ALFA CAPITAL HOLDINGS (CYPRUS) LIMITED

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

As at 31 December 2015

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 2015.
- The information contained within the 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 (“Supervisory measures and powers”) of the Cyprus Securities and Exchange Commission’s (hereinafter “CySEC”) Directive DI144-2014-14 of 2014 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.

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1 Scope of Application

1.1 Policy Statement

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.

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 corporate and retail customers.

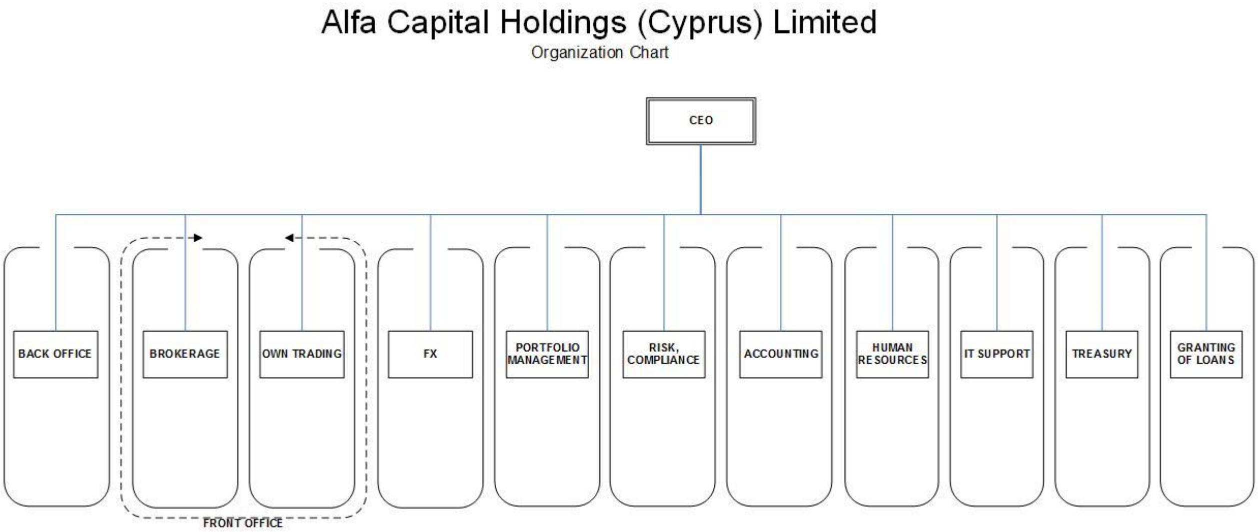
The Company is owned by ABH Financial Limited and Joint Stock Company "Alfa-Bank" (AO "Alfa-Bank"), a subsidiary of ABH Financial Limited. ABH Financial Limited and its subsidiaries including AO "Alfa-Bank" form Alfa Banking Group (the "Group"). ACC's parent company, ABH Financial Limited, which as of 4 April 2011 is a Cyprus registered company, holds 80.1% of the Company's shares. The remaining 19.9% of the Company's shareholding belongs to AO "Alfa-Bank".

The Company's principal activities are operations with equities, debt securities and investments, investment of surplus cash into interest earning bonds, deposits, loans and other financial instruments, as well as the provision of financial.

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 Conduct Authority of the United Kingdom.

1.4 Organisational Structure

The Company's organisational chart as at 31 December 2015 is presented below:



1.5 Solo Results

As at 31 December 2015, 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, which includes share capital, share premium, retained earnings and other reserves and other comprehensive income.

As at 31 December 2015, the Company's share capital consisted of 3,000,000 ordinary shares of EUR 1.71 each, which were 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 income relates to "Contribution from shareholders". In addition to the above a table presenting the capital instruments' main features is presented in Appendix 1.

