The Cyprus Development Bank

PILLAR 3 DISCLOSURES
AS AT 31 DECEMBER 2022

18 May 2023

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1. INTRODUCTION

Table 1 - Key Metrics as at 31 December 2022

Available Capital	**€'000**	**Leverage Ratio**	**€'000**
Common equity tier 1 ('CET1') capital	38.524	Total Leverage ratio exposure	564.179
Additional tier 1 ('AT1') capital	5.000	Leverage ratio %	7,71%
Tier 2 Capital	6.250	Minimum Leverage ratio	3%
Total regulatory capital	49.774		
Risk-weighted assets ('RWAs')		**Liquidity Coverage Ratio ('LCR')**	
Total RWAs	240.207	Total high-quality liquid assets	301.467
Capital Ratios %		Total net cash outflow	99.222
CET1	16,04%	LCR ratio %	304%
Total Tier 1	18,12%	Minimum LCR ratio	100%
Total available capital	20,72%		
Minimum required capital (Pillar 1 + Pillar 2)	15,70%		

1.1 Corporate Information

The Cyprus Development Bank Public Company Limited (the "Company" or the "Group") was incorporated in the Republic of Cyprus in 1963. The Company's business name is "cdbbank" and is the parent company of the Cyprus Development Bank Group.

The principal activities of the Group comprise commercial and investment banking, brokerage, and financial advisory services. Further details on the Company's subsidiaries appear in notes 21 of the Annual Financial Report 2022. All subsidiaries are subject to full consolidation for both accounting and regulatory purposes, and all figures disclosed in the present report are on a Group basis.

The Company's shares are not listed for trading on an exchange.

1.2 Pillar 3 Regulatory Framework

The Company is supervised on a consolidated basis by the Central Bank of Cyprus, which sets capital requirements for the Group as a whole. The Group's regulated subsidiary, Global Capital Securities and Financial Services Ltd, is in addition subject to individual capital requirements set by the Cyprus Securities and Exchange Commission.

At a consolidated group level, capital, liquidity and leverage for prudential regulatory reporting purposes are prepared in accordance with Part 8 of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions (Capital Requirements Regulation – CRR) and Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions (Capital Requirements Directive - CRD) as amended.

The regulatory framework is structured around three 'pillars'. The Pillar 1 minimum capital requirements and Pillar 2 supervisory review process are complemented by Pillar 3 market discipline. The aim of Pillar 3 is to produce disclosures that allow market participants to assess the scope of application by banks of the Basel Committee's framework and the rules in their jurisdiction, their capital condition, risk exposures and risk management processes, and hence their capital adequacy.

Articles 431 to 455 of the CRR specify the Pillar 3 framework requirements (refer to Appendix II – Specific References to CRR Articles). The regulation is supplemented by the EBA implementing technical standards and corresponding Commission Implementing Regulation, which specify the tables to be disclosed (refer to Appendix I - EBA templates disclosed and mapping to Pillar 3 report).

Pillar 3 main requirement is all material risks to be disclosed to provide a comprehensive view of a bank's risk profile.

1.3 Basis for Disclosures

The Chief Risk Officer has attested in writing that, to the best of her knowledge, the present document has been prepared in accordance with the said regulation and standards, and Internal Audit has carried out an independent review of its accuracy and completeness prior to its approval by the Management Body.

Unless otherwise stated all figures in the present report are expressed in thousands of Euros and relate to 31st December 2022. A summary of key ratios and figures reflected throughout the Pillar 3 disclosures at 31st December 2022 appear in Table 1 above.

The present document is published on an annual basis on the Company's website http://www.cdb.com.cy. Pillar 3 requirements may be met by inclusion in other disclosure media. Where this approach is adopted, references are provided to the relevant pages of the Annual Financial Report 2022, which is also published on the Company's website. The reader is referred in particular to note 38 of the Annual Financial Report 2022, which provides additional information on risk management, as well as note 44 on the Operating Environment.

1.4 Comparatives

Comparatives presented in the report are restated, where considered necessary, to conform with changes in the presentation of the current year. Where such restatement takes place, this is indicated in the respective table.

2. MANAGEMENT BODY APPOINTMENTS

2.1 Recruitment

Evaluation of candidates for appointment to the Management Body ('MB') is carried out by the Nomination and Remuneration Committee ('NRC') of the MB by reference to the suitability requirements as reflected in the Group's relevant policy, and the standards and collective needs of the MB in terms of skills and competencies. More specifically, factors considered by the NRC include:

- Reputation, honesty and integrity
- Knowledge, skills and experience
- Independence of mind
- sound business judgement
- complementarity with the skillset of existing MB members

The NRC is also responsible for making recommendations to the MB for re-election of incumbent directors. When doing so the NRC pays due regard to the said directors' performance evaluation, including the directors' attendance record, participation in MB activities and overall contribution to the functioning of the MB and its sub-committees.

The MB consisted of eight non-executive Directors and two executive Directors as at 31st December 2022, as shown on page 3 of the Annual Financial Report 2022. The current composition of the MB is disclosed on the Company's website under https://www.cdb.com.cy/leadership.

Biographies of the directors and additional information on the Board of Directors and governance arrangements can be found at the Corporate Governance Report inclluded in the Annual Financial Report for 2022.

2.2 Diversity

The Company considers diversity as requisite to maintaining a competitive advantage and effectively pursuing its business strategy. Consequently, when nominating new members of the MB, the Board aims to achieve the right balance in terms of age, gender, educational background, and professional background diversity against its objectives. Membership of the MB as at 31st December 2022 included two female directors, representing 20% of the total.

2.3 Other Directorships Held

In evaluating candidates for appointment to the MB as well as performance of existing members, the NRC considers among others whether they can devote sufficient time to the affairs of the Group. This in turn requires assessment of whether or not the number of other directorships held may present an obstacle.

The following table provides the number of directorships held by members of the MB in entities other than the Group as at 31st December 2022. Based on the Central Bank of Cyprus 2022 Directive on the Assessment of Suitability of the Members of the Management Body and Key Function Holders of Authorised Credit Institutions the table below excludes Directorships in organizations which do not pursue predominantly commercial objectives, while Directorships in companies belonging to the same group are treated as a single directorship.

Table 2 - Number of Directorships Held

Name of Director	Position within the Company	Directorships Executive	Directorships Non-Executive
Christodoulos Patsalides	Chairman - Non Executive	-	1
Avgoustinos Papathomas	Non-Executive Director	1	2
Christodoulos Plastiras	Non-Executive Director	-	3
Loucas Marangos	Executive Director	-	2
Stella Avraam	Executive Director	-	-
Stalo Koumidou	Non-Executive Director	-	2
Andreas Hadjikyrou	Non-Executive Director	1	-
Konstantinos Mitropoulos	Non-Executive Director	-	2
Dimitrios Sioufas	Non-Executive Director	-	1
Demetris Sparsis	Non-Executive Director	-	1

The NRC having taken into account the nature, scale, and complexity of the activities of the Group considers that the Directorships disclosed above do not compromise the effective functioning of the MB.

Biographies of the Directors and additional information on the Board of Directors and governance arrangements can be found on the Corporate Governance Report included in the Annual Financial Report for 2022.

3. RISK MANAGEMENT

The Group, as a financial organization, is exposed to risks, the most important of which are credit, market, operational, and liquidity risk.

The Group implements internal mechanisms for continuous and systematic monitoring of the above risks in order to avoid excessive concentration of such risks.

The Group establishes risk management policies to identify and analyze the risks faced by the Group, to set appropriate risk limits and control procedures, and to continuously monitor such risks as well as the Group's adherence to limits and controls. Risk management policies are reviewed regularly to reflect changes in market conditions, products and services rendered.

3.1 Risk Management Framework

The Management Body ("MB") has ultimate responsibility for the risk appetite of the Group and the monitoring of risks on a regular basis. The MB has appointed a sub-committee, the Risk Committee ("RC"), with the following main responsibilities:

- Formulate the Group's policy in respect of measuring and monitoring risks;
- Review periodically internal risk management framework for monitoring risk strategy implementation;
- Systematically assess key indicators relating to credit risk, market risk, liquidity risk, and operational risk;
- Ensure that the Group has sufficient capital and reserves to support the risks undertaken.

The RC meets regularly, at least on a quarterly basis. In 2022, the RC met seven times and two times jointly with the Audit Committee. The RC receives formal and informal communication from the Bank's Risk Management Unit and, where appropriate, has access to external expert advice, particularly in relation to strategic transactions and issues.

The Group also operates an Asset and Liability Management Committee ("ALCO"), at an executive level, whose main responsibility is the determination and control of the mix and structure of the Group's assets and liabilities by reference to the risks and in relation to their performance. At its monthly meeting, ALCO reviews risk-related reports on the Group's liquidity position and exposure to market risks.

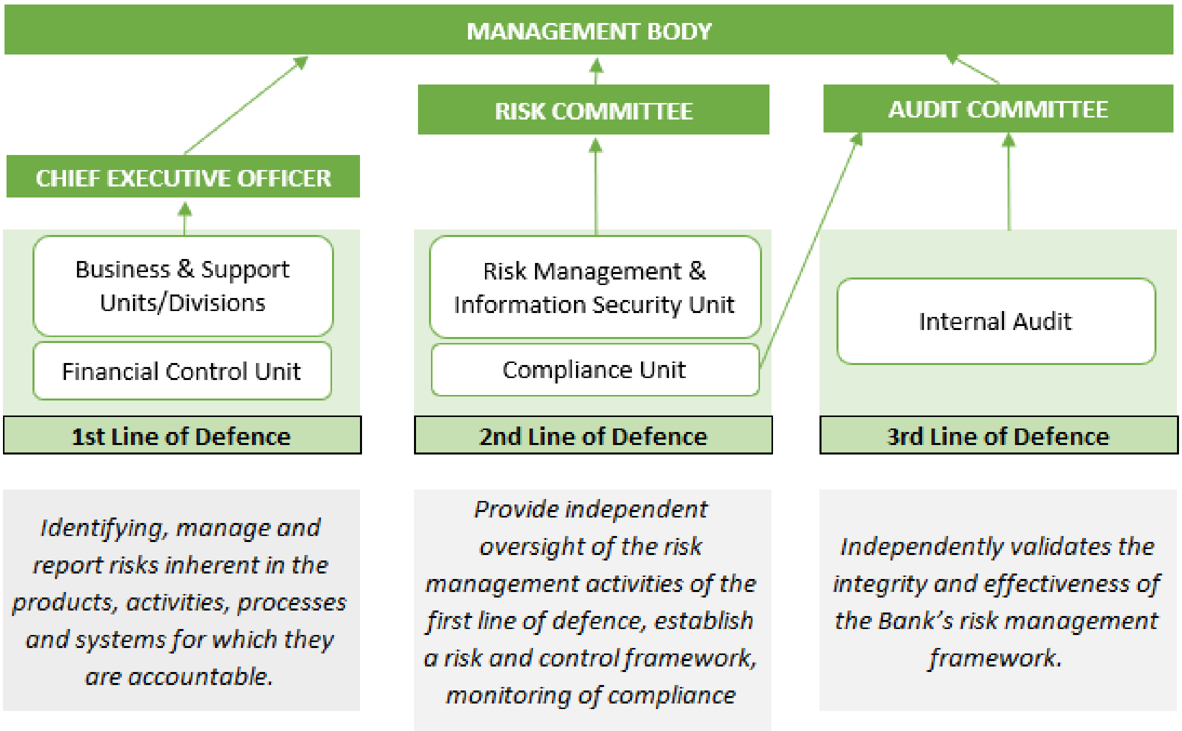
Other Board Committees that have been established by the Company and conform to the relevant principles of the Central Bank of Cyprus Directive on Internal Governance of Credit Institutions are the Audit Committee and the Nomination and Remuneration Committee. The Company also has a Board Credit Committee whose role is to oversee the Group's credit policies and is the Group's ultimate credit approving authority, except for credit facilities to directors and shareholders and their related parties, which are approved by the Management Body.

In addition, the Group has an established Risk Management Unit ("RMU") which is responsible for assessing and monitoring all risks of the Group. The RMU is also responsible for the Internal Capital Adequacy Assessment Process ("ICAAP") and for the Internal Liquidity Adequacy Assessment Process ("ILAAP").

The results and views of the RMU are discussed with Management and the RC to form a final position on the adequacy of the Group's capital.

The RMU reports directly to the RC. The RMU is administratively independent of all operational departments / units of the Group.

The Bank's risk management framework is presented below:



Risk Appetite is defined by the Management Body, risks are generated by business and support functions and ownership of risks remains with the first line of defence, which is responsible for implementing mitigation actions to address identified deficiencies. Control functions of the second line of defence, provide independent risk assessments and oversight on the adherence to the risk appetite, while establishing the risk and control framework in which business lines and support functions should operate within. Internal Audit Function provides independent assurance on the integrity and effectiveness of the risk management framework.

3.2 Information Flow on Risk to the Management Body

The information flow on risks to the MB is achieved, inter alia, through:

- The reports prepared by the Risk Management Unit (including the quarterly and the annual reports);
- The ICAAP and the ILAAP reports, as well as the Recovery Plan prepared by the Risk Management Unit;
- The reports prepared by the Internal Auditor (including the annual report);
- The reports prepared by the Compliance Officer (including the annual report);
- The Money Laundering Compliance Officer's Annual Report;
- The Money Laundering Compliance Officer's Report on the risks of money laundering and terrorist financing that the Bank is exposed to and the measures taken for their management and mitigation.

3.3 Declaration on Adequacy of Risk Management Arrangements

The MB is ultimately responsible for the risk management framework of the Group. The MB is required to make an annual declaration on the adequacy of the Group's risk management arrangements and to provide assurances that the risk management systems in place are adequate in relation to the Group's strategy and risk profile. Accordingly, the MB declares as follows:

The MB is responsible for reviewing the effectiveness of the Group's risk management arrangements and systems of financial and internal control. These are designed to manage and mitigate the risks of not achieving business objectives, and to offer adequate assurance against fraud, material misstatement, and loss.

The MB considers that the Group has in place adequate systems and controls relative to the Group's risk profile and business strategy and an appropriate array of assurance mechanisms, adequately resourced and skilled, to mitigate the risk of material loss.

3.4 Risk Appetite

Risk appetite is the amount and type of risk the Group is willing to assume within its risk capacity to achieve its strategic objectives and business plan. Risk bearing capacity on the other hand is defined as the ability to absorb losses without jeopardizing the viability and sustainability of the Group.

Risk appetite is expressed in both quantitative and qualitative terms and covers all risks, both on-balance sheet and off-balance sheet. Such risks include, but are not limited to, credit, market, operational, liquidity, conduct, reputational and compliance risk. The Risk Appetite Statement is the formal articulation of the Group's willingness to assume certain risks and avoid or minimise other risks in the pursuit of its strategic objectives.

The Group mainly expresses its risk appetite through its policies, procedures, internal controls, mitigation techniques and via appropriate limits for all the material risks inherent in the Group's activities. Consequently, an important objective for the Group is to continuously upgrade its policies, procedures, internal controls and mitigation techniques in order to better manage risks in the future.

In terms of operational issues, the Group has a low appetite for risk. The Group makes resources available to control operational risks to acceptable levels. The Group recognises that it is not possible to eliminate all of the risks inherent in its activities as the cost becomes excessively high when compared to the corresponding benefit. Acceptance of some risk is often necessary in order to successfully operate in the competitive local banking environment.

Specific attention is given to those risks that are not quantifiable, such as reputational risk, and therefore their effective management relies on qualitative criteria. The Group has a zero tolerance for any risks which may damage its reputation and to any act of bribery, corruption or fraud.

The Group's medium term strategic objectives remain focused on strengthening its balance sheet, improving the quality and efficiency of its assets, further strengthening its capital position and increasing its operating profitability through the prudent growth of its loan portfolio which will increase both interest and fee income, as well as the diversification of income streams from fee generating activities. At the same time maintenance of strong capital and liquidity ratios remain priorities for the Group.

