

Money Markets International Limited

Capital Requirements Directive - Pillar 3 Disclosure Statement – 15 July 2009

Introduction

The European Union Capital Requirements Directive (CRD) came in to effect on 1 January 2007. It introduced consistent capital adequacy standards and an associated supervisory framework in the EC based on the Basel II rules agreed by the G10.

Implementation of the directive into Irish Law was by way of two statutory instruments issued by the Minister of Finance and an Implementation Notice issued by the Financial Regulator.

Some of the rules introduced by the CRD concern Disclosure Requirements. These requirements are commonly referred to as Pillar 3 Disclosure Requirements. They are designed to promote market discipline by providing market participants with key information on a firm's risk exposure and risk management processes. Pillar 3 also aims to complement the minimum capital requirements described under Pillar 1, as well as the supervisory review processes of Pillar 2.

The 3 Pillars can be summarized as follows

Pillar 1: Establishes the Minimum Capital Requirements

Pillar 2: Establishes the Supervisory Review process

Pillar 3: Establishes Public Disclosure Requirements.

Structure & Scope

Money Markets International Limited is a Dublin based entity which is regulated by the Financial Regulator and subject to the provisions of the CRD.

The disclosures made in this document are in respect of Money Markets International Limited and are made on a fully consolidated basis.

The following Pillar 3 disclosures have been prepared as at 15th July 2009.

Frequency, location and verification of disclosures

Disclosures will be issued as a minimum on an annual basis and will be published on the Money Markets International Limited website (www.moneymarkets.ie).

Risk Management Objective and Policies

Money Markets International does not hold client funds, does not hold foreign currencies, does not trade on own account and does not have retail clients. These factors significantly reduce the risk aspects of the firm.

Risk Management Approach

While ultimate ownership rests with the Board of Directors, all staff within Money Markets International Limited are responsible for effective risk management. Individuals are accountable for managing inherent risks within their business areas, ensuring compliance with agreed company budgets, policies and prevailing regulatory and legal requirements.

Responsibilities are clearly defined and reporting lines ensure that the appropriate segregation of responsibilities between front and back office are maintained. Recruitment is targeted at high caliber employees and all staff are made aware of their development needs.

Risk Management Approach

Money Markets International Limited has a compliance function, which undertakes a set of monitoring activities on the operation of the first approach, above.

This approach provides direct assurance to the Board of Directors that activities are in accordance with Money Markets International Limited risk policy; and that practices are aligned to the risk appetite set by the Board.

Risk Management by Category of Risk

Operational Risk

The risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. The risk includes IT, legal and compliance risk.

The firm has many controls in place to mitigate Operational risks. The compliance function has controls and procedures in place to ensure compliance with applicable laws and regulations. The Compliance function is continually renewing all perceived Operational risks to the business.

Credit Risk

Money Markets International Limited maintains a widespread client base and is not exposed to material credit risk; Money Markets International Limited constantly reviews its clients outstanding balances and takes action where necessary. All clients of Money Markets International Limited are bank and regulated entities with a good credit rating.

Money Markets International maintains bank accounts for its own assets and separately with banks operating in the State which have acceptable credit ratings and which are regulated by the Financial Regulator. Such assets are currently guaranteed by the Irish government. This exposure is considered immaterial.

Liquidity Risk

Money Markets International Limited is not exposed to liquidity risk.

Securitisation Risk

Money Markets International Limited is not engaged in securitization activities and does not have exposure in this category.

Non Trading Book Requirement

The main items subject to a capital charge in the company's non trading book are cash at bank balances, fixed assets and other non trading balances. The non trading book requirement is calculated using standardized approach (8% of the risk weighted exposure).

Trading Risk

This is the risk that Money Markets International Limited could be "dropped" mid-trade or a disagreement on details of the trade could exist after the trade has been closed. Money Markets International Limited mitigates against this risk by ensuring that all of our brokers comply with standard broking terminology and process plus recording all trade conversations and refers to these recordings when a disagreement arises.

Date: 15 July 2009