Alfa Capital
Holdings (Cyprus) Ltd

ALFA CAPITAL HOLDINGS (CYPRUS) LIMITED

Disclosures in accordance with Regulation (EU) No 575/2013

As at 31 December 2016

General Notes:

- Alfa Capital Holdings (Cyprus) Limited (hereafter referred to as "ACC" or "the Company") has prepared the following disclosures.

- The disclosures are based on the audited financial statements of ACC for the year ended 31 December 2016.

- The information contained within these disclosures has been prepared for the purpose of explaining how risks are managed by the Company and to disclose the own funds requirements corresponding to these risks, in line with "Specific publication requirements" as stipulated in paragraph 32 of Section 4 of Part II ("Supervisory measures and powers") of the Cyprus Securities and Exchange Commission's (hereinafter "CySEC") Directive DI144-2014-14 of 2014 and DI144-2014-14(A), and the requirements of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on the prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (the "Regulation"). The disclosures have been reviewed by Senior Management. The disclosures have been verified by the Company's external auditor.

- The Company does not undertake any securitisation activity.

- The disclosure will be published on the Company's website: http://www.alfacapital.com.cy/mifid.

- All figures are stated in US Dollars. Figures are rounded to the nearest thousand except where otherwise stated.

- As at 31 December 2016 the Company had zero encumbered assets.

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1 Scope of Application

1.1 Policy Statement

In accordance with Article 431 and Article 433 of the European Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (the "Regulation"), Alfa Capital Holdings (Cyprus) Limited has an obligation to publicly disclose certain information in relation to its Capital Adequacy at least on an annual basis. The said disclosures are referred to as "Pillar III Disclosures". Pillar III Disclosures focus on transparency, the disclosure of information and market discipline, and set out the internal controls and procedures for disclosure of such information. In particular they contain general information in relation to the Company's policies and procedures for managing risks and quantitative information in relation to remuneration, own funds and Pillar 1 capital adequacy calculations.

The Company has adopted a formal policy (hereafter the "Pillar III Disclosures Policy") to comply with the requirements of Parts Eight and Ten of the said Regulation. The Pillar III Disclosures Policy describes the Company's policies for accessing the appropriateness of its Pillar III Disclosures, including their verification and frequency and its policies for assessing whether its Disclosures convey its risk profile comprehensively to market participants. Where those Disclosures do not convey the risk profile comprehensively to market participants, the Company shall publicly disclose the information necessary in addition to that required in accordance with Article 431(1) of the Regulation. However, it shall only be required to disclose information which is material and not proprietary or confidential in accordance with Article 432 of the Regulation and the Policy.

After careful consideration, Senior Management has decided that given the size and complexity of the Company, it is not necessary to produce Pillar 3 disclosures any more frequently than annually. Furthermore, Management feels that making such disclosures available on the Company's website is appropriate.

For assessing the appropriateness of the Company's Pillar III Disclosures, the Company appoints its external auditors 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 Regulation.

The Pillar III Disclosures document and the independent auditors' verification report are submitted to the Commission the latest within five months from the end of each financial year. The Disclosure document will be uploaded in the Company's website upon receipt of the external auditors' independent opinion.

1.2 Governing Law

The information disclosed below is in accordance with the Regulation focusing on Part Eight "Disclosures by Institutions" and Part Ten, Title I "Transitional Provisions".

1.3 Background

ACC is a subsidiary of the Alfa Banking Group. The Alfa Banking Group offers a wide range of products and operates in all sectors of the financial market, including corporate and retail lending, deposits, payment and account services, foreign exchange operations, cash handling services, custody services, investment banking and other ancillary services to institutional, corporate and retail customers.

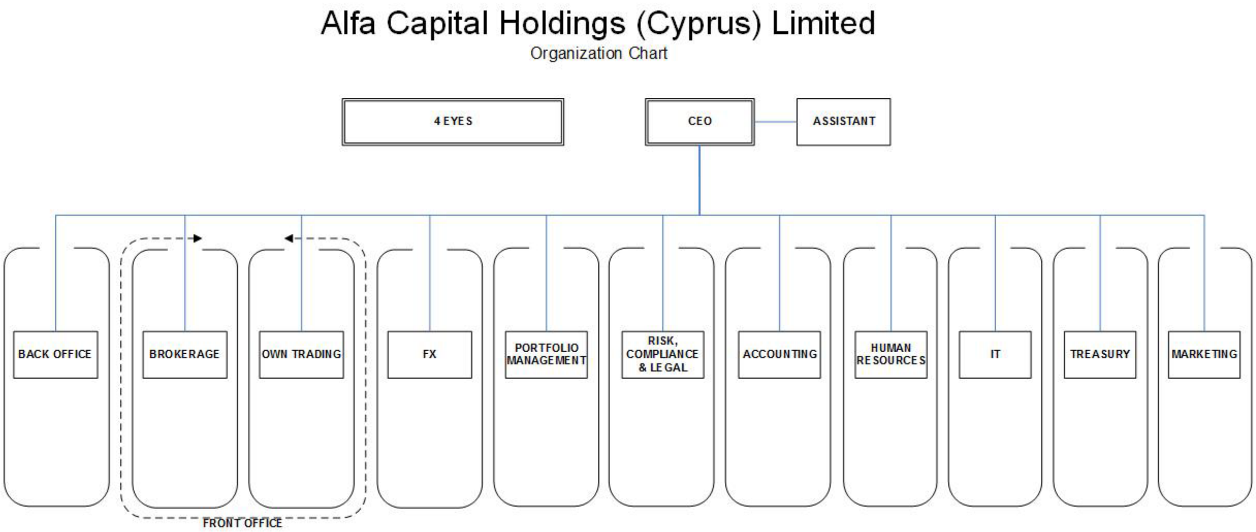
The Company is owned by ABH Financial Limited and Joint Stock Company “Alfa-Bank” (AO “Alfa-Bank”), a subsidiary of ABH Financial Limited. ABH Financial Limited and its subsidiaries including AO “Alfa-Bank” form Alfa Banking Group (the "Group"). ACC’s parent company, ABH Financial Limited, which as of 4 April 2011 is a Cyprus registered company, holds 79.9% of the Company’s shares. The remaining 20.1% of the Company’s shareholding belongs to AO “Alfa-Bank”.

The Company’s principal activities are operations with debt and equity securities and investments, including derivative financial instruments on securities, forex operations, including forex derivative financial instruments, investments into interest earning bonds, structured products and the provision of financial services to international clients and the Group. In addition, the Company provides brokerage and custody services and offers forex internet trading services including operations with precious metals and contracts for difference, online currency exchange and trading on the forex markets, under the brand “Alfa Forex”.

The Company has a London-based branch, called Alfa Capital Markets (“ACM”). The branch is an extension for corporate finance advisory and underwriting services offered by the Company to the international capital markets, and is regulated by the CySEC and the Financial Services Authority of the United Kingdom.

1.4 Organisational Structure

The Company’s organisational chart as at 31 December 2016 is presented below:



1.5 Scope of Application

As at 31 December 2016, the Company did not own any subsidiaries. These disclosures have therefore been prepared on a solo basis.

The Company does not foresee any material practical or legal impediment to the prompt transfer of own funds or repayment of liabilities to its parent.

2 Own Funds

2.1 Regulatory Capital

The Company's regulatory capital base consists of Common Equity Tier 1 ("CET1"), which includes share capital, share premium, retained earnings and other reserves, and other comprehensive loss. From CET1, the Company deducts its intangible assets and Investors' Compensation Fund contribution.

As at 31 December 2016, the Company's share capital consisted of 3,000,000 ordinary shares of EUR 1.71 each, which was issued at a premium. All ordinary shares rank equally and carry one vote. The other reserves relate to the dividend distribution and the other comprehensive loss relates to "Fair value revaluations". In December 2016, the Company waived its right for USD 29.770 thousand for a receivable amount from a subsidiary of ABH Financial Limited. The Company recorded this transaction as distribution to shareholders directly in equity.

The Company's capital instruments' main features are presented in Appendix I.

In line with the Commission Implementing Regulation (EU) No 1423/2013 of 20 December 2013 ("the Commission Implementing Regulation") and specifically Article 2, the Company has applied the methodology referred to in Annex I of the Commission Implementing Regulation to provide a reconciliation of the own funds items to the audited financial statements. The table below provides the results of the application of the said methodology:

As per Balance Sheet	**USD'000**
Share Capital	6.017
Share Premium	173.997
Retained Earnings (includes current year profit)	440.204
Fair value reserve available for sale	(832)
Total Equity as per Balance Sheet	**619.386**
Less Intangible Assets	(250)
Less Investors' Compensation Fund contribution	(74)
Capital Base as per Regulatory Reporting Requirements	**619.062**

In line with Article 492(3) of the Regulation as well as Article 5 of the Commission Implementing Regulation the Company presents below the transitional and fully phased-in own funds disclosure template:

Own Fund Element	**Based on Transitional Provisions**	**Based on fully phased-in provisions**
31/12/2016	**USD'000**	**USD'000**
Share Capital	6.017	6.017
Share Premium	173.997	173.997
Retained Earnings brought forward	389.910	389.910
Accumulated other comprehensive income	(832)	(832)
Profit for the year after dividend distribution	50.294	50.294
Less Intangible Assets	(250)	(250)
Less Investors' compensation fund	(74)	(74)
Common Equity Tier 1 Capital	**619.062**	**619.062**
Additional Tier 1	-	-
Total Tier 1 Capital	**619.062**	**619.062**
Tier 2	-	-
Total Capital	**619.062**	**619.062**

It is noted that as the Company did not have any Additional Tier 1 capital, the transitional provisions in relation to the deduction of intangible assets were not applied. Instead the full amount of Intangibles is deducted from CET1.

