

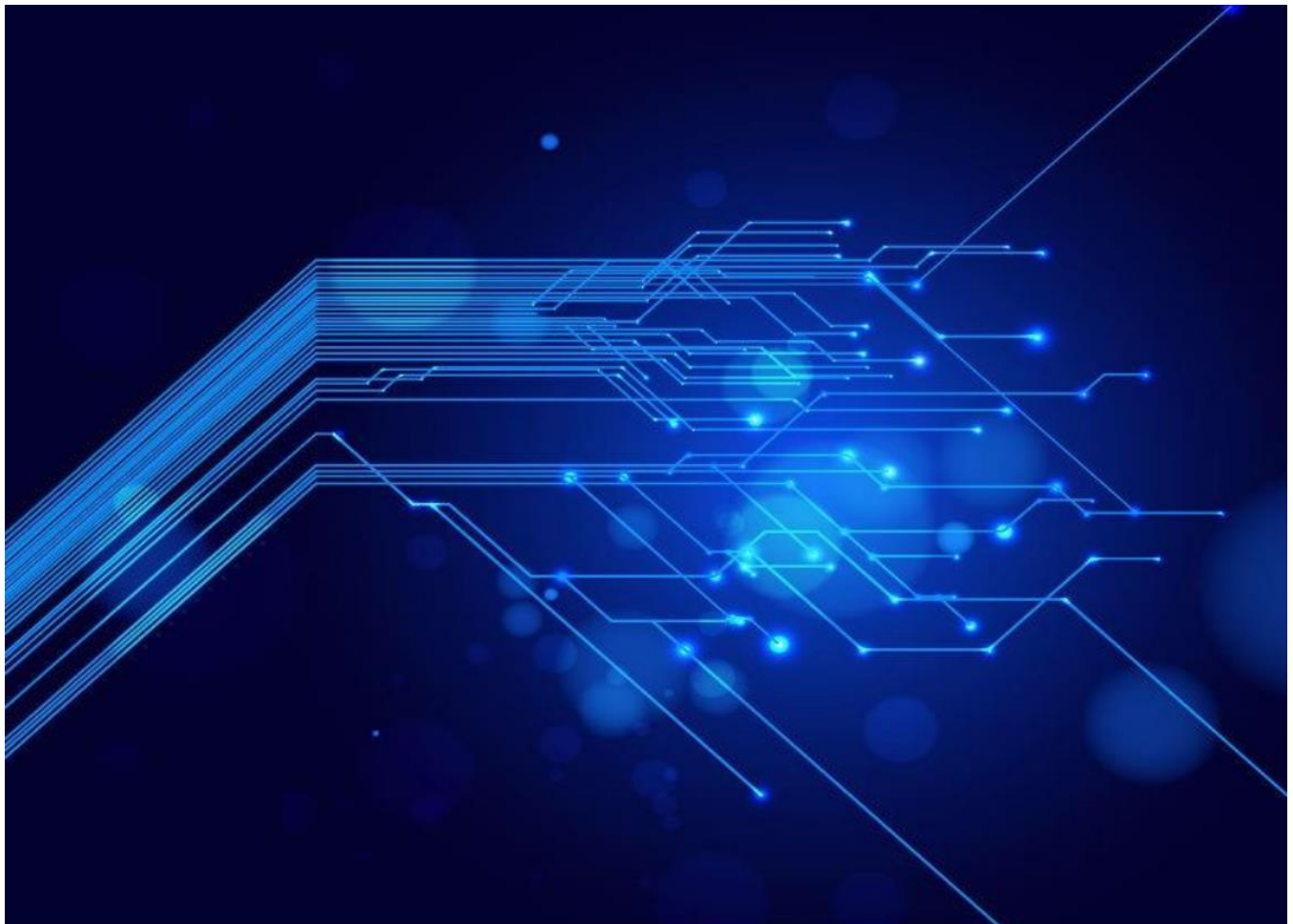


AllianceBernstein (Europe) Limited

## Investment Firms Directive and Investment Firm Regulation Disclosures

For the period ending 31 December 2024

August 2025



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# 1. Overview

## 1.1 Background

AllianceBernstein (Europe) Limited ("ABEL" or the "Firm" or the "Company") falls within the scope of the Investment Firms Directive (Directive (EU) 2019/2034) and Investments Firms Regulation (Regulation (EU) 2019/2033) of the European Parliament and of the Council of 27 November 2019 (together "IFD/IFR").

