tolerance levels of the Company. The Risk Management Committee bears the responsibility to monitor the adequacy and effectiveness of such risk management policies and procedures that are in place, the level of compliance by the Company and its personnel with the policies and procedures adopted, as well as the adequacy and effectiveness of measures taken to address any deficiencies with respect with those policies and procedures that are in place, including failures by the Company's personnel to comply with those policies and procedures.

The Risk Management Committee and the Risk Manager are reporting directly to the Senior Management and the Board of Directors.

The Accounting Department is responsible for the day-to-day recording of all financial information, control of all receipts and payments, internal management reporting and external financial reporting. The Accounting Department is also responsible for the management accounts which are feeding into the Capital Adequacy requirements monitoring.

Risk management processes are audited by the Internal Audit function, which examines both the adequacy of the procedures and the Company's compliance with the procedures. Internal Audit discusses the results of all assessments with management, and reports its findings and recommendations to the Board of Directors.

The Company has designed its risk management structure to be proportionate to the scale, nature and complexity of the business.

Capital Management

The primary objective of the Company's capital supervision is to ensure that the Company complies with externally (regulatory) imposed capital requirements and that the Company maintains healthy capital ratios in order to support its business and to maximise shareholders' value.

The Company manages its capital structure and allocations and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its activities on an ongoing basis. The monitoring of capital level is performed regularly as required.

The Company is further required to report on its capital adequacy and has to maintain at all times a minimum capital adequacy ratio which is set at 8%. The capital adequacy ratio expresses the capital base of the Company as a proportion of the total risk weighted assets. Management monitors such reporting and has policies and procedures in place to help meet the specific regulatory requirements. This is achieved through the preparation on a regular basis of management accounts and other financial reports in order to monitor the financial and capital position of the Company.

Risk Management Priorities

The risk management objectives and policies for each separate category of risks are described below. The Company's risk management and internal control system addresses the following key risks, which are considered to be the most material:

- Credit risk
- Market risk
- Operational risk

The Company's policies and procedures are designed to identify and analyse those and other risks, to prescribe appropriate risk limitations and to monitor the level and incidence of such risks on an on-going basis.

Supervisory Review Process

The Supervisory Review Process under Pillar II requirements provides rules to ensure that adequate capital is in place to support any risk exposures of the Company in addition to requiring appropriate risk management, reporting and governance structures such as concentration risk, reputation risk, business and strategic risk and any external factors affecting the Company. The issues related to assumption of business risk and any external factors affecting the Company are regularly reviewed by the Management and the Board of Directors. The frequency and the urgency of measures taken were dictated by the development of the global financial crisis.

Market Discipline

Market Discipline requires the disclosure of information regarding the risk management policies of the Company, as well as the results of the calculations of minimum capital requirements, together with concise information as to the composition of original own funds.

ICAAP

In 2013 the Company prepared comprehensive ICAAP and ICAAP Report. The ICAAP Report is the result of the application of the Company's ICAAP. The said report is produced by the Risk Management Committee of the Company, mainly for internal reporting purposes (i.e. to inform the Board of Directors of the Company regarding the available capital and the risks faced), as well as with the aim of having in place a valid and up to date ICAAP Report, in case that CySEC might request its submission.

The results and conclusions of ICAAP are taken into consideration while determining the capital requirements existing for the time being. With certain risks realised in 2013 it is considered that the remaining surplus capital and reserves in the Company should sufficiently cover all additional risks which could be identified as not covered or partially covered by Pillar 1. These matters were addressed by the Board of Directors and yearly ICAAP Report was approved during the meeting held on 1st of July 2013.

Credit Risk

In the ordinary course of business, the Company is exposed to credit risk, which is monitored through various control mechanisms.

Credit risk arises in particular when a failure by counterparties to discharge their obligations. The major concern here is represented by the banks. To minimize potential risks the Company was holding its cash balances with reliable financial institutions (Nomos Bank- Russia, InBank, Russia, Russian Commercial Bank - Cyprus; Bank of Cyprus) and the Company has policies to diversify risks and to limit the amount of credit exposure to any particular financial institution in compliance with the requirements of the CySEC Directive DI144-2007-05. The Company is allowed to keep in one institution not more than 100% of its own funds, and this limit was never exceeded.

The Company did not hold any own financial instruments except 575 shares in Bank of Cyprus Public Ltd that were obtained as a result of the "bail in" provisions applicable on deposits of Investor Compensation Fund of Clients of Cypriot Investment Firms held with Bank of Cyprus Public Company Ltd.