The table below illustrates the amount by which as at the end of the year the level of CET1 capital, Tier 1 and Total capital exceeded the requirements set by Article 465 of the Regulation and paragraph 20 of Directive DI144-2014-15 on the discretions of the Cyprus Securities and Exchange Commission arising from Regulation (EU) No 575/2013:

	Company's ratio	**As per Regulation EU 575/2013, including capital buffers***
CET1 ratio	25,35%	5,6%
Tier 1 ratio	25,35%	7,1%
Total Capital ratio	25,35%	9,1%

**As at the end of 2016, a capital conservation buffer of 0,625%, OSII capital buffer of 0,5% and countercyclical capital buffer of 0.00034% were added to the capital ratios.*

The Company did not have any instruments that qualified as Common Equity Tier 1 instruments, Additional Tier 1 instruments and Tier 2 instruments by virtue of applying Article 484 of the Regulation on grandfathering. The analytical Own Funds disclosure template as well as the main features of the Common Equity Tier 1, Tier 1 and Tier 2 instruments issued can be found in Appendix 2.

3 Capital Buffers

In addition to the own fund requirements needed to meet the 8% minimum capital ratio, a capital conservation buffer and a countercyclical capital buffer should be maintained to ensure that the Company accumulates, during periods of economic growth, a sufficient capital base to absorb losses in stressed periods. The countercyclical capital buffer should be built up when aggregate growth in credit and other asset classes with a significant impact on the risk profile of the Company are judged to be associated with a build-up of system-wide risk, and drawn down during stressed periods. In addition to a capital conservation buffer and a countercyclical capital buffer, a systemic risk buffer or/and an OSII capital buffer shall be maintained in order to prevent and mitigate long-term non-cyclical systemic or macro-prudential risks. As at the reference date, the Company maintains the following capital buffers over and above the minimum 8% capital:

- Conservation capital buffer: 0,625%
- Countercyclical capital buffer: 0,00034%
- OSII capital buffer: 0,5%

In line with Article 440 of the Regulation, the Company is required to disclose the key elements of the calculation of its countercyclical buffer rate, comprising the geographical distribution of its relevant credit exposures and the final amount of its institution-specific countercyclical buffer rate. As set out in Article 130(1) of Directive 2013/36/EU, an institution-specific countercyclical buffer is calculated as the product of its total risk exposure amount in accordance with Article 92(3) of Regulation (EU) No 575/2013 and the institution-specific countercyclical buffer rate.

As set out in Article 140(1) of Directive 2013/36/EU, an institution-specific countercyclical capital buffer rate consists of the weighted average of the countercyclical buffer rates that apply in the countries where the relevant credit exposures of the institution are located. The distribution by country of relevant credit exposures is provided in the table below, in accordance with the provisions laid down in Commission Delegated Regulation (EU) No 1152/2014:

Geographical distribution of credit exposures relevant for the calculation of the countercyclical capital buffer									
Breakdown by country	General credit exposure	Trading book exposure	Securitisation exposure	Own funds requirements				Own funds requirement weights	Countercyclical Capital Buffer rate
	Exposure value for SA	Sum of long and short positions	Exposure value SA	of which: General Credit exposures	of which: Trading book exposures	of which: Securitisation exposures	Total		
	USD 000s	USD 000s	USD 000s	USD 000s	USD 000s	USD 000s	USD 000s	USD 000s	
Angola	-	3	-	-	0,2	-	0,2	0,00	0,00%
Argentina	-	8	-	-	1	-	1	0,00	0,00%
Austria	-	399	-	-	35	-	35	0,00	0,00%
Bahrain	-	4	-	-	0,3	-	0,3	0,00	0,00%
Bermuda	8.472	15.858	-	678	1.269	-	1.946	0,02	0,00%
Belarus	-	77	-	-	9	-	9	0,00	0,00%
Brazil	-	285	-	-	24	-	24	0,00	0,00%
British Virgin Islands	15.560	-	-	1.245	-	-	1.245	0,01	0,00%
Canada	140	-	-	11	-	-	11	0,00	0,00%
Colombia	-	369	-	-	30	-	30	0,00	0,00%
Cyprus	29.767	5.826	-	2.375	467	-	2.842	0,03	0,00%
United Kingdom	369	277	-	30	22	-	52	0,00	0,00%
Georgia	-	18	-	-	2	-	2	0,00	0,00%
Hong Kong	397	-	-	32	-	-	32	0,00	0,625%
Ireland	-	278.137	-	-	23.107	-	23.107	0,20	0,00%
Italy	7	522	-	1	42	-	43	0,00	0,00%
Jersey	-	19	-	-	2	-	2	0,00	0,00%

Geographical distribution of credit exposures relevant for the calculation of the countercyclical capital buffer									
Breakdown by country	General credit exposure	Trading book exposure	Securitisation exposure	Own funds requirements				Own funds requirement weights	Countercyclical Capital Buffer rate
	Exposure value for SA	Sum of long and short positions	Exposure value SA	of which: General Credit exposures	of which: Trading book exposures	of which: Securitisation exposures	Total		
	USD 000s	USD 000s	USD 000s	USD 000s	USD 000s	USD 000s	USD 000s	USD 000s	
Cayman Islands	243	8	-	19	1	-	20	0,00	0,00%
Kazakhstan	-	483	-	-	53	-	53	0,00	0,00%
Luxembourg	1	110.590	-	0,1	10.022	-	10.022	0.09	0,00%
Mexico	-	4	-	-	0,3	-	0,3	0,00	0,00%
The Netherlands	936	41.978	-	75	3.486	-	3.561	0,03	0,00%
Panama	545	-	-	44	-	-	44	0,00	0,00%
Russia	726.992	260.712	-	58.159	13.341	-	71.500	0,62	0,00%
Seychelles	11	-	-	1	-	-	1	0,00	0,00%
Turkey	-	1.621	-	-	130	-	130	0,00	0,00%
Ukraine	854	269	-	68	22	-	90	0,00	0,00%
United Arab Emirates	468	-	-	37	-	-	37	0,00	0,00%
United States	-	51.325	-	-	44	-	44	0,00	0,00%
Venezuela	-	129	-	-	18	-	18	0,00	0,00%
Zambia	-	246	-	-	20	-	20	0,00	0,00%
Other[1]	-	1.085	-	-	87	-	87	0,00	0,00%
Total	**784.762**	**770.252**	**-**	**62.775**	**52.235**	**-**	**115.009**	**1.00**	

[1] Exposures to supranational organisations are assigned to the geographical area "Other", as per paragraph 78 of Annex II: Reporting on own funds and own funds requirements

The table below presents the amount of institution-specific countercyclical buffer:

Amount of institution-specific countercyclical buffer – 31/12/2016	
	USD 000s
Total risk exposure amount	2.442.257
Institution specific countercyclical buffer rate (%)	0,00034%
Institution specific countercyclical buffer requirement	8

4 Risk and Capital Management

4.1 Responsibility for the management of risks

Risk is an everyday part of the Company's operations, and Management recognises that identifying, assessing, monitoring and controlling each type of risk is important for the Company's financial stability, performance and reputation. As such, comprehensive control and governance procedures have been established in order to ensure that the risks faced by the Company are managed carefully, so that an optimum level of risk-return trade-off is achieved.

The Company's risk management framework aims to create, implement and sustain adequate policies and procedures designed to identify and manage all risks related to activities of the Company. The risk management framework of the Company is based on its internal risk governance, organisational model, risk appetite and culture of the Company and has been developed to ensure that the level of capital maintained is in line with the Risk Appetite that is set by the Board of Directors, and is adequate to absorb any losses and risks emanating from the Company's operations.

The overall risk management arrangements and procedures in place within the Company are considered by the Board of Directors as adequate with regards to the Company's profile and strategy and in line with the principle of proportionality.

The Company has put in place risk management systems to monitor risks. The systems are able to clearly distinguish positions between the Trading Book and Banking Book so that the regulatory capital charges are properly calculated. The systems have the necessary controls in place to generate prudent and reliable valuation estimates which are provided to Senior Management regularly and the Risk Committee whenever requested.

During 2016, matters related to risk were discussed during the Board of Directors meetings as well as Risk Committee meetings. Such matters included, but were not limited to, deficiencies in the risk management framework identified during the year's internal audit, the issues identified in the Risk Manager's Report and the new features of the Remuneration Policy.

Senior Management within ACC is primarily responsible for managing risks and for ensuring that ACC follows its strategic objectives. In addition to this, support in the form of consultation on risk management matters is also provided by the Risk Management Department of Alfa Bank Moscow. On an ongoing basis, Senior Management, together with the Risk Manager:

- Evaluate the effectiveness of the policies and procedures of the Company which identify, analyse, evaluate, treat and monitor risk during the course of business and escalate any violations to Senior Management;
- Assess the Company's risk appetite and risk bearing capacity;
- Ensure that the Company has sufficient capital and reserves to support its risks;
- Establish prudent methodologies for setting risk limits, ensure that risk exposures stay within these limits, as well as allocate limits where they can be used most profitably and efficiently. In the absence of approved limits, ACC does not undertake any trading activity;

- Meet on a regular basis in order to assess the Company's position relative to the approved risk limits. Risk management within the Company is a dynamic process in the sense that Senior Management will reassess all limits set, as new information is known. Furthermore, it reviews the current market conditions and the Company's strategy in order to set forth the business plan for the next period.