IFD/IFR were transposed into law on 26th June 2021 through Statutory Instrument S.I. No. 355 of 2021 European Union (Investment Firms) Regulations 2021 (the "Irish Regulations"). These introduced a new prudential regime for in-scope investment firms which revised capital and liquidity requirements and their composition and introduced disclosure requirements in relation to governance, risk management, capital requirement, and remuneration arrangements.

## 1.2 ABEL Structure

ABEL is a private limited company and was incorporated in Ireland in 2024 under the Companies Act with registration number 755478. The registered office of the Firm is at 2nd Floor, 5 Earlsfort Terrace, Dublin 2 and its principal place of business is at Suite G02, Viscount House, 6-7 Fitzwilliam Square East Dublin, D02 Y447. ABEL is regulated by the Central Bank of Ireland ("CBI") having received its MiFID authorisation on 2 September 2024. The principal activities of ABEL are the provision of investment management services to professional clients.

ABEL is ultimately a wholly owned subsidiary of AllianceBernstein L.P. ("ABLP"), which is a publicly traded United States Securities and Exchange Commission-registered investment adviser listed on the New York Stock Exchange under the symbol "AB". ABLP together with its affiliated group of companies, including ABEL, forms the AB Group.

## 1.3 Application of Disclosure Requirements

IFD/IFR and the Irish Regulations have been implemented by the CBI for in scope investment firms in Ireland. Part Six of IFR sets out the disclosure requirements and this document has been prepared in accordance with these requirements.

## 1.4 Frequency of Disclosures

These disclosures will be published annually following approval of the Firm's Internal Capital Adequacy Assessment and Internal Risk Assessment Process (ICARAP) in conjunction with the publication of the Firm's annual accounts. The disclosure may be updated more frequently in the event of a material business change.

## 1.5 Verification, Media, and Location

These disclosures have been prepared solely for the purpose of fulfilling the Firm's IFR Part Six disclosure requirements and are not used by management for any other purpose. The disclosures in this document have been reviewed by senior management and approved by the ABEL Board of Directors ("the Board"). They have not been audited, nor do they constitute any form of audited financial statement.

The Board is ultimately responsible for the Firm's systems and controls and for reviewing the effectiveness of those arrangements. However, such arrangements are designed to mitigate, not eliminate, risk and therefore can provide reasonable, but not absolute, assurance against material losses or financial misstatements.

These disclosures will be published on the ABEL website [AllianceBernstein \(Europe\) Limited | AB](#)

## **2. Governance of ABEL**

### **2.1 Board of Directors**

ABEL is governed by its Board of Directors which is responsible for setting the strategy of the Company, effective oversight of executive management and the supervision of its affairs including in relation to risk management and all material decisions affecting the operation and conduct of the business of the Company.

The Board is made up of six directors (as at the financial year end of 31 December 2024), of which one is an Independent Non-Executive Director ("INED"), three are Group Non-Executive Directors, and two are Executive Directors.

The Board meets at least quarterly and reviews its effectiveness at least annually. ABEL's governance arrangements are supported by its policy framework, all of which are approved by the Board.

### **2.2 Board Committees**

ABEL does not have a Risk Committee of the Board nor any other Board committees. All matters are escalated to, and discussed by, the full Board.

### **2.3 Directorships**

In total, the ABEL Board members hold 63 directorships between them, of which 39 are external directorships to the AB Group.

### **2.4 Approach to Diversity**

ABEL aims to have a Board made up of individuals that have a variety of qualities, competencies and characteristics that provide new and challenging perspectives. ABEL promotes diversity to strengthen the Board's ability to effectively govern the Firm and provide meaningful and important insights that will ultimately benefit the Firm, its employees, and the way it conducts its business.

## **3. Risk Management Objectives and Policies**

### **3.1 Risk Management Framework (RMF) and Appetite**

The primary objective of ABEL is providing portfolio management services to its current mandates and winning new mandates from professional clients, while continuing to attract, develop and retain talented employees and respond to growth. ABEL is expected to grow by expanding and diversifying its client base throughout the E.U. primarily, and potentially elsewhere via distribution services provided by other affiliated AB Group companies.