Maximum exposure to credit risk

The table below shows the maximum exposure to credit risk.

| | Maximum exposure to credit risk | |
|---|---------------------------------|--------|
| | 2013 | 2012 |
| | EUR000 | EUR000 |
| Risk weighted assets: | | |
| Cash in Banks | 793 | 784 |
| Other Assets | 686 | 688 |
| Corporates | 40 | 53 |
| | 67 | 43 |
| <i>Total risk weighted assets</i> | 793 | 784 |
| | | |
| <i>Credit Risk (8% of total risk weighted assets)</i> | 63 | 63 |

Actions taken by the Company regarding management of credit risk included review, reduction or even cancellation of the limits for a number of counterparties, including some banks in Cyprus. As the result of such conservative risk management policy and timely actions NBI Investments Limited was not directly affected in its operations by restrictions on capital movement introduced in Cyprus in 2013 and deposits

“haircut” at Bank of Cyprus and Laiki Bank. No significant assets of its clients were kept in credit institutions or custodians in Cyprus.

The company keeps over 90% of own funds in renowned international credit institutions outside Cyprus. Own funds of the company in banks in Cyprus were not subject to “deposits haircut”.

Margin Trading Risks

Due to the high level of risks associated with margin trading the Board has decided to postpone the provision of such services in 2013.

Counter-Parties Risk

All custodians and third party providers of financial services of NBI have been assessed. It must be noticed that no significant risk exposure has been identified.

Market Risk

Foreign Exchange Risk

The Company is exposed to Foreign Exchange Risk. Foreign Exchange Risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Foreign Exchange Risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not the Company’s functional currency (Euro). At the year-end the Company had certain receivables and cash balances denominated in foreign currencies. The main currencies, whose fluctuations may have an impact on the results of the Company, are the US Dollar and the Russian Rouble.

The table below shows the Company’s exposure to Foreign Exchange Risk.

| | Exposure to foreign exchange risk | | |
|--|-----------------------------------|------------------------|----------------------------|
| | Net Position | | |
| | Assets (Long) | Liabilities (Short) | Overall Net FX Position |
| 2013 | EUR000 | EUR000 | EUR000 |
| <i>EUR</i> | 141 | 52 | 89 |
| <i>RUB</i> | 1 | 10 | -9 |
| <i>USD</i> | 674 | 8 | 666 |
| <i>OTHER</i> | - | - | - |
| Total foreign exchange position | 816 | 70 | 746 |
| <i>Market Risk (8% of total foreign exchange risk)</i> | | | 60 |

Sensitivity Analysis

At 31 December 2013, if the Euro had weakened/strengthened by 10% relative to the US dollar and Russian Ruble with all other variables held constant, post-tax loss for the year would have been €59.530 higher/lower.

Management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

Interest Rate Risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Company does not have any own position in securities meaning that its income and operating cash flows are substantially independent of changes in market interest rates. At 31 December 2013, the Company had no other interest bearing financial assets or liabilities than cash at bank.

At 31 December 2013, if interest rate on USD, RUR and Euro-denominated bank balances had been 1% higher/lower with all other variables held constant, post-tax financial result for the year would not be significantly affected.

The Company's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

Liquidity Risk

Liquidity risk is defined as the risk when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Company has policies and procedures with the object of minimizing such losses.

At 31 December 2013, the most significant financial liabilities of the Company comprised of off-balance sheet payables to the Clients under Brokerage and Custody Agreements. In accordance with legal requirements the equivalent amounts of cash were at the same time in the clients' bank and broker accounts of the Company.

In view of the above there was no liquidity risk related to mismatch of maturities.

Operational Risk

Operational risk is the risk of loss arising from fraud, unauthorized activities, error, omission, inefficiency, systems failure or external events. The Company manages operational risk through a system of controls and procedures in which processes are documented and transactions are reconciled and monitored. The Company has sufficiently effective Replacement Policy and Contingency plans consistent with the scope and complexity of the Company's operations. This is supported by continuous monitoring of operational risk incidents to ensure that past failures if they occur are not repeated.

At 31 December 2013 total capital requirements for operational risk calculated according to Basic Indicators Approach was Euro 64 thousand.

Concentration Risk

This includes large individual exposures and significant exposures to companies whose likelihood of default is driven by common underlying factors such as the economy, geographical location, instrument type etc.

Due to the nature of operations and specific clientele (majority comprises of physical persons) the Company is subject to concentration risk due to disproportionately high share of income generated by a few corporate Clients. Proper warning was given to the Senior Management which decided to take additional measures and more efforts in order to attract new corporate Clients.

