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Other Announcements
HELLENIC BANK PUBLIC COMPANY LTD
HB

Interim Pillar III Disclosures for the six-month period ended 30th June 2021

Announcement dated 22nd October 2021 is attached.

Attachments:

1. **Interim Pillar III Disclosures for the six-month period ended 30th June 2021**
2. **Interim Pillar III Disclosures**

Non Regulated

Publication Date: 22/10/2021

HELLENIC BANK

22nd October 2021

ANNOUNCEMENT

Subject: Interim Pillar III Disclosures for the six-month period ended 30th June 2021

Hellenic Bank Public Company Limited (the "Bank") announces that the Interim Pillar III Disclosures for the six-month period ended 30th June 2021 have been posted on the Bank's website at www.hellenicbank.com (Investor Relations).

Please find attached the Interim Pillar III Disclosures for the six-month period ended 30th June 2021.

HELLENIC BANK PUBLIC COMPANY LTD

HELLENIC BANK

Hellenic Bank Group

INTERIM PILLAR III DISCLOSURES

for the six-month period ended 30 June 2021

October 2021

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1. REGULATORY FRAMEWORK

1.1 Introduction

The Interim Pillar III disclosures for the six-month period ended 30 June 2021 of the Hellenic Bank Group (the "Group") that are presented in this document are prepared in accordance with the Capital Requirements Regulation (CRR) and Capital Requirements Directive (CRD IV) amended where applicable by CRR II and CRD V, and EBA Guidelines on Pillar III disclosures effective from 30 June 2021.

The present report relates to the Interim Pillar III disclosures of the Banking Group of the Hellenic Bank Group, applicable for this reporting period, which are prepared in accordance with the Basel III regulatory framework.

For more information refer to Pillar III Disclosures for the year ended 31 December 2020, the Audited Consolidated Financial Statements for the year ended 31 December 2020 as well as the Interim Condensed Consolidated Financial Statements for the six-month period ended 30 June 2021 which are available on the Bank's official website: www.hellenicbank.com (Investor Relations).

Numbers presented throughout this document may not add up or cross reference due to rounding.

Incorporation and Principal Activity

Hellenic Bank Public Company Limited (the "Bank") was incorporated and is domiciled in Cyprus in 1976 and is a public company in accordance with the provisions of the Companies Law (Cap. 113), the Cyprus Stock Exchange Laws and Regulations and the Income Tax Laws. The Bank is the holding company of the Group.

The principal activity of the Group is the provision of a wide range of banking and financial services, which include financial, investment and insurance services, custodian and factoring services as well as management and disposal of properties.

1.2 Basel III framework

Effective from 1 January 2014, the European Parliament's and Council's Directive 2013/36/EU (CRD IV) and the Regulation (EU) No 575/2013 (CRR) of 26 June 2013 form the European regulatory package designed to transpose the new capital, liquidity and leverage standards of Basel III (CRR) into the European Union's legal framework.

The CRR establishes the prudential requirements for capital, liquidity and leverage that credit institutions need to abide by and is immediately binding on all European Union Member States. The Directive 2013/36/EU (CRD IV) governs access to deposit-taking activities and internal governance arrangements including remuneration, board composition and transparency, while it also sets out additional capital buffer requirements. Unlike the CRR, the CRD IV has been transposed into national law.

The CRR permits a transitional period for certain of the enhanced capital requirements and certain other measures, such as the leverage ratio, which are largely fully effective from 1 January 2018, and some other transitional provisions with phase-in until 2024 (the latest).

1.2.1 Capital Requirements Regulation amendments (CRR II & CRD V)

On 7 June 2019, the EU banking reform package has been published in the Official Journal of the European Union which includes the Directive (EU) 2019/878 (CRD V) and the Regulation (EU) No 2019/876 (CRR II), entered into force on 27 June 2019.

The Regulation (EU) No 2019/876 (CRR II) includes several amendments regarding 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, among others. The majority of CRR II provisions are applicable from 28 June 2021.

The Directive (EU) 2019/878 (CRD V) amends the CRD IV as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures. The Directive has been transposed into national law.

1.2.2 COVID-19 pandemic implications on capital

The CRR II amendments that came into force from June 2021, are additional requirements to those introduced in June 2020 by Regulation (EU) 2020/873 (CRR “quick-fix”). The ECB announced a package of capital relief measures to mitigate the impact of COVID-19 pandemic on the EU banking sector.

As part of the European Central Bank’s (ECB) capital measures for COVID-19 pandemic, the Bank received an amendment to Supervisory Review and Evaluation Process (SREP) 2019, effective from March 2020, regarding the composition of the Pillar II additional own funds requirements. Pillar II requirement should be met with 56,25% of CET 1 Capital, 18,75% of Additional Tier 1 Capital, and 25% of Tier 2 Capital.

In addition, as per Central Bank of Cyprus (CBC) circular dated 7 May 2020, the fully loaded O-SII buffer for the Bank remains at 1,5% but the phasing-in of the O-SII buffer is deferred by 12 months, from the original 4 years, as a relief measure aiming to further assist corporations and households to deal with the economic consequences of the COVID-19 pandemic. Therefore, the O-SII buffer will be fully phased-in on 1 January 2023 instead of 1 January 2022.

In June 2020, Regulation (EU) 2020/873 of the European Parliament and of the Council of 24 June 2020, came into force, amending Regulation (EU) No. 575/2013 and Regulation (EU) No 2019/876 as regards certain adjustments in response to the COVID-19 pandemic (CRR – Capital Requirements Regulation – “quick-fix”). The CRR “quick-fix” is part of a series of capital relief measures to mitigate the impact of the COVID-19 pandemic on EU Member States credit institutions.