3.5 Ukrainian Crisis

Although the Group's direct exposure to Russia, Ukraine or Belarus is limited, the crisis in Ukraine may have an adverse impact on the Cypriot economy, mainly due to a negative impact on the tourism and professional services sectors, increasing energy prices resulting in inflationary pressures, and disruptions to global supply chains.

Overall, the Group expects limited impact from its direct exposure, while any indirect impact will depend on the duration and severity of the crisis and its impact on the Cypriot economy, which remains uncertain at this stage. The Group will continue to closely monitor the situation, taking all necessary and appropriate measures to minimise the impact on its operations and financial performance, as well as to manage all related risks and comply with the applicable sanctions.

4. OWN FUNDS AND LEVERAGE

4.1 Capital Management

The Group's approach to capital management aims at supporting business objectives while observing regulatory requirements. Additional information on capital management appears in note 38.5 to the Annual Financial Report 2022.

Table 3 - *Group's Capital adequacy ratios*

Group's capital adequacy ratios:	31 Dec'2022	31 Dec'2021
Common Equity Tier 1 ratio	16,04%	16,29%
Tier 1 ratio	18,12%	18,29%
Total Capital Adequacy Ratio	20,72%	20,78%

The Common Equity Tier 1 ("CET1") ratio is the CET1 capital of the Group expressed as a percentage of the total risk weighted assets for covering Pillar 1 risks.

The Tier 1 ("T1") ratio is the T1 capital of the Group expressed as a percentage of the total risk weighted assets for covering Pillar 1 risks.

The Total Capital ratio ("TC") is the own funds of the Group expressed as a percentage of the total risk weighted assets for covering Pillar 1 and Pillar 2 risks.

The Total Capital ratio of 20,72% for the Group as at 31 December 2022, is 5,02% above the 15,70% minimum required by the Central Bank of Cyprus and applicable for the year end 2022.

On 27 June 2019, the revised rules on capital and liquidity (CRR II and CRD V) came into force, with CRR II being directly applicable in each member state, while CRD V shall be transposed into national law by each member state. The CRR II is an amending regulation, therefore the existing provisions of CRR apply, unless they are amended by CRR II.

The CRR II amended significantly the CRR in a number of aspects such as the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements. The majority of CRR II provisions were applicable from 28 June 2021.

CRD V was transposed and implemented in Cyprus law in early May 2021. Main changes relate to exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures.

On 12 March 2020, the ECB announced that banks are temporarily allowed to operate below the level of Pillar II Guidance (P2G) and the capital conservation buffer (CCB) and the countercyclical buffer. Furthermore, on 28 July 2020 ECB committed to allow banks to operate below the P2G and the combined buffer requirement until at least the end of 2022 without automatically triggering supervisory actions. In February 2022 the ECB announced that it will not allow banks to operate below the level of capital defined by their P2G beyond December 2022.

In June 2020 in response to the COVID 19 pandemic, regulation (EU) 2020/873 came into force which provides for certain amendments, bringing forward some of the capital relieving measures that were due to come into force at a later stage and introducing modifications as part of the wider efforts of competent authorities to provide the support necessary to the institutions.

4.2 Own Funds

The Group's regulatory capital comprises of Common Equity Tier 1 (CET1), Additional Tier 1 (AT1) and Tier 2 items.

Group's Common Equity Tier 1 capital:

- Includes ordinary share capital, share premium, retained earnings (including the profit/loss for the year), reserves, non-redeemable capital account, and minority interests.
- The Bank deducts from its CET1 capital its intangible assets (software and goodwill) and deferred tax assets that rely on future profitability and do not arise from temporary differences (if applicable).
- According to regulation (EU) 2017/2395 of the European Parliament and Council of 12 December 2017 issued amending Regulation (EU) 575/2013 regarding transitional arrangements for mitigating the impact of the introduction of IFRS9, a portion of the increased expected credit loss provisions is added back to CET1 capital allowing for a transitional period of five years until full impact on 2023. However, in June 2020, with the amending regulation this arrangement was extended by 2 years to introduce further transitional arrangements allowing Bank's opting to use these to fully add back any increase in ECL recognized in 2020 and 2021 for non-credit impaired financial assets phasing this in starting from 2022 until 2024.

AT1 capital relates to a perpetual subordinated note.

In December 2021, the Bank issued €6,25 million unsecured and subordinated Bonds of 10-year duration, which qualifies as Tier 2 (T2) capital. The Bonds were listed in the Emerging Companies Bond Market ("ECBM") of the Cyprus Stock Exchange ("CSE") on 29 September 2022.

Information on share capital, appears in note 33 of the Annual Financial Report 2022, while for the perpetual subordinated note and the subordinated Tier 2 bonds in note 32. In addition, the main features of the capital instruments are summarized in the table below.

Table 4- *Description of main features of CET1, AT1 and T2 Capital instruments*

	CET1	AT1	T2
Issuer	The Cyprus Development Bank Public Company Limited	The Cyprus Development Bank Public Company Limited	The Cyprus Development Bank Public Company Limited
Unique identifier (eg CUSIP, ISIN or Bloomberg identifier)	n/a	n/a	CY0240010211
Governing law(s) of the instrument	Cyprus Law	Cyprus Law	Cyprus Law
Regulatory treatment			
Transitional CRR rules	CET1	AT1	T2
Post-trasitional CRR rules	CET1	AT1	T2
Eligible at solo/(sub-)consolidated/ solo & (sub-)consolidated	Solo & consolidated	Solo & consolidated	Solo & consolidated
Instrument type	Share Capital	Unsecured Subordinated Note	Unsecured Subordinated Note
Amount recognized in regulatory capital	EUR 8,7 mln	EUR 5,0 mln	EUR 6,25 mln
Nominal amount of instrument	43.275.979 Ordinary Shares	5,000,000	6.250.000
Issue price	€0,20	€1,00	€1.000,00
Redemption price	n/a	€1,00	€1.000,00
Accounting classification	Shareholders equity	Loan capital	Loan capital
Date of conversion of existing shares and issuance of new shares	24-Sep-19	n/a	n/a
Original date of issuance	n/a	03-Aug-17	23-Dec-21
Perpetual or dated	Perpetual	Perpetual	Dated
Original maturity date	No maturity	No maturity	23-Dec-31
Issuer call subject to prior supervisory approval	n/a	Yes	Yes
Optional call date, contingent call dates and redemption amount	n/a	5th anniversary	5th anniversary
Subsequent call dates, if applicable	n/a	each interest payment date	each interest payment date
Coupons / dividends			
Fixed or floating dividend/coupon	Floating	Fixed	Fixed
Coupon rate and any related index	n/a	13,75% p.a. payable semi-annually	7,125% p.a. payable semi-annually
Existence of a dividend stopper	Yes	Yes	No
Fully discretionary, partially discretionary or mandatory (in terms of timing)	n/a	Fully or partially discretionary	Mandatory
Fully discretionary, partially discretionary or mandatory (in terms of amount)	n/a	Fully or partially discretionary	Mandatory
Existence of step up or other incentive to redeem	n/a	No	No
Non-cumulative or cumulative	n/a	Non-cumulative	n/a
Convertible or non-convertible	n/a	Non-convertible	Non-convertible
Write-down features	No	Yes, partial temporary write-down	No

	CET1	AT1	T2
Issuer	The Cyprus Development Bank Public Company Limited	The Cyprus Development Bank Public Company Limited	The Cyprus Development Bank Public Company Limited
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	n/a	Claims from Tier 2 instruments	Debts or claims from subordinated debt instruments, except Tier 2 instruments and Additional Tier 1 instruments
Non-compliant transitional features	No	No	No

The calculation of regulatory own funds of the Group as at 31st December 2022 was as follows:

Table 5- *Regulatory Own Funds Calculation*

€000	**31 Dec'2022**	**31 Dec'2021**
Original own funds (Tier 1 Capital)		
Common Equity Tier 1 Capital (CET1 Capital)		
Share capital	8.655	8.655
Share premium	16.048	16.048
Retained earnings	(2.755)	(2.536)
Accumulated other comprehensive income	1.629	1.863
Other Reserves	14.653	14.653
Minority Interest	119	109
(-)Value adjustment due to requirements for prudent valuation	(5)	(5)
(-) Other Intangible assets	(671)	(806)
(-) Insufficient coverage for non-performing exposures	-	-
Other transitional adjustments to CET1 Capital	851	2.762
Total Common Equity Tier 1 Capital (CET1 Capital)	**38.524**	**40.742**
Additional Tier 1 Capital (AT1 Capital)	5.000	5.000
Total Original own funds (Tier 1 Capital)	**43.524**	**45.742**
Additional own funds (Tier 2 Capital)	6.250	6.250
Tier 2 Capital	**6.250**	**6.250**
Total own funds (Tier 1 Capital + Tier 2 Capital)	**49.774**	**51.992**

The following table provides a reconciliation of own funds between the consolidated balance sheet, as presented in the Consolidated Financial Statements of the Group, and the financial position of the Group prepared for regulatory purposes.

Table 6 - *Reconciliation of balance sheet with own funds calculations*

€000	31 Dec'2022	31 Dec'2021
Total Equity per Group consolidated financial statements	38.429	38.886
(-) Intangible assets	(671)	(806)
(-) Transitional adjustments for unrealized gains of assets and liabilities measured at fair value	-	-
(-) Transitional adjustments on minority interests	(80)	(95)
(-)Value adjustment due to requirements for prudent valuation	(5)	(5)
IFRS 9 adjustment	851	2.762
Total Common Equity Tier 1	**38.524**	**40.742**
Additional Tier 1	5.000	5.000
Total Tier 1	**43.524**	**45.742**
Tier 2	6.250	6.250
Total Tier 2	**6.250**	**6.250**
Total Own funds	**49.774**	**51.992**

The Group has elected to apply the transitional provisions of EU Regulation 2017/2395 for gradual phase in over a five-year period of the impact on regulatory capital caused by additional impairments arising from the implementation of IFRS 9 on 1 January 2018. The amount to be added back to regulatory own funds each year decreases based on weighing factors specified in the said EU Regulation. IFRS 9 transitional arrangements were extended in June 2020 in response to COVID 19 and introducing further relief measures to CET1, allowing to fully add back to CET1 any increase in ECL recognised in 2020 and 2021 for non-credit impaired financial assets and phasing this in starting from 2022.

The table below discloses the components of regulatory capital as at 31st December 2022 during the transitional and fully phased-in period.

Table 7 - Transitional and Fully Phased-in Components of Own Funds

31 December 2022 **Common Equity Tier 1 capital: Instruments and Reserves** **€000**	**Transitional Definition**	**Fully Phased in Definition**
Capital instruments and the related share premium accounts	24.703	24.703
Retained earnings	(2.755)	(2.755)
Accumulated other comprehensive income (and other reserves)	16.282	16.282
Minority interest (amount allowed in consolidated CET1)	118	118
Independently reviewed interim profits net of any foreseeable charge or dividend	-	
Common Equity Tier 1 (CET1) capital before regulatory adjustments	**38.348**	**38.348**
Intangible assets (net of related tax liability) (negative amount)	(671)	(671)
IFRS 9 Transitional arrangements	851	-
Additional valuation adjustment (AVA)	(5)	(5)
Insufficient coverage for non-performing exposures	(0)	(0)
Total regulatory adjustments to Common Equity Tier 1 (CET1)	**176**	**(676)**

31 December 2022 Common Equity Tier 1 capital: Instruments and Reserves €000	Transitional Definition	Fully Phased in Definition
Common Equity Tier 1 (CET1) capital	**38.524**	**37.673**
Additional Tier 1 (AT1) capital: instruments		
Additional Tier 1 (AT1) capital before regulatory adjustments	5.000	5.000
Additional Tier 1 (AT1) capital: regulatory adjustments		
Total regulatory adjustments to Additional Tier 1 (AT1) capital	-	-
Additional Tier 1 (AT1) capital	**5.000**	**5.000**
Tier 1 capital (T1 = CET1 + AT1)	**43.524**	**42.673**
Tier 2 (T2) capital: instruments and provisions		
Capital instruments and the related share premium accounts	6.250	6.250
Credit risk adjustments	-	-
Tier 2 (T2) capital before regulatory adjustments	-	-
Tier 2 (T2) capital: regulatory adjustments		
Amount to be deducted from or added to T2 capital with regard to additional filters and deductions required pre CRR	-	-
Of which: possible filter for unrealised gains	-	-
Total regulatory adjustments to Tier 2 (T2)	-	-
Tier 2 (T2) capital	**6.250**	**6.250**
Total capital (TC = T1 + T2)	**49.774**	**48.923**
Total risk weighted assets	**240.207**	**239.258**
Capital ratios		
Common Equity Tier 1 (as a % of risk exposure amount)	**16,04%**	**15,75%**
Tier 1 (as a % of risk exposure amount)	**18,12%**	**17,84%**
Total capital (as a % of risk exposures amount)	**20,72%**	**20,45%**

31 December 2021 Common Equity Tier 1 capital: Instruments and Reserves €000	Transitional Definition	Fully Phased in Definition
Capital instruments and the related share premium accounts	24.703	24.703
Retained earnings	(2.536)	(2.536)
Accumulated other comprehensive income (and other reserves)	16.516	16.516
Minority interest (amount allowed in consolidated CET1)	109	109
Independently reviewed interim profits net of any foreseeable charge or dividend	-	
Common Equity Tier 1 (CET1) capital before regulatory adjustments	**38.791**	**38.791**
Intangible assets (net of related tax liability) (negative amount)	(806)	(806)
IFRS 9 Transitional arrangements	2.762	-
Additional valuation adjustment (AVA)	(5)	(5)
Total regulatory adjustments to Common Equity Tier 1 (CET1)	**1.951**	**(811)**
Common Equity Tier 1 (CET1) capital	**40.742**	**37.980**

31 December 2021 **Common Equity Tier 1 capital: Instruments and Reserves** **€000**	**Transitional Definition**	**Fully Phased in Definition**
Additional Tier 1 (AT1) capital: instruments		
Additional Tier 1 (AT1) capital before regulatory adjustments	5.000	5.000
Additional Tier 1 (AT1) capital: regulatory adjustments		
Total regulatory adjustments to Additional Tier 1 (AT1) capital	-	-
Additional Tier 1 (AT1) capital	**5.000**	**5.000**
Tier 1 capital (T1 = CET1 + AT1)	**45.742**	**42.980**
Tier 2 (T2) capital: instruments and provisions		
Capital instruments and the related share premium accounts	6.250	6.250
Credit risk adjustments	-	-
Tier 2 (T2) capital before regulatory adjustments	-	-
Tier 2 (T2) capital: regulatory adjustments		
Amount to be deducted from or added to T2 capital with regard to additional filters and deductions required pre CRR	-	-
Of which: possible filter for unrealised gains	-	-
Total regulatory adjustments to Tier 2 (T2)	-	-
Tier 2 (T2) capital	**6.250**	**6.250**
Total capital (TC = T1 + T2)	**51.992**	**49.230**
Total risk weighted assets	**250.157**	**245.841**
Capital ratios		
Common Equity Tier 1 (as a % of risk exposure amount)	**16,29%**	**15,45%**
Tier 1 (as a % of risk exposure amount)	**18,29%**	**17,48%**
Total capital (as a % of risk exposures amount)	**20,78%**	**20,03%**

4.3 Countercyclical Capital Buffer

In accordance with Article 130(1) of the CRD IV Directive, institutions are required to maintain an institution-specific countercyclical capital buffer. In relation to this buffer, the European Commission's Delegated Regulation (EU) 2015/1555 further requires institutions to disclose the key elements of the calculation of their countercyclical capital buffer, in order to ensure transparency and comparability across institutions in the EU.

To this end, the table below provides information on the geographical distribution of credit exposures relevant for the calculation of the Group's countercyclical capital buffer as at 31 December 2022. Exposures to foreign countries which the relevant exposure value did not exceed €1m are included under the "Other" category, grouped based on the level of the countercyclical buffer rate.