No significant concentration of credit risk was identified as the Company has established procedures to collect fees and commissions within the predetermined payment period.

No large exposures exceeding the maximum proportion permitted in relation to Company's own funds were identified in 2013.

Reputation Risk

Reputation risk is the current or prospective risk to earnings and capital arising from an adverse perception of the image of the Company on the part of customers, counterparties, shareholders, investors or regulators. Reputation risk could be triggered by poor performance, the loss of one or more of the Company's key directors, the loss of large clients, poor customer service, fraud or theft, customer claims and legal action, regulatory fines. The change in Directors which took place in 2013 passed very smoothly and did not have any adverse effect on the Company's reputation and performance.

The Company has policies and procedures in place when dealing with possible customer complaints in order to provide the best possible assistance and service under such circumstances. The possibility of having to deal with customer claims is very low as the Company does its best to provide services of high quality while doing transactions or safekeeping instruments belonging to clients.

Business Risk

This includes the current or prospective risk to earnings and capital arising from changes in the business environment including the effects of deterioration in economic conditions. Despite the fact that potential consequences of continuing economic crisis were regularly discussed and proper changes to business plans were introduced, the Company faced in the second, third and fourth quarters of 2013 substantial losses, as reflected in its audited financial statements. Such losses have incurred due to temporary as expected degradation of Customers confidence and sharp drop in their transaction levels resulting from their doubts about Cyprus financial sector after the crisis and generally gloomy market situation. During 2012, the Company has created a sufficient capital reserve to minimise its exposure to business risk, so that the losses of 2013 did not affect the Company's high capitalisation level and its overall stability.

Capital Risk Management

This is the risk that the Company will not comply with capital adequacy requirements. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The Company has a regulatory obligation to monitor and implement policies and procedures for capital risk management. Specifically, the Company is required to test its capital against regulatory requirements and has to maintain a minimum level of capital. This ultimately ensures the going concern of the Company.

The Company is further required to report on its capital adequacy quarterly and has to maintain at all times capital adequacy ratio above established minimum which is set at 8% (43.45% as at 31 December 2013). The capital adequacy ratio expresses the capital base of the Company as a proportion of the total risk weighted assets. Management monitors such reporting and has policies and procedures in place to help meet the specific regulatory requirements. This is achieved through the preparation on a regular basis of management accounts and other financial reports in order to monitor the financial and capital position of the Company.

REGULATORY OWN FUNDS AND CAPITAL ADEQUACY RATIO

| Label | Amount in thousands |
|---|------------------------|
| ELIGIBLE OWN FUNDS | |
| <i>ORIGINAL OWN FUNDS (Tier 1 Capital)</i> | 739 |
| <i>ELIGIBLE ADDITIONAL OWN FUNDS (Tier 2 Capital)</i> | 0 |
| <i>ELIGIBLE ADDITIONAL OWN FUNDS SPECIFIC TO COVER MARKET RISKS (Tier 3 Capital)</i> | 0 |
| <i>DEDUCTIONS</i> | 0 |
| TOTAL ELIGIBLE OWN FUNDS | 739 |
| CAPITAL REQUIREMENTS/RISK WEIGHTED ASSETS | |
| <i>CREDIT, COUNTERPARTY CREDIT AND DILUTION RISKS AND FREE DELIVERIES CAPITAL REQUIREMENTS</i> | 20 |
| <i>SETTLEMENT/DELIVERY RISK POSITION, FOREIGN EXCHANGE AND COMMODITIES CAPITAL REQUIREMENTS</i> | 0 |
| <i>OPERATIONAL RISK CAPITAL REQUIREMENTS</i> | 53 |
| <i>OTHER AND TRANSITIONAL CAPITAL REQUIREMENTS</i> | 64 |
| TOTAL CAPITAL REQUIREMENTS | 136 |
| CAPITAL ADEQUACY RATIO | 43.45% |
| MINIMUM CAPITAL ADEQUACY RATIO | 8% |

Regulatory Risk

Regulatory risk is the risk the Company faces by not complying with relevant Laws and Directives issued by its supervisory body. If materialised, regulatory risk could trigger the effects of reputation and strategic risk. The Company in its Internal Operations Manual has documented procedures and policies based on the requirements of relevant Laws and Directives issued by CySEC. Compliance with these procedures and policies are further assessed and reviewed by the Company's Compliance Officer and Internal Auditors and suggestions for improvement are implemented by management. The Internal Auditors evaluate and test the effectiveness of the Company's control framework at least annually. The risk of non-compliance has been assessed as very low.