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)	419 679
Total Equity as per Balance Sheet	**599 693**
Less Intangible Assets	(156)
Capital Base as per Regulatory Reporting Requirements	**599 537**

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 own funds disclosure template:

Own Fund Element	Based on Transitional Provisions	Based on fully phased-in provisions
	USD'000	**USD'000**
Share Capital	6 017	6 017
Share Premium	173 997	173 997
Retained Earnings brought forward	393 833	393 833
Profit for the year after dividend distribution	25 846	25 846
Equity	**599 693**	**599 693**
Less Intangible Assets	(94)	(156)
Common Equity Tier 1 Capital	**599 599**	**599 537**

Own Fund Element	Based on Transitional Provisions	Based on fully phased-in provisions
Less Intangible Assets – Deductions for Additional Tier 1	(62)	-
Total Tier 1 Capital / Total Capital	**599 537**	**599 537**

The table below illustrates the amount by which as at the end of the year the level of CET1 capital and Tier 1 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 specific ratio	As per Regulation EU 575/2013
CET1	27,96%	4,5%
Tier 1	27,96%	6%
Total ration	27,96%	8%

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 can be found in **Appendix 2** and as noted above the main features of the Common Equity Tier 1 and Tier 2 instruments issued can be found in Appendix 1.

The table below presents the Company's capital base as at 31 December 2015.

	Year Ended 31/12/2015
Original Own Funds	USD'000
Share Capital	6 017
Share Premium	173 997
Retained Earnings	393 833
Audited Profit for the year after distributions	25 846
	599 693
Less: Intangible Assets	(156)
Total Capital	599 537

3 Risk and Capital Management

3.1 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 overall risk management arrangements and procedures in place within the Company are considered by the Board of Directors as adequate with regard 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 2015, 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 Company's capital adequacy ratio and the implications for the Company of changes in the regulatory framework.

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

- 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 will review 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 and at least on a quarterly basis. During 2015 the Risk Committee held meetings.

3.2 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 Board of Directors and the approval is hence provided by all Directors collectively.

The Company is in the process of preparing its Board of Director's Recruitment policy ("the policy") which will address 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 have 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 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 a strong 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.

3.3 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. In light of the new regulatory framework, the Company is in process of updating its ICAAP policy and report to adopt the new regulatory requirements. The Company will apply 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 (when required).

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 cycle as well as in the case of a stressed scenario.

4 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 2015 are shown in the table below:

	Own Funds Requirements
	USD'000
Credit and Counterparty Credit Risk (includes capital requirements for CVA risk charge)	83 426
Position risk in traded debt instruments	29 750
Commodities Risk	910
Foreign Exchange Risk	10 497
Equity Risk	15 351
Large exposures in the trading book exceeding the limits	20 195
Operational Risk	11 423
Total	**171 552**

5 Credit and Counterparty Credit Risk

5.1 Definition

Credit Risk is the risk that a counterparty may potentially fail to meet its obligations when they become due. The Company is exposed to Credit Risk arising from the probability that a counterparty 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.

5.2 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, 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 secured loans and collateral.

5.3 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 repledge 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 repledge 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 213 819 thousands resulting in a final exposure amount of USD 303 380 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 11 071 thousands.

5.4 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.

5.5 Value Adjustments and Provisions for impaired exposures

In 2015 the provision for impairment amounting to USD 25 308K was estimated by management on the basis of considering financial information of investees and related to investments in companies within the Group. It is noted that since 2014 there was no movement in the provision for impairment of investments in companies within the Group.

Provisions for impairment of investments held to maturity during the year amounted to USD 337K.

Given the above, 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 2015, are as follows:

	Value of Exposures before CRM and after accounting offsets	Value Adjustments	Average Value of Exposures
	USD'000	**USD'000**	**USD'000**
Corporates	1 127 629	-	1 348 352
Institutions	291 049	-	380 434
Public Sector Entities	74	-	74
Equity	10 981	-	13 809
Other	3 454	-	5 524
Total	**1 433 187**	**-**	

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.