Table 8 - Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer

31 December 2022 €000	General Credit Exposures	Own Funds Requirements				Risk-weighted exposure amounts	Own Funds requirement Weights	Counter-cyclical Buffer Rate
Breakdown by country	**Exposure value for SA**	**Of which: General Credit Exposures**	**Of which: Trading Book Exposures**	**Of which: Securitisation Exposures**	**Total**			
Cyprus	242.226	16.724	-	-	16.724	209.056	99,16%	0,00%
United Kingdom	1.913	64	-	-	64	800	0,38%	1,00%
Other	922	77	-	-	77	963	0,46%	0,00%
Total	**245.061**	**16.866**	-	-	**16.866**	**210.819**	**100,00%**	

31 December 2021 €000	General Credit Exposures	Own Funds Requirements				Risk-weighted exposure amounts	Own Funds requirement Weights	Counter-cyclical Buffer Rate
Breakdown by country	**Exposure value for SA**	**Of which: General Credit Exposures**	**Of which: Trading Book Exposures**	**Of which: Securitisation Exposures**	**Total**			
Cyprus	247.050	17.857	-	-	17.857	223.213	99,62%	0,00%
United Kingdom	1.172	33	-	-	33	410	0,18%	0,00%
Other	392	35	-	-	35	437	0,20%	0,00%
Total	**248.613**	**17.925**	-	-	**17.925**	**224.061**	**100%**	

The majority of the relevant exposures of the Group arise in Cyprus. On 30 November 2022, the CBC, following the revised methodology described in its macroprudential policy, decided to increase the countercyclical buffer rate from 0,00% to 0,50% of the total risk exposure amount in Cyprus of each licensed credit institution incorporated in Cyprus. The referred increase will take effect from 30 November 2023.

The following table presents the amount of institution-specific countercyclical capital buffer of the Group, as at 31 December 2022 and 31 December 2021.

Table 9 - Amount of institution-specific countercyclical capital buffer

Amount of institution-specific countercyclical capital buffer	31 Dec' 2022	31 Dec' 2021
Total Risk Exposure Amount, in €000	240.207	250.157
Institution specific countercyclical buffer rate %	0,00%	0,00%
Institution specific countercyclical buffer requirement in €'000	-	-

4.4 Pillar 1 Capital Requirements

The Group follows the Standardized Approach ("STA") for the calculation of Credit Risk and Market Risk Pillar 1 capital requirements and the Basic Indicator Approach ("BIA") for Operational Risk. The Pillar 1 capital required to be maintained by the Group as at 31 December 2022 was as follows:

Table 10 - Pillar 1 Minimum Capital Requirements

Risk Type €000	Pillar 1 Capital Requirement	
	31 Dec'2022	31 Dec'2021
Credit risk	17.265	17.984
Market risk	-	-
Operational risk	1.952	2.028
Credit Valuation Adjustment (CVA) risk	-	-
Total Capital Requirement	**19.217**	**20.012**

4.5 Pillar 2 and ICAAP

The Group has adopted the "Pillar 1 Plus" approach for its internal capital adequacy assessment process (ICAAP). In accordance with this approach, the Group quantifies the capital requirements, over and above the Pillar 1 minimum requirement. The allocation of capital for Pillar 2 purposes takes into consideration the risks that have been assessed internally as "material", through the risk assessment as well as the stress tests performed. All risks falling outside the Group's risk appetite are considered to be threats to the Group and are covered with additional capital or additional controls.

The Central Bank of Cyprus (CBC) sets and monitors capital requirements for the Bank. The prescribed minimum capital adequacy ratios expressed as ratios of eligible capital to risk-weighted assets. Over and above the minimum Total Capital ratio of 8,0%, the Bank must maintain the required by the Law combined buffer, amounted to 2,5%. Furthermore, the CBC has discretion to impose additional capital requirements under Pillar 2 based on the conclusions of the Supervisory Review and Evaluation Process (SREP). Accordingly, the CBC communicated to the Bank on 8.2.2017 a Pillar 2 requirement of 5,20%.

The CBC with its letter dated 10 December 2020, communicated its final decision to amend its Decision No.2/2017 regarding the composition of the Pillar 2 additional own funds requirement not to be covered full by CET1 but it can be made up in the form of 56,25% of CET1 capital and 75% of Tier 1 as a minimum.

The CBC with its letter dated 8 February 2023, communicated its final decision based on the SREP for 2021 and amended Pillar 2 requirements from 5,2% to 5,5% and introduced a non-public guidance for the additional Pillar II CET1 buffer.

4.6 MREL

The Bank, within the framework of the Bank Recovery and Resolution Directive (BRRD), is subject to the minimum requirement for own funds and eligible liabilities (MREL). The framework, which entered into effect on 1 January 2016, provides authorities with a set of tools to intervene sufficiently early and quickly in an unsound or failing institution so as to ensure the continuity of the institution's critical financial and economic functions, while minimising the impact of an institution's failure on the economy and financial system. This is achieved by requiring banks to have a funding structure with a certain proportion of liabilities that can be written off or converted into equity in the event of a bank failure.

On 27 June 2019, as part of the reform package for strengthening the resilience and resolvability of European banks, the BRRD II came into effect. BRRD II was transposed and implemented in Cyprus law in early May 2021. In addition, certain provisions on MREL have been introduced in CRR II which also came into force on 27 June 2019 as part of the reform package and took immediate effect.

The Bank has received a formal notification from CBC, in its capacity as the National Resolution Authority, of its final decision for the binding minimum requirement for own funds and eligible liabilities (MREL) for the Bank. According to the decision the minimum MREL requirement for the Bank is set at 15,70% of risk weighted assets (RWAs) and 4,25% of leverage ratio exposure (LRE) and this must be met by 31 December 2025. Furthermore, the Bank had an interim requirement of 14,50% of RWAs and 4,25% of LRE by 1 January 2022. The own funds used by the Bank to meet the Combined Buffer Requirement (CBR) will not be eligible to meet its MREL requirements expressed in terms of risk-weighted assets. The Bank's funding and capital plans are in line with the MREL requirement.

4.7 Leverage Ratio

The Basel III framework introduced a simple, transparent, non-risk-based Leverage Ratio to act as a credible supplementary measure to the risk-based capital requirements.

The Leverage Ratio is defined as the capital measure (i.e. the Group's Tier 1 capital) divided by the exposure measure as this is defined in the European Commission's Regulation (EU) 2015/62 of 10th October 2014 amending Regulation (EU) No 575/2013 of the European Parliament and of the Council with regards to the Leverage Ratio. Regulation (EU) 2019/876 which is applicable from June 2021 includes the introduction of a minimum leverage ratio of 3%.

The Group calculates its Leverage Ratio as at the end of each quarter. At the end of 2022 the Leverage ratio was 7,71%. During 2022 the Leverage Ratio ranged between 7,41% and 8,39%.

The table below provides a reconciliation of accounting assets and leverage ratio exposures.

Table 11 - Reconciliation of Accounting Assets and Leverage Ratio Exposures

		31 December 2022 €000	31 December 2021 €000
1	Total assets as per published financial statements	547.516	515.864
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation		
3	(Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)		
4	(Adjustment for temporary exemption of exposures to central banks (if applicable))		
5	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the total exposure measure in accordance with point (i) of Article 429a(1) CRR)		
6	Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting		

		31 December 2022 €000	31 December 2021 €000
7	Adjustment for eligible cash pooling transactions		
8	Adjustment for derivative financial instruments		
9	Adjustment for securities financing transactions (SFTs)		
10	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	18.213	20.905
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)		
EU-11a	(Adjustment for exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)		
EU-11b	(Adjustment for exposures excluded from the total exposure measure in accordance with point (j) of Article 429a(1) CRR)		
12	Other adjustments	(1.550)	3.586
13	**Total exposure measure**	**564.179**	**540.355**

The table below provides a breakdown of total leverage ratio exposures by exposure type.

Table 12- Leverage Ratio Common Disclosure

		31 December 2022 €000	31 December 2021 €000
On-balance sheet exposures (excluding derivatives and SFTs)			
1	On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)	587.211	570.843
5	(General credit risk adjustments to on-balance sheet items)	(39.695)	(52.205)
6	(Asset amounts deducted in determining Tier 1 capital)	1.550	811
7	**Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets)**	**545.966**	**519.450**
Derivative exposures			
8	Replacement cost associated with *all* derivatives transactions (i.e. net of eligible cash variation margin)		
13	**Total derivative exposures**	**-**	**-**
Securities financing transaction exposures			
18	**Total securities financing transaction exposures**	**-**	**-**
Other off-balance sheet exposures			
19	Off-balance sheet exposures at gross notional amount	50.936	54.713
20	(Adjustments for conversion to credit equivalent amounts)	(32.641)	(33.699)
21	(General provisions deducted in determining Tier 1 capital and specific provisions associated with off-balance sheet exposures)	(82)	(109)
22	**Other off-balance sheet exposures**	**18.213**	**20.905**

		31 December 2022 €000	31 December 2021 €000
Capital and total exposures			
23	**Tier 1 capital**	**43.524**	**45.742**
24	**Total exposure measure**	**564.179**	**540.355**
Leverage ratio			
25	**Leverage ratio (transitional definition)**	**7,71%**	**8,47%**

The following table provides a breakdown of total on-balance sheet exposures (excluding derivatives, securities financing transactions, and exempted exposures) by asset class.

Table 13 - On-balance Sheet Exposures by Asset Class

	31 December 2022 €000	31 December 2021 €000
Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	**547.750**	**518.077**
Trading book exposures		
Banking book exposures, of which:	547.750	518.077
Covered bonds		
Exposures treated as sovereigns	*305.114*	*277.667*
Exposures to regional governments, MDB, international organisations and PSE NOT treated as sovereigns		
Institutions	*6.334*	*3.332*
Secured by mortgages of immovable properties	*37.265*	*31.406*
Retail exposures	*16.914*	*17.163*
Corporate	*106.919*	*96.121*
Exposures in default	*35.545*	*48.646*
Other exposures (e.g. equity, securitisations, and other non-credit obligation assets)	*39.659*	*43.742*

4.8 Comparison of institutions' own funds and capital and leverage ratios with the application of transitional arrangements for IFRS9 or analogous ECLs

The Bank has opted to apply for the EU 2017/2395 transitional arrangements with respect to the introduction of IFRS 9. In this respect, the impact of expected credit losses from the first application of IFRS 9 on Common Equity Tier 1 is allowed over a transitional period of 5 years starting on 2018.

More specifically, the amount added back to regulatory capital over the transitional period decreases based on a weighting factor of 95% in 2018, 85% in 2019, 70% in 2020, 50% in 2021 and 25% in 2022. The impact of IFRS 9 was supposed to be fully absorbed after the five-year transitional period. However the amendments in response to the COVID-19 pandemic (CRR-"quick fix"), extended the IFRS9 transitional arrangements by two years and introduced further relief measures to CET1.

In further detail, IFRS 9 transitional arrangements have been extended by two years until 31 December 2024. Post 1 January 2020 expected credit losses on Stages 1 and 2 exposures are added back in CET1 in a phased-out period of five years. For the years 2020 and 2021 the portion added back is 100%, reducing to 75% for 2022, to 50% for 2023 and 25% for 2024. The Bank also adjusts the calculation of risk weighted assets accordingly so that it does not receive inappropriate capital relief.

The following table provides a comparison of own funds and capital and leverage with the application of transitional arrangements for IFRS 9 or analogous ECLs.

Table 14 - Comparison of own funds and capital and leverage with the application of transitional arrangements for IFRS9

		31/12/2022	30/09/2022	30/06/2022	31/03/2022	31/12/2021
	Available capital (€000)					
1	Common Equity Tier 1 (CET1) capital	38.524	36.003	36.109	39.592	40.742
2	CET1 capital as if IFRS 9 or analogous ECLSs transitional arrangements had not been applied	37.672	34.378	34.401	37.501	37.980
2a	CET1 capital as if the temporary treatment of unrealised gains and losses measured at fair value through OCI (other comprehensive income) in accordance with Article 468 of the CRR had not been applied	38.524	36.003	36.109	39.592	40.742
3	Tier 1 capital	43.524	41.003	41.109	44.592	45.742
4	Tier 1 capital as if IFRS 9 or analogous ECLSs transitional arrangements had not been applied	42.672	39.378	39.401	42.501	42.980
4a	Tier 1 capital as if the temporary treatment of unrealised gains and losses measured at fair value through OCI (other comprehensive income) in accordance with Article 468 of the CRR had not been applied	43.524	41.003	41.109	44.592	45.742
5	Total capital	49.774	47.253	47.359	50.842	51.992
6	Total capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	48.922	45.628	45.651	48.751	49.230
6a	Total capital as if the temporary treatment of unrealised gains and losses measured at fair value through OCI (other comprehensive income) in accordance with Article 468 of the CRR had not been applied	49.774	47.253	47.359	50.842	51.992
	Risk-weighted assets (€000)					
7	Total risk-weighted assets	240.207	242.972	245.947	248.301	250.157
8	Total risk-weighted assets as if IFRS 9 or analogous ECLs	239.258	241.185	244.059	245.961	245.841

		31/12/2022	30/09/2022	30/06/2022	31/03/2022	31/12/2021
	transitional arrangements had not been applied					
	Capital ratios					
9	Common Equity Tier 1 (as a percentage of risk exposure amount)	16,04%	14,82%	14,68%	15,95%	16,29%
10	CET1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	15,75%	14,25%	14,10%	15,25%	15,45%
10 a	CET1 (as a percentage of risk exposure amount) as if the temporary treatment of unrealised gains and losses measured at fair value through OCI (other comprehensive income) in accordance with Article 468 of the CRR had not been applied	16,04%	14,82%	14,68%	15,95%	16,29%
11	Tier 1 (as a percentage of risk exposure amount)	18,12%	16,88%	16,71%	17,96%	18,29%
12	Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	17,84%	16,33%	16,14%	17,28%	17,48%
12 a	Tier 1 (as a percentage of risk exposure amount) as if the temporary treatment of unrealised gains and losses measured at fair value through OCI (other comprehensive income) in accordance with Article 468 of the CRR had not been applied	18,12%	16,88%	16,71%	17,96%	18,29%
13	Total capital (as a percentage of risk exposure amount)	20,72%	16,88%	16,71%	17,96%	20,78%
14	Total capital (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	20,45%	16,33%	16,14%	17,28%	20,03%
14 a	Total Capital (as a percentage of risk exposure amount) as if the temporary treatment of unrealised gains and losses measured at fair value through OCI (other comprehensive	20,72%	16,88%	16,71%	17,96%	20,78%

		31/12/2022	30/09/2022	30/06/2022	31/03/2022	31/12/2021
	income) in accordance with Article 468 of the CRR had not been applied					
	Leverage ratio					
15	Leverage ratio total exposure measure (€000)	564.179	546.565	554.803	537.451	540.355
16	Leverage ratio	7,71%	7,50%	7,41%	8,30%	8,47%
17	Leverage ratio as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	7,55%	7,18%	7,08%	7,88%	8,01%
17 a	Leverage ratio as if the temporary treatment of unrealised gains and losses measured at fair value through OCI (other comprehensive income) in accordance with Article 468 of the CRR had not been applied	7,71%	7,50%	7,41%	8,30%	8,47%

5. CREDIT RISK

5.1 Definition of Credit Risk
In the ordinary course of business the Group is exposed to Credit risk. Credit risk emanates in the most part from the potential inability of clients to repay their loans and other credit facilities and the non–compliance with their contractual obligations. Credit risk is monitored through various control mechanisms in order to prevent undue risk concentration and to price facilities and products on a risk-adjusted basis.

5.2 Credit Risk Management Procedures
The Group establishes the credit policies and sets limits on credit exposures to clients and ensures that these policies and limits, as well as the related credit sanctioning procedures and controls, complied with in the conduct of the Group's operations. Credit risk from connected clients' accounts is monitored on an aggregated basis.

5.3 Measurement of Credit Risk and Adoption of Credit Limits
The creditworthiness of most clients is assessed using a credit rating system which takes into account the clients' financial position and various qualitative criteria, such as the quality of management and the market in which the client operates.