The main amendments which affect the Group’s capital adequacy ratio include the acceleration of the implementation of the new SME discount factor under CRR II introduced earlier in June 2020, instead of June 2021, extending the IFRS 9 transitional arrangements by two years and introducing further relief measures to CET 1 by allowing to fully add back to CET 1 any increase in expected credit losses recognised in 2020 and 2021, and also advancing the implementation of the application of prudential treatment of software assets as amended by CRR II to 2020 instead of 2021.

In further detail, IFRS 9 transitional arrangements have been extended by two years (up until 31 December 2024). Post 1 January 2020 expected credit losses on Stages 1 and 2 exposures are added back in CET 1 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 to 25% for 2024.

As per CRR “quick-fix” the application of the SME supporting factor, which was introduced earlier in June 2020, rather than June 2021, relates to the amendments to CRR Article 501 as introduced by CRR II. This allows for a more favourable treatment of certain exposures to SMEs and the application in the context of the COVID-19 pandemic would provide incentives to credit institutions to increase much-needed lending.

1.2.2 COVID-19 pandemic implications on capital (continued)

Regarding the prudential treatment of software assets, as per Regulation (EU) No 2019/876 institutions are no longer required to fully deduct software assets from CET 1, subject to certain criteria, and the portion of the asset not deducted from CET 1 to be risk weighted at 100%. This prudential treatment came into force in the last quarter of 2020, following the publication of Commission Delegated Regulation (EU) 2020/2176 in the Official Journal of the European Union.

Additionally, the CRR “quick-fix” permits institutions to temporarily add back unrealised gains or losses on exposures to central governments, to regional governments or to local authorities and to public sector entities, excluding those financial assets that are credit-impaired measured at fair value through other comprehensive income, during the period from 1 January 2020 to 31 of December 2022. The Group has not adopted this temporary relief, for the six-month period ended 30 June 2021 and for the year ended 31 December 2020.

Moreover, the Regulation permits transitional arrangements of Article 114 of the CRR. For exposures to Central Banks and Central Governments denominated in another Member State’s domestic currency a rating-based risk weight is assigned between 0% and 150%. Currently, the Group does not benefit from this amendment, as it has no exposures to Central Banks and Central Governments denominated in another Member State’s domestic currency.

1.2.3 Pillar III disclosures

The Pillar III Disclosures of the Group set out both quantitative and qualitative disclosures required in accordance with Part Eight “Disclosures by Institutions” of the CRR as amended by CRR II.

As per Regulation (EU) No 2019/876 (CRR II) amending Regulation (EU) No 575/2013 (CRR), Article 434a mandates the EBA to develop draft implementing technical standards (ITS) specifying uniform disclosure formats and associated instructions in accordance with which the disclosures required under Titles II and III of Part Eight of the CRR shall be made. Following this mandate, further disclosure guidelines have been published by European Banking Authority (EBA) in the “Final draft implementing technical standards on public disclosures by institutions of the information referred to in Titles II and III of Part Eight of Regulation (EU) No 575/2013” (EBA/ITS/2020/04).

The development of a comprehensive EBA ITS on Pillar III disclosures constitutes an update of EBA’s strategy regarding its policy on institutions’ Pillar III disclosures. The key goals of this strategy and the new EBA ITS are to provide a single Pillar III disclosure framework, promote consistency and comparability across institutions, facilitate access on key prudential data and provide integration of Pillar III quantitative disclosure data with supervisory reporting.

Approval

As per the Group’s formal disclosure policy, the Interim Pillar III Disclosures for the six-month period ended 30 June 2021, are approved by the Board of Directors (BoD) following review by the Board Risk Management Committee (BRMC) and the Audit Committee (AC), prior to their public disclosure.

Media

The Interim Pillar III disclosures for the six-month period ended 30 June 2021 are published on the Bank’s official website: www.hellenicbank.com (Investor Relations).

Comparatives

Comparatives presented in the report are restated, where considered necessary, to conform with changes in the presentation of the current period.

1.3 Minimum loss coverage for Non-Performing Exposures

In March 2018, ECB published an NPE addendum which supplements the NPL Guidance by specifying the ECB's supervisory expectations when assessing a bank's levels of prudential provisions for non-performing exposures. The ECB will in this context assess, among other things, the length of time an exposure has been classified as non-performing (vintage) as well as the collateral held.

In April 2019, ECB issued Regulation (EU) 2019/630 of the European Parliament and of the Council amending Regulation (EU) No 575/2013 as regards minimum loss coverage for non-performing exposures with an immediate effective date. The Regulation prescribes minimum provision coverages based on vintage and collateral held for loans that have originated after 26 April 2019.

Additionally, Hellenic Bank received a letter from the ECB in 2019, as part of normal supervisory activities, containing qualitative and quantitative elements, focused on ensuring it is managing and addressing NPEs in line with supervisory expectations with regards to the legacy NPE stock (loans that have defaulted prior to April 2018).

Taking into account the specificities of the supervisory expectations, the Bank will thus be asked to inform the ECB of any differences between their practices and the prudential provisioning expectations, as part of the SREP supervisory dialogue. Within the annual SREP discussions ECB may impose Pillar 2 measures on banks in case ECB is not confident with measure taken by the individual bank with respect to all the above.

The ECB, as part of its supervisory role, has agreed with the Bank the prudential provision shortfalls subject to Pillar 1 and Pillar 2 treatment with reference date 31 December 2020. This amount has been directly deducted from own funds resulting in a decrease in the Group's CET1 ratio by approximately 35 bps.

1.4 Implications of the COVID-19 outbreak

The COVID-19 pandemic which started affecting Cyprus since March 2020 and remains until today, led the European and global economy to an unprecedented sharp recession. Cyprus has been greatly affected by the global pandemic as well, both in terms of health and economic impact.

The large emergency fiscal package of the Cyprus Government has contributed in preserving jobs and providing liquidity for households and firms. Similarly, the domestic banking sector entered the crisis with comfortable capital and liquidity buffers and, together with the support of the ECB's accommodative monetary policy, facilitated the provision of credit and support to the economy.