5.6 Own Funds Requirements against Exposures

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	58 998	4 670
Corporates	908 800	72 704
Public Sector Entities	74	6
Equity	10 981	878
Other	3 454	276
Total Exposures	**982 307**	**78 534**

5.7 Exposures by geographic distribution (before credit risk mitigation)

	Europe	Other	Russia	Total
	USD'000			
Corporates	210 382	58 900	858 347	1 127 629
Institution	283 453	7 596	-	291 049
Public Sector Entities	74	-	-	74
Equity	-	-	10 981	10 981
Other	3 454	-	-	3 454
Grand Total	**497 363**	**66 496**	**869 328**	**1 433 187**

5.8 Exposures by residual maturity

Assets Class	< 1 month	1-6 < months	6-12 < months	1-5 < years
	USD'000			
Corporates	566 177	17 041	5 903	538 508
Institution	139 261	10 247	102 639	38 902
Other	3 454	-	-	-
Equity	10 981	-	-	-
Public Sector Entities	74	-	-	-
Total	**719 947**	**27 288**	**108 542**	**577 410**

5.9 Exposures by significant industries

Industry	Corporates	Institution	Other	Equity	Public Sector Entities
Bank	322 822	197 014	1	2 656	-
Finance- Investment Services	53 592	84 098	-	-	-
Financial	194 061	9 937	-	-	-
Oil Companies	198 420	-	-	8 324	-
Other	11 051	-	3 438	-	74
SPVs	100 024	-	-	-	-
Telecom Services	119 234	-	16	-	-
Metal-Iron	100 768	-	-	-	-
	27 657				
Grand Total	**1 127 629**	**291 049**	**3 455**	**10 980**	**74**

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

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

The Company has chosen to use Standard & Poor's ratings for all asset classes under the Standardised Approach. The use of Standard & Poor's ratings is in compliance with the requirements of the Regulation, and is used consistently for all exposures in a specific asset class. Where there is no credit rating from Standard & Poor's, ratings from Moody's Investor Services are used, and then those of Fitch Rating Services. 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 table below presents the exposure values associated with each credit quality step:

	CQS						
Asset Class	**1**	**2**	**3**	**4**	**5**	**6**	**NR**
Corporates	-	-	286 516	121 018	-	-	720 095
Institution	60 514	109 152	47 119	-	29 894	-	44 370
Public Sector Entities	-	-	-	-	-	-	74
Equities	-	-	-	-	-	-	10 981
Other	-	-	-	-	-	-	3 454
Grand Total	**60 514**	**109 152**	**333 635**	**121 018**	**29 894**	**-**	**778 974**

The Company uses the standard association of the credit ratings to the credit quality steps.

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 Company does not have a process for transferring issuer and issue credit assessments onto items not included in the trading book.

5.11 Credit Risk Mitigation

Credit risk mitigation is only applied 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, which checks that the collateral to be received meets the specified criteria, prior to entering into a repurchase or reverse repurchase transaction.

It is noted that no collateral is received against derivative exposures 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	Provisions USD'000	Value of Exposure after credit risk mitigation USD'000
1	60 514	-	60 514
2	109 152	-	43 548
3	333 635	-	272 132
4	121 018	-	114 551
5	29 894	-	5 659
6	-	-	-
NR	778 974	-	619 751
Total Exposures	**1 433 187**	**-**	**1 116 156**

It should be noted that the Company does not perform any credit risk mitigation in the form of hedging, and as such it does not apply hedge accounting.

5.12 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.

5.13 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.

6 Market Risk

6.1 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.

6.2 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.

6.3 Market Risk Management – Banking Book

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.

6.4 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	1 307 158	20 990	43 374	546 822	2 658	1 921 002
Total financial liabilities	931 333	1 402	82 658	283 437	-	1 298 830
Net interest sensitivity gap	**375 825**	**19 588**	**(39 284)**	**263 385**	**2 658**	**622 172**

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 2015, if interest rates at that date had been 300 basis points lower/higher (2014: 300 basis points lower/higher) with all other variables held constant, profit for the year would have been USD 10285 thousand lower/higher (2013: USD 6 836 thousand lower/higher). The Company monitors interest rates for its financial instruments.