The Group sets limits for the composition of the portfolio of loans and advances and monitors compliance with them. The Credit risk exposure of the Group is diversified across the various sectors of the economy. The terms of loans and advances may be renegotiated due to deterioration in the client's financial position. The Group implements a restructuring policy in order to maximise collection opportunities and minimize the risk of default. The revised terms usually include extending maturity, changing timing of interest and principal payments and amendment to terms and covenants.

Internal Audit undertakes audits of the Group's portfolio of loans and advances and of the Group's credit processes.

The Group assesses the Credit risk relating to investments in liquid funds, mainly debt securities and placements with banks, and recommendations for counterparty and country limits are submitted to the Assets and Liabilities Committee (ALCO) and Risk Committee for approval.

The Group also determines credit limits for countries, banking institutions, and settlement limits with counterparties in accordance with the credit ratings assigned to countries and counterparties by international external rating agencies. Changes in the credit ratings of countries and counterparties are monitored on a regular basis.

5.4 Standardised Approach for Credit Risk
The minimum capital requirement for Credit risk are calculated on an exposure level as defined by the Regulation. The following table shows the risk-weighted exposure amounts by regulatory exposure class and the corresponding minimum capital requirements as at 31st December 2022, based on the Standardized Approach.

Table 15 - Credit Risk-weighted Assets and Capital

31 December 2022 Exposure class €000	Risk-weighted amounts	Minimum capital requirement
Central Governments and Central Banks	-	-
Regional governments or local authorities	-	-
Multilateral Development Banks	-	-
International Organisations	-	-
Institutions	4.993	399
Corporates	96.811	7.745
Retail	11.715	937
Secured by mortgages on immovable property	13.675	1.094
Exposures in default	38.769	3.101
Items associated with particular high risk	31.327	2.506
Collective investments undertakings (CIU)	216	17
Equity	1.676	134
Other Items	16.630	1.331
Total	**215.812**	**17.264**

31 December 2021 Exposure class €000	Risk-weighted amounts	Minimum capital requirement
Central Governments and Central Banks	-	-
Regional governments or local authorities	-	-
Multilateral Development Banks	-	-
International Organisations	-	-
Institutions	745	60
Corporates	89.470	7.158
Retail	12.695	1.016
Secured by mortgages on immovable property	11.510	921
Exposures in default	54.675	4.374
Items associated with particular high risk	36.120	2.890
Collective investments undertakings (CIU)	172	14
Equity	1.680	134
Other Items	17.739	1.420
Total	**224.805**	**17.984**

5.5 Credit risk mitigation

The Group implements various policies and methods in order to achieve effective mitigation of Credit risk. The most important methods are listed below:

- Setting of limits for credit committees;
- Credit ratings for clients linked to rejection criteria;
- Setting of procedures relating to taking collaterals;
- Issuing circulars and guidelines concerning the granting of credit;

- Determining targeted borrower types and sectors of the economy for financing.

Use of External Credit Assessments Institutions' (ECAI) Credit Assessments for the determination of Risk Weights

The Group uses external credit ratings from Moody's, Standard & Poor's and Fitch. These ratings are used for all relevant exposure classes. Where two credit assessments are available from nominated ECAIs and the two correspond to different risk weights for a rated item, the high-risk weight shall be assigned, whereas two or more credit assessments are available from nominated ECAIs for a rated item, the two assessments generating the two lowest risk weights shall be referred to. If the two lowest risk weights are different, the higher risk weight shall be assigned. If the two lowest risk weights are the same, that risk weight shall be assigned.

For debt securities not included in the trading book, the Group applies the following priority with regards to the credit assessment used:

1. Issue/Exposure credit assessment
2. Issuer/Counterparty credit assessment.

The Group employs the EBA credit quality step mapping to map long-term and short-term credit assessments to credit quality steps.

The table below presents exposure values before and after credit risk mitigation, corresponding to credit quality steps. The values before credit risk mitigation represent the initial exposure value net of value adjustments. The values after credit risk mitigation represent exposures taking into account the eligible financial collateral funded and unfunded credit protection.

Table 16 - Breakdown of Exposure Values by Credit Quality Step

31 December 2022 Breakdown by Credit Quality Step (CQS) €000	**Exposure values before credit risk mitigation**	**Exposure values after credit risk mitigation**
CQS 1	36	36
CQS 2	-	-
CQS 3	296.662	296.355
CQS 4	10.160	10.160
CQS 5	5.931	5.931
CQS 6	-	-
Unrated/Not applicable	285.818	278.890
Total	**598.606**	**591.372**

31 December 2021 Breakdown by Credit Quality Step (CQS) €000	**Exposure values before credit risk mitigation**	**Exposure values after credit risk mitigation**
CQS 1	1.176	1.176
CQS 2	-	-
CQS 3	238.068	237.761
CQS 4	41.359	41.359

31 December 2021 Breakdown by Credit Quality Step (CQS) €000	Exposure values before credit risk mitigation	Exposure values after credit risk mitigation
CQS 5	1.455	1.455
CQS 6	341	341
Unrated/Not applicable	290.287	283.678
Total	**572.687**	**565.770**

The main collateral types for the commercial and corporate sectors are mortgages on commercial real estate. For the retail sector, in addition to mortgages on commercial real estate, are mortgages on residential real estate. Government and bank guarantees from eligible guarantors are also obtained. In addition, pledged deposits are treated as eligible funded credit protection.

Real estate values are monitored at least annually during the credit reviews carried out and through the Central Bank's relevant indices. In cases where the Group considers that values assigned to real estate collaterals are out-of-date or subject to significant changes in market conditions, new valuations are obtained from qualified external valuers.

The table below presents all types of collateral (other than real estate collateral treated as a separate asset class) applied in the risk-weighted assets calculations and meet all the minimum requirements of the CRR Articles 192 to 217 for credit risk mitigation under the Standardised Approach for Credit Risk.

Table 17 - Exposures covered by Credit Protection

31 December 2022 Exposure class €000	Funded Credit Protection	Unfunded Credit Protection
Central governments and central banks	-	-
Multilateral Development Banks	-	-
Institutions	614	-
Corporate	1.910	-
Retail	11.920	-
Secured by mortgages on immovable property	-	-
Exposures in default	10	1.182
Items associated with particular high risk	13	-
Equity	-	-
Other Items	-	-
Total	**14.467**	**1.182**

31 December 2021 Exposure class €000	Funded Credit Protection	Unfunded Credit Protection
Central governments and central banks	-	-
Multilateral Development Banks	-	-
Institutions	614	-
Corporate	1.917	-
Retail	11.121	-
Secured by mortgages on immovable property	-	-

31 December 2021 Exposure class €000	Funded Credit Protection	Unfunded Credit Protection
Exposures in default	178	1.182
Items associated with particular high risk	-	-
Equity	-	-
Other Items	-	-
Total	**13.830**	**1.182**

5.6 Past due and credit impaired exposures

Past due loans and advances are those with delayed payments or in excess of authorised credit limits. Loans that are 90 days past due are considered defaulted, provided that certain materiality thresholds have been breached, in accordance with Article 178 of the CRR and are assessed for impairment either individually or collectively. An impairment allowance is raised against these loans and advances if the expected cash flows discounted at the effective interest rate are less than the carrying value.

Days past due counter refers to the number of consecutive days that the arrears of clients/exposures exceed the materiality thresholds. The counter will be set to zero when the arrears or excesses drop below the materiality threshold.

The Group considers loans and advances to customers that meet the NPE definition as per EBA standards to be in default and hence Stage 3 (credit-impaired). Therefore, such loans have ECL calculated on a lifetime basis and are considered to be in default for credit risk management purposes.

Under the ‘three-stage’ model introduced by IFRS 9, financial assets with no significant increase in credit risk since initial recognition, for which 12-month ECL are recognised, are classified as ‘stage 1’; financial assets which are considered to have experienced a significant increase in credit risk but are not credit impaired are allocated to ‘stage 2’, while financial assets that are considered to be credit impaired are classified in ‘stage 3’. For financial assets allocated to stage 2 and stage 3, lifetime losses are recognised.

POCI financial assets include assets purchased at a deep discount or originated as credit impaired. POCI financial assets remain a separate category until derecognition and are classified as stage 2 or stage 3. The ECL for POCI financial assets will always be measured at an amount equal to lifetime ECL.

Loans and advances are written off to the extent that their recovery is no longer feasible. Doubtful accounts are monitored continuously and provisions for doubtful accounts are released only when events and factors make the collection of doubtful amounts feasible.

For more details on the impairment policies of the Group refer to note 3 and 4 of the Annual Financial Report 2022.

The table below provides an overview on the credit quality of forborne exposures.

Table 18 - EU CQ1: Credit quality of forborne exposures

31 December 2022 €000	Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
	Performing forborne	Non-performing forborne			On performing forborne exposures	On non-performing forborne exposures		Of which collateral and financial guarantees received on non-performing exposures with forbearance measures
			Of which defaulted	Of which impaired				
Loans and advances	**48.444**	**31.464**	**31.464**	**27.587**	**(1.978)**	**(10.011)**	**57.316**	**19.414**
Central banks	-	-	-	-	-	-	-	-
General governments	-	-	-	-	-	-	-	-
Credit institutions	-	-	-	-	-	-	-	-
Other financial corporations	487	-	-	-	-	-	487	-
Non-financial corporations	46.340	21.134	21.134	17.257	(1.891)	(8.749)	46.635	10.558
Households	1.617	10.330	10.330	10.330	(86)	(1.262)	10.194	8.857
Debt Securities	-	-	-	-	-	-	-	-
Loan commitments given	-	-	-	-	-	-	-	-
Total	**48.444**	**31.464**	**31.464**	**27.587**	**(1.978)**	**(10.011)**	**57.316**	**19.414**

31 December 2021 €000	Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
	Performing forborne	Non-performing forborne			On performing forborne exposures	On non-performing forborne exposures		Of which collateral and financial guarantees received on non-performing exposures with forbearance measures
			Of which defaulted	Of which impaired				
Loans and advances	**39.939**	**51.288**	**51.288**	**39.286**	**(2.747)**	**(16.960)**	**62.679**	**31.454**
Central banks	-	-	-	-	-	-	-	-
General governments	-	-	-	-	-	-	-	-
Credit institutions	-	-	-	-	-	-	-	-
Other financial corporations	500	354	354	354	-	(115)	719	219
Non-financial corporations	37.944	36.829	36.829	26.525	(2.577)	(14.376)	49.793	19.742
Households	1.495	14.105	14.105	12.407	(170)	(2.469)	12.167	11.494
Debt Securities	-	-	-	-	-	-	-	-
Loan commitments given	-	-	-	-	-	-	-	-
Total	**39.939**	**51.288**	**51.288**	**39.286**	**(2.747)**	**(16.960)**	**62.679**	**31.454**

The table below provides an overview of non-performing exposures by past due days.

Table 19 - EU CQ3: Credit quality of performing and non-performing exposures by past due days

31 December 2022 €000	Gross carrying amount/nominal amount											
	Performing exposures			Non-performing exposures								
		Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days		Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaulted
Loans and advances	**184.459**	**184.444**	**15**	**65.322**	**16.234**	**647**	**1.510**	**3.230**	**6.046**	**14.340**	**23.314**	**65.322**
Central banks	-	-	-	-	-	-	-	-	-	-	-	-
General governments	-	-	-	-	-	-	-	-	-	-	-	-
Credit institutions	-	-	-	-	-	-	-	-	-	-	-	-
Other financial corporations	2.416	2.415	0	0	-	0	-	-	-	-	-	0
Non-financial corporations	160.744	160.738	6	46.095	7.663	647	910	1.834	3.306	12.245	19.488	46.095
Of which SMEs	88.037	88.031	6	44.354	5.923	647	910	1.834	3.306	12.245	19.488	44.354
Households	21.300	21.291	9	19.228	8.571	0	600	1.396	2.740	2.095	3.826	19.227
Accumulated impairment	*2.924*			*30.629*	*2.381*	*121*	*150*	*1.738*	*3.752*	*7.871*	*14.616*	*30.513*
Collateral received	*138.477*			*28.450*								
Debt securities	**90.340**	**82.277**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Central banks	-	-	-	-	-	-	-	-	-	-	-	-
General governments	85.760	85.760	-	-	-	-	-	-	-	-	-	-
Credit institutions	4.580	4.580	-	-	-	-	-	-	-	-	-	-
Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-
Non-financial corporations	-	-	-	-	-	-	-	-	-	-	-	-
Off-balance-sheet exposures	**55.371**			**56**								**56**
Central banks	-			-								-
General governments	-			-								-
Credit institutions	4580			-								-
Other financial corporations	477			-								-
Non-financial corporations	46.486			50								50
Households	3.829			6								6
Total	**330.170**	**266.721**	**15**	**65.378**	**16.234**	**647**	**1.510**	**3.230**	**6.046**	**14.340**	**23.314**	**65.378**

31 December 2021 €000	Gross carrying amount/nominal amount											
	Performing exposures			Non-performing exposures								
		Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days		Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaulted
Loans and advances	**167.502**	**167.497**	**5**	**95.769**	**21.182**	**865**	**3.553**	**851**	**20.384**	**21.420**	**27.515**	**95.769**
Central banks	-	-	-	-	-	-	-	-	-	-	-	-
General governments	-	-	-	-	-	-	-	-	-	-	-	-
Credit institutions	-	-	-	-	-	-	-	-	-	-	-	-
Other financial corporations	4.255	4.254	1	4.213	37	-	0	0	354	-	3.821	4.213
Non-financial corporations	144.925	144.922	3	68.846	19.203	732	2.246	822	5.551	20.116	20.177	68.846
Of which SMEs	79.961	79.959	2	63.763	14.120	732	2.246	822	5.551	20.116	20.177	63.763
Households	18.322	18.322	1	22.710	1.942	133	1.307	29	14.479	1.304	3.517	22.710
Debt securities	111.772	82.277	-	-	-	-	-	-	-	-	-	-
Central banks	-	-	-	-	-	-	-	-	-	-	-	-
General governments	111.772	111.772	-	-	-	-	-	-	-	-	-	-
Credit institutions	-	-	-	-	-	-	-	-	-	-	-	-
Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-
Non-financial corporations	-	-	-	-	-	-	-	-	-	-	-	-
Off-balance-sheet exposures	**54.476**			**237**								**237**
Central banks	-			-								-
General governments	-			-								-
Credit institutions	89			-								-
Other financial corporations	1.582			38								38
Non-financial corporations	50.639			189								189
Households	2.166			10								10
Total	**333.750**	**249.774**	**5**	**96.007**	**21.182**	**865**	**3.553**	**851**	**20.384**	**21.420**	**27.515**	**96.007**

The table below provides an overview of the credit quality of non-performing exposures and related impairments, provisions and valuation adjustments by portfolio and exposure class:

Table 20 - Performing and non-performing exposures and related provisions

31 December 2022 €000	Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collateral and financial guarantees received	
	Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				On performing exposures	On non-performing exposures
		Of which stage 1	Of which stage 2		Of which	Of which stage 3		Of which stage 1	Of which stage 2		Of which	Of which stage 3			
Loans and advances	**184.459**	**124.572**	**53.195**	**65.322**	**-**	**62.169**	**(2.924)**	**(931)**	**(1.990)**	**(30.629)**	**-**	**(30.513)**	**(52.377)**	**138.477**	**28.450**
Central banks															
General governments															
Credit institutions															
Other financial corporations	2.416	1.331	1.084	0		0	(12)	(2)	(10)	-	-	-	-	1.734	-
Non-financial corporations	160.744	104.248	50.717	46.095		42.985	(2.797)	(904)	(1.893)	(22.544)		(22.433)	(52.377)	118.281	17.982
Of which SMEs	88.037	62.912	19.345	44.354		41.244	(656)	(444)	(212)	(21.600)		(21.488)	(51.739)	76.347	17.269
Households	21.300	18.993	1.394	19.228		19.184	(115)	(25)	(87)	(8.085)		(8.080)		18.462	10.468
Debt securities	**90.340**	**90.340**					**(72)**	**(72)**							
Central banks															
General governments	85.760	85.760					(72)	(72)							
Credit institutions	4.580	4.580													
Other financial corporations															
Non-financial corporations															
Off-balance-sheet exposures	**50.881**	**46.523**	**4.113**	**56**		**56**	**(84)**	**(84)**	**-**						
Central banks															
General governments															
Credit institutions	90	90	-	-		-	-	-							
Other financial corporations	477	474	3	-		-	(2)	(2)							
Non-financial corporations	46.486	42.137	4.103	50		50	(80)	(80)							
Households	3.829	3.822	7	6		6	(2)	(2)							
Total	**325.681**	**261.435**	**57.308**	**65.378**	**-**	**62.225**	**(3.081)**	**(1.087)**	**(1.990)**	**(30.629)**	**-**	**(30.513)**	**(52.377)**	**138.477**	**28.450**