The Risk Committee, on the other end, performs the following main duties:

- Advises the Board of Directors upon, and periodically evaluates, the risk strategy laid down;

- Lays down and presents a "remedy strategy" to the Board of Directors;

- Reviews the pricing policy of the Company in accordance with its business model, risk strategy and goals;

- Generally, manages risk and engages in an evaluation of the risk management systems and checks, as well as makes recommendations as to how to strengthen such systems, how to tackle and prevent risk and how to evaluate the degree of severity and likelihood of risk.

The Risk Committee meets as and when required to carry out its functions. During 2016 the Risk Committee held one meeting in November.

Since October 2016, the Risk Management Department of the Company is comprised by 3 persons. The Head of Risk Management Department is Mrs. Meropi Antoniou (appointed in October 10, 2016), the Senior Risk Officer is Mr. Artur Khamidullin (resigned 03/03/2017) and the Risk Officer is Ms. Gavriella Hadjistylli. In 2017, the Company plans to hire an additional Risk Officer for its Risk Management Department. The Risk Management Department reports to the Risk Committee and Board of Directors.

On a daily basis, the Risk Officers meets with the CEO of the Company and discusses any outstanding issues on risk related matters. The Board of Directors is updated on a regular basis, and at least on a quarterly basis, about any risk management issues and about the Company's capital adequacy and large exposures.

In regards to risk management, CySEC has specific reporting obligations. Specifically, the Company has the following risk related regulatory reporting obligations:

- *Quarterly submission of capital adequacy returns (CAD reports):* These reports include the Company's capital adequacy calculations, large exposures, geographical breakdown, and leverage ratio calculations. In 2016, all CAD reports were submitted to CySEC within regulatory deadlines;

- *Pillar III Disclosures:* The Company submits to the Commission its Pillar III disclosures accompanied by the external audit report within five months from the end of financial year, in line with the provisions of CySEC's Directive DI144-2014-14 and DI144-2014-14(A). At the same time, the Company publishes its Pillar III disclosures at its website;

- *ICAAP report*, provided to CySEC upon request;

- Ad-hock reports on specific matters, upon CySEC's request (e.g. impact of Brexit etc.).

Moreover the Risk Management Department maintains the following policies and procedures:

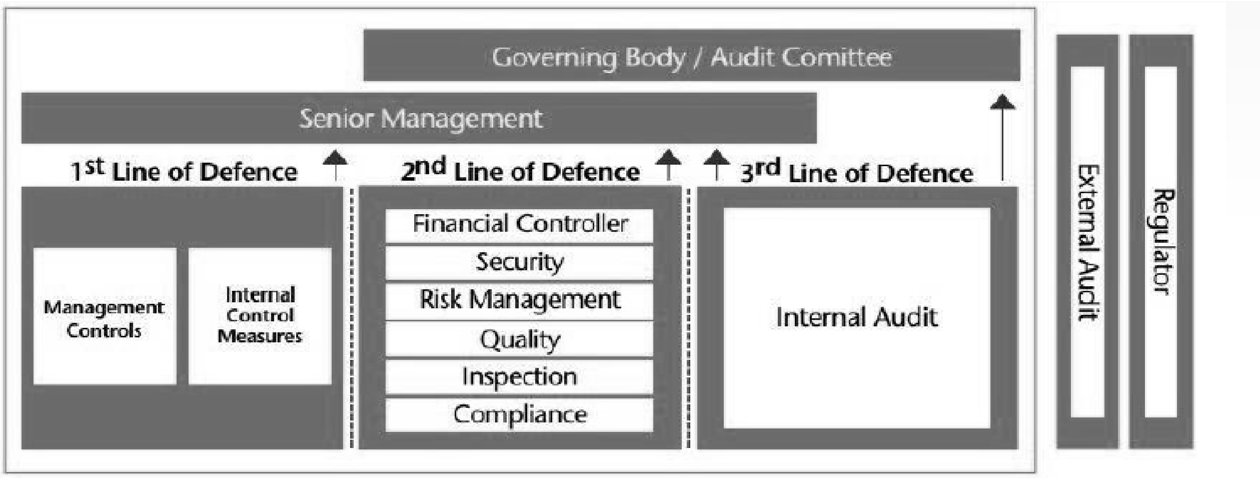
- Credit risk policy
- Market risk policy
- Operational risk policy
- Trading book policy
- Disclosures policy
- FX Margin Trading Limits Policy
- Policy of exchange of Variation Margin for OTC derivatives contracts
- Financial instruments Description and Associated Risks

The Policies were reviewed in 2016 by the Risk Management Department to ensure that they are in accordance to the requirements of CySEC's Directives. In addition the Procedures Manual of the Company provides an extensive analysis of the procedures that are followed by the Risk Management Department.

In 2016 Risk Management Department continued to develop control functions on FX margin trading that the Company launched on the 21st December 2015. The FX Margin Trading Limits Policy was developed and approved by the Risk Committee and the Board of Directors.

4.2 Risk Statement

The Company's risk governance is based on the three lines of defence model. The three lines of defence model provides a simple and effective way to enhance communications on risk management and control by clarifying essential roles and duties.



The first line of defence against impeding risks lies with the Board of Directors/Senior Management. The Board of directors set the overall risk strategy, risk appetite and culture that should be followed by all business units.

The second line of defence lies with the Risk and Compliance department which provide the policies, procedures, tools and methodology that should be followed in terms of risk management, promoting risk awareness to all business units. Both Risk and Compliance departments report to the Board of Directors about any issues in relation to risk management and their comments and recommendations are communicated to the Commission on an annual basis.

The third line of defence lies with the independent Internal Audit function which assesses the efficiency and effectiveness of internal policies and procedures, the reliability and integrity of reporting processes, the Company's compliance with laws, regulations, directives, internal policies and procedures and reports to the Company's Board of Directors. Their findings and recommendations are communicated to the Commission on an annual basis.

The Company's risk strategy, as this is set by the first line of defence, takes always into account the risk profile and appetite of the Company. Risk appetite is the amount and type of risk that the Company is willing to accept in pursuing its business objectives and strategy. The Company's risk appetite is set in line with the following dimensions and indicators:

- Capital Indicators such as CET1 ratio, CAD ratio, Leverage ratio
- Liquidity Indicators such as Liquidity Coverage ratio
- Profitability Indicators such as Return on Equity, Return on Assets, Cost to Income
- Asset Quality Indicators such as Non-Performing ratio, Coverage ratio

The levels of the risk indicators mentioned above are subject to on-going revision by the Risk Management Department, and further approval by the Risk Committee and Board of Directors. Within 2017, the Company will re-assess the defined levels; and further analysis will be provided with regards to the Company's interaction between risk profile and risk tolerance set by the management body.

Currently the Company ensures that all regulatory required levels are always met with regards to the capital indicators mentioned above.

4.3 Governance Arrangements

The management body of the Company is its Board of Directors. The recruitment of the members of the Board of Directors follows the Guidelines issued by the Cyprus Securities and Exchange Commission on the recruitment of Directors. The assessment of new Directors is performed by the Nomination Committee, whereas the approval is provided by all Directors collectively.

The Company's Nomination Committee has prepared and approved the Company's Diversity policy which addresses, among others, the diversity of the members of the Board of Directors. It is noted that the objective of the said policy is that the Board collectively has a wide range of experiences, backgrounds and knowledge to ensure that they are able to adequately manage the Company. Additionally, the Company aims and ensures that it provides equal opportunities to all Directors regardless of their gender, age and nationality. The Nomination Committee encourages gender diversity in Board appointments and appointment of other key positions of ACC. The Nomination Committee has set a target for a minimum female participation of approximately 15-25% in the Board as of the year 2020. An action plan, which is currently in progress, shall be approved by the Nomination Committee describing the required measures for the accomplishment of this target.

The Company's management body includes Executive and Non-Executive Directors as well as independent Directors. The Company's Board of Directors has varied experiences and backgrounds, including accounting, legal, banking, investments, risk management, etc.

Additionally, each independent Director has a strong background in his/her field adding as such value to the Company's Board of Directors. All the Company's Executive and Non-Executive Directors hold directorships only within the Group. The independent Non-Executive Directors as at the year-end did not hold more than 4 significant directorships.

4.4 Internal Capital Adequacy Assessment Process

The Company uses the results of its most recent Internal Capital Adequacy Assessment Process ("ICAAP") exercise as a measurement of its internal capital requirements. The Company applies methodologies which are approved by the regulatory framework in order to calculate the capital requirements for Pillar 1 risks, as well as additional capital requirements for those risks which are either partially covered, or not addressed under Pillar 1.

The Risk Management Department, in cooperation with the Accounting department, are responsible for the preparation of the ICAAP document, whilst Senior Management has the overall responsibility of approving the ICAAP document and submitting it to the CySEC.

The process followed for the preparation of the ICAAP document consists of the following steps:

- Identifying risks and assessing the management of those risks;
- Documenting the techniques used for the quantification of the risks identified;
- Calculating the amount of regulatory and internal capital required for each type of risk identified;
- Determining the need for additional capital buffers to ensure the Company has enough capital over a "healthy" business cycle, as well as, in the case of a stressed scenario.

According to the size and the complexity of its operations, the Company utilizes the "Pillar I Plus" approach for the calculation of the additional capital for Pillar 2. Under this approach, the Company calculates the capital needs, over and above the Pillar 1 minimum capital requirements, to cover risks not fully covered or not covered in Pillar 1. For determining Pillar II capital requirements, the Company performs stress tests in its three-year budgets.