The Cyprus's GDP declined by 5,1% (source: Cyprus Statistical Services) during 2020, compared to contractions of 5,9% and 6,3% for the EU and EZ economies, respectively. Cyprus real GDP increased by 5,4% year on year in the first half of 2021, while expecting a solid rebound through the second half of 2021.

Forward looking indicators suggest that the recovery's momentum is strengthened further. Nevertheless, fears of the Delta variant or the emergence of any other variants, continue to imply downside risks to the recovery. However, in countries with significant vaccine coverage, despite the uptick in the number of cases linked to the spread of the Delta variant, serious cases and deaths are only slightly increasing. In Cyprus, the vaccination campaign gradually accelerated in April 2021, reaching a significant coverage of completed vaccinations in August 2021. With better control over the health situation, we can expect a more sustainable recovery in economic activity in the second half of the year.

Risks to the recovery seem more balanced than before but still skewed to the downside. The profile of 2021 outlook will still be largely determined by the spread of the virus. The availability of a vaccine does not alter this profile but reduces the extreme risk in the Bank's baseline scenario. The pace of growth will be dependent again on the degree of support from Government and EU economic policies. Although the developments on COVID-19 effective vaccines raise hopes, significant uncertainties remain. If new infections begin to surge or intensify, longer lasting lockdowns might become necessary, with adverse economic consequences.

The Bank monitors the situation, taking all necessary measures to mitigate the impact on its operations and financial performance.

Further details of the COVID-19 impact on the Group are disclosed in Note 3 of the Financial Statements for the year ended 31 December 2020, Note 38 and Section 1.1.4 "COVID-19 related disclosures" in the "Additional information for the six-month period ended 30 June 2021" of the Interim Condensed Consolidated Financial Statements for the six-month period ended 30 June 2021.

COVID-19 related disclosures in Interim Pillar III Disclosures

Section 1.2.2 "COVID-19 pandemic implications on capital" of this report includes the impact of supervisory measures in reaction to the COVID-19 pandemic on regulatory capital.

Section 5.6 "Disclosures on measures applied in response to the COVID-19 outbreak" of this report includes COVID-19 related disclosures regarding exposures subject to moratorium.

2. KEY METRICS

The table below provides the key prudential and regulatory information and ratios covered by the amended CRR II. They comprise of own funds, RWAs, capital ratios, capital buffers requirements, requirements based on SREP, leverage rate, liquidity coverage ratio and net stable funding ratio.

For all periods presented below, except for 31 December 2020, capital ratios and leverage ratio disclosed are as per the regulatory submissions and exclude unaudited profits. Corresponding ratios including unaudited profits are provided in the next table.

Template EU KM1 - Key metrics template

		a	b	c	d	e
		30-Jun-21[1]	**31-Mar-21[1]**	**31-Dec-20[2]**	**30-Sep-20[1]**	**30-Jun-20[1]**
	Available own funds (amounts €000)[3]					
1	Common Equity Tier 1 (CET1) capital	1.076.324	1.104.915	1.111.714	1.027.542	1.025.617
2	Tier 1 capital	1.205.990	1.234.582	1.241.380	1.157.208	1.155.283
3	Total capital	1.205.990	1.234.582	1.241.380	1.157.208	1.155.283
	Risk-weighted exposure amounts[3]					
4	Total risk exposure amount	5.581.753	5.541.109	5.556.267	5.285.622	5.259.799
	Capital ratios (as a percentage of risk-weighted exposure amount)					
5	Common Equity Tier 1 ratio (%)	19,28%	19,94%	20,01%	19,44%	19,50%
6	Tier 1 ratio (%)	21,61%	22,28%	22,34%	21,89%	21,96%
7	Total capital ratio (%)	21,61%	22,28%	22,34%	21,89%	21,96%
	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 (%)	3,20%	3,20%	3,20%	3,20%	3,20%
EU 7b	of which: to be made up of CET1 capital (%)	1,80%	1,80%	1,80%	1,80%	1,80%
EU 7c	of which: to be made up of Tier 1 capital (%)	0,60%	0,60%	0,60%	0,60%	0,60%
EU 7d	Total SREP own funds requirements (%)	11,20%	11,20%	11,20%	11,20%	11,20%
	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 (%)	0,75%	0,75%	0,75%	0,75%	0,75%
11	Combined buffer requirement (%)	3,25%	3,25%	3,25%	3,25%	3,25%
EU 11a	Overall capital requirements (%)	14,45%	14,45%	14,45%	14,45%	14,45%
12	CET1 available after meeting the total SREP own funds requirements (%)	12,98%	13,64%	13,71%	13,14%	13,20%
	Leverage ratio[3]					
13	Total exposure measure	19.023.290	16.210.723	16.109.613	15.939.663	16.143.441
14	Leverage ratio (%)	6,34%	7,62%	7,71%	7,26%	7,16%

[1] Figures and ratios presented are as per the final regulatory submissions and exclude unaudited profits.
[2] Figures and ratios presented are as per the final regulatory submissions.
[3] On IFRS 9 transitional basis.