31 December 2021 €000	Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collateral and financial guarantees received	
	Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				On performing exposures	On non-performing exposures
		Of which stage 1	Of which stage 2		Of which	Of which stage 3		Of which stage 1	Of which stage 2		Of which	Of which stage 3			
Loans and advances	**167.502**	**103.835**	**58.362**	**95.769**	**-**	**88.838**	**(4.069)**	**(702)**	**(3.367)**	**(44.733)**	**-**	**(44.698)**	**(36.224)**	**118.088**	**43.423**
Central banks															
General governments															
Credit institutions															
Other financial corporations	4.255	3.754	500	4.213		4.213	(21)	(21)	-	(2.761)	-	(2.761)	(7.000)	3.905	219
Non-financial corporations	144.925	83.774	56.121	68.846		62.637	(3.846)	(650)	(3.196)	(33.209)		(33.179)	(29.224)	99.161	29.718
Of which SMEs	79.961	56.028	18.904	63.763		57.554	(682)	(259)	(423)	(31.311)		(31.281)	(28.586)	67.296	27.194
Households	18.322	16.306	1.741	22.710		21.989	(202)	(31)	(171)	(8.763)		(8.759)		15.022	13.486
Debt securities	**111.772**	**111.772**					- 93	- 93							
Central banks															
General governments	111.772	111.772					- 93	- 93							
Credit institutions															
Other financial corporations															
Non-financial corporations															
Off-balance-sheet exposures	**54.476**	**53.800**	**596**	**237**		**187**	**(112)**	**(112)**	**-**						
Central banks															
General governments															
Credit institutions	89	89	-	-		-	-	-							
Other financial corporations	1.582	1.582	-	38		38	(2)	(2)							
Non-financial corporations	50.639	49.968	590	189		138	(109)	(109)							
Households	2.166	2.161	5	10		10	(0)	(0)							
Total	**333.750**	**269.406**	**58.958**	**96.007**	**-**	**89.025**	**(4.273)**	**(906)**	**(3.367)**	**(44.733)**	**-**	**(44.698)**	**(36.224)**	**118.088**	**43.423**

The table below provides an overview of foreclosed assets obtained from non-performing exposures.

Table 21- Collateral obtained by taking possession and execution processes

31 December 2022 **€000**	**Collateral obtained by taking possession**	
	Value at initial recognition	**Accumulated negative changes**
Property, plant and equipment (PP&E)		
Other than PP&E		
Residential immovable property	588	(59)
Commercial Immovable property	7.668	(715)
Movable property (auto, shipping, etc.)		
Equity and debt instruments		
Other	1.126	(158)
Total	**9.382**	**(932)**

31 December 2021 **€000**	**Collateral obtained by taking possession**	
	Value at initial recognition	**Accumulated negative changes**
Property, plant and equipment (PP&E)		
Other than PP&E		
Residential immovable property	340	
Commercial Immovable property	10.461	(1.062)
Movable property (auto, shipping, etc.)		
Equity and debt instruments		
Other	11	
Total	**10.812**	**(1.062)**

The table below provides the movement in the provisions for customer loans and advances.

Table 22 - Movement in the provisions for loans and advances

31 December 2022 €000	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
1 January	702	3.367	44.699	34	**48.802**
Transfer from Stage 1 to Stage 2	(18)	18	-	-	-
Transfer from Stage 1 to Stage 3	-	-	-	-	-
Transfer from Stage 2 to Stage 3	-	(10)	10	-	-
Transfer from Stage 3 to Stage 2	-	60	(60)	-	-
Transfer from Stage 2 to Stage 1	291	(291)	-	-	-
Transfer from Stage 3 to Stage 1	57	-	(57)	-	-
Changes to contractual cash flows due to modifications	260	-	-	-	260
Exchange differences	-	-	-	3	3
Loans and advances written off	-	(1.001)	(17.198)	-	(18.199)
Interest (provided) not recognised in the income statement			3.081	5	3.086
Charge/(reversal) for the year	(362)	(153)	38	78	(399)
31 December	930	1.990	30.513	120	**33.553**

31 December 2021 €000	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
1 January	2.388	1.346	57.942	249	**61.925**
Transfer from Stage 1 to Stage 2	(365)	365	-	-	-
Transfer from Stage 1 to Stage 3	(7)	-	7	-	-
Transfer from Stage 2 to Stage 3	-	(16)	16	-	-
Transfer from Stage 3 to Stage 2	-	161	(161)	-	-
Transfer from Stage 2 to Stage 1	344	(344)	-	-	-
Transfer from Stage 3 to Stage 1	-	-	-	-	-
Exchange differences	-	-	-	-	-
Loans and advances written off	-	-	(17.899)	-	(17.899)
Interest (provided) not recognised in the income statement	-	-	3.587	-	3.587
Charge/(reversal) for the year	(1.658)	1.855	1.209	(215)	1.191
Previously written off now recovered	-	-	(2)	-	(2)
31 December	702	3.367	44.699	34	**48.802**

The table below presents the average value per exposure class during 2022 and 2021 by asset class.

Table 23- Average exposure values by asset class

31 December 2022 **Exposure class** **€000**	**Original exposure amount, net of provisions**	**Average exposure**
Central Governments and Central Banks	305.114	292.910
Public sector entities	-	-
Multilateral Development Banks	-	-
Institutions	6.628	5.864
Corporates	135.141	125.792
Retail	38.100	41.683
Secured by mortgages on immovable property	38.046	34.661
Exposures in default	35.601	43.039
Items associated with particular high risk	21.216	22.434
Collective investments undertakings (CIU)	142	136
Equity	670	669
Other Items	17.948	18.646
Total	**598.606**	**585.833**

31 December 2021 **Exposure class** **€000**	**Original exposure amount, net of provisions**	**Average exposure**
Central Governments and Central Banks	277.667	268.046
Regional governments or local authorities	-	7
Multilateral Development Banks	-	-
Institutions	3.624	5.156
Corporates	127.510	124.829
Retail	38.348	43.463
Secured by mortgages on immovable property	32.732	27.475
Exposures in default	48.883	55.321
Items associated with particular high risk	24.262	26.745
Equity	131	131
Other Items	18.859	4.715
Total	**672**	**15.400**
	572.687	**571.287**

The table below analyses original exposure values, net of provisions, by country of incorporation of counterparties.

Table 24 - Original exposure values, net of provisions, analysed by country of incorporation of counterparties

31 December 2022 Exposures per Asset Class per Country of incorporation of Counterparty €000	**Cyprus**	**Greece**	**Italy**	**United Kingdom**	**Switzerland**	**Russia**	**Other Countries**	**Total**
Central Governments and Central Banks	280.484	10.160	14.471	-	-	-	-	**305.114**
Regional governments or local authorities	-	-	-	-	-	-	-	**0**
Multilateral Development Banks	-	-	-	-	-	-	-	**0**
Institutions	4.876	1.701	-	-	36	-	15	**6.628**
Corporates	134.478	-	-	-	-	662	1	**135.141**
Retail	37.218	70	-	797	-	2	14	**38.100**
Secured by mortgages on immovable property	36.367	-	-	1.679	-	-	-	**38.046**
Exposures in default	35.344	0	-	-	-	173	84	**35.601**
Items associated with particular high risk	21.216	-	-	-	-	-	-	**21.216**
Collective investments undertakings (CIU)	142	-	-	-	-	-	-	**142**
Equity	17.948	-	-	-	-	-	-	**17.948**
Other Items	670	-	-	-	-	-	-	**670**
Total	**568.742**	**11.931**	**14.471**	**2.476**	**36**	**836**	**114**	**598.606**

31 December 2021 Exposures per Asset Class per Country of incorporation of Counterparty €000	Cyprus	France	Switzerland	Austria	Greece	Russia	Other Countries	Total
Central Governments and Central Banks	232.160	41.359	4.147	-	0	-	-	**277.667**
Regional governments or local authorities	-	-	-	-	-	-	-	**0**
Multilateral Development Banks	-	-	-	-	-	-	-	**0**
Institutions	1.700	747	0	0	1.176	-	1	**3.624**
Corporates	127.372	0	-	-	-	136	1	**127.510**
Retail	38.161	70	-	100	0	2	15	**38.348**
Secured by mortgages on immovable property	31.558	-	-	1.172	-	2	0	**32.732**
Exposures in default	48.632	0	-	-	-	156	94	**48.883**
Items associated with particular high risk	24.262	-	-	-	-	-	-	**24.262**
Collective investments undertakings (CIU)	131	-	-	-	-	-	-	**131**
Equity	18.859	-	-	-	-	-	-	**18.859**
Other Items	672	0	0	0	0	0	0	**672**
TOTAL	**523.508**	**42.177**	**4.147**	**1.272**	**1.176**	**296**	**111**	**572.687**

The table below analyses total original exposure values, net of provisions, by industry segment.

Table 25 - Original exposure values, net of provisions, analysed by industry segment

31 December 2022 Exposures by Asset Class by Industry Segment €000	Central Governments and Central Banks	Regional governments or local authorities	Multilateral Development Banks	Institutions	Corporates	***of which SME***	Retail	***of which SME***	Secured by mortgages on immovable property	***of which SME***	Exposures in default	Items associated with particular high risk	Collective investments undertakings (CIU)	Equity	Other Items	**Total**
Agriculture, forestry and fishing	-	-	-	-	-	-	937	937	-	-	4.163	-	-	-	-	**5.101**
Mining and quarrying	-	-	-	-	-	-	-	-	-	-	30	-	-	-	-	**30**
Manufacturing	-	-	-	-	2.757	2.757	4.003	4.003	1.595	1.595	5.103	-	-	-	-	**13.458**
Electricity, gas, steam and air conditioning supply	-	-	-	-	755	755	464	59	284	284	3.245	-	-	-	-	**4.748**
Water supply	-	-	-	-	-	-	354	354	-	-	-	-	-	-	-	**354**
Wholesale and retail trade	-	-	-	-	37.004	7.868	6.022	5.835	6.356	4.450	1.573	-	-	-	-	**50.955**
Transport and storage	-	-	-	-	-	-	1.647	447	1.678	1.678	70	-	-	-	-	**3.395**
Accomodation and food service activities	-	-	-	-	36.017	16.558	550	550	146	146	3.046	1.946	-	-	-	**41.705**
Information and communication	-	-	-	-	5.379	501	2.528	364	1.195	1.195	3	-	-	-	-	**9.105**
Real estate activities	-	-	-	-	43.568	19.126	9.290	9.288	12.201	10.904	5.765	19.270	-	-	-	**90.094**
Professional, scientific and technical	-	-	-	-	1.336	668	1.282	1.277	1.779	1.332	146	-	-	-	-	**4.543**
Administrative and support service activities	-	-	-	-	636	636	829	814	91	91	0	-	-	-	-	**1.556**
Public administration and defence, compulsory and social security	85.688	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**85.688**
Education	-	-	-	-	-	-	195	195	414	414	1.350	-	-	-	-	**1.958**
Human health services and social work activities	-	-	-	-	-	-	1.543	758	1.670	-	2	-	-	-	-	**3.216**
Arts, entertainment and recreation	-	-	-	-	1.618	-	1.913	1.913	727	727	432	-	-	-	-	**4.690**
Other services	219.426	-	-	6.628	3.971	724	748	401	526	526	57	-	142	670	-	**232.169**
Private Individual	-	-	-	-	2.099	-	5.795	-	9.384	-	10.615	-	-	-	-	**27.893**
Not applicable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	17.948	**17.948**
Total	**305.114**	**-**	**-**	**6.628**	**135.141**	**49.593**	**38.100**	**27.195**	**38.046**	**23.343**	**35.601**	**21.216**	**142**	**670**	**17.948**	**598.606**

31 December 2021 Exposures by Asset Class by Industry Segment €000	Central Governments and Central Banks	Regional governments or local authorities	Multilateral Development Banks	Institutions	Corporates	***of which SME***	Retail	***of which SME***	Secured by mortgages on immovable property	***of which SME***	Exposures in default	Items associated with particular high risk	Collective investments undertakings (CIU)	Equity	Other Items	**Total**
Agriculture, forestry and fishing	-	-	-	-	-	-	1.004	1.004	-	-	4.776	-	-	-	-	**5.781**
Mining and quarrying	-	-	-	-	-	-	-	-	-	-	563	-	-	-	-	**563**
Manufacturing	-	-	-	-	2.985	2.985	4.405	4.328	1.885	1.885	4.789	-	-	-	-	**14.064**
Electricity, gas, steam and air conditioning supply	-	-	-	-	855	855	683	129	300	300	3.231	-	-	-	-	**5.069**
Water supply	-	-	-	-	-	-	357	357	-	-	-	-	-	-	-	**357**
Wholesale and retail trade	-	-	-	-	42.358	11.928	4.952	4.650	8.459	6.604	2.825	-	-	-	-	**58.594**
Transport and storage	-	-	-	-	-	-	1.668	468	1.312	1.312	61	-	-	-	-	**3.041**
Accomodation and food service activities	-	-	-	-	28.837	9.875	1.151	1.151	623	623	5.857	1.981	-	-	-	**38.448**
Information and communication	-	-	-	-	4.822	-	2.699	458	-	-	7	-	-	-	-	**7.528**
Real estate activities	-	-	-	-	38.281	19.307	11.545	11.545	8.273	6.903	11.611	22.281	-	-	-	**91.990**
Professional, scientific and technical	-	-	-	-	639	0	991	825	2.096	1.724	167	-	-	-	-	**3.894**
Administrative and support service activities	-	-	-	-	723	723	842	827	100	100	145	-	-	-	-	**1.811**
Public administration and defence, compulsory and social security	111.679	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**111.679**
Education	-	-	-	-	272	272	121	121	-	-	1.350	-	-	-	-	**1.743**
Human health services and social work activities	-	-	-	-	-	-	1.330	499	99	99	10	-	-	-	-	**1.438**
Arts, entertainment and recreation	-	-	-	-	-	-	1.960	1.959	951	951	506	-	-	-	-	**3.416**
Other services	165.988	-	-	3.624	4.819	1.800	830	430	2.216	2.216	1.728	-	131	672	-	**180.008**
Private Individual	-	-	-	-	2.919	-	3.808	-	6.418	-	11.257	-	-	-	-	**24.402**
Not applicable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	18.859	**18.859**
Total	**277.667**	**-**	**-**	**3.624**	**127.510**	**47.746**	**38.348**	**28.753**	**32.732**	**22.716**	**48.883**	**24.262**	**131**	**672**	**18.859**	**572.687**

The table below analyses total exposure values by industry segment before and after value adjustments and provisions.