The results of the internal capital adequacy assessment process are communicated to the Commission upon request.

5 Minimum Capital Requirements for Credit, Market and Operational risk

The Company follows the Standardised Approach for the measurement of the Pillar 1 capital requirements for Credit and Market Risk, and the Basic Indicator Approach for the calculation of Operational Risk capital requirements. The Pillar 1 own funds requirements of the Company as at 31 December 2016 are shown in the table below:

	Own Funds Requirements
31/12/2016	**USD'000**
Credit and Counterparty Credit Risk (including capital requirements for CVA risk charge)	79.435
Position risk in traded debt instruments	62.588
Commodities Risk	716
Foreign Exchange Risk	9.385
Equity Risk	11.192
Large exposures in the trading book exceeding the limits	21.089
Operational Risk	10.975
Total	**195.380**

6 Credit and Counterparty Credit Risk

6.1 Definition

Credit risk is defined as the potential that a counterparty or a client may potentially fail to meet its obligations in line with agreed terms. The Company is exposed to Credit Risk arising from the probability that a counterparty/client will be unable to make payments in full when these are due. The Company identifies and monitors Counterparty Credit Risk, Concentration Risk and Geographical Risk as part of Credit Risk.

6.2 Management of Credit and Counterparty Credit Risk

The management of Credit Risk, including Counterparty Credit Risk, is the primary responsibility of the Risk Management Department, with Senior Management assuming a supervisory role in the process. The Risk Management Department together with Senior Management are responsible for establishing policies and procedures which identify, analyse, evaluate, treat and monitor risks during the course of business. Management is also responsible for the establishment of limits on the amount of risk accepted in relation to a borrower, or groups of borrowers, as well as to industry sectors.

The exposures to any one borrower, including banks and brokers, is further restricted by sub-limits covering on and off-balance sheet exposures and daily delivery risk limits in relation to trading items. Actual exposures against limits are monitored daily. Exposure to Credit Risk is also managed, in part, by obtaining collaterals and guarantees.

The Risk Management Department frequently prepares management reporting information which is sent to the Company's Senior Management. The Senior Management, in close cooperation with the Risk Management Department, consistently review the information reported, taking corrective actions to mitigate risk if and when necessary.

The Company has established a number of methodologies and techniques for managing and monitoring Credit Risk and Counterparty Credit Risk. The methodologies are reviewed annually by the Risk Management Department and are also updated as and when necessary. Additionally Management ensures, through the ICAAP, that adequate internal capital is assigned to Credit Risk and Counterparty Credit Risk, in case these are not adequately covered under the Pillar 1 capital requirements.

The use of a credit assessment framework helps the Risk Management Department mitigate such risks by analysing a client's or counterparty's credit quality based on the evaluation of both financial and non-financial information. In addition to this, the Risk Management Department also reviews the analysis and appropriateness of the credit ratings issued by external credit rating institutions (where available), both prior to entering into transactions and throughout the life of a transaction, in order to monitor risks and set appropriate limits.

The use of limits for Credit Risk and Counterparty Credit Risk contributes to the effective management of the Company's exposure to such risks. Counterparty exposure limits are also set collectively, for each counterparty type. Utilisation of limits takes the market value of each transaction as well as any potential future fluctuations.

Furthermore, the Company monitors closely portfolio concentration limits, as well as cases where limit utilisation is close to a maximum, such that the impact of new transactions on the concentration within the Company's portfolio is consistent with its risk appetite and portfolio limit structure.

The Company has established a number of other measures in order to mitigate Settlement Risk and indirectly Counterparty Credit Risk. Such measures include performing transactions only on a Delivery Versus Payment ("DVP") settlement basis, or requesting pre-payments or pre-deliveries from clients and counterparties. The Company also performs secured transactions, which are backed by eligible collaterals.

6.3 Value of Exposures

The Company's financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") under the historical cost convention, as modified by the initial recognition of financial instruments based on fair value, and by the revaluation of available for sale financial assets, financial instruments categorised as at fair value through profit or loss.

Trading securities, derivatives and other financial instruments at fair value through profit or loss are initially recorded at fair value. All other financial instruments are initially recorded at fair value plus transaction costs. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument, or by a valuation technique which relies only on observable market data.

Sale and repurchase agreements are treated as secured financing transactions. The securities sold are not derecognised nor are they reclassified in the Statement of Financial Position, unless the transferee has the right by contract or custom to sell or re-pledge the securities, in which case they are reclassified as repurchase receivables. The corresponding liability is presented within amounts due to banks. On the other hand, securities purchased under agreements to resell are recorded as "due from banks" or "loans and advances to customers", as appropriate. The difference between the sale and repurchase price is treated as interest income and accrued over the life of the repurchase agreements using the effective interest method.

Securities lent to counterparties for a fixed fee are retained in the financial statements in their original category in the statement of financial position unless the counterparty has the right by contract or custom to sell or re-pledge the securities, in which case they are reclassified and presented separately. Securities borrowed for a fixed fee are not recorded in the financial statements, unless these are sold to third parties, in which case the purchase and sale are recorded in profit or loss within gains or losses from operations with trading securities. The obligation to return the securities is recorded at fair value in other financial liabilities.

All purchases and sales of financial instruments that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recorded at trade date, which is the date that the Company commits to deliver a financial asset. All other purchases are recognised when the Company becomes a party to the contractual provisions of the instrument.

Derivative financial instruments, including foreign exchange contracts, interest rate futures, forward rate agreements, currency and interest rate swaps, and currency and other derivative financial instruments are carried at fair value. All derivative instruments are carried as assets when the fair value is positive and as liabilities when the fair value is negative. Changes in fair value of derivative financial instruments are included in profit or loss for the year in gains less losses arising from foreign currencies and precious metals and gains less losses arising from trading securities, depending on the related contracts.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Those financial instruments that are traded in an active market, their fair value is measured as the product of the quoted price for the individual asset or liability and the quantity held by the entity. Those financial instruments that are not traded in an active market are measured at the fair value of a company of financial assets and financial liabilities on the basis of the price that would be received to sell a net long position (i.e. an asset) for a particular risk exposure or paid to transfer a net short position (i.e. a liability) for a particular risk exposure in an orderly transaction between market participants at the measurement date.

During the year the Company’s derivatives gross positive fair value amounted to USD 241.736 thousands resulting in a final exposure amount of USD 285.787 thousands. It is noted that no netting or credit risk mitigation techniques are applied for derivative contracts.

It is noted that during the year the Company entered into credit derivative transactions in the form of a swap with a total notional amount of USD 57.091 thousands.

6.4 Past due and Impaired

Past Due

As per IFRS 7, Appendix A “Defined terms”, a financial asset is past due when a counterparty has failed to make a payment when contractually due. It is noted that during the year there were no past due balances within trading securities, repurchase receivables, due from banks, loans and advances to customers and other financial assets.

Impairment of financial assets carried at amortised cost

Impairment losses are recognised in profit or loss for the year when incurred as a result of one or more events (“loss events”) that occurred after the initial recognition of the financial asset, and which have an impact on the amount or timing of the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. If the Company determines that no objective evidence exists that impairment was incurred for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics, and collectively assesses them for impairment. The primary factors which the Company considers when determining whether a financial asset is impaired, is its overdue status and realisability of related collateral, if any.

The following other principal criteria are also used to determine whether there is objective evidence that an impairment loss has occurred:

- any instalment is overdue and the late payment cannot be attributed to a delay caused by the settlement systems.
- the borrower experiences a significant financial difficulty as evidenced by the borrower’s financial information obtained by the Company.
- the borrower considers bankruptcy or a financial reorganisation.
- there is adverse change in the payment status of the borrower as a result of changes in the national or local economic conditions that impact the borrower.
- the value of collateral significantly decreases due to deteriorating market conditions.

For the purposes of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics. Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated.

As trading securities are carried at fair values based on observable market data, the Company does not analyse or monitor impairment indicators.

6.5 Value Adjustments and Provisions for impaired exposures

During 2016 the Company impaired a receivable from a Group company, which however has been treated as a distribution. In addition provisions for impairment of investments held to maturity during the year amounted to USD 149K.

The Company's exposures after accounting offsets and without taking into account the effects of Credit Risk Mitigation ("CRM") and the average amount of exposures for the year ended 31 December 2016, are as follows:

	Value of Exposures before CRM and after accounting offsets	Average Value of Exposures
	USD'000	**USD'000**
Corporates	809.459	1.060.685
Institutions	844.541	809.767
Public Sector Entities	-	37
Retail	-	17.199
Equity	11.020	11.159
Other	4.287	4.849
Total	**1.669.307**	**1.903.696**

The following tables present a breakdown of the Company's exposures to Credit Risk, based on the requirements of Part Eight, Title II "Technical Criteria on Transparency and Disclosure", Article 442 of the Regulation.

