

## MIFIDPRU 8 Public Disclosures - Baader Helvea Limited

### 1. Introduction

Baader Helvea Limited (“Baader” or the “Firm”) is authorised and regulated by the Financial Conduct Authority (“FCA”) of the United Kingdom and is a “MIFIDPRU investment firm” as defined in the FCA Rules. The Firm is a SNI firm for the purposes of the rules in the Prudential sourcebook for MiFID Investment Firms (“MIFIDPRU”). In this respect, and in accordance with the MIFIDPRU 8 rules, the Firm is obliged only to disclose information on its Remuneration Policy and Practices in accordance with the MIFIDPRU 8.6 rules. In addition, the report includes information and data with respect to the Firm’s governance arrangements and own funds.

### 2. Business Model and Structure

#### 2.1. Firm’s Permissions

The Firm received its authorisation from the Financial Conduct Authority (“FCA”) since 02 September 2004 (FRN: 400056). Moreover, the Firm is currently authorised as a SNI investment firm to provide the following investment services for a limited set of financial instruments as described below:

##### **Regulated activities:**

- Advising on investments (except on Pension Transfers and Pension Opt Outs)
- Advising on P2P agreements
- Arranging (bringing about) deals in investments
- Dealing in investments as agent
- Making arrangements with a view to transactions in investments
- Agreeing to carry on a regulated activity

##### **Investment Type:**

- Certificates representing certain security
- Contract for Differences (excluding a spread bet and, a rolling spot forex contract and a binary bet)
- Debenture
- Future (excluding a commodity future and a rolling spot forex contract)
- Government and public security
- Rights to or interests in investments (Contractually Based Investments)
- Rights to or interests in investments (Security)
- Share
- Unit
- Warrant

##### **Client type:**

- Professional
- Eligible Counterparty

The Firm cannot hold and cannot control client money.

## 2.2. Firm's Background

Baader is a 100% owned subsidiary of Baader Helvea AG, a Swiss-regulated securities dealer. Baader Helvea AG is a wholly-owned subsidiary of Baader Bank AG of Germany. There are no branches or related entities of Baader Helvea Limited that are also regulated by the FCA. Baader is a small securities firm that maintains relationships with UK institutional clients. It provides research produced by Baader Helvea AG and Baader to clients. Any orders received from clients are passed to Baader for execution.

Moreover, all clients of Baader are institutional clients with the majority being registered with the FCA. The creditworthiness of clients is high. All client accounts are currently maintained by Baader Bank, the ultimate parent Firm, in Germany and are operated as "delivery versus payment" accounts which mean that Baader does not hold client assets. In addition, most trading for Baader clients is conducted on exchanges and platforms where a central counterparty clearing service ("CCP") exists. The CCP eliminates counterparty risk as the trades are guaranteed by the exchange.

Since 2nd August 2013 Baader Helvea's ultimate holding Firm has been Baader Bank AG, Unterschleissheim, Germany.

## 3. Governance arrangements

The Firm's governing body is its business operating Committee (the "Management Body"). The senior managers are responsible for the oversight and implementation of governance arrangements in line with the requirements of SYSC4.3A. They ensure the effective and prudent management of the firm, including segregation of duties (as far as is practicable), prevention of conflict of interest, and the operation of the Firm in a manner that promotes the integrity of the market and the interest of clients.

### Senior managers are responsible for:

- the approval and implementation of the firm's strategic objectives, risk strategy and internal governance
- ensuring the integrity of the firm's accounting and financial reporting systems, including financial and operational controls and compliance with the regulatory system.
- Overseeing the process of disclosure and communications
- Providing effective oversight of the SMCR
- Monitoring and periodically assessing
  - The adequacy and the implementation of the firm's strategic objectives in the provision of investment services
  - The effectiveness of the firm's governance arrangements
  - The adequacy of the policies relating to the provision of services to clients
- Ensuring adequate access to information and documentation necessary to oversee and monitor decision making.

Baader is committed to implementing a good practice firm-wide governance and risk management framework appropriate to the size, nature and complexity of the business. The governing body for the risk framework within Baader is the Board of Directors which has the ultimate responsibility for managing and controlling risk within the risk appetite of the Firm.

#### 4. Own Funds

The following information provides a full reconciliation of the Common Equity Tier 1 (CET1), Additional Tier 1 (AT1) instruments and Tier 2 (T2) instruments issued by the Company. The Company's regulatory capital comprises fully of CET1 capital while it has not issued any AT1 or T2 capital.