Table 26 - Exposure values analysed by industry segment

31 December 2022 **Total Exposure pre and after the application of the respective provisions by industry** **€000**	**Total Exposure Before Value adjustments and Provisions**	**Value adjustments and Provisions**	**Total Exposure After Value adjustments and Provisions**
Agriculture, forestry and fishing	9.084	(3.983)	5.101
Mining and quarrying	1.064	(1.034)	30
Manufacturing	21.506	(8.048)	13.458
Electricity, gas, steam and air conditioning supply	7.773	(3.025)	4.748
Water supply	354	(1)	354
Wholesale and retail trade	54.196	(3.241)	50.955
Transport and storage	4.030	(635)	3.395
Accomodation and food service activities	44.026	(2.321)	41.705
Information and communication	10.177	(1.073)	9.105
Real estate activities	94.080	(3.986)	90.094
Professional, scientific and technical	5.667	(1.124)	4.543
Administrative and support service activities	1.577	(21)	1.556
Public administration and defence, compulsory and social security	85.688	-	85.688
Education	2.425	(466)	1.958
Human health services and social work activities	3.298	(82)	3.216
Arts, entertainment and recreation	5.450	(760)	4.690
Other services	236.107	(3.939)	232.169
Private Individual	34.201	(6.308)	27.893
Not applicable	17.948	-	17.948
Total	**638.653**	**(40.047)**	**598.606**

31 December 2021 Total Exposure pre and after the application of the respective provisions by industry €000	Total Exposure Before Value adjustments and Provisions	Value adjustments and Provisions	Total Exposure After Value adjustments and Provisions
Agriculture, forestry and fishing	12.425	(6.644)	5.781
Mining and quarrying	1.547	(984)	563
Manufacturing	20.680	(6.616)	14.064
Electricity, gas, steam and air conditioning supply	7.478	(2.408)	5.069
Water supply	358	(1)	357
Wholesale and retail trade	65.077	(6.483)	58.594
Transport and storage	3.626	(585)	3.041
Accomodation and food service activities	43.383	(4.934)	38.448
Information and communication	8.972	(1.444)	7.528
Real estate activities	98.626	(6.636)	91.990
Professional, scientific and technical	4.886	(991)	3.894
Administrative and support service activities	2.728	(917)	1.811
Public administration and defence, compulsory and social security	111.679	-	111.679
Education	2.283	(540)	1.743
Human health services and social work activities	1.520	(82)	1.438
Arts, entertainment and recreation	4.005	(589)	3.416
Other services	186.930	(6.923)	180.008
Private Individual	30.863	(6.461)	24.402
Not applicable	18.859	-	18.859
Total	**625.927**	**(53.240)**	**572.685**

The table below analyses exposures in default and respective provisions by country of incorporation of counterparties.

Table 27 - Exposures in default and respective provisions by country of incorporation of counterparties

31 December 2022 Exposures in default and respective Provisions by Counterparty Country of Incorporation €000	Cyprus	Other	Total
Total Exposure Before Provisions	65.077	294	65.371
Provisions	(29.734)	(37)	(29.771)
Total Exposure After Provisions	**35.344**	**257**	**35.601**

31 December 2021 Exposures in default and respective Provisions by Counterparty Country of Incorporation €000	Cyprus	Other	Total
Total Exposure Before Provisions	90.023	277	90.300
Provisions	(41.391)	(26)	(41.417)
Total Exposure After Provisions	**48.632**	**251**	**48.883**

The table below analyses original exposure values net of value adjustments and provisions, by residual maturity.

Table 28 - EU CR1-A: Maturity of exposures[1]

31 December 2022 €000 Exposure class	**On demand**	**≤1 year**	**>1 year ≤5 years**	**>5 years**	**No stated maturity**	**Total**
Central Governments and Central Banks	219.426	44.582	35.824	5.282		305.114
Regional governments or local authorities						0
Multilateral Development Banks						0
Institutions	796	1.225	4.591	16		6.628
Corporates	9.723	51.078	6.049	68.290		135.141
Retail	4.929	14.609	8.501	10.061		38.100
Secured by mortgages on immovable property	4.823	7	2.459	30.757		38.046
Exposures in default	21.022	238	55	14.285		35.601
Items associated with particular high risk	-	3.625	7.422	10.169		21.216
Collective investments undertakings (CIU)	142				-	142
Equity	-				670	670
Other Items	2.872				15.077	17.948
Total	**263.732**	**115.366**	**64.900**	**138.861**	**15.747**	**598.606**

31 December 2021 €000 Exposure class	**On demand**	**≤1 year**	**>1 year ≤5 years**	**>5 years**	**No stated maturity**	**Total**
Central Governments and Central Banks	165.988	89.342	17.011	5.327		277.667
Regional governments or local authorities						0
Multilateral Development Banks						0
Institutions	1.166	2.393	50	16		3.624
Corporates	10.072	48.403	9.251	59.783		127.510
Retail	5.470	15.268	8.376	9.233		38.348
Secured by mortgages on immovable property	5.834	160	3.213	23.525		32.732
Exposures in default	33.456	3.170	944	11.313		48.883
Items associated with particular high risk	192	4.716	8.576	10.777		24.262
Collective investments undertakings (CIU)	131				-	131
Equity	-				672	672
Other Items	2.602				16.258	18.859
Total	**224.910**	**163.453**	**47.420**	**119.974**	**16.929**	**572.687**

5.7 COVID-19 Risk and Uncertainties

As part of the measures to support borrowers affected by COVID-19, the Cyprus Parliament voted for the suspension of loan repayments for interest and principal (loan moratorium) for the period to the end of 2020, for all eligible borrowers with no arrears for more than 30 days as at the end of February 2020. Moratorium of payments expired on 31 December 2020.

Additional information is presented in note 44 of the Annual Financial Report of 2022.

EBA has published Guidelines on reporting and disclosure of exposures subject to measures applied in response to the COVID-19 crisis that apply from June 2020, where institutions should disclose information on exposures subject to the EBA Guidelines on legislative and non-legislative moratoria on loan repayments applied in the light of the COVID-19 crisis.

Below table provides an overview of the credit quality of the loans and advances that were subject to moratoria on loan repayments, applied in the light of COVID-19 crisis:

[1] Comparatives have been restated to allocate the exposures to the relevant bucket depending on their remaining maturity.

Table 29 – F91.03 - EBA/GL/2020/07_Overview of EBA-compliant moratoria (legislative and non-legislative)

	31 December 2022 €000	Gross carrying amount							Accumulated impairment, accumulated negative changes in fair value due to credit risk							Gross carrying amount
			Performing			Non performing				Performing			Non performing			
				Of which: exposures with forbearance measures	Of which: Instruments with significant increase in credit risk since initial recognition but not credit-impaired (Stage 2)		Of which: exposures with forbearance measures	Of which: Unlikely to pay that are not past-due or past-due <= 90 days			Of which: exposures with forbearance measures	Of which: Instruments with significant increase in credit risk since initial recognition but not credit-impaired (Stage 2)		Of which: exposures with forbearance measures	Of which: Unlikely to pay that are not past-due or past-due <= 90 days	Inflows to non-performing exposures
1	Loans and advances subject to moratorium	107.873	101.800	35.358	46.085	6.074	4.478	3.803	(3.517)	(3.255)	(2.379)	(2.417)	(262)	(119)	(59)	-
2	of which: Households	7.931	6.585	1.601	2.247	1.346	34	34	(173)	(92)	(81)	(81)	(81)	(10)	(10)	-
3	*of which: Collateralised by residential immovable property*	2.813	2.813	-	241	-	-	-	(5)	(5)	-	-	-	-	-	-
4	of which: Non-financial corporations	98.139	93.411	33.270	43.351	4.728	4.444	3.770	(3.342)	(3.161)	(2.298)	(2.336)	(181)	(108)	(49)	-
5	*of which: Small and Medium-sized Enterprises*	45.473	40.745	11.205	14.533	4.728	4.444	3.770	(861)	(681)	(392)	(408)	(181)	(108)	(49)	-
6	*of which: Collateralised by commercial immovable property*	11.679	10.901	2.306	4.061	777	726	51	(188)	(129)	(91)	(91)	(59)	(59)	-	-

	31 December 2021 €000	Gross carrying amount							Accumulated impairment, accumulated negative changes in fair value due to credit risk							Gross carrying amount
			Performing			Non performing				Performing			Non performing			
				Of which: exposures with forbearance measures	Of which: Instruments with significant increase in credit risk since initial recognition but not credit-impaired (Stage 2)		Of which: exposures with forbearance measures	Of which: Unlikely to pay that are not past-due or past-due <= 90 days			Of which: exposures with forbearance measures	Of which: Instruments with significant increase in credit risk since initial recognition but not credit-impaired (Stage 2)		Of which: exposures with forbearance measures	Of which: Unlikely to pay that are not past-due or past-due <= 90 days	Inflows to non-performing exposures
1	Loans and advances subject to moratorium	121.714	113.918	31.569	46.244	7.796	6.300	5.349	(3.072)	(2.623)	(485)	(695)	(448)	(388)	(299)	-
2	of which: Households	10.413	8.250	1.477	1.910	2.163	902	779	(306)	(174)	(157)	(157)	(132)	(129)	(34)	-
3	*of which: Collateralised by residential immovable property*	2.967	2.967	-	273	-	-	-	(7)	(7)	-	-	-	-	-	-
4	of which: Non-financial corporations	109.446	103.813	29.591	43.835	5.633	5.398	4.570	(2.739)	(2.422)	(329)	(538)	(317)	(259)	(265)	-
5	*of which: Small and Medium-sized Enterprises*	54.573	49.082	11.729	17.703	5.492	5.257	4.429	(984)	(667)	(112)	(166)	(317)	(259)	(265)	-
6	*of which: Collateralised by commercial immovable property*	14.763	13.478	2.056	3.882	1.286	1.286	1.286	(293)	(194)	(55)	(57)	(100)	(100)	(100)	-

Below table provides an overview of the volume of loans and advances subject to legislative and non-legislative moratoria by residual maturity of these moratoria:

Table 30 - F90.01 - EBA/GL/2020/07_Loans and advances with expired EBA compliant moratoria (legislative and non-legislative)

31 December 2022 €000		Number of obligors	Gross carrying amount							
				Of which: legislative moratoria	Of which: expired	Residual maturity of moratoria				
						<= 3 months	> 3 months <= 6 months	> 6 months <= 9 months	> 9 months <= 12 months	> 1 year
1	Loans and advances for which moratorium was offered	109	107.873							
2	Loans and advances subject to moratorium (granted)	109	107.873	107.873	107.873					
3	of which: Households		7.931	7.931	7.931					
4	*of which: Collateralised by residential immovable property*		2.813	2.813	2.813					
5	of which: Non-financial corporations		98.139	98.139	98.139					
6	*of which: Small and Medium-sized Enterprises*		45.473	45.473	45.473					
7	*of which: Collateralised by commercial immovable property*		11.679	11.679	11.679					

31 December 2021 **€000**		Number of obligors	Gross carrying amount							
				Of which: legislative moratoria	Of which: expired	Residual maturity of moratoria				
						<= 3 months	> 3 months <= 6 months	> 6 months <= 9 months	> 9 months <= 12 months	> 1 year
1	Loans and advances for which moratorium was offered	125	121.714							
2	Loans and advances subject to moratorium (granted)	125	121.714	121.714	121.714					
3	of which: Households		10.413	10.413	10.413					
4	*of which: Collateralised by residential immovable property*		2.967	2.967	2.967					
5	of which: Non-financial corporations		109.446	109.446	109.446					
6	*of which: Small and Medium-sized Enterprises*		54.573	54.573	54.573					
7	*of which: Collateralised by commercial immovable property*		14.763	14.763	14.763					

With regards to the COVID-19 related public guarantee schemes, the Group has not granted newly originated loans and advances under any applicable public guarantee schemes.

6. COUNTERPARTY CREDIT RISK

Counterparty credit risk (CCR) arises from the possibility that a counterparty will fail to perform on an obligation arising from transactions such as derivatives and securities financing. Exposure was limited as at 31 December 2022.

Wrong-way risk occurs when exposure to a counterparty is adversely correlated with the credit quality of that counterparty. The Group’s Credit Risk Policy prohibits the recognition of securities issued by the obligor, or any related group entity, as eligible collateral for credit risk purposes, and the Group has no exposure to wrong-way risk.

7. MARKET RISK

7.1 Definition of market risk

Market risk is the risk of loss, which emanates from adverse changes in the current prices of listed investments, bonds and other securities or in the assessed fair value of unlisted investments and from adverse fluctuations in interest rates and foreign exchange rates.

Market risk may be analyzed into price risk, interest rate risk, and currency risk.

Price risk is the risk associated with changes in the market prices of various financial instruments (equities, debt securities, commodities, and derivatives) held by the Group.

Interest rate risk arises as a result of changes in the rates of interest and repricing timing mismatches on assets and liabilities.

Currency risk arises from adverse movements in foreign exchange rates when there is a net currency position (asset or liability) in one or more currencies.

7.2 Market Risk Management

The Bank has in place limits for monitoring and limiting market risk resulting from interest rate changes and foreign currency positions.

i. Price Risk

Equity Investments
The risk of loss from changes in the price of equity securities arises when there is an unfavorable change in the prices of equity securities held by the Group as investments.

Investments in equities are outside the Group's risk appetite. The current portfolio of equity investments comprises mainly of holdings in one Alternative Investment Fund.

Equity investments held by the Group are classified at fair value through other comprehensive income (FVOCI). Fair value gains and losses on these equity instruments are recognised in OCI and are not subsequently reclassified to the income statement. Dividends received are recorded in the income statement.

The value of equity investments held as at 31 December 2022 is analyzed in note 19 of the Annual Financial Report 2022 while sensitivity to equity price risk in note 38.2.

Debt Securities

Debt securities price risk is the risk of loss as a result of adverse changes in the prices of debt securities held by the Bank. Debt security prices change as the credit risk of the issuer changes and/or as the interest rate changes for fixed rate securities. The Bank invests a significant part of its liquid assets in debt securities. The current portfolio of debt securities is classified at amortised cost or fair value through other comprehensive income (FVOCI). The Bank's policy relating to valuation of debt securities, is stated in note 3 - Significant Accounting Policies.

The value of debt securities held at 31 December 2022 is analysed in note 20 of the Annual Financial Report 2022 while the impact on the equity of the Bank and the Group from a change in the price of the debt securities held is presented in note 38.2 of the Annual Financial Report 2022.

ii. Interest rate risk

The Group closely monitors on a continuous basis, fluctuations in interest rates and the relationship of assets and liabilities, which are subject to interest rates fluctuations, and takes measures to contain in acceptable levels the effects of these changes on the Group's profitability and economic value.

Interest rate risk is measured using interest rate sensitivity gap analysis. The annual impact of any change in interest rates on profit and economic value is calculated by multiplying the net asset or liability position repricing in each time band with the assumed change in interest rates.

The interest rate sensitivity gap analysis indicating the effect on the Group's profit of changes in interest rates as at 31 December 2022 was as follows:

Table 31 - Interest rate sensitivity gap analysis

31 December 2022 €000	**≤ 1 month**	**1-3 months**	**3-12 months**	**1-5 years**	**> 5 years**	**Non-interest bearing**	**Total**
Net position	295.590	35.047	(19.008)	43.867	(6.250)	(349.246)	-
1% reduction in interest rates - effect on profit	(2.956)	(350)	190	(439)	63	-	(3.492)
1% increase in interest rates - effect on profit	2.956	350	(190)	439	(63)	-	3.492

31 December 2021 €000	**≤ 1 month**	**1-3 months**	**3-12 months**	**1-5 years**	**> 5 years**	**Non-interest bearing**	**Total**
Net position	247.899	28.284	3.802	15.277	(923)	(294.339)	-
1% reduction in interest rates - effect on profit	(2.479)	(283)	(38)	(153)	9	-	(2.944)
1% increase in interest rates - effect on profit	2.479	283	38	153	(9)	-	2.944

Additional information on interest rate risk appears in noted 38.2 of the Annual Financial Report 2022.

iii. Currency risk

Net currency positions are monitored on a continuous basis and the Group takes measures so that this risk is contained within acceptable boundaries. The foreign exchange position limits prescribed by the Central Bank of Cyprus are adhered to.

Currency risk resulting from the net foreign exchange positions of the Group at 31 December 2022 are set out below. The sensitivity analysis assumes reasonable possible changes in exchange rates of major currencies against the Euro, based on past rate fluctuations.