6.6 Own Funds Requirements against Exposures

Once the risk weighted exposures are calculated for all the exposure classes, these are multiplied by 8% in order to result in capital requirements regarding credit risk according to Article 438 of CRR. The table below presents the own funds requirements for each of the applicable exposure classes set in Article 112:

Asset Class	RWA USD'000	Capital Requirement USD'000
Institutions	88.127	7.050
Corporates	768.445	61.476
Equity	11.020	882
Other	4.286	343
Total Exposures	**871.878**	**69.751**

6.7 Exposures by geographic distribution (before credit risk mitigation)

	Europe	Russia	Other	Total
	USD'000			
Corporates	64.186	728.072	17.201	809.459
Institution	844.308	-	233	844.541
Equity	-	2.656	8.364	11.020
Other	4.287	-	-	4.287
Grand Total	**912.781**	**730.728**	**25.798**	**1.669.307**

6.8 Exposures by residual maturity

Assets Class	< 1 month	1-6 months	6-12 months	> 1 years
	USD'000			
Corporates	442.185	293.583	54.406	19.285
Institution	369.821	9.287	449.447	15.986
Equity	2.656	-	-	8.364
Other	4.287	-	-	-
Total	**818.949**	**302.870**	**503.853**	**43.635**

6.9 Exposures by significant industries

Industry	Corporates	Institution	Equity	Other
Bank	253.743	805.721	2.656	1
Finance- Investment Services	2.071	38.131	-	-
Financial	76.645	689	-	-
Oil Companies	143.910	-	8.364	-
SPVs	60.503	-	-	-
Telecom Services	119.303	-	-	36
Metal-Iron	104.615	-	-	-
Other	48.669	-	-	4.250
Total	**809.459**	**844.541**	**11.020**	**4.287**

It is noted that there were no recoveries recorded directly to the income statement during the year.

6.10 Nominated External Credit Assessment Institutions ("ECAIs") for the application of the Standardised Approach

The Company uses the ratings of Standard & Poor's, Fitch and Moody's for all asset classes under the Standardised Approach. The use of these ratings is in compliance with the requirements of Article 138 of the Regulation, and is used consistently for all exposures in a specific asset class. These ratings are used in the calculation of risk weights for the relevant asset classes, namely corporates and institutions. The Company will continue to use the same approach for its entire portfolio unless there are material differences in the way it performs its business.

The Company has used the credit quality step mapping table below to map the credit assessment to credit quality steps:

Credit Quality Steps	Fitch Ratings	Moody's Ratings	S&P Ratings
1	AAA to AA-	Aaa to Aa3	AAA to AA-
2	A+ to A-	A1 to A3	A+ to A-
3	BBB+ to BBB-	Baa1 to Baa3	BBB+ to BBB-
4	BB+ to BB-	Ba1 to Ba3	BB+ to BB-
5	B+ to B-	B1 to B3	B+ to B-
6	CCC+ and below	Caa1 and below	CCC+ and below

The table below presents the exposure values associated with each credit quality step:

	CQS						
Asset Class	**1**	**2**	**3**	**4**	**5**	**6**	**NR**
Corporates	-	-	-	39.034	-	-	729.411
Institution	42.002	219.952	1.734	-	165	56	9.065
Equities	-	-	-	2.656	-	-	8.363
Other	-	-	-	-	-	-	4.287
Grand Total	**42.002**	**219.952**	**1.734**	**41.690**	**165**	**56**	**751.126**

When calculating the capital requirements for Credit Risk for both on-balance sheet and off-balance sheet positions, the Company assigns risk weights to its exposures based on their exposure type and rating, as prescribed by the Regulation. The process for transferring issuer and issue credit assessments onto items not included in the trading book is applied in the following priority:

1. Where a credit assessment exists for a specific instrument, this credit assessment shall be used to determine the risk weight to be assigned to that item;

2. Where no directly applicable credit assessment exists for a specific instrument, then the credit assessment of the issuer shall be used;

3. Where no directly applicable credit assessment exists for a specific instrument or its issuer, the relevant exposure shall be treated as unrated. For this category, the risk weight will be determined taking into account whether a Sovereign rating exists or not.

The credit assessments mentioned above are not taken into account where relative exceptions per the Regulation apply e.g. short term exposures to institutions.

6.11 Credit Risk Mitigation

Credit risk mitigation is currently applied only for repurchase and reverse repurchase agreements.

With regards to such agreements, the Company always takes on collateral in the form of cash or securities. To ensure that the collateral received is appropriate for the transactions performed, the Company has established a set of criteria, including, but not limited to, receiving only liquid Tier 1 and Tier 2 exchange traded securities. Additionally the Company assesses the credit quality of repurchase receivables relating to debt trading securities based on the external credit rating of the debt security.

Continuous monitoring of such collateral is performed by the Company’s Back Office and Collateral manager, which checks that the collateral to be received meets the specified criteria, including market or credit concentrations, prior to entering into a repurchase or reverse repurchase transaction.

It is noted that no collateral is received against derivative exposures, other than Forex/CFDs, thus no credit risk mitigation techniques are applied for such exposures.

Based on the collateral received for reverse repurchase and repurchase transactions, the Company's exposure values before and after credit risk mitigation are as follows:

CQS	Value of Exposure before credit risk mitigation USD'000	Value of Exposure after credit risk mitigation USD'000
1	42.002	42.002
2	789.066	219.952
3	1.734	1.734
4	41.690	41.690
5	1.600	165
6	56	56
NR	793.159	751.123
Total Exposures	**1.669.307**	**1.056.722**

It should be noted that the Company does not apply hedge accounting.

6.12 Counterparty Credit Risk

As previously mentioned, Counterparty Credit Risk is currently managed under Credit Risk. As such, continuous monitoring of Counterparty Credit Risk is carried out; this extends to the monitoring of wrong-way risk as well as the monitoring and establishment of adequate credit reserves.

For calculating its risk weighted exposures for Credit Risk and Counterparty Credit Risk, the Company has decided to follow the Standardised Approach.

6.13 Measurement of Counterparty Credit Risk

The Company has adopted the Mark-to-Market ("MTM") method and the Financial Collateral Comprehensive Method ("FCCM") to calculate the value of the exposures deriving from derivative transactions and repurchase/reverse repurchase transactions, respectively, which give rise to Counterparty Credit Risk.

The MTM method is described in the steps below:

- Step (a): by attaching current market values to contracts, the current replacement cost of all contracts with positive values is obtained.

- Step (b): to obtain a figure for the potential future credit exposure, the notional amounts or underlying values are multiplied by the percentages presented under Part Three, Title II, Chapter 6 of the Regulation.

- Step (c): the sum of the current replacement cost and the potential future credit exposure is the exposure value.

The FCCM requires that haircuts are assigned to the values of the exposure and collateral, in order to arrive at the adjusted exposure and collateral amounts. Haircuts are determined based on the type of exposure and collateral, and are also applied for any foreign currency and maturity mismatches, as per the provisions of the Regulation. Once the adjusted values of exposures and collaterals are derived, the appropriate risk weight, determined based on the counterparty to the transaction, is assigned to the unsecured part of the exposure.

7 Market Risk

7.1 Management of Market Risk

With regards to the management of market risk, the Senior Management and the Risk Management Department are responsible for:

- Establishing prudent methodologies for limit setting so as to control the exposures of the Company;
- Establishing a limits framework for every trading business, and setting out the permitted products and activities, as well as the maximum exposure limits;
- Reviewing all limits at least annually;
- Allocating limits where they can be used most profitably and efficiently;
- Performing Value at Risk ("VaR") and stress testing calculations, which are two commonly used tools in finance for quantitative risk measurement and management. This allows Management to closely manage the business by ascertaining maximum losses (with given probabilities) as well as the robustness of the business in stressed situations.

In the absence of approved limits, trading activity is not undertaken and no new products are traded.

The Risk Management Department frequently prepares management reporting information which is sent to the Company's Senior Management. The Senior Management, in close cooperation with the Risk Management Department, review the information reported, taking corrective actions to mitigate risk if and when necessary.

7.2 Market Risk Management – Trading Book

Market Risk is carefully managed through detailed policies and procedures. Senior Management will undertake an annual review of limits, based on discussions and recommendations received by the Risk Management Department. For any proposed changes in limits, the existing limits as well as the new limit proposals are submitted to Senior Management and justifications are provided concerning the reasons for any changes or amendments.

The Risk Management Department monitors all trading positions on a daily basis to ensure that all quantitative limits are adhered to. The following limits have been established and it is worth noting that the list below illustrates all the possible risk measures that the Company may apply to mitigate market risk. Depending on market conditions, limits may be revised and increased limit restrictions may be applied.

- **Foreign Exchange Risk:**
    - *Net Open Position against local currency* - This is the net long or short foreign currency position.
    - *Total Net Short Position* - This is the net short position of all currencies.
    - *Net Open Position by currency* - This is the net market value of positions in each currency, expressed in the local currency.
    - *Maximum Maturity* - Maximum maturity of a transaction calculated from deal date.
    - *Counterparty Limits* - Utilization of counterparty limits taking into account the market value of the transactions.
    - *FX Settlement Limits* - This limit captures the settlement risk of FX transactions. It is set in order to control the exposure to a particular counterparty.
- **Market Risk arising from Bond Securities, Bond Futures, Interest Rate Futures, Interest Rate Swaps, Credit Default Swaps:**
    - *Position Limits* - This is the maximum allowable exposure for each specific instrument within a specific portfolio. Different limits may be set for intra-day and overnight positions.
    - *Maximum Holding Period Limit* - The maximum period the trader can hold a position.
    - *Maximum Maturity* - Maximum maturity of the transaction calculated from deal date.
    - *Counterparty Exposure Limits* - Limits are set for each counterparty collectively. Utilization of exposure limits takes into account the market value of the deal, as well as the future fluctuation in its value.
- **Market Risk arising from Equity positions:**
    - *Position Limits* - Maximum exposure can be set for a particular portfolio.
    - *VaR, 1 day 99% confidence level* - A category of risk metrics which describe probabilistically the market risk of a trading portfolio.

