

Monex Europe Holdings Limited

Section 172(1) statement
For the year ended 31 December 2019

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During the year, the board considered the impact of Brexit and its likely consequence on the business in the long term. The board recognises that the overall macroeconomic impact of Brexit, at the outset, is likely to be negative and may be significant. However, the balance of near term risks are somewhat more balanced than the previous year, with the risk of a no-deal Brexit having been reduced, although not eliminated, by the events of 2019. There is now a noteworthy upside risk to the UK economy in 2020, where good progress in UK-EU trade talks could lead to a bigger than expected recovery to business investment, resulting ultimately in higher growth than expected by many forecasters. However, any significant upside on the UK economy is likely to be limited as long as the uncertainty remains. The board decided to continue its efforts to diversify geographically and set up a licensed entity within EU27.

The board considers that the continued focus on streamlining the services to clients and increased functionality of the group's platform is one of the key factors to deliver sustainable growth and success for the group. During the year, the board ensured that it had necessary budget approval in place to invest c.£3.2m in development of group's state-of-the-art software system.

Maintaining positive relationships with customers has been key to client retention. Competitive pricing with a suitable product offering to the customer base has been at the core to the successful growth of the group.

As an FCA regulated business, treating customers fairly and maintaining high standards of business conduct are one of the main values of the group. There are processes in place for customer complaint handling and dispute resolution in addition to staff being given regular training sessions on business conduct.

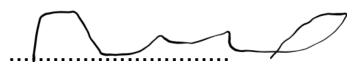
The board recognises the importance of the contribution the group's employees make to the success of the business and the need for the group to remain competitive in staff retention. The wellbeing and health of staff continues to be a priority in maintaining a positive and stable working environment. To this end, the board ensures that staff have access to benefits such as gym membership, private health insurance and a tailored personal healthcare training plan.

Engaging with staff is also a key in ensuring a positive and productive working environment. The executive management team that reports to the board holds regular team meetings with the Heads of Departments to discuss matters surrounding the business and its employees. The group has retained the majority of existing personnel (and has increased its staff numbers) across the group throughout the year and expects to continue to do so through close dialogue, and a positive working environment and appropriate staff benefits.

The board is aware of the importance of a strong relationship with the suppliers of the group. The group has processes in place to ensure that suppliers are consistently paid on time and there is sufficient communication between the group and its supplier base.

The group recognises the importance of conducting its activities with due care and regard for the environment. The group is committed to reduce the quantities of waste produced and actively pursues the use of recyclable products. The group endeavours to contribute to good causes to support the local community and beyond. During the year the group made donations to local charities and sponsored good causes events such as the "Noman is an island: Race to End HPV" campaign and an event organised by a charity named Sewa UK in India to raise funds for children with hearing and speaking disabilities.

Approved by the board and signed on their behalf by



M M Gonzalez

Director

Date 28 April 2020