Table 32 - Foreign exchange risk sensitivity gap analysis

31 December 2022	Net open position €000	Change in exchange rates %	Effect on profits €000
US Dollar	518	+10	52
British pound	30	+10	3
Russian Rouble	188	+30	56
Other currencies	37	+10	4

31 December 2022	Net open position €000	Change in exchange rates %	Effect on profits €000
US Dollar	518	-10	(52)
British pound	30	-10	(3)
Russian Rouble	188	-30	(56)
Other currencies	37	-10	(4)

31 December 2021	Net open position €000	Increase in exchange rates %	Effect on profits €000
US Dollar	91	+10	9
British pound	70	+10	7
Russian Rouble	73	+30	22
Other currencies	(1)	+10	-

31 December 2021	Net open position €000	Increase in exchange rates %	Effect on profits €000
US Dollar	91	-10	(9)
British pound	70	-10	(7)
Russian Rouble	73	-30	(22)
Other currencies	(1)	-10	-

7.3 Capital Requirement for Market Risk

The Group has adopted the Standardized Approach for the calculation of capital requirements with respect to market risk. The Group does not maintain a trading book for holding positions in traded debt instruments or equities nor does it hold any positions in commodities. Hence, capital requirements, if any, arise only in respect of currency risk.

The capital requirement for market risk as at 31 December 2022 was nil due to net open foreign exchange positions lying below the minimum prescribed by regulations.

8. OPERATIONAL RISK

8.1 Definition of Operational Risk

Operational risk is the risk of loss arising from a variety of causes associated with the Group's processes, personnel, technology and infrastructure, and from other external events. It is inherent in every business organization and covers a wide range of issues.

8.2 Operational Risk Management

The Group establishes policies and procedures for managing operational risk and ensures that these are adhered to in the conduct of the Group's operations. Operational risk is managed through appropriate processes and controls including:

- Segregation of duties, independent authorization of transactions, reconciliations, and review of exception reports;
- Write up and implementation of policies and procedures aimed at compliance with regulatory and other legal requirements;
- Development of business continuity plans and disaster recovery plans;
- Personnel training;
- Risk transfer through insurance cover.

Internal Audit carries out independent periodic reviews of the effectiveness, adequacy and relevance of the Group's internal controls.

8.3 Capital requirements for operational risk

The Group applies the Basic Indicator Approach as the basis for estimating the amount of capital required under the Regulation. The capital requirement for operational risk as at 31 December 2022 amounted to €2 million.

Table 33 - EU OR1 - Operational risk own funds requirements and risk-weighted exposure amounts

<table>
<tr><td colspan="2" rowspan="3">Banking activities</td><td>a</td><td>b</td><td>c</td><td>d</td><td>e</td></tr>
<tr><td colspan="3">Relevant indicator</td><td rowspan="2">Own funds requirements</td><td rowspan="2">Risk exposure amount</td></tr>
<tr><td>2020</td><td>2021</td><td>2022</td></tr>
<tr><td>1</td><td>Banking activities subject to basic indicator approach (BIA)</td><td>13.906</td><td>12.030</td><td>13.096</td><td>1.952</td><td>24.395</td></tr>
<tr><td>2</td><td>Banking activities subject to standardised (TSA) / alternative standardised (ASA) approaches</td><td colspan="5" rowspan="4"></td></tr>
<tr><td>3</td><td><u>Subject to TSA:</u></td></tr>
<tr><td>4</td><td><u>Subject to ASA:</u></td></tr>
<tr><td>5</td><td>Banking activities subject to advanced measurement approaches AMA</td></tr>
</table>

9. LIQUIDITY RISK

9.1 Definition of liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its obligations as they fall due, and risk that the Group will be unable to meet its liquidity obligations without a substantial rise in appropriate costs. Liquidity risk also includes the risk that the Group will be unable to finance increases in assets as its funding requirements rise.

9.2 Liquidity risk management

Liquidity risk is managed by the Treasury Department and ALCO on a continuous basis by closely monitoring the relationship between cash flow obligations and liquid assets and timely action is being taken to secure financial resources to meet the Group's cash flow funding requirements.

The MB (following recommendation by the ALCO and the RC) approves all policies and procedures concerning liquidity. Summary reports are also submitted to the MB, ALCO and RC on a regular basis in respect of the liquidity position of the Group.

Liquidity by currency is monitored on a daily basis by the Treasury Department to ensure that the Company and Group are within the limits set by the Central Bank's Directive on Prudential Liquidity and internally defined limits. The Group is required to monitor its liquidity by adhering to a minimum

Liquidity Coverage Ratio (LCR) of 100% according to articles 412 and 460 of EU Regulation 575/2013 and minimum Net Stable Funding Ratio (NSFR) of 100% according to article 428b.

9.3 Liquidity Coverage Ratio

The LCR is designed to promote short-term resilience of a Bank's liquidity risk profile by ensuring that it has sufficient high quality liquid resources to survive an acute stress scenario lasting for 30 days. The table overleaf analyzes the components of LCR and the resulting average LCR ratio at each quarter-end during 2022.

Table 34 - EU LIQ1 - Quantitative information of LCR

	Quarter ending on	Mar-22	Jun-22	Sep-22	Dec-22	Mar-22	Jun-22	Sep-22	Dec-22
	Number of data points used in the calculation	3	3	3	3	3	3	3	3
HIGH-QUALITY LIQUID ASSETS									
1	Total high-quality liquid assets (HQLA)					259.815	263.332	258.233	259.586
CASH-OUTFLOWS									
2	Retail deposits and deposits from small business customers, of which:	248.723	258.237	274.684	274.534	12.271	12.533	13.758	13.665
3	Stable deposits	97.971	98.673	102.214	108.398	4.898	4.934	5.111	5.420
4	Less stable deposits	66.425	68.936	79.559	76.385	7.373	7.599	8.648	8.246
5	Unsecured wholesale funding	202.079	206.544	195.183	200.693	79.671	81.464	76.851	79.284
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	667	825	1.750	873	167	206	438	218
7	Non-operational deposits (all counterparties)	201.412	205.719	193.433	199.819	79.504	81.258	76.413	79.066
8	Unsecured debt	-	-	-	-	-	-	-	-
9	Secured wholesale funding					-	-	-	-
10	Additional requirements	1.868	2.222	2.604	2.425	145	147	170	135
11	Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
12	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
13	Credit and liquidity facilities	1.868	2.222	2.604	2.425	145	147	170	135
14	Other contractual funding obligations	6.520	6.340	6.895	6.349	5.462	5.257	5.802	5.248
15	Other contingent funding obligations	59.909	61.711	57.136	58.350	5.819	7.357	6.013	8.409
16	**TOTAL CASH OUTFLOWS**					103.223	106.758	102.595	106.741
CASH-INFLOWS									
17	Secured lending (eg reverse repos)	-	-	-	-	-	-	-	-
18	Inflows from fully performing exposures	4.892	5.548	6.653	4.158	4.423	4.840	5.281	3.416
19	Other cash inflows	44.683	46.544	45.248	43.733	9.381	9.464	9.975	9.065
EU-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)					-	-	-	-
EU-19b	(Excess inflows from a related specialised credit institution)					-	-	-	-
20	**TOTAL CASH INFLOWS**	49.574	52.091	51.901	47.891	13.804	14.511	15.255	12.481
EU-20a	**Fully exempt inflows**	-	-	-	-	-	-	-	-
EU-20b	**Inflows Subject to 90% Cap**	-	-	-	-	-	-	-	-
EU-20c	**Inflows Subject to 75% Cap**	49.574	52.091	51.901	47.891	13.804	14.511	15.255	12.481
						TOTAL ADJUSTED VALUE			
21	**LIQUIDITY BUFFER**					270.490	283.416	282.967	291.250
22	**TOTAL NET CASH OUTFLOWS**					89.563	92.247	87.339	94.260
23	**LIQUIDITY COVERAGE RATIO (%)**					**302%**	**307%**	**324%**	**309%**

Scope of consolidation: Consolidated		Total unweighted value				Total weighted value			
Quarter ending on		Mar-21	Jun-21	Sep-21	Dec-21	Mar-21	Jun-21	Sep-21	Dec-21
Number of data points used in the calculation		3	3	3	3	3	3	3	3
HIGH-QUALITY LIQUID ASSETS									
1	Total high-quality liquid assets (HQLA)					259.815	263.332	258.233	259.586
CASH-OUTFLOWS									
2	Retail deposits and deposits from small business customers, of which:	228.090	233.907	245.591	242.193	10.120	10.385	11.338	11.309
3	Stable deposits	87.125	88.325	92.561	95.447	4.356	4.416	4.628	4.772
4	Less stable deposits	49.237	53.919	60.248	59.256	5.763	5.969	6.710	6.378
5	Unsecured wholesale funding	264.009	235.279	200.094	196.459	103.665	88.880	78.824	77.401
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	2.363	1.471	1.306	783	590	368	326	195
7	Non-operational deposits (all counterparties)	261.646	233.808	198.788	195.676	103.075	88.512	78.497	77.206
8	Unsecured debt	-	-	-	-	-	-	-	-
9	Secured wholesale funding					-	-	-	-
10	Additional requirements	4.258	4.439	3.322	3.978	268	269	199	264
11	Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
12	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
13	Credit and liquidity facilities	4.258	4.439	3.322	3.978	268	269	199	264
14	Other contractual funding obligations	7.043	5.183	8.150	11.260	6.090	4.180	7.110	10.088
15	Other contingent funding obligations	66.382	58.344	62.935	62.268	5.954	5.760	5.443	6.091
16	**TOTAL CASH OUTFLOWS**					126.097	109.474	102.914	105.153
CASH-INFLOWS									
17	Secured lending (eg reverse repos)	-	-	-	-	-	-	-	-
18	Inflows from fully performing exposures	43.724	7.301	5.715	5.702	42.720	6.255	5.168	5.106
19	Other cash inflows	43.777	45.374	44.900	43.789	9.063	9.493	9.349	9.047
EU-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)					-	-	-	-
EU-19b	(Excess inflows from a related specialised credit institution)					-	-	-	-
20	**TOTAL CASH INFLOWS**	87.501	52.675	50.616	49.491	51.783	15.748	14.517	14.153
EU-20a	**Fully exempt inflows**	-	-	-	-	-	-	-	-
EU-20b	**Inflows Subject to 90% Cap**	-	-	-	-	-	-	-	-
EU-20c	**Inflows Subject to 75% Cap**	87.502	52.676	50.615	49.491	51.783	15.749	14.517	14.153
						TOTAL ADJUSTED VALUE			
21	**LIQUIDITY BUFFER**					259.815	263.332	258.233	259.586
22	**TOTAL NET CASH OUTFLOWS**					74.314	93.725	88.397	91.000
23	**LIQUIDITY COVERAGE RATIO (%)**					**350%**	**281%**	**292%**	**285%**

10. KEY METRICS

Table 35 – EU KM1[2]

		12/31/2022	9/30/2022	6/30/2022	3/31/2022	12/31/2021
	Available own funds (amounts)					
1	Common Equity Tier 1 (CET1) capital	38.524	36.003	36.109	39.592	40.742
2	Tier 1 capital	43.524	41.003	41.109	44.592	45.742
3	Total capital	49.774	47.253	47.359	50.842	51.992
	Risk-weighted exposure amounts					
4	Total risk exposure amount	240.207	242.972	245.947	248.301	250.157
	Capital ratios (as a percentage of risk-weighted exposure amount)					
5	Common Equity Tier 1 ratio (%)	16,04%	14,82%	14,68%	15,95%	16,29%
6	Tier 1 ratio (%)	18,12%	16,88%	16,71%	17,96%	18,29%
7	Total capital ratio (%)	20,72%	19,45%	19,26%	20,48%	20,78%
	Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)					
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	5,20%	5,20%	5,20%	5,20%	5,20%
EU 7b	of which: to be made up of CET1 capital (percentage points)	2,93%	2,93%	2,93%	2,93%	2,93%
EU 7c	of which: to be made up of Tier 1 capital (percentage points)	3,90%	3,90%	3,90%	3,90%	3,90%
EU 7d	Total SREP own funds requirements (%)	13,20%	13,20%	13,20%	13,20%	13,20%
	Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)					
8	Capital conservation buffer (%)	2,50%	2,50%	2,50%	2,50%	2,50%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	0,00%	0,00%	0,00%	0,00%	0,00%
9	Institution specific countercyclical capital buffer (%)	0,00%	0,00%	0,00%	0,00%	0,00%
EU 9a	Systemic risk buffer (%)	0,00%	0,00%	0,00%	0,00%	0,00%
10	Global Systemically Important Institution buffer (%)	0,00%	0,00%	0,00%	0,00%	0,00%
EU 10a	Other Systemically Important Institution buffer (%)	0,00%	0,00%	0,00%	0,00%	0,00%
11	Combined buffer requirement (%)	2,50%	2,50%	2,50%	2,50%	2,50%
EU 11a	Overall capital requirements (%)	15,70%	15,70%	15,70%	15,70%	15,70%
12	CET1 available after meeting the total SREP own funds requirements (%)	6,11%	4,89%	4,75%	6,02%	6,00%
	Leverage ratio					
13	Total exposure measure	564.179	546.565	554.803	537.451	540.354
14	Leverage ratio (%)	7,71%	7,50%	7,41%	8,30%	8,47%
	Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)					
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	0%	0%	0%	0%	0%
EU 14b	of which: to be made up of CET1 capital (percentage points)	0%	0%	0%	0%	0%
EU 14c	Total SREP leverage ratio requirements (%)	0%	0%	0%	0%	0%
	Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)					
EU 14d	Leverage ratio buffer requirement (%)	0%	0%	0%	0%	0%
EU 14e	Overall leverage ratio requirement (%)	3%	3%	3%	3%	3%
	Liquidity Coverage Ratio					
15	Total high-quality liquid assets (HQLA) (Weighted value -average)	291.250	282.967	283.416	270.490	259.586
EU 16a	Cash outflows - Total weighted value	106.741	102.595	106.758	103.223	105.153
EU 16b	Cash inflows - Total weighted value	12.481	15.255	14.511	13.804	14.153
16	Total net cash outflows (adjusted value)	94.260	87.339	92.247	89.419	91.000
17	Liquidity coverage ratio (%)	309%	324%	307%	302%	285%
	Net Stable Funding Ratio					
18	Total available stable funding	417.254	400.611	405.276	391.844	378.667
19	Total required stable funding	193.815	192.102	192.578	193.808	195.573
20	NSFR ratio (%)	215%	209%	210%	202%	194%

11. ASSET ENCUMBRANCE

Asset encumbrance refers to pledging of an asset or entering into any form of transaction to secure, collateralize or credit enhance a transaction from which the said asset cannot be freely withdrawn.

[2] Comparatives for Liquidity Coverage Ratio are restated to present the weighted value average.

11.1 Encumbered and unencumbered assets by asset type

Table 36 - Encumbered and unencumbered assets by asset type

31 December 2022 €000	**Carrying amount of encumbered assets**	**Fair value of encumbered assets**	**Carrying amount of unencumbered assets**	**Fair value of unencumbered assets**
Loans and advances (including loans on demand)	1.000		436.906	
Equity instruments	-	-	142	142
Debt securities	-	-	90.229	87.284
Other assets	-	-	19.238	
Assets of the reporting institution	**1.000**	-	**546.515**	**87.426**

31 December 2021	**Carrying amount of encumbered assets**	**Fair value of encumbered assets**	**Carrying amount of unencumbered assets**	**Fair value of unencumbered assets**
Loans and advances (including loans on demand)	999		382.726	
Equity instruments	-	-	131	131
Debt securities	-	-	111.679	112.096
Other assets	-	-	20.330	
Assets of the reporting institution	**999**	**-**	**514.865**	**112.227**

An asset is classified as encumbered if it has been pledged as collateral against an existing liability and as a result is no longer available to the Group for further collateral or liquidity requirements.