Template EU KM1 - Key metrics template (continued)

		a	b	c	d	e
		30-Jun-21[1]	31-Mar-21[1]	31-Dec-20[2]	30-Sep-20[1]	30-Jun-20[1]
	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 (%)	0,00%	0,00%	0,00%	0,00%	0,00%
EU 14b	of which: to be made up of CET1 capital (%)	0,00%	0,00%	0,00%	0,00%	0,00%
EU 14c	Total SREP leverage ratio requirements (%)	3,00%	0,00%	0,00%	0,00%	0,00%
	Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)					
EU 14d	Leverage ratio buffer requirement (%)	0,00%	0,00%	0,00%	0,00%	0,00%
EU 14e	Overall leverage ratio requirement (%)	3,00%	0,00%	0,00%	0,00%	0,00%
	Liquidity Coverage Ratio[4]					
15	Total high-quality liquid assets (HQLA) (Weighted value - average) (€ million)	7.034	6.974	7.211	7.573	7.972
EU 16a	Cash outflows - Total weighted value (€ million)	1.854	1.866	1.900	1.950	1.984
EU 16b	Cash inflows - Total weighted value (€ million)	375	392	413	425	433
16	Total net cash outflows (adjusted value) (€ million)	1.478	1.475	1.487	1.524	1.551
17	Liquidity coverage ratio (%)	476%	473%	485%	497%	514%
	Net Stable Funding Ratio[5]					
18	Total available stable funding (€ million)	14.936				
19	Total required stable funding (€ million)	7.979				
20	NSFR ratio (%)	187%				

The below table provides information on capital ratios and leverage ratio, on a transitional basis, including unaudited profits.

	a	b	c	d	e
	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20
Available own funds (amounts €000)					
Common Equity Tier 1 (CET1) capital	1.098.345	1.119.530	1.111.714	1.060.369	1.038.859
Tier 1 capital	1.228.011	1.249.197	1.241.380	1.190.035	1.168.525
Total capital	1.228.011	1.249.197	1.241.380	1.190.035	1.168.525
Risk-weighted exposure amounts					
Total risk exposure amount	5.581.753	5.541.109	5.556.267	5.285.622	5.259.799
Capital ratios (as a percentage of risk-weighted exposure amount)					
Common Equity Tier 1 ratio (%)	19,68%	20,20%	20,01%	20,06%	19,75%
Tier 1 ratio (%)	22,00%	22,54%	22,34%	22,51%	22,22%
Total capital ratio (%)	22,00%	22,54%	22,34%	22,51%	22,22%
Leverage ratio					
Total exposure measure	19.023.290	16.210.723	16.109.613	15.939.663	16.143.441
Leverage ratio (%)	6,46%	7,71%	7,71%	7,47%	7,24%

[4] As per EBA Guidelines on Pillar III disclosures, each quarterly observation is the average of the previous 12 months preceding the end of each quarter.
[5] The Capital Requirements Regulation II (CRR II), the regulation which defines and implements the NSFR for the EU, was finalized in June 2019 and is effective from June 2021.

3. SCOPE OF APPLICATION

Template EU CC2 - Reconciliation of regulatory own funds to statement of financial position in the financial statements

The tables below provide the differences in the basis of consolidation for accounting and prudential purposes. The tables compare the Statement of Financial Position as presented in the Financial Statements with the Statement of Financial Position prepared for regulatory purposes. The accounting consolidation was based on International Financial Reporting Standards (IFRS) while the prudential consolidation was based on IFRSs and the requirements of the Basel III framework in relation to the capital requirements as adopted by the European Union.

As at 30 June 2021 (€000)[6]		**Statement of financial position as in published financial statements**	**Statement of financial position under regulatory scope of consolidation**	**References**
Assets				
1	Cash and balances with Central Banks	6.655.657	6.655.657	
2	Placements with other banks	387.180	371.263	
3	Loans and advances to customers	6.002.322	6.002.322	
4	Debt securities	4.752.056	4.751.586	
5	Equity and other securities and CIUs	80.290	27.907	a
6	Investment in subsidiary companies	--	39.689	b
7	Property, plant and equipment	181.744	174.395	
8	Stock of property	191.923	190.910	
9	Intangible assets	49.887	34.152	c
10	Tax receivable	242	242	
11	Deferred tax asset	8.815	8.815	d
12	Assets held for sale	7.497	7.497	
13	Other assets	160.919	91.913	
14	**Total assets**	**18.478.532**	**18.356.350**	
Liabilities				
15	Deposits by banks	130.580	130.580	
16	Deposits by Central banks	2.299.808	2.299.808	
17	Customer deposits and other customer accounts	14.476.759	14.476.759	
18	Amounts due to subsidiary companies	--	5.698	
19	Tax payable	19.687	19.067	
20	Deferred tax liability	16.599	16.419	
21	Other liabilities	256.894	147.972	
22	Loan capital	129.666	129.666	e
23	**Total liabilities**	**17.329.993**	**17.225.969**	
Equity				
24	Share capital	206.403	206.403	
25	Reserves	942.123	923.975	
26	**Equity attributable to owners of the parent company**	**1.148.526**	**1.130.378**	f
27	Non-controlling interests	13	--	
28	**Total equity**	**1.148.539**	**1.130.378**	
29	**Total liabilities and equity**	**18.478.532**	**18.356.347**	

[6] Due to rounding, numbers presented may not cross reference with numbers in the statement of financial position as presented in the financial statements.

Template EU CC2 - Reconciliation of Regulatory Own Funds to Statement of Financial Position in the Financial Statements (continued)

As at 31 December 2020 (€000)[6]		Statement of financial position as in published financial statements	Statement of financial position under regulatory scope of consolidation	References
Assets				
1	Cash and balances with Central Banks	3.635.074	3.635.073	
2	Placements with other banks	416.869	404.366	
3	Loans and advances to customers	6.096.921	6.096.921	
4	Debt securities	5.023.933	5.023.460	
5	Equity and other securities and CIUs	67.373	19.098	a
6	Investment in subsidiary companies	--	39.689	b
7	Property, plant and equipment	183.364	175.962	
8	Stock of property	208.414	209.427	
9	Intangible assets	51.477	35.763	c
10	Tax receivable	677	260	
11	Deferred tax asset	9.608	9.608	d
12	Assets held for sale	8.719	8.719	
13	Other assets	154.446	87.255	
14	**Total assets**	**15.856.875**	**15.745.601**	
Liabilities				
15	Deposits by banks	142.760	142.760	
16	Customer deposits and other customer accounts	14.179.726	14.179.726	
17	Amounts due to subsidiary companies	--	5.136	
18	Tax payable	8.682	8.265	
19	Deferred tax liability	28.950	28.770	
20	Other liabilities	239.226	140.684	
21	Loan capital	129.666	129.666	e
22	**Total liabilities**	**14.729.010**	**14.635.007**	
Equity				
23	Share capital	206.403	206.403	
24	Reserves	921.450	904.191	
25	**Equity attributable to owners of the parent company**	**1.127.853**	**1.110.594**	f
26	Non-controlling interests	12	--	
27	**Total equity**	**1.127.865**	**1.110.594**	
28	**Total liabilities and equity**	**15.856.875**	**15.745.601**	