The Firm's business model and strategy present inherent risks which must be identified and assessed so that it can manage them. ABEL has put in place a Risk Management Framework consisting of setting Risk Appetite for identified risks supported by Policies and processes for overseeing, managing, controlling and reporting risks to the Board. The Firm has adopted a Three Lines Model approach to risk management. The first line is comprised of Senior Managers of the Firm's business units and departments who are primarily responsible for identifying and managing risks in their area and for developing and communicating the policies, guidance, and procedures necessary to manage those risks. The second line is comprised of the independent Risk and Compliance functions. The third line is the independent Internal Audit function.

ABEL's principal areas of risk exposure are:

- Strategic Risk;
- Investment Risk, including Market Risk, Foreign Exchange Risk, Counterparty Risk and including elements of Concentration Risk and Liquidity Risk;

- Regulatory and Legal Risk;
- Financial Risk, including elements of Concentration Risk and Liquidity Risk; and,
- Operational Risk, including Cyber, Technology and Operational Resilience related risk.

ABEL's approach to setting risk appetite first considers the risks inherent in each of its business activities and strategic objectives and then evaluates these risks. ABEL's Board determines its appetite for each category of risk and then monitors the risk level using a set of metrics designed to highlight changes which can potentially challenge currently stated risk appetite.

### 3.2 Capital

ABEL undertakes an annual Internal Capital Adequacy Assessment and Internal Risk Assessment Process ("ICARAP"), as required by IFD/IFR. The ICARAP is approved by the Board and is integrated with the RMF. It documents ABEL management's assessment of the risk profile of the business, the resulting capital and liquidity requirements, the adequacy of the capital and liquidity resources in relation to the Firm's risk profile, and the processes and reporting mechanisms established to ensure that the Firm can meet its minimum regulatory capital and liquidity requirements at all times. Stress testing is incorporated to assess the Firm's exposure to extreme events and to ensure that appropriate management actions and mitigating plans are in place.

ABEL calculates its capital requirement in line with IFD/IFR requirements, being the higher of:

- the Permanent Minimum Capital Requirement or Initial Capital Required (for authorisation); or
- the Fixed Overheads Requirement – one quarter of the prior years fixed overheads; or
- the K-Factor Requirement under IFD/IFR. This is the sum of the capital required to be held against the risk categories below, calculated in accordance with IFR;
  - the Risk to Client ("RtC")
  - the Risk to Market ("RtM")
  - the Risk to Firm ("RtF").

The only K Factor applicable to ABEL is K -AUM under Risk to Client. This is the value of assets that an investment firm manages for its clients under both discretionary portfolio management and non-discretionary arrangements constituting investment advice of an ongoing nature. ABEL's clients consist of professional clients, primarily from across the EEA. ABEL is not authorised to deal with retail clients and is not permitted to hold client assets.

ABEL also considers whether it needs to hold additional capital (Additional Own Funds Requirement) to cover:

- RtC, RtM or RtF not already covered in the calculation above, or
- The risk of a winddown, which could pose threats to clients, counterparties, and the wider market in which ABEL operates in case of its failure, or
- Any other risks arising from ongoing activities that are not already covered

### 3.3 Concentration Risk

Concentration risk is the exposure in the trading book of an investment firm to a client or group of connected clients. ABEL does not have a trading book, and it therefore does not hold capital under Part 4 of IFR Concentration Risk or K-CON.

Concentration risk monitoring requirements are taken into consideration separately. ABEL's concentration risk arises from three material sources:

- concentration of counterparties which hold cash on deposit on ABEL's behalf;
- concentration of revenue from clients or products; and
- concentration of outsource services in a single / limited number of providers.

ABEL monitors cash concentration at, as well as credit ratings of, its counterparties as part of its monthly financial

reviews. Concentration of products and clients is consistently under review in the first line and ABEL's business plan as it evolves is to diversify its client base and products. This risk is considered within Strategic risk and stress testing scenarios are conducted to determine potential impacts to the financial forecast.

ABEL outsources a substantial proportion of its operations to affiliated firms within the AB Group globally. While this does raise a concentration risk, ABEL is an integral part of AB Group's global strategy, and the Board is satisfied with regard to the ongoing support of its parent.