6.5 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, Commodities Risk and Foreign Exchange Risk.

As at 31 December 2015 the capital requirements are as follows:

Market Risk			
Position Risk		**USD'000**	**USD'000**
Traded Debt Instruments	Specific Risk	19 081	
	General Risk	10 670	**29 751**
Equity Risk	Specific Risk	5 223	
	General Risk	5 223	**15 352***
Commodities Risk*			**910**
Foreign Exchange Risk*			**10 497***
Large Exposures in the Trading Book			**20 195**
Market Risk Capital Requirement			**76 705**

*Includes Non-Delta Risk

6.6 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 2015, were the following

Investments	USD '000
Investments held to maturity	8 660
Investments in companies within the Group at cost	27 966

<u>Investments in Companies within the Group</u>

During the year 2015, the Company had the following investments in companies within the Alfa Banking Group:

	31 December 2015
Group Companies	**USD'000**
AO Alfa-Bank (Russian Federation, 0.1136%)	27 964
Other	2
Impairments	(25 308)
Total Investments	**2 658**

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.

<u>Investments held to maturity</u>

Investments held to maturity comprise of Corporate Eurobonds issued by large Russian companies; these are freely tradable internationally. As at 31 December 2015 these securities had a maturity date in May 2020, coupon rates 7,00% and yields to maturity 28,69%.

The value of the investments held to maturity as at 31 December 2014 was as follows:

	31 December 2015
	USD'000
Investments held to maturity	8 660
Provision for impairment of investments held to maturity	(337)

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

7 Operational Risk

7.1 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.

7.2 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.

7.3 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 11 m.

8 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. In order to update the Company's Remuneration Policy, the Company has sourced the assistance of an external consultant.

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.

This Policy covers total remuneration (i.e. fixed and variable) as well as benefits in kind and allowances. The Policy is subject to periodic review by the Remuneration Committee in order to assess the level of compliance. Such review is conducted at least on an annual basis. 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.

The Company does not provide variable remuneration to employees. It is noted that as at 31 December 2015, there was no outstanding deferred remuneration and no share options were offered. Furthermore, there were no sign-on or severance payments during the year.

The only non-cash benefit which the Company provides to its employees is medical insurance.

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.

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.

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.

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. 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
Directors and Senior Management	542	8
Front Office	178	6

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

9 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 other than the intangible assets.

As at the end of December 2015 the leverage ratio of the Company was at 39,81%.

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)	726 459
(Asset amounts deducted in determining Tier 1 capital)	(156)
Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets)	**726 303**
Derivative exposures	
Replacement cost associated with *all* derivatives transactions	228 971
Add-on amounts for PFE associated with *all* derivatives transactions	74 409
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	**303 380**

SFT Exposures	
Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	86 473
(Netted amounts of cash payables and cash receivables of gross SFT assets)	N/A
Counterparty credit risk exposure for SFT assets	86 473
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	**86 473**
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	599 537
Leverage ratio total exposure measure	1 506 009
Leverage Ratio	
Leverage ratio	39,81%
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	N/A
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 31/12/15
		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	393 833
3	Accumulated other comprehensive income (and other reserves)	0
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	25 846
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	**599 693**
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)	(156)
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)	0
16	Direct and indirect holdings by an institution of own CET1 instruments (negative amount)	n/a
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	n/a
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**	**599 537**
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)**	**599 537**
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)**	**599 537**
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)**	**29,23%**
62	**Tier 1 (as a percentage of total risk exposure amount)**	**29,23%**
63	**Total capital (as a percentage of total risk exposure amount)**	**29,23%**
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)	4,5%
65	of which: capital conservation buffer requirement	4,5%
66	of which: countercyclical buffer requirement	n/a in 2015
67	of which: systemic risk buffer requirement	n/a in 2015
67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer	n/a in 2015
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)	24,73%
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