4. DISCLOSURE OF OWN FUNDS

4.1 Regulatory Capital

The Group’s regulatory capital is calculated in accordance with the provisions of the CRR, as amended by CRR II where applicable, and is analysed as follows:

Common Equity Tier 1 capital

- Common Equity Tier 1 capital includes share capital, share premium, retained earnings including the profit/loss for the year, accumulated other comprehensive income (i.e. revaluation reserve of investments in debt securities, revaluation reserve of investments in equity and other securities and forced sale value of property revaluation reserve) and other reserves such as translation reserve and reduction of share capital reserve. As per Article 26 (i) of the CRR and EBA Guidelines on prudent valuations, a part of property revaluation reserve is not allowed to be included in CET 1 capital.

Deductions from CET 1 capital

- The carrying amount of goodwill and other intangible assets (except for software assets for which the provisions of Regulation (EU) 2020/873 apply).

- Pursuant to Article 34 of the Regulation (EU) No 575/2013, the prudent valuation requirements of Article 105 of the CRR are applied to all assets and liabilities measured at fair value which relate to financial instruments and are deducted from CET 1 capital as well as the amount of any additional prudential value adjustments as per Article 3 of the CRR.

- As per Regulation (EU) 2019/630 of the European Parliament and of the Council of 17 April 2019 amending Regulation (EU) No 575/2013 as regards to minimum loss coverage for non-performing exposures (Pillar 1 treatment) and as per ECB Addendum to NPL Guidance (2018) and minimum provision coverages for legacy defaulters communicated via SREP assessment (Pillar 2 treatment), the prudential provisioning of non-performing exposures is deducted from CET 1 capital.

IFRS 9 transitional arrangements

- As per Regulation (EU) 2017/2395 of the European Parliament and Council of 12 December 2017 issued amending Regulation (EU) No 575/2013 as regards transitional arrangements for mitigating the impact of the introduction of IFRS 9, a portion of the impact of expected credit losses provisions is added back to CET 1 capital allowing for a transitional period of five years until full impact on 2023. For the years 2021 and 2020 the portion added back is set at 50% and 70% respectively and will gradually reduce to 25% in 2022, which is the final year of the transitional period.

- In June 2020, Regulation (EU) 2020/873, as regards certain adjustments in response to the COVID-19 pandemic, came into force, which extends the IFRS 9 transitional arrangements by introducing further relief measures to CET 1. IFRS 9 transitional arrangements have been extended by 2 years (up until 31 December 2024). Post 1 January 2020 expected credit losses on Stages 1 and 2 exposures are added back in CET 1 in a phased-out period of five years. For the years 2021 and 2020 the portion added back is 100%, reducing to 75% for 2022, to 50% for 2023 and to 25% for 2024, which is the final year of the transitional period.

- Disclosures of IFRS 9 transitional arrangements impact on capital ratios are presented in Section 4.3.

4.1 Regulatory Capital (continued)

Not deducted from CET 1 capital

- With regards to the Group's significant investments in financial sector entities, including its investments in subsidiary companies which operate in the insurance sector, the Group applied the provisions of Article 48 of the CRR, where these items are less than 10% of CET 1 capital and therefore are risk weighted at 250%.

- Similarly, with regards to the Group's deferred tax assets that rely on future profitability and arise from temporary differences, the Group applied the provisions of Article 48 of the CRR, where these items are less than 10% of CET 1 capital and therefore is risk weighted at 250%.

- Additionally, as per the provisions of Article 48 of the CRR, the Group's significant investments in financial sector entities, including its investments in subsidiary companies which operate in the insurance sector and deferred tax assets that rely on future profitability and arise from temporary differences are subject to a combined threshold of 17,65% of CET 1 capital.

Additional Tier 1 capital

- Additional Tier 1 capital includes hybrid instruments, composed by Convertible Capital Securities 1 (CCS1) and Convertible Capital Securities 2 (CCS2).

The Group's Capital policy aims to ensure the viability of the Bank through the maintenance of an appropriate level of capital, to meet regulatory requirements and internal buffers set, safeguard the best interests of shareholders and support its business strategy.

Supervisory Review and Evaluation Process 2020 (SREP 2020)

As per ECB's communication received in November 2020, the ECB is not issuing a SREP decision for the 2020 SREP cycle, which was based on the SREP assessment conducted in 2020 with reference date 30 June 2020 and also having regard to any other relevant information received thereafter, and the requirements established by the 2019 SREP decision continue to apply, including in particular, the capital requirements. The 2019 SREP decision was based on the final decision received, on 4 December 2019, of ECB's intention to adopt a decision establishing prudential requirements pursuant to Article 16 of Council Regulation (EU) No 1024/2013. This communication follows the relevant ECB's announcement on May 2020, that the ECB will be adopting a pragmatic approach towards the SREP for the 2020 cycle.