### 3.4 Liquidity

Liquidity risk is the risk that current assets are not readily convertible to cash, that funds are either not available to service day-to-day funding requirements or are only available at a prohibitive cost or need to be arranged at a time when market conditions are unfavourable and consequently the terms are onerous.

ABEL is not exposed to any significant liquidity risk as it funds its business from its internal resources, does not hold client money and does not have trading book positions and therefore no settlement risk.

ABEL aims at all times to hold liquid assets in excess of its regulatory requirements. The Firm monitors cash levels and concentration at its counterparties and reports to senior management as part of its monthly financial reviews

## 4. Own Funds

### 4.1 Composition of Regulatory Own Funds

The Firm's Own Funds consists of Common Equity Tier 1 capital which is made up of fully issued ordinary shares, satisfying all the criteria for as outlined in the IFR, and audited reserves. The annual external audit of the Company was completed by PricewaterhouseCoopers ("PwC") for the period ended 31 December 2024 in April 2025.

**Table OF1 - Composition of regulatory own funds**

	Item	Amount (EUR '000)	Source based on reference numbers / letters of the balance sheet in the audited financial statements
1	<b>OWN FUNDS</b>	<b>2,069</b>	
2	<b>TIER 1 CAPITAL</b>	<b>2,069</b>	
3	<b>COMMON EQUITY TIER 1 CAPITAL</b>	<b>2,069</b>	
4	Fully paid-up capital instruments	2,000	Note 14
5	Share premium	-	
6	Retained earnings	69	
7	Accumulated other comprehensive income	-	
8	Other reserves	-	
9	Minority interest given recognition in CET1 capital	-	
10	Adjustments to CET1 due to prudential filters	-	
11	Other funds	-	
12	(-) Total deductions from Common Equity Tier 1	-	
13	(-) Own CET1 instruments	-	
14	(-) Direct holdings of CET1 instruments	-	
15	(-) Indirect holdings of CET1 instruments	-	
16	(-) Synthetic holdings of CET1 instruments	-	

17	(-) Losses for the current financial year	-	
18	(-) Goodwill	-	
19	(-) Other intangible assets	-	
20	(-) Deferred tax assets that rely on future profitability and do not arise from temporary differences net of associated tax liabilities	-	
21	(-) Qualifying holding outside the financial sector which exceeds 15% of own funds	-	
22	(-) Total qualifying holdings in undertaking other than financial sector entities which exceeds 60% of its own funds	-	
23	(-) CET1 instruments of financial sector entities where the investment firm does not have a significant investment	-	
24	(-) CET1 instruments of financial sector entities where the investment firm has a significant investment	-	
25	(-) Defined benefit pension fund assets	-	
26	(-) Other deductions	-	
27	CET1: Other capital elements, deductions and adjustments	-	
28	<b>ADDITIONAL TIER 1 CAPITAL</b>	-	
29	Fully paid up, directly issued capital instruments	-	
30	Share premium	-	
31	(-) Total deductions from Additional Tier 1	-	
32	(-) Own AT1 instruments	-	
33	(-) Direct holdings of AT1 instruments	-	
34	(-) Indirect holdings of AT1 instruments	-	
35	(-) Synthetic holdings of AT1 instruments	-	
36	(-) AT1 instruments of financial sector entities where the investment firm does not have a significant investment	-	
37	(-) AT1 instruments of financial sector entities where the investment firm has a significant investment	-	
38	(-) Other deductions	-	
39	Additional Tier 1: Other capital elements, deductions and adjustments	-	
40	<b>TIER 2 CAPITAL</b>	-	
41	Fully paid up, directly issued capital instruments	-	
42	Share premium	-	
43	(-) Total deductions from Tier 2	-	
44	(-) Own T2 instruments	-	
45	(-) Direct holdings of T2 instruments	-	
46	(-) Indirect holdings of T2 instruments	-	
47	(-) Synthetic holdings of T2 instruments	-	
48	(-) T2 instruments of financial sector entities where the investment firm does not have a significant investment	-	
49	(-) T2 instruments of financial sector entities where the investment firm has a significant investment	-	
50	Tier 2: Other capital elements, deductions and adjustments	-	

## 4.2 Reconciliation of Regulatory Own Funds to Balance Sheet in the Audited Financial Statements

The table below shows a reconciliation of own funds to the balance sheet where assets and liabilities have been broken down by asset and liabilities classes, respectively. The information in the table below reflects the balance sheet in the audited financial statements.