Legal and Compliance Risk

This could arise as a result of breaches or non-compliance with legislation, regulations, agreements or ethical standards and have an effect on earnings and capital. The probability of such risks occurring is relatively low due to the detailed internal procedures and policies implemented by the Company and regular reviews by the Internal Auditors. The management consists of individuals of suitable professional

experience, ethos and integrity, who have accepted responsibility for setting and achieving the Company's strategic targets and goals. In addition, the Board of Directors meets at least annually to discuss such issues and any suggestions to enhance compliance are implemented by management.

IT Risk

IT risk could occur as a result of inadequate information technology and processing, from an inadequate IT strategy and policies and inadequate use of the Company's information technology. The Company's Business Continuity Plan addresses the consequences of IT risk. Specifically, the Company has implemented policies regarding back-up procedures, software maintenance, hardware maintenance, use of the internet and anti-virus procedures. Materialisation of this risk has been minimized to the lowest possible level.

Business Continuity Management

The Company is particularly focused on business continuity management; in particular there is a disaster recovery plan for all departments. No risks have been identified that might endanger the continuity of operations within the Company.

Remuneration Policy and its impact on the Company's Risk Profile

Remuneration Policy and Practices

Remuneration policies and practices implemented by the Company were intentionally simplified to the basic requirements of recruiting and maintaining high level professional personnel. Currently the remuneration policy is based on fixed salaries. The Board of Directors considers such approach as the most practical at this stage as it corresponds to the scale and complexity of the Company's operations.

It is expected that new remuneration policies will be introduced based on individual and Company's performance once the growth targets set by the Company will be met.

Remuneration Policies Risk Management Framework

The Board of Directors has the responsibility for the overall risk management approach, for the approval of the risk strategies and principles and the identification and control of risks including the risks associated with the implementation of remuneration policies and practices. Specifically the Managing Director and the Risk Management Officer are responsible for managing and monitoring risks.

The Risk Manager monitors the remuneration levels in other companies within the same industry, the existing remuneration levels in correlation with the financial results of the Company and analyses the market trends from a risk management perspective. Conclusions are reported to the Management and if necessary these are discussed with the Risk Management Committee.

The Risk Management Committee is formed with the view to ensure the efficient monitoring of the risks inherent in the provision of the investment services to Clients, as well as the risks underlying the operation of the Company, in general. The risk of not being competitive in personnel remuneration matters is also considered as part of its responsibility.

Risk Management Factors Regarding Remuneration Issues

The risk management factors regarding remuneration issues that are considered to be the most material and for which the Company's risk management and internal control system have been designed to address are the following:

- Risk of falling out of the "golden middle" as far as the existing remuneration levels is concerned;

- Risk of introducing stimulating remuneration practices giving rise to the conflict of interest;
- Operational risk as regards to maintaining key personnel and access to HR pool in case of necessary replacement.

The Company's policies and procedures are designed to identify and analyse those and other risks on an on-going basis through monitoring the related risks and improving stability of its operations. The purpose of managing risks is the prompt identification of any potential problems before they occur.

Link between Pay and Performance

The Company has designed its remuneration policy to be proportionate to the scale, nature and complexity of the business taking into account the short time that the Company is in existence and the fact that there is not enough data to establish proper benchmarks in order to measure performance.

Due to the above the Company has decided to follow fixed remuneration scales for all employees including top Management at least for the first 18 months from the commencement of operations. More complex stimulating remuneration schemes are expected to be introduced in the future depending on the Company's results and growth.

Conclusion

It can be concluded that the Company has a comprehensive, effective risk management that meets its requirements. Specifically, it warns the management in due time of risks as they arise and enables timely and appropriate risk control measures to be taken. The Company understands the necessity of further improvement of the existing policies for capital management and continually assesses the appropriateness of its disclosures. Moreover, the Company has a clear remuneration system which is effectively risk-based managed.

The Company is not disclosing in this report all information and certain detailed data which considers immaterial or confidential. The Company through its Management is always willing to discuss these issues in more detail with any interested party upon written request.

The Company has included its risk management disclosures as required by the Directive on its website (www.nbinvest.com). The Company has commissioned its independent auditors CosmoCo Services Ltd to verify its disclosures. The Company is required according to the Directive to provide a copy of the auditor's verification report to CySEC five months after the end of each financial year, at the latest.