No.	Item	Amount £'000
<b>1.</b>	<b>OWN FUNDS</b>	<b>4,512</b>
<b>2.</b>	<b>TIER 1 CAPITAL</b>	<b>4,512</b>
<b>3.</b>	<b>COMMON EQUITY TIER 1 CAPITAL</b>	<b>4,512</b>
4.	Fully paid up capital instruments	800
5.	Share premium	-
6.	Retained earnings	3,746
7.	Accumulated other comprehensive income	-
8.	Other reserves	-
9.	Adjustments to CET1 due to prudential filters	-
10.	Other funds	-
<b>11.</b>	<b>(-) TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1</b>	<b>(34)</b>
19.	CET1: Other capital elements, deductions and adjustments	(34)
<b>20.</b>	<b>ADDITIONAL TIER 1 CAPITAL</b>	<b>-</b>
21.	Fully paid up, directly issued capital instruments	-
22.	Share premium	-
<b>23.</b>	<b>(-) TOTAL DEDUCTIONS FROM ADDITIONAL TIER 1</b>	<b>-</b>
24.	Additional Tier 1: Other capital elements, deductions and adjustments	-
<b>25.</b>	<b>TIER 2 CAPITAL</b>	<b>-</b>
26.	Fully paid up, directly issued capital instruments	-
27.	Share premium	-
<b>28.</b>	<b>(-) TOTAL DEDUCTIONS FROM TIER 2</b>	<b>-</b>
29.	Tier 2: Other capital elements, deductions and adjustments	-

Further to the above, the table below describes the Firm's own funds and liquid assets position for the year ended 2024:

	Amount £'000
<b>OWN FUNDS COMPOSITION</b>	
<b>Total Own Funds</b>	<b>4,512</b>
Permanent Minimum Capital Requirement	75
Fixed Overheads Requirement	261
<b>Basic Capital Requirement</b>	<b>261</b>
<i>Surplus of Total capital</i>	<i>4,251</i>
<b>Additional Capital Requirement</b>	
Permanent Minimum Capital Requirement	75
Additional capital (on-going activities)	84
Overall Wind-down cost	324
<b>Total Capital Requirement</b>	<b>324</b>
<i>Surplus of Total capital</i>	<i>4,188</i>
<b>Total Liquidity Requirement</b>	<b>451</b>
Basic Liquidity Requirement	87
Additional Liquidity requirement (Liquidity Stress Test)	364
Additional Liquidity Requirement (Wind-down)	237
<b>Liquid Assets (Core)*</b>	<b>4,413</b>
<i>Surplus of core liquid assets</i>	<i>4,326</i>
<b>Total Liquid Assets</b>	<b>4,621</b>
<i>Surplus of total liquid assets</i>	<i>4,170</i>

*\*Including Trade Receivables as well.*

## 5. Remuneration Policy and Practices

### Remuneration Components

There are two main remuneration components which are combined to ensure an appropriate and balanced remuneration package that reflects the business unit, the employee's rank in the Baader Group, their professional activity as well as benchmarking with market rates. The two remuneration components are:

- Fixed remuneration (including fixed supplements)
- Performance-based remuneration (Discretionary Bonus)

### Fixed Remuneration

The fixed remuneration is determined on the basis of the role of the individual employee, including responsibility and job complexity, performance and local market conditions.

### Performance-Based Remuneration

The performance-based remuneration motivates and rewards high performers. Performance-based remuneration is awarded in a manner which promotes sound risk management and does not induce excessive risk-taking. This is done by ensuring:

- An appropriate balance between fixed and performance-based components
- That the fixed component represents a sufficiently high proportion of the total remuneration to make nonpayment of the performance-based component possible

While the overall profitability of the firm is important in determining how much will be set aside for performance based compensation overall, the criteria for awarding such remuneration will differ on the basis of each employee's role. For example, trading volume and transaction revenues for particular stocks will not be taken into consideration when determining performance based compensation for Research Analysts. Employees in Control Functions will not be compensated in such a way as to create a conflict of interests between adequate controls and revenue generation.

### **Quantitative Analysis**

The Company acknowledges its obligation under MIFIDPRU 8.6.8(2) to disclose the total remuneration awarded to all staff, split into fixed and variable components. However, due to the small number of personnel, it has been decided to withhold this information to maintain confidentiality and prevent the public disclosure of individual salary details.