**Table OF2 - Reconciliation of regulatory own funds to balance sheet in the audited financial statements**

Amount (EUR '000)		a Balance sheet as in published / audited financial statements As at period end	b Under regulatory scope of consolidation As at period end	c Cross-reference to template OF1
<b>Assets</b>				
1	Property, plant, and equipment	35		
2	Leased asset	98		
4	Trade and other receivables	1,143		
5	Cash at bank and in hand	2,003		
6	<b>Total Assets</b>	<b>3,279</b>		
<b>Liabilities</b>				
1	Creditors: amounts falling due within one year	1,195		
2	Creditors: amounts falling due after more than one year	15		
3	<b>Total Liabilities</b>	<b>1,210</b>		
<b>Capital and reserves</b>				
1	Called up share capital	2,000		Item 4
3	Retained earnings	69		Item 6
5	<b>Total Shareholders' equity</b>	<b>2,069</b>		

## 5. Own Funds Requirements

### 5.1 Own Funds Requirements Summary

ABEL's Own Funds Requirement ("OFR") is equal to its Fixed Overheads Requirement (FOR) as this is greater than its K-Factor Requirement ("KFR") and Permanent Minimum Capital Requirement ("PMCR").

Own Funds Requirement Summary		EUR '000
The highest of:		
(a) Permanent Minimum Capital Requirement		75
(b) K-Factor Requirement		450
(i)	K-AUM	450
(ii)	K-COH	0
(c) Fixed Overhead Requirement		1,324
<b>Own Funds Requirement - highest of a, b, c</b>		<b>1,324</b>

### 5.2 Internal Capital Adequacy Assessment and Internal Risk Assessment Process

ABEL is required to assess its own funds and requirements and ensure that the financial and capital resources



available are adequate to cover the nature and the level of the risks to which ABEL is exposed. Each of the material risks assessed are also considered for the purposes of stress testing. The Firm undertakes its ICARAP process at least once annually (or as material changes in conditions warrant it). The Firm's most recent ICARAP document was approved by the Board on the 3 July 2025.

As part of the ICARAP process, ABEL has established its Own Funds Requirement ("OFR"), its Additional Own Funds Requirement and its Total Capital Requirement. The ICARAP is undertaken on a proportionate basis, considering the Firm's size, and the nature and complexity of its activities.

## **6. Remuneration Policy and Practices**

### **6.1 Qualitative Disclosures**

#### **Governance**

ABEL's primary activity is providing portfolio management services to its current professional clients and winning new mandates from professional clients, while continuing to attract, develop and retain talented employees and respond to growth.

The information disclosed in this section is proportionate to the size, nature, and complexity of the activities of ABEL and the risk profile of the Firm.

The AB Group is governed by an Independent Board of Directors that includes a Compensation & Workplace Practices Committee, chaired by an Independent Director, which acts as a global forum with responsibility for the remuneration strategy and philosophy of the AB Group as a whole. The Compensation & Workplace Practices Committee is responsible for ensuring that remuneration and incentives within ABLP and its subsidiaries are aligned with organisational strategy, do not reward undue risk-taking or failure and is awarded fairly based on individual, business unit, and firm-wide performance.

In accordance with regulatory requirements, and on a proportionate basis, ABEL has adopted a Remuneration Policy which is aligned with the AB Group's remuneration strategy and has been approved by the Firm's Board. The determination of the policy is based on various regulation to which the firm is subject together with regulatory guidance and subject to input and review by the Firm's Control Functions and People department. The Remuneration Policy clearly outlines control and governance requirements, links between pay and performance and the role and responsibilities of relevant stakeholders. The Policy is a gender-neutral remuneration policy and all practices referred to in the Policy are gender neutral.

#### **Remuneration System**

Remuneration comprises both fixed and variable components. At ABEL, the objective of fixed remuneration is to reflect a staff member's professional experience and organisational responsibility as set out in their terms of employment, and is permanent, pre-determined, non-discretionary, non-revocable and not dependent on performance. The objective of variable remuneration is to reflect performance (or in exceptional cases, other conditions) and where based on performance, reflects the long-term performance of the staff member as well as performance in excess of the staff member's terms of employment. A variable remuneration award may include (but is not limited to):

- (i) cash bonuses;
- (ii) awards, including both non-deferred and deferred, under any incentive arrangements operated by ABEL (or in which staff of ABEL participate) from time to time;
- (iii) Buy-Out Awards; and
- (iv) any other variable incentive award that any relevant member of staff of ABEL may be awarded from time to time.