11.2 Collateral received by product type

Table 37 - Collateral received by product type

31 December 2022 31 December 2021 €000	**Fair value of encumbered collateral received or own debt securities issued**	**Fair value of collateral received or own debt securities issued available for encumbrance**
Equity instruments	-	-
Debt securities	-	-
Other collateral received	-	-
Total collateral received by reporting institution		

11.3 Encumbered assets/collateral received and associated liabilities

Table 38 - Encumbered assets/collateral received and associated liabilities

31 December 2022 €000	**Carrying amount of selected financial liabilities**
Matching liabilities, contingent liabilities or securities lent	-
Assets, collateral received and owndebt securities issued other than covered bonds and securitisations encumbered	1.000
31 December 2021 €000	**Carrying amount of selected financial liabilities**
Matching liabilities, contingent liabilities or securities lent	-
Assets, collateral received and owndebt securities issued other than covered bonds and securitisations encumbered	999

12. REMUNERATION DISCLOSURES

This section discloses information relating to the Group's remuneration policies and procedures and Human Resource matters, as well as information about the composition and the mandate of the Nomination and Remuneration Committee ("NRC") of the MB.

12.1 Nomination and Remuneration Committee

Within the authority delegated by the MB, the NRC is responsible for the following matters:

Nomination matters

- Ensure that the Board is comprised of members who are best able to discharge the duties and responsibilities of Directors;
- Support and advise the Board in relation to:
    - Board recruitment (including regularly reviewing, reporting on and taking into account, when making further appointments, the composition and effectiveness of the Board);
    - Directors' development;
    - Chairperson development (under the overall responsibility and supervision of the SID);
    - The ongoing evaluation of the structure, size, composition and performance of the Board, its committees and individual Directors, and
    - Succession planning for Directors and senior management;
- Ensure that the Group is equipped with the human capital necessary for the achievement of its strategic goals, whose reward will be based on personal performance and Group results;
- Propose adequate remuneration considered necessary to attract and retain high valueadding professionals. Therefore, remuneration has to be satisfactory vis-a-vis peer companies;
- Set the overarching principles and parameters of compensation and benefits policies across the

Group and exercise oversight for such issues;

- Consider the remuneration arrangements of the executive Directors of the Group, other identified staff and the employee Remuneration Policy bearing in mind the European Banking Authority Guidelines on remuneration policies and practices and the CBC Governance Directive.

Remuneration Matters

- Propose adequate remuneration considered necessary to attract and retain high valueadding professionals. Therefore, remuneration has to be satisfactory vis-a-vis peer companies;
- Set the overarching principles and parameters of compensation and benefits policies across the Group and exercise oversight for such issues;
- Consider the remuneration arrangements of the executive Directors of the Group, other identified staff and the employee Remuneration Policy bearing in mind the European Banking Authority Guidelines on remuneration policies and practices and the CBC Governance Directive.

Human Resources Matters

- Ensure that the Group is equipped with the human capital necessary for the achievement of its strategic goals, whose reward will be based on personal performance and Group results;

The members of the NRC as at 31 December 2022 were Messrs K.Mitropoulos – Chairman, A. Hadjikyrou, C. Patsalides, and A. Papathomas all of whom were non-executive directors. During 2022, the NRC held eight meetings.

The Group's Remuneration Policy is according to the signed collective agreement with the Bank Employees Trade Union (ETYK) and aims to be in line with its business strategy and objectives. The Remuneration Policy is consistent with the effective management of risk and does not provide for variable remuneration for the performance of any member of staff and thus it does not encourage excessive risk undertaking by staff members. In addition, the Remuneration Policy does not provide for the granting of any other type of incentive to staff members (such as the entitlement to shares, options or bonuses).

12.2 Staff who have a material impact on the Group's risk profile

The following groups of individuals represent staff that have a material impact on the Group's risk profile:

- Management Body;
- Senior management and other code staff whose actions could have a material impact on the Group's risk profile.

12.3 Analysis of Remuneration

The Management Body comprised 10 directors as at 31 December 2022, being made up of 2 executive and 8 non-executives. Aggregate remuneration of non-executive directors for the year amounted to €222K. Non-executive directors receive a fixed remuneration package approved by the NRC each year.

Remuneration of Members of the Management Body[3] and Other Identified Staff[4] for the year are

[3] Management Body in its Management Function includes Executive Directors (from the date of their appointment and/or up to the date of their resignation).

presented below. Other Senior Management include remuneration of the members of the Executive Committee, the heads of the Control Functions and the Executive Directors of the subsidiary.

Table 39 – EU REM 1 - Remuneration awarded for the financial Year[5]

			a	b	c	d
	31 December 2022		MB Supervisory function	MB Management function	Other senior management	Other identified staff
1	**Fixed remuneration - €000**	Number of identified staff	8	2	10	3
2		Total fixed remuneration	222	346	1.222	332
3		Of which: cash-based	222	346	1.222	332
4		(Not applicable in the EU)				
EU-4a		Of which: shares or equivalent ownership interests				
5		Of which: share-linked instruments or equivalent non-cash instruments				
EU-5x		Of which: other instruments				
6		(Not applicable in the EU)				
7		Of which: other forms				
8		(Not applicable in the EU)				
9	**Variable remuneration - €000**	Number of identified staff				
10		Total variable remuneration				
11		Of which: cash-based				
12		Of which: deferred				
EU-13a		Of which: shares or equivalent ownership interests				
EU-14a		Of which: deferred				
EU-13b		Of which: share-linked instruments or equivalent non-cash instruments				
EU-14b		Of which: deferred				
EU-14x		Of which: other instruments				
EU-14y		Of which: deferred				
15		Of which: other forms				
16		Of which: deferred				
17	Total remuneration (2 + 10)		222	346	1222	332

[4] Other Identified Staff includes staff whose actions could have a material impact on the Group's risk profile. Other identified staff does not form part of other senior management.

[5] Comparatives have been restated to align definitions used.

			a	b	c	d
	31 December 2021		MB Supervisory function	MB Management function	Other senior management	Other identified staff
1	**Fixed remuneration - €000**	Number of identified staff	5	2	11	3
2		Total fixed remuneration	194	293	1063	181
3		Of which: cash-based	194	293	1063	181
4		(Not applicable in the EU)				
EU-4a		Of which: shares or equivalent ownership interests				
5		Of which: share-linked instruments or equivalent non-cash instruments				
EU-5x		Of which: other instruments				
6		(Not applicable in the EU)				
7		Of which: other forms				
8		(Not applicable in the EU)				
9	**Variable remuneration - €000**	Number of identified staff				
10		Total variable remuneration				
11		Of which: cash-based				
12		Of which: deferred				
EU-13a		Of which: shares or equivalent ownership interests				
EU-14a		Of which: deferred				
EU-13b		Of which: share-linked instruments or equivalent non-cash instruments				
EU-14b		Of which: deferred				
EU-14x		Of which: other instruments				
EU-14y		Of which: deferred				
15		Of which: other forms				
16		Of which: deferred				
17	Total remuneration (2 + 10)		194	293	1063	181

Information on remuneration of staff whose professional activities have a material impact on institutions’ risk profile (identified staff) by business area was as follows:

Table 40 - EU REM 5 - Information on remuneration of staff whose professional activities have a material impact on institutions' risk profile (identified staff)[6][7]

31 December 2022 €000	a	b	c	d	e	f	g	h	i	j
	Management body remuneration			Business areas						
	MB Supervisory function	MB Management function	Total MB	Investment banking	Retail banking	Asset management	Corporate functions	Independent internal control functions	All other	Total
Total number of identified staff										23
Of which: members of the MB	8	2	10							
Of which: other senior management				1	4	1	1	3	0	
Of which: other identified staff				1	1	0	1	0	0	
Total remuneration of identified staff	222	346	568	231	682	123	265	254	0	
Of which: variable remuneration	-	-	-	-	-	-	-	-	-	
Of which: fixed remuneration	222	346	568	231	682	123	265	254	0	

31 December 2021 €000	a	b	c	d	e	f	g	h	i	j
	Management body remuneration			Business areas						
	MB Supervisory function	MB Management function	Total MB	Investment banking	Retail banking	Asset management	Corporate functions	Independent internal control functions	All other	Total
Total number of identified staff										21
Of which: members of the MB	5	2	7							
Of which: other senior management				1	4	1	2	3	0	
Of which: other identified staff				1	1	0	1	0	0	
Total remuneration of identified staff	194	293	487	544	123	209	187	0	0	
Of which: variable remuneration	-	-	-	-	-	-	-	-	-	
Of which: fixed remuneration	194	293	181	544	123	209	187	0	0	

The total number of full-time employees of the Group as at 31 December 2022 was 138 (2021:148).

[6] Fixed remuneration includes salaries and contributions to government.
[7] Comparatives have been restated to align definitions used

APPENDIX I - EBA templates disclosed and mapping to Pillar 3 report

Templates	Compliance Reference	Section
EU KM1	Overview of risk weighted exposure amounts	Section 10
EU OV1	Overview of total risk exposure amounts	Section 4.4
EU OVC	ICAAP information	Section 4.5
EU OVA	Institution risk management approach	Section 3.1
EU CC1	Composition of regulatory own funds	Section 4.2
EU CC2	Reconciliation of regulatory own funds to balance sheet in the audited financial statements	Section 4.3
EU LIQ1	Quantitative information of LCR	Section 9.3
EU LR1	LRSum: Summary reconciliation of accounting assets and leverage ratio exposures	Section 4.7
EU LR2	LRCom: Leverage ratio common disclosure	Section 4.7
EU LR3	LRSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)	Section 4.7
EU CRA	General qualitative information about credit risk	Section 5
EU MRA	Qualitative disclosure requirements related to market risk	Section 7
EU ORA	Qualitative information on operational risk	Section 8
EU REMA	Remuneration policy	Section 12
EU REM1	Remuneration awarded for the financial year	Section 12.3
EU REM2	Special payments to staff whose professional activities have a material impact on institutions' risk profile (identified staff)	Not applicable
EU REM3	Deferred remuneration	Not applicable
EU REM4	Remuneration of 1 million EUR or more per year	Not applicable
EU REM5	Information on remuneration of staff whose professional activities have a material impact on institutions' risk profile (identified staff)	Section 12.3
F90.01	EBA/GL/2020/07_Overview of EBA-compliant moratoria (legislative and non-legislative)	Section 3.6
F91.03	EBA/GL/2020/07_Loans and advances with expired EBAcompliant moratoria (legislative and non-legislative)	Section 3.6
EU CRD	External ratings of each nominated ECAIs	
EU OR1	Operational risk own funds requirements and risk-weighted exposure amounts	Section 8.3
EU CCyB1	Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer	Section 4.3
EU CCyB2	Amount of institution specific countercyclical capital buffer	Section 4.3
EU CR1-A	Maturity of exposures	Section 5.6
EU CQ1	Credit quality of forborne exposures	Section 5.6
EU CQ3	Credit quality of performing and non-performing exposures by past due days	Section 5.6

APPENDIX II - Specific References to CRR Articles

Article in accordance with Regulation (EU) No 575/2013	Description	Compliance Reference
Scope of disclosure requirements		
431 (1)	Requirement to publish Pillar III disclosures	Section 1.2
Non-material, proprietary or confidential information		
432	Non-material, proprietary or confidential information – EBA Guidelines on materiality, proprietary, confidentiality and on disclosure frequency	Section 1.3
Frequency of disclosure		
433	Disclosures must be published once a year at a minimum, in conjunction with the date of publication of the financial statements and more frequently if necessary.	Section 1.3
Means of disclosure		
434 (1)	To include disclosures in one appropriate medium or provide clear cross-references to other media.	All applicable disclosures are contained within the Report
434 (2)	Equivalent disclosures made under other requirements (i.e., accounting) can be used to satisfy Pillar III if appropriate.	Section 1.3
Disclosure of risk management objectives and policies		
435 1(a)	the strategies and processes to manage those categories of risks	Section 3
435 1(e)	a declaration approved by the management body on the adequacy of the risk management arrangements of the relevant institution providing assurance that the risk management systems put in place are adequate with regard to the institution's profile and strategy;	Section 3.3
435 1(f)	a concise risk statement approved by the management body succinctly describing the relevant institution's overall risk profile associated with the business strategy;	Section 3
Own funds		
437 1(a)	a full reconciliation of Common Equity Tier 1 items, Additional Tier 1 items, Tier 2 items and the filters and deductions applied to own funds of the institution pursuant to Articles 32 to 36, 56, 66 and 79 with the balance sheet in the audited financial statements of the institution;	Section 4.2
437 1(b)	a description of the main features of the Common Equity Tier 1 and Additional Tier 1 instruments and Tier 2 instruments issued by the institution;	
437 1(c)	the full terms and conditions of all Common Equity Tier 1, Additional Tier 1 and Tier 2 instruments;	
437 1(d)	(d) a separate disclosure of the nature and amounts of the following: (i) each prudential filter applied pursuant to Articles 32 to 35; (ii) items deducted pursuant to Articles 36, 56 and 66;	

Article in accordance with Regulation (EU) No 575/2013	Description	Compliance Reference
	(iii) items not deducted pursuant to Articles 47, 48, 56, 66 and 79	
437 1(e)	(e) a description of all restrictions applied to the calculation of own funds in accordance with this Regulation and the instruments, prudential filters and deductions to which those restrictions apply;	
437 1(f)	(f) a comprehensive explanation of the basis on which capital ratios are calculated where those capital ratios are calculated by using elements of own funds determined on a basis other than the basis laid down in this Regulation.	
Disclosure of own funds		
437(a)	Disclosure of own fund requirements	Section 4.2
Disclosure of own funds requirements and risk-weighted exposure amounts		
438	the total risk-weighted exposure amount and the corresponding total own funds requirement determined in accordance with Article 92, to be broken down by the different risk categories set out in Part Three and, where applicable, an explanation of the effect on the calculation of own funds and risk-weighted exposure amounts that results from applying capital floors and not deducting items from own funds.	Section 4.2
Exposure to Counterparty Credit Risk (CCR)		
439	Exposure to counterparty credit risk	Section 5
440 (1)(a)	Geographical distributions of credit exposures	Section 4.3
440 (1)(b)	Amount of the institution specific countercyclical buffer	Section 4.3
440 (2)	EBA issue the Regulatory Technical Standards on Countercyclical Capital Buffer	Section 4.3
Credit risk adjustments		
442 (a)	Definitions for accounting purposes of 'past due' and 'impaired'.	Section 5.6
442 (b)	Approaches for calculating credit risk adjustments	
442 (c)	Information on the amount and quality of performing, non-performing and forborne exposures for loans, debt securities and off-balance-sheet exposures, including their related accumulated impairment, provisions and negative fair value changes due to credit risk and amounts of collateral and financial guarantees received	
442 (d)	An ageing analysis of accounting past due exposures	
442 (e)	Distribution of exposures by geographical area and industry	
442 (f)	Any changes in the gross amount of defaulted on- and off-balance-sheet exposures, including, as a minimum, information on the opening and closing balances of those exposures, the gross amount of any of those exposures reverted to non-defaulted status or subject to a write-off	
442 (g)	The breakdown of loans and debt securities by residual maturity	

Article in accordance with Regulation (EU) No 575/2013	Description	Compliance Reference
Unencumbered assets		
443	Disclosures on unencumbered assets	Section 11
Use of ECAIs		
444 (a)	Names of the nominated ECAIs used in the calculation of Standardised Approach RWAs, and reasons for any changes	Section 5.5
444 (b)	Exposure classes associated with each ECAI	Section 5.5
444 (d)	Mapping of external rating to credit quality steps	Section 5.5
Market Risk		
445	Institutions calculating their own funds requirements in accordance with points (b) and (c) of Article 92(3) shall disclose those requirements separately for each risk referred to in those points.	Section 7
Operational Risk		
446	Disclosure of the scope of approaches used to calculate operational risk, discussion of advanced methodology and external factors considered	Section 8
Key Metrix		
447	Disclosure of Key Metrics	Section 10
Remuneration Disclosures		
450	Disclosure of information regarding their remuneration policy and practices for those categories of staff whose professional activities have a material impact on the risk profile of the institution	Section 12
Leverage		
451 (1)	Leverage ratio	Section 4.7
451(a)	Disclosure of liquidity coverage ratio, net stable funding ratio and liquidity risk management	Section 9