Consequently, the Bank is required to maintain for 2021 on a consolidated basis, a phased-in Capital Adequacy Ratio of 14,45%, which includes:

- the minimum Pillar I own funds requirements of 8% in accordance with Article 92(1) of Regulation (EU) No 575/2013 (of which up to 1,5% can be met with Additional Tier 1 Capital and up to 2% with Tier 2 Capital),

- an own funds Pillar II requirement of 3,2% required to be held in excess of the minimum own fund requirement (effective from March 2020, P2R to be met with 56,25% of CET1, 18,75% of AT1 and 25% of T2), and

- a phased-in combined buffer requirement which for 2021 includes the fully loaded capital conservation buffer of 2,5% which has to be made up with CET 1 capital and the O-SII buffer of 0,75%, with application starting from 1 January 2019 which is phased-in over a period of five years. As per CBC circular dated 7 May 2020, the fully loaded O-SII buffer for the Bank remains at 1,5% but with the phasing-in being deferred by 12 months, from the original 4 years, as a relief measure aiming to further assist corporations and households to deal with the economic consequences of the COVID-19 pandemic.

4.1 Regulatory Capital (continued)

Additionally, applicable for the Bank, the combined buffer requirement includes:

- an institution-specific Countercyclical capital buffer (CCyB) calculated as a weighted average of the countercyclical buffer rates that apply in the countries where an institution's credit exposures are located. The CCyB rate for Cyprus, where most of the Bank's exposures are located, was set at 0% by CBC for 2021. For the remaining exposures, the CCyB rate for the six-month period of 2021 was also 0%.

- Systemic Risk Buffer (the reciprocation of the Estonian Systemic Risk buffer for exposures located in Estonia of credit institutions authorised in Cyprus adopted by CBC, has been terminated as of 30 May 2019).

Based on the 2020 SREP communication the Pillar II requirement which is applicable for 2021 has remained the same as in 2020 at 3,2%, as the 2019 SREP decision remains in force. Furthermore, the Bank shall continue to refrain from making distributions to its shareholders, as the 2019 SREP decision continues to apply.

Considering the above, the Group's minimum Capital Adequacy Ratio, CET 1 and Tier 1 ratios for 2021 are set at 14,45%, 9,55% and 11,65% respectively, excluding Pillar II capital guidance.

In addition to the above, the ECB has provided on a consolidated basis, a Pillar II capital guidance to be made up entirely of CET 1 capital, which has remained the same as in 2020, as the 2019 SREP decision remains in force.

4.2 Template EU CC1 - Composition of regulatory own funds

The tables below disclose the components of regulatory capital as at 30 June 2021 and 31 December 2020 on both a transitional and fully loaded basis. The disclosures have been prepared using the format set out in Annex VI of the "Commission Implementing Regulation (EU) No 1423/2013", which lays down implementing technical standards with regards to disclosure of own funds requirements for institutions, in accordance with CRR as amended by CRR II.

30 June 2021 (€000)		Source[7]	Transitional basis	Transitional impact	Fully loaded basis
Common Equity Tier 1 (CET 1) capital: instruments and reserves					
1	Capital instruments and the related share premium accounts	f *(note 1)*	759.831	--	759.831
2	Retained earnings		31.498	--	31.498
3	Accumulated other comprehensive income (and other reserves)		296.892	--	296.892
EU-3a	Funds for general banking risk		--	--	--
4	Amount of qualifying items referred to in Article 484 (3) CRR and the related share premium accounts subject to phase out from CET1		--	--	--
5	Minority interests (amount allowed in consolidated CET 1)		--	--	--
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend		--	--	--
6	**Common Equity Tier 1 (CET 1) capital before regulatory adjustments**		**1.088.221**	**--**	**1.088.221**
Common Equity Tier 1 (CET 1) capital: regulatory adjustments					
7	Additional value adjustments (negative amount)		(264)	--	(264)
8	Intangible assets (net of related tax liability) (negative amount)	c *(note 2)*	(35.795)	--	(35.795)
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)		--	--	--
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value		--	--	--
12	Negative amounts resulting from the calculation of expected loss amounts		--	--	--
13	Any increase in equity that results from securitised assets (negative amount)		--	--	--
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing		--	--	--
15	Defined-benefit pension fund assets (negative amount)		--	--	--
16	Direct and indirect holdings by an institution of own CET 1 instruments (negative amount)		--	--	--
17	Direct, indirect and synthetic holdings of the CET 1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)		--	--	--
18	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)		--	--	--
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)		--	--	--
EU-20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative		--	--	--
EU-20b	of which: qualifying holdings outside the financial sector (negative amount)		--	--	--
EU-20c	of which: securitisation positions (negative amount)		--	--	--
EU-20d	of which: free deliveries (negative amount)		--	--	--

[7] Source based on reference numbers/letters of the statement of financial position under the regulatory scope of consolidation presented on Section 3.

4.2 Template EU CC1 - Composition of regulatory own funds (continued)

30 June 2021 (€000)		Source[7]	Transitional basis	Transitional impact	Fully loaded basis
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)		--	--	--
22	Amount exceeding the 17,65% threshold (negative amount)		--	--	--
23	of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities		--	--	--
25	of which: deferred tax assets arising from temporary differences		--	--	--
EU-25a	Losses for the current financial year (negative amount)		--	--	--
EU-25b	Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount)		--	--	--
27	Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)		--	--	--
27a	Other regulatory adjustments	*note 3*	24.162	(45.362)	(21.200)
28	**Total regulatory adjustments to Common Equity Tier 1 (CET 1)**		**(11.897)**	**(45.362)**	**(57.259)**
29	**Common Equity Tier 1 (CET 1) capital**		**1.076.324**	**(45.362)**	**1.030.962**
	Additional Tier 1 (AT1) capital: instruments				
30	Capital instruments and the related share premium accounts	e	129.666	--	129.666
31	of which: classified as equity under applicable accounting standards		--	--	--
32	of which: classified as liabilities under applicable accounting standards	e	129.666	--	129.666
33	Amount of qualifying items referred to in Article 484 (4) CRR and the related share premium accounts subject to phase out from AT1		--	--	--
35	of which: instruments issued by subsidiaries subject to phase out		--	--	--
EU-33b	Amount of qualifying items referred to in Article 494b (1) CRR subject to phase out from AT1		--	--	--
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties		--	--	--
35	of which: instruments issued by subsidiaries subject to phase out		--	--	--
36	**Additional Tier 1 (AT1) capital before regulatory adjustments**		**129.666**	**--**	**129.666**
	Additional Tier 1 (AT1) capital: regulatory adjustments				
37	Direct, indirect and synthetic holdings by an institution of own AT1 instruments (negative amount)		--	--	--
38	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)		--	--	--
39	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)		--	--	--
40	Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)		--	--	--
42	Qualifying T2 deductions that exceed the T2 items of the institution (negative amount)		--	--	--
42a	Other regulatory adjustments to AT1 capital		--	--	--
43	**Total regulatory adjustments to Additional Tier 1 (AT1) capital**		**--**	**--**	**--**
44	**Additional Tier 1 (AT1) capital**		**129.666**	**--**	**129.666**
45	**Tier 1 capital (T1 = CET1 + AT1)**		**1.205.990**	**(45.362)**	**1.160.628**