7.3 Market Risk Management – Banking Book exposures

Equity Price Risk in the Banking Book is also managed by establishing limits, and by closely monitoring and controlling adherence to these limits. Detailed policies and procedures exist which are reviewed and updated frequently.

Foreign Exchange Risk is managed on a consolidated basis for both the banking book and the trading book positions using the methods already mentioned above.

7.4 Interest Rate Risk

The Company takes on exposures to the effect of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. Interest margins may increase as a result of such changes but may reduce or create losses in the event that unexpected movements arise. Management monitors on a daily basis and sets limits on the level of mismatch on interest rate repricing that may be undertaken.

The table below summarises the Company's exposure to interest rate risk. The table presents the aggregated amounts of the Company's financial assets and liabilities at carrying amounts, categorised by the earlier of contractual interest repricing or maturity dates.

	Demand and less than 1 month	**From 1 to 6 months**	**From 6 to 12 months**	**More than 1 year**	**Non-monetary**	**Total**
	USD'000					
Total financial assets	1.480.861	312.391	52.690	36.996	12.289	1.895.227
Total financial liabilities	567.807	35.320	585.689	26.765	52.717	1.268.298
Net interest sensitivity gap	**913.054**	**277.071**	**(532.999)**	**10.231**	**(40.428)**	**626.929**

Debt trading securities are actively traded by the Company and therefore constantly repriced. The entire balance of trading securities for the purposes of the above analysis is allocated in caption "demand and less than 1 month".

At 31 December 2016, if interest rates at that date had been 200 basis points lower/higher (2015: 200 basis points lower/higher) with all other variables held constant, profit for the year would have been USD 14 890 thousand lower/higher (2015: USD 8 158 thousand lower/higher).

7.5 Market Risk Measurement

The minimum capital requirement with respect to Market Risk is calculated using the Standardised Approach. Under the Standardised Approach, the Market Risk capital requirements are calculated with respect to Position Risk (covering both Equity and Interest Rate Risks), Commodities Risk and Foreign Exchange Risk.

As at 31 December 2016 the capital requirements are as follows:

Market Risk			
Position Risk		**USD'000**	**USD'000**
Traded Debt Instruments	Specific Risk	47.463	**62.570**
	General Risk	15.107	
Traded Debt Options – Non delta			**18**
Equity Risk	Specific Risk	4.745	**9.490**
	General Risk	4.745	
Equity Options – Non delta			**1.702**
Commodities Risk			**716**
Foreign Exchange Risk			**9.385**
Large Exposures in the Trading Book			**21.089**
Market Risk Capital Requirement			**104.970**

7.6 Exposures in Equity securities not included in the Trading Book

Under this category the Company includes equity investments in Group Companies (subsidiaries or other), investments in associates, and financial instruments bought that may be classified in the non-trading Book.

The Company's investments, as at 31 December 2016, were the following:

Investments	**USD '000**
Investments held to maturity	8.660
Investments in companies within the Group at cost	27.964

Investments in Companies within the Group

During the year 2016, the Company had the following investments in companies within the Alfa Banking Group:

	31/12/2016
Group Companies	**USD'000**
AO Alfa-Bank (Russian Federation, 0.1136%)	2.656
Impairments	-
Total Investments	**2.656**

The provision for impairment, in the amount of USD 25.308 thousand, was estimated by Management on the basis of considering financial information of the investees.

They were not cumulative realized gains or losses arising from sales and liquidations in the period nor any unrealised gains or losses arising from these investments.

Investments held to maturity

Investments held to maturity are represented by Corporate USD Eurobond issued by a Russian company, which has no external rating. At 31 December 2016 this security had maturity in May 2020, coupon rates of 7.0% p.a. and yields to maturity of 25.5% p.a.

The value of the investments held to maturity as at 31 December 2016 was as follows:

	31 December 2016
	USD'000
Investments held to maturity	8.660
Provision for impairment of investments held to maturity	(188)

It is noted that during the year there were no liquidations or sales of such investments.

8 Operational Risk

8.1 Introduction

Operational Risk is defined as the risk of direct and indirect loss resulting from inadequate or failed processes, people and systems from external events, and includes legal risk. For the purpose of managing Operational Risk, the following risks are also managed:

- Business Process risks;
- Technological risks;
- Personnel risks;
- Risks of unforeseen situations and external events.

8.2 Management of Operational Risk

Operational Risk is inherent to all of the Company's operations. The Company's Senior Management and its Risk Management Department successfully manage and control Operational Risk by identifying, measuring, monitoring, reporting, controlling and mitigating Operational Risks. Specifically, the Risk Management Department is responsible for:

- Establishing an Operational Risk policy which outlines the Company's approach to Operational Risk management, determines the main directions of the Operational Risk management and identifies the responsibilities between the Company's departments in relation to Operational Risk management.
- Establishing procedures for Operational Risk and operational loss data reporting.
- Promoting a culture where Operational Risk is identified, monitored and controlled by all of the Company's employees.

The Risk Management Department frequently prepares management reporting information which is sent to the Company's Senior Management. The Senior Management, in close cooperation with the Risk Management Department, consistently reviews the information reported, taking corrective actions to mitigate risk if and when necessary.

8.3 Assessment of Operational Risk

The Company adopts the Basic Indicator Approach ("BIA") to Operational Risk. Under the Basic Indicator Approach, the own funds requirement for Operational Risk is equal to 15% of the average over three years of the relevant indicator as set out in Article 316 of the Regulation. The average over three years is calculated on the basis of the last three twelve- monthly observations at the end of the financial year.

The Company's Operational Risk own funds requirement arose to **USD 10.975**.

9 Remuneration Policy and Practices

The Remuneration Policy ("the Policy") of the Company and its UK branch (Alfa Capital Markets), forms an integral part of the Company's corporate governance and is developed taking into consideration the Company's objectives, the business and risk strategy, corporate cultures and values and the long-term interests of the Company.

The Policy applies to top management executives, risk takers, individuals whose total remuneration takes them into the same remuneration level as the aforementioned categories, individuals who perform control duties, and individuals whose professional activities have a significant impact on the Company's risk profile.

The Policy is reviewed at least on an annual basis, and any amendments made must be approved by the Board of Directors and Remuneration Committee. The Human Resources department is responsible for the preparation, as well as any further developments/changes of the Policy. The Board of Directors adopts and periodically reviews the general principles of the Policy. The Board of Directors is also responsible for its implementation as well as for preventing/mitigating any risks which may arise as a result of the Policy and practices of the Company.

The implementation of the Policy is also subject to independent periodic review by the Compliance and Internal Audit functions in order to assess the level of compliance with applicable laws, rules, regulations and regulatory guidance.

The Remuneration Committee comprises of 2 non-executive independent members of the Board of Directors. During 2016, the Remuneration Committee held one meeting.

The main responsibility of the Remuneration Committee is to prepare recommendations in relation to the remuneration of the identified categories of staff whose professional activities have a material impact on an institution's risk profile according to the relevant regulation[2], and submit them to the Board of Directors for approval. In addition the Remuneration Committee is responsible:

- to provide its support and advice to the Board of Directors on the design of the Company's Policy;
- to support the Board of Directors in overseeing the policies, practices and processes and the compliance with the Policy;
- to check whether the existing Policy is still up to date and, if necessary, make proposals for changes;
- to review the appointment of external remuneration consultants that the Board of Directors may decide to engage, for advice or support;
- to ensure the adequacy of the information provided to shareholders on policies and practices and in particular on a proposed higher maximum level of the fixed/variable remuneration ratio;

[2] Commission Delegated Regulation (EU) No 604/2014 of 4 March 2014 supplementing Directive 2013/36/EU of the European Parliament and of the Council with regards to the regulatory technical standards, with respect to qualitative and appropriate quantitative criteria to identify categories of staff whose professional activities have a material impact on an institution's risk profile.

- to assess the mechanisms and systems adopted to ensure that the remuneration system properly takes into account all types of risks, liquidity and capital levels;

- to ensure that the Policy is consistent with and promotes sound and effective risk management and is in line with the business strategy, objectives, corporate culture and values and the long-term interests of the Company;

- to assess the achievement of performance targets and the need for ex post risk adjustment, including the application of malus and clawback arrangements.

The Company has established a competitive compensation framework in order to attract, engage and retain its employees. Its basic principles are:

- The Policy provides for an effective framework for performance measurement, risk adjustment and the linkages between performance and reward;

- The Policy outlines the methods for the measurement of performance, including the performance criteria, the structure of variable remuneration including where applicable the instruments in which part of the variable remuneration is awarded;

- The Policy supports the Company in achieving and maintaining a sound capital base and an appropriate liquidity profile;

- Conflicts of interests stemming from the remuneration awarded are identified and appropriately mitigated, including by establishing objective award criteria based on the internal reporting system, appropriate controls and the four eye principle;

- The Policy is consistent, promotes sound and effective risk management and does not encourage risk-taking that exceeds the level of risk tolerated by the Company;

- The Policy is clear, well documented and transparent including proper documentation of the decision-making process and the reasoning behind this Policy;

- The remuneration to be awarded to different categories of staff including staff members that are employed in control functions is consistent with the principle that such persons are considered as material risk takers since they are responsible for the day-to-day management of the business and its risks.

This Policy covers total remuneration (i.e. fixed and variable) as well as benefits in kind and allowances.

The amount of remuneration is fixed in the employment agreement of each employee and it reflects the educational level, experience, accountability, and the position's functional requirements. The Company has developed fixed remuneration ranges which differ among hierarchical levels and nature of business. Ranges are reviewed annually taking into consideration market trends and current legal requirements. Total remuneration consists of the fixed salary, benefits such as health insurance and in certain cases variable remuneration in the form of a bonus.