ABEL ensures that the fixed and variable components of remuneration are appropriately balanced and that they are awarded on a gender-neutral basis.

ABEL avails of the derogation under Article 32(4)(a) of IFD and is not subject to the following rules on variable remuneration as it meets the criteria in paragraph 29(10) of the Irish Regs (the “Threshold Exemption”):

- (i) shares, instruments, and alternative arrangements (paragraph 29(1)(j), 29(1)(l), 29(6) and 29(7) of the Irish Regs);
- (ii) retention policy (paragraph 29(4) of the Irish Regs); deferral (29(1)(l) and 29(4) of the Irish Regs); and
- (iii) discretionary pension benefits (paragraph 29(4) of the Irish Regs).

Notwithstanding the foregoing ABEL has applied its own deferral arrangements to variable remuneration. This approach to variable remuneration is proportionate and a sufficient risk mitigant to disincentivise poor behaviour whilst creating enough of an incentive to retain talent.

The Central Bank’s guidelines on variable remuneration for sales staff does not apply to ABEL, as it does not provide services to retail clients.

### **Criteria for setting individual remuneration**

Individual performance is assessed through an annual performance review process which includes a performance rating. The review includes feedback from the individuals line manager and in certain cases a 360-degree review based on a sample of their peers and subordinates (as appropriate for their role). Employees are assessed on the basis of their competence and measurable outcomes. An employee’s performance review provides input into the annual remuneration decision making process. This ensures that no one individual has undue influence over a particular individual’s remuneration.

The ABEL Board ensures that ABEL’s Risk Management, Compliance and Group Internal Audit control functions have the opportunity to advise it during the end of year variable bonus process as to whether they feel any staff member has taken undue risks or whether they have any concerns that should influence compensation decisions.

The Firm has also established a separate Malus and Clawback Policy which sets out types of Malus and Clawback events and the Firm’s ability to apply the policy should any related events take place. The general principle of this Malus and Clawback Policy is to ensure that variable remuneration awards should be paid or vest or retained only if it is sustainable and justified according to the performance and financial situation of ABEL, the business unit, and the relevant staff member concerned.

The Board is responsible for overseeing the implementation of both the Remuneration Policy and the Malus and Clawback policy.

### **Material Risk Takers (“MRTs”)**

ABEL has defined its MRTs based on the requirements of IFD/IFR and the EBA’s Regulatory Technical Standard on the criteria to identify material risk takers under the Investment Firms Directive. This includes Board members, staff engaged in control functions, staff responsible for managing a material risk, and other staff who receive total remuneration that is at least equal to the lowest remuneration of all other MRT’s. The Firm identified twelve members of staff, including members of staff employed by other AB Group companies, as MRTs during the financial period ending 31 December 2024. All senior managers, control function staff and Board members of the Firm are MRTs.

### **Ratio of fixed remuneration to variable remuneration**

ABEL has set a maximum level for the ratio of fixed to variable components of remuneration. This ratio is set at 1:4. In exceptional circumstances (such as redundancy or other unusual circumstances) this may be exceeded.

## **6.2 Quantitative Disclosures**

For the year ended 31 December 2024 ten staff were identified as having a material impact on investment firm's risk profile. Aggregated remuneration for these staff is detailed below.

<b>Material Risk Takers</b>	
<b>Category</b>	<b>EUR '000</b>
Fixed Remuneration – Cash	1,985
Variable Remuneration – Cash	1,527
Variable Remuneration – Non-Cash	510
Guaranteed Variable Remuneration	-
Severance Payments	-
Outstanding Deferred Remuneration:	
Vested in 2024	-
Unvested	468

Fixed remuneration includes base salary and pension contributions made by the firm.

Variable remuneration is made up of cash bonuses and AB Holding Units awarded to eligible MRTs in respect of performance during the period.

Unvested deferred remuneration relates to the value of restricted AB Holding Units awarded to eligible MRTs which are due to vest over the subsequent three-year period.