4.2 Template EU CC1 - Composition of regulatory own funds (continued)

30 June 2021 (€000)		Source[7]	Transitional basis	Transitional impact	Fully loaded basis
Tier 2 (T2) capital: instruments					
46	Capital instruments and the related share premium accounts		--	--	
47	Amount of qualifying items referred to in Article 484(5) CRR and the related share premium accounts subject to phase out from T2 as described in Article 486(4) CRR		--	--	--
EU-47a	Amount of qualifying items referred to in Article 494a (2) CRR subject to phase out from T2		--	--	--
EU-47b	Amount of qualifying items referred to in Article 494b (2) CRR subject to phase out from T2		--	--	--
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties		--	--	--
49	of which: instruments issued by subsidiaries subject to phase out		--	--	
50	Credit risk adjustments		--	--	
51	**Tier 2 (T2) capital before regulatory adjustments**		**--**	**--**	
Tier 2 (T2) capital: regulatory adjustments					
52	Direct, indirect and synthetic holdings by an institution of own T2 instruments and subordinated loans (negative amount)		--	--	--
53	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)		--	--	--
54	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)		--	--	--
55	Direct, indirect and synthetic holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)		--	--	--
EU-56a	Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (negative amount)		--	--	--
EU-56b	Other regulatory adjustments to T2 capital		--	--	--
57	**Total regulatory adjustments to Tier 2 (T2) capital**		**--**	**--**	**--**
58	**Tier 2 (T2) capital**		**--**	**--**	**--**
59	**Total capital (TC = T1 + T2)**		**1.205.990**	**(45.362)**	**1.160.628**
60	**Total risk exposure amount**		**5.581.753**	**(65.059)**	**5.516.694**

4.2 Template EU CC1 - Composition of regulatory own funds (continued)

30 June 2021 (€000)		Source[7]	Transitional basis	Transitional impact	Fully loaded basis
Capital ratios and buffers					
61	**Common Equity Tier 1 capital**		**19,28%**	**(0,59%)**	**18,69%**
62	**Tier 1 capital**		**21,61%**	**(0,57%)**	**21,04%**
63	**Total capital**		**21,61%**	**(0,57%)**	**21,04%**
64	**Institution CET 1 overall capital requirement**		**9,55%**	**0,75%**	**10,30%**
65	*of which: capital conservation buffer requirement*		*2,50%*	*0,00%*	*2,50%*
66	*of which: countercyclical capital buffer requirement*		*0,00%*	*0,00%*	*0,00%*
67	*of which: systemic risk buffer requirement*		*0,00%*	*0,00%*	*0,00%*
EU-67a	*of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer requirement*		*0,75%*	*0,75%*	*1,50%*
EU-67b	*of which: additional own funds requirements to address the risks other than the risk of excessive leverage*		*0,00%*	*0,00%*	*0,00%*
68	**Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements**		**12,98%**	**(0,59%)**	**12,39%**
Amounts below the thresholds for deduction (before risk weighting)					
72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)		--	--	--
73	Direct and indirect holdings by the institution of the CET 1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	a + b *(note 4)*	38.827	--	38.827
75	Deferred tax assets arising from temporary differences (amount below 17,65% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)	d	8.815	--	8.815
Applicable caps on the inclusion of provisions in Tier 2					
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)		--	--	--
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach		60.536	(813)	59.723
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)		--	--	--
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach		--	--	--
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)					
80	Current cap on CET1 instruments subject to phase out arrangements		--	--	--
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)		--	--	--
82	Current cap on AT1 instruments subject to phase out arrangements		--	--	--
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)		--	--	--
84	Current cap on T2 instruments subject to phase out arrangements		--	--	--
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)		--	--	--