As per the provisions of Directive DI144-2014-14&14(A), the principles adopted by the Company relating to variable remuneration, when provided, are as follows:

- Where remuneration is performance related, the total amount of remuneration is based on a combination of the assessment of the performance of the individual and of the business unit concerned, as well as the overall results of the Company as a whole. Upon assessing individual performance, both financial and non-financial criteria are taken into consideration;

- Assessment of performance is set in a multi-year framework in order to ensure that the assessment process is based on long-term performance and that the actual payment of performance-based components of remuneration is spread over a period which takes account of the underlying business cycle of the Company and the business risks it encounters;

- The total variable remuneration does not limit the ability of the Company to maintain its capital base;

- Variable remuneration is not guaranteed and shall not be part of prospective remuneration plans;

- Guaranteed variable remuneration is limited only to the cases the Company wants to offer it to the first year of employment of a new staff member, if and only if the Company has a strong capital base;

- Fixed and variable components of total remuneration are appropriately balanced;

- Variable remuneration can be reduced to zero, and shall not exceed 100% of the fixed component of the remuneration for each individual unless other conditions apply.

As allowed by Directive DI144-2014-14, the Company's Board of Directors may decide that a higher variable remuneration may be given; the Board of Directors will ensure that all provisions of the Directive DI144-2014-14 will be followed accordingly.

When paying out any variable remuneration to the risk takers, the Company ensures the following, in a manner and to the extent that is appropriate to the Company's size, internal organisation and nature, scope and complexity of activities (the "Proportionality Conditions"):

- At least 40% of the variable remuneration is deferred over a period of three to five years;

- In case that variable remuneration is of a particular high amount, then at least 60% of the amount shall be deferred;

- At least 50% of any variable remuneration will be paid out in instruments. This must be applied to both the deferred and the non-deferred part of the variable remuneration component;

- Up to 100% of the total variable remuneration is subject to malus or clawback arrangements, which are set by the Company.

The determination of the variable remuneration to be awarded to the various staff members is defined in the Bonus Policy of the Company. All risk takers are clearly informed at the outset of the criteria which are used to determine the amount of their variable remuneration, as well as the steps and timing of their performance reviews.

Proportionality Conditions

In accordance to paragraph 20(2) of the Directive DI144-201-14, investment firms shall apply remuneration principles in a way and to the extent that is appropriate to their size, internal organisation and the nature, the scope and the complexity of their activities. Taken into account that currently there are no official guidelines provided with regards to the implementation, form and provisions of proportionality, we introduced certain Proportionality Conditions in relation to the most stringent provisions of remuneration principles to ensure that a balance is reached between achieving the objectives of the Directive DI144-2014-14 and market practice for ensuring fair remuneration of the Company's personnel. These Proportionality Conditions take into account guidelines provided by the FCA (Principle 12 of the Remuneration Principles (19C.3.34)). The Company's proportionality conditions take into account the following factors:

- % of variable remuneration, compared to total remuneration of all Identified staff/Risk takers;
- Maximum amount of variable remuneration per Identified staff/Risk taker;
- % of total variable remuneration compared to the Company's profits for the period, and;
- The Company's Capital Adequacy Ratio, including Combined Buffer and Pillar 2 requirements.

All Proportionality Conditions set out in the Company's Remuneration Policy are subject to periodic review by the Remuneration Committee in order to assess the level of compliance with the applicable regulatory and legal framework. Such review is conducted at least on an annual basis, and any amendments made are approved by the Board of Directors.

The actual ratio between fixed and variable remuneration in 2016 stood on average at 22% for Directors and Senior Management and 20% for other identified staff / risk takers.

It is noted that as at 31 December 2016, there was no outstanding deferred remuneration and no share options were offered. Furthermore, there were no sign-on or severance payments during the year.

Performance appraisals are conducted on an annual basis. In order to perform performance appraisals key objectives / goals are set. Performance is then assessed against these objectives / goals. If deemed appropriate to propose salary revisions for specific persons, the Company's Managing Director makes this decision. Specific salary increases for Senior Management (specifically the Risk Manager and Compliance Officer) also require the consent of the Chairman of the Board of Directors.

Apart from promotions, which may be set strictly on an individual basis, there is no link between the sales results of an employee and his/her remuneration. Individual increase proposals are also based on market data. Sales operations in Brokerage services are based on the economic profile of each client. Transactions performed are monitored for their correspondence to the client's profile or investment strategy on a regular basis by the Risk Management and Compliance function. Remuneration of Sales operations in Forex is not focused only on performance criteria but also to the relevant employee's adherence to internal policies and procedures as well as the Code of conduct. Thus, the remuneration practices of the Company cannot affect or give an incentive to an employee for a potential mis-selling.

The provisions of the Directive require that the Company discloses to the public information regarding the remuneration of those categories of staff whose professional activities have a material impact on the risk profile of the Company. The individuals that may be considered as having an effect on the Company's risk profile include Front Office staff, the members of the Investment Committee, as well as the Board of Directors.

It is noted that the Company's Investment Committee assumes the primary responsibility for the undertaking of risk as it is responsible on an ongoing basis for implementing a business and risk strategy in line with the risk profile of the Company, as this is defined by the Board of Directors.

The table below provides aggregate information on remuneration, broken down by business area, including those considered as senior management and staff whose actions have a material impact on the risk profile of the Company.

Position	Remuneration USD'000		Number of Persons
	Fixed	Variable	
Senior Management[3]	544	121	8
Other identified staff/risk taker	532	109	10

It is noted that during 2016, any variable remuneration is provided in the form of cash. Moreover, there were no amounts of deferred remuneration awarded, paid our and reduced through performance adjustments. In addition, no new sign-on and severance payments were made during the financial year.

During the reporting period there were no individuals remunerated EUR 1 million or more.

The following table provides aggregate quantitative information on remuneration, broken down by business line:

Business Line	Remuneration USD'000
Control Functions[4]	259
Trading and Sales[5]	705
Other Business lines[6]	342

[3] It includes Executive Directors and Heads of significant business lines
[4] It includes Risk, Compliance, Legal and any personnel which comprise 4Eyes, including executive directors
[5] It includes Own Account, Brokerage, Forex and Portfolio Management division
[6] It includes identified staff from Treasury, Back office and Accounting departments

10 Leverage

In line with Article 429, as well as the transitional provision of Article 499, the leverage ratio is calculated as the total assets divided by the Tier 1 capital, as calculated by the provisions of the Regulation. Specifically the Tier 1 capital used is the same under both conditions of Article 499(1) (a) and (b) since the Company does not have any transitional provisions.

As at the end of December 2016 the leverage ratio of the Company was at 34,01%.

Leverage is closely monitored along with the exposures to risk and the solvency ratio of the Company to ensure that the risk of excessive leverage is identified and properly managed. Going forward, and as the leverage requirements will be formalised the Company will be formalising the management of the risk of leverage to ensure that it will be above the minimum required.

The details regarding the leverage table are presented in the following table:

	USD 000s
On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)	1.377.518
(Asset amounts deducted in determining Tier 1 capital)	(324)
Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets)	**1.377.194**
Derivative exposures	
Replacement cost associated with *all* derivatives transactions	237.572
Add-on amounts for PFE associated with *all* derivatives transactions	48.215
Exposure determined under Original Exposure Method	N/A
Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	N/A
(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	N/A
(Exempted CCP leg of client-cleared trade exposures)	N/A
Adjusted effective notional amount of written credit derivatives	N/A

(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	N/A
Total derivatives exposures	**285.787**
SFT Exposures	
Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	157.317
(Netted amounts of cash payables and cash receivables of gross SFT assets)	N/A
Counterparty credit risk exposure for SFT assets	157.317
Derogation for SFTs: Counterparty credit risk exposure	N/A
Agent transaction exposures	N/A
(Exempted CCP leg of client-cleared SFT exposure)	N/A
Total securities financing transaction exposures	**157.317**
Other Off-balance sheet exposures	
Off-balance sheet exposures at gross notional amount	N/A
(Adjustments for conversion to credit equivalent amounts)	N/A
Other off-balance sheet exposures	-
Exempted exposures in accordance with Article 429(7) and (14) of Regulation (EU) No 575/2013 (on and off balance sheet)	
(Intragroup exposures (solo basis) exempted in accordance with Article 429(7) of Regulation (EU) No 575/2013 (on and off balance sheet))	N/A
(Exposures exempted in accordance with Article 429 (14) of Regulation (EU) No 575/2013 (on and off balance sheet))	N/A
Capital and total exposure measure	
Tier 1 capital	619.062

Leverage ratio total exposure measure	1.820.298
Leverage Ratio	
Leverage ratio	34,01%
Choice on transitional arrangements and amount of derecognised fiduciary items	
Choice on transitional arrangements for the definition of the capital measure	N/A
Amount of derecognised fiduciary items in accordance with Article 429(11) of Regulation (EU) No 575/2013	N/A