4.2 Template EU CC1 - Composition of regulatory own funds (continued)

31 December 2020 (€000)		Source[7]	Transitional basis	Transitional impact	Fully loaded basis
Common Equity Tier 1 (CET 1) capital: instruments and reserves					
1	Capital instruments and the related share premium accounts	f *(note 1)*	759.831	--	759.831
2	Retained earnings		31.498	--	31.498
3	Accumulated other comprehensive income (and other reserves)		298.741	--	298.741
EU-3a	Funds for general banking risk		--	--	--
4	Amount of qualifying items referred to in Article 484 (3) CRR and the related share premium accounts subject to phase out from CET1		--	--	--
5	Minority interests (amount allowed in consolidated CET 1)		--	--	--
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend		--	--	--
6	**Common Equity Tier 1 (CET 1) capital before regulatory adjustments**		**1.090.070**	**--**	**1.090.070**
Common Equity Tier 1 (CET 1) capital: regulatory adjustments					
7	Additional value adjustments (negative amount)		(294)	--	(294)
8	Intangible assets (net of related tax liability) (negative amount)	c *(note 2)*	(36.084)	--	(36.084)
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)		--	--	--
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value		--	--	--
12	Negative amounts resulting from the calculation of expected loss amounts		--	--	--
13	Any increase in equity that results from securitised assets (negative amount)		--	--	--
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing		--	--	--
15	Defined-benefit pension fund assets (negative amount)		--	--	--
16	Direct and indirect holdings by an institution of own CET 1 instruments (negative amount)		--	--	--
17	Direct, indirect and synthetic holdings of the CET 1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)		--	--	--
18	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)		--	--	--
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)		--	--	--
EU-20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative		--	--	--
EU-20b	of which: qualifying holdings outside the financial sector (negative amount)		--	--	--
EU-20c	of which: securitisation positions (negative amount)		--	--	--
EU-20d	of which: free deliveries (negative amount)		--	--	--
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)		--	--	--
22	Amount exceeding the 17,65% threshold (negative amount)		--	--	--
23	of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities		--	--	--
25	of which: deferred tax assets arising from temporary differences		--	--	--
EU-25a	Losses for the current financial year (negative amount)		--	--	--

4.2 Template EU CC1 - Composition of regulatory own funds (continued)

31 December 2020 (€000)		Source[7]	Transitional basis	Transitional impact	Fully loaded basis
EU-25b	Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount)		--	--	--
27	Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)		--	--	--
27a	Other regulatory adjustments	*note 3*	58.022	(59.422)	(1.400)
28	**Total regulatory adjustments to Common Equity Tier 1 (CET 1)**		**21.644**	**(59.422)**	**(37.778)**
29	**Common Equity Tier 1 (CET 1) capital**		**1.111.714**	**(59.422)**	**1.052.292**
	Additional Tier 1 (AT1) capital: instruments				
30	Capital instruments and the related share premium accounts	e	129.666	--	129.666
31	of which: classified as equity under applicable accounting standards		--	--	--
32	of which: classified as liabilities under applicable accounting standards	e	129.666	--	129.666
33	Amount of qualifying items referred to in Article 484 (4) CRR and the related share premium accounts subject to phase out from AT1		--	--	--
EU-33a	Amount of qualifying items referred to in Article 494a (1) CRR subject to phase out from AT1		--	--	--
EU-33b	Amount of qualifying items referred to in Article 494b (1) CRR subject to phase out from AT1		--	--	--
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties		--	--	--
35	of which: instruments issued by subsidiaries subject to phase out		--	--	--
36	**Additional Tier 1 (AT1) capital before regulatory adjustments**		**129.666**	**--**	**129.666**
37	Direct, indirect and synthetic holdings by an institution of own AT1 instruments (negative amount)		--	--	--
38	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)		--	--	--
39	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)		--	--	--
	Additional Tier 1 (AT1) capital: regulatory adjustments				
40	Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)		--	--	--
42	Qualifying T2 deductions that exceed the T2 items of the institution (negative amount)		--	--	--
42a	Other regulatory adjustments to AT1 capital		--	--	--
43	**Total regulatory adjustments to Additional Tier 1 (AT1) capital**		**--**	**--**	**--**
44	**Additional Tier 1 (AT1) capital**		**129.666**	**--**	**129.666**
45	**Tier 1 capital (T1 = CET1 + AT1)**		**1.241.380**	**(59.422)**	**1.181.958**

4.2 Template EU CC1 - Composition of regulatory own funds (continued)

31 December 2020 (€000)		Source[7]	Transitional basis	Transitional impact	Fully loaded basis
Tier 2 (T2) capital: instruments					
46	Capital instruments and the related share premium accounts		--	--	--
47	Amount of qualifying items referred to in Article 484(5) CRR and the related share premium accounts subject to phase out from T2 as described in Article 486(4) CRR		--	--	--
EU-47a	Amount of qualifying items referred to in Article 494a (2) CRR subject to phase out from T2		--	--	--
EU-47b	Amount of qualifying items referred to in Article 494b (2) CRR subject to phase out from T2		--	--	--
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties		--	--	--
49	of which: instruments issued by subsidiaries subject to phase out		--	--	--
50	Credit risk adjustments		--	--	--
51	**Tier 2 (T2) capital before regulatory adjustments**		**--**	**--**	**--**
Tier 2 (T2) capital: regulatory adjustments					
52	Direct, indirect and synthetic holdings by an institution of own T2 instruments and subordinated loans (negative amount)		--	--	--
53	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)		--	--	--
54	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)		--	--	--
55	Direct, indirect and synthetic holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)		--	--	--
EU-56a	Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (negative amount)		--	--	--
EU-56b	Other regulatory adjustments to T2 capital		--	--	--
57	**Total regulatory adjustments to Tier 2 (T2) capital**		**--**	**--**	**--**
58	**Tier 2 (T2) capital**		**--**	**--**	**--**
59	**Total capital (TC = T1 + T2)**		**1.241.380**	**(59.422)**	**1.181.958**
60	**Total risk exposure amount**		**5.556.267**	**(70.839)**	**5.485.428**

4.2 Template EU CC1 - Composition of regulatory own funds (continued)

31 December 2020 (€000)		Source[7]	Transitional basis	Transitional impact	Fully loaded basis
Capital ratios and buffers					
61	**Common Equity Tier 1 capital**		**20,01%**	**(0,83%)**	**19,18%**
62	**Tier 1 capital**		**22,34%**	**(0,79%)**	**21,55%**
63	**Total capital**		**22,34%**	**(0,79%)**	**21,55%**
64	**Institution CET 1 overall capital requirement**		**9,55%**	**0,75%**	**10,30%**
65	*of which: capital conservation buffer requirement*		*2,50%*	*0,00%*	*2,50%*
66	*of which: countercyclical capital buffer requirement