Appendix 1: Main Features of Common Equity tier 1 Instruments

	Capital instruments main features template	
1	ISSUER	Alfa Capital Holding (Cyprus) Limited
2	Unique identifier (eg CUSIP,ISIN or Bloomberg identifier for private placement)	N/A
3	Governing law(s) of the instrument	Cyprus
	Regulatory treatment	Companies Law,Cap.113
4	Transitional CRR rules	N/A
5	Post-transitional CRR rules	N/A
6	Eligible at solo/(sub-)consolidated/solo & (sub-)consolidated	Solo
7	Instrument type (types to be specified by each jurisdiction)	Ordinary shares
8	Amount recognised in regulatory capital (currency in million, as of most recent reporting date)	USD 180mln
9	Nominal amount of instrument	1,71
9a	Issue price	1,71
9b	Redemption price	-
10	Accounting classification	Equity
11	Original date of issuance	N/A
12	Perpetual or dated	N/A
13	Original maturity date	N/A
14	Issuer call date, contingent call dates and redemption amount	N/A
15	Optional call date, contingent call dates and redemption amount	N/A
16	Subsequent call dates, if applicable	N/A
	Coupon/dividends	N/A
17	Fixed or floating dividend/coupon	N/A

18	Coupon rate and any related index	N/A
19	Existence of dividend stopper	N/A
20a	Fully discretionary, partially discretionary or mandatory (in items of timing)	Fully discretionary
20b	Fully discretionary, partially discretionary or mandatory (in items of amount)	Fully discretionary
21	Existence of step up or other incentive or redeem	N/A
22	Noncumulative or cumulative	N/A
23	Convertible or non-convertible	N/A
24	If convertible, conversion trigger(s)	N/A
25	If convertible, fully or partially	N/A
26	If convertible, conversion trade	N/A
27	If convertible, mandatory or optional conversion	N/A
28	If convertible, specify instrument type convertible into	N/A
29	If convertible, specify issuer of instrument it converts into	N/A
30	Write-down features	N/A
31	If write-down , write-down trigger(s)	N/A
32	If write-down , full or partial	N/A
33	If write-down , permanent or temporary	N/A
34	If temporary write-down, description of write-up mechanism	N/A
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	N/A
36	Non-compliant transitioned features	N/A
37	If yes, specify non-compliant features	N/A

Appendix 2: Transitional Own Fund Disclosure according to the Annex IV of the EU regulation No 1423/2013

Transitional Own Funds Disclosure		**Amount as of 31/12/2016**
		USD '000
Common Equity Tier 1 (CET1) capital: instruments and reserves		
1	Capital instruments and the related share premium accounts	180.014
	of which: Instrument type 1 - Share Capital	6.017
	of which: Instrument type 2 - Share Premium	173.997
	of which: Instrument type 3	0
2	Retained earnings	389.910
3	Accumulated other comprehensive income (and other reserves)	(832)
3a	Funds for general banking risk	N/A
4	Amount of qualifying items referred to in Article 484 (3) and the related share premium accounts subject to phase out from CET1	N/A
	Public sector capital injections grandfathered until 1 January 2018	N/A
5	Minority interests (amount allowed in consolidated CET1)	N/A
5a	Independently reviewed interim profits net of any foreseeable charge or dividend	50.294
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	**619.386**
Common Equity Tier 1 (CET1) capital: regulatory adjustments		
7	Additional value adjustments (negative amount)	N/A
8	Intangible assets (net of related tax liability) (negative amount)	(250)
9	Empty set in the EU	N/A
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)	N/A
11	Fair value reserves related to gains or losses on cash flow hedges	N/A

12	Negative amounts resulting from the calculation of expected loss amounts	N/A
13	Any increase in equity that results from securitised assets (negative amount)	N/A
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	N/A
15	Defined-benefit pension fund assets (negative amount)	N/A
16	Direct and indirect holdings by an institution of own CET1 instruments (negative amount)	0
17	Direct, indirect and synthetic holdings of the CET 1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	N/A
18	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	N/A
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	N/A
20	Empty set in the EU	N/A
20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	0
20b	of which: qualifying holdings outside the financial sector (negative amount)	0
20c	of which: securitisation positions (negative amount)	0
20d	of which: free deliveries (negative amount)	0
21	Deferred tax assets arising from temporary differences (amount **above** 10% threshold, net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)	N/A
22	Amount exceeding the 15% threshold (negative amount)	N/A
23	of which: direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities	N/A

24	Empty set in the EU	N/A
25	of which: deferred tax assets arising from temporary differences	N/A
25a	Losses for the current financial year (negative amount)	N/A
25b	Foreseeable tax charges relating to CET1 items (negative amount)	N/A
26	Regulatory adjustments applied to Common Equity Tier 1 in respect of amounts subject to pre-CRR treatment	N/A
26a	Regulatory adjustments relating to unrealised gains and losses pursuant to Articles 467 and 468	N/A
26b	Amount to be deducted from or added to Common Equity Tier 1 capital with regard to additional filters and deductions required pre CRR	(74)
27	Qualifying AT1 deductions that exceed the AT1 capital of the institution (negative amount)	N/A
28	**Total regulatory adjustments to Common Equity Tier 1 (CET1)**	0
29	**Common Equity Tier 1 (CET1) capital**	**619.062**
30-36	Additional Tier 1 (AT1) capital: instruments	0
37-42	Additional Tier 1 (AT1) capital: regulatory adjustments	0
43	Total regulatory adjustments to Additional Tier 1 (AT1) capital	0
44	Additional Tier 1(AT1) capital	0
45	**Tier 1 capital (T1 = CET1 + AT1)**	**619.062**
Tier 2 (T2) capital: instruments and provisions		
46	Capital instruments and the related share premium accounts	0
47	Amount of qualifying items referred to in Article 484 (5) and the related share premium accounts subject to phase out from T2	0
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	0
49	of which: instruments issued by subsidiaries subject to phase out	0

50	Credit risk adjustments	0
51	**Tier 2 (T2) capital before regulatory adjustments**	**0**
Tier 2 (T2) capital: regulatory adjustments		
52	Direct and indirect holdings by an institution of own T2 instruments and subordinated loans (negative amount)	0
53	Holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	N/A
54	Direct and indirect holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	N/A
54a	of which new holdings not subject to transitional arrangements	N/A
54b	of which holdings existing befores 1 January 2013 and subject to transitional arrangements	N/A
55	Direct and indirect holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	N/A
56	Regulatory adjustments applied to tier 2 in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) No 575/2013 (i.e. CRR residual amounts)	N/A
56a	Residual amounts deducted from Tier 2capital with regard to deduction from Common Equity Tier 1 capital during the transitional period pursuant to article 472 of Regulation (EU) No 575/2013	N/A
	Of which items to be detailed line by line, e.g. Material net interim losses, intangibles, shortfall of provisions to expected losses etc	N/A
56b	Residual amounts deducted from Tier 2 capital with regard to deduction from Additional Tier 1 capital during the transitional period pursuant to article 475 of Regulation (EU) No 575/2013	N/A
	Of which items to be detailed line by line, e.g. reciprocal cross holdings in at1 instruments, direct holdings of non-significant investments in the capital of other financial sector entities, etc	N/A
56c	Amount to be deducted from or added to Tier 2 capital with regard to additional filters and deductions required pre CRR	N/A
	Of which: possible filter for unrealised losses	N/A

57	Total regulatory adjustments to Tier 2 (T2) capital	N/A
58	**Tier 2 (T2) capital**	**0**
59	**Total capital (TC = T1 + T2)**	**619.062**
59a	Risk weighted assets in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) No 575/2013(i.e. CRR residual amounts)	N/A
	Of which: Items not deducted from CET1 (Regulation (EU) No 575/2013residual amounts) (items to be detailed line by line, e.g. Deferred tax assets that rely on future profitability net of related tax liability, indirect holdings of own CET1, etc)	N/A
	Of which: Items not deducted from AT1 items (Regulation (EU) No 575/2013residual amounts) (items to be detailed line by line, e.g. Reciprocal cross holdings in T2 instruments, direct holdings of non-significant investments in the capital of other financial sector entities, etc)	N/A
	Items not deducted from T2 items (Regulation (EU) No 575/2013residual amounts) (items to be detailed line by line, e.g. Indirect holdings of own t2 instruments, indirect holdings of non-significant investments in the capital of other financial sector entities, indirect holdings of significant investments in the capital of other financial sector entities etc)	N/A
60	**Total risk weighted assets**	N/A
Capital ratios and buffers		
61	**Common Equity Tier 1 (as a percentage of total risk exposure amount)**	**25,35%**
62	**Tier 1 (as a percentage of total risk exposure amount)**	**25,35%**
63	**Total capital (as a percentage of total risk exposure amount)**	**25,35%**
64	Institution specific buffer requirement (CET1 requirement in accordance with article 92 (1) (a) plus capital conservation and countercyclical buffer requirements, plus systemic risk buffer, plus systemically important institution buffer expressed as a percentage of risk exposure amount)	9,125%
65	of which: capital conservation buffer requirement	0,625%
66	of which: countercyclical buffer requirement	0,00034%
67	of which: systemic risk buffer requirement	0,5%

67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer	N/A
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)	16,23%
69	[non relevant in EU regulation]	
70	[non relevant in EU regulation]	
71	[non relevant in EU regulation]	
Amounts below the thresholds for deduction (before risk weighting)		
72	Direct and indirect holdings of the capital of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	N/A
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	N/A
74	Empty set in the EU	N/A
75	Deferred tax assets arising from temporary differences (amount below 10% threshold, net of related tax liability where the conditions in Article 38 (3) are met)	N/A
Applicable caps on the inclusion of provisions in Tier 2		
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)	N/A
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	N/A
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	N/A
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	N/A
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)		
80	Current cap on CET1 instruments subject to phase out arrangements	N/A
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	N/A
82	Current cap on AT1 instruments subject to phase out arrangements	N/A

83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	N/A
84	Current cap on T2 instruments subject to phase out arrangements	N/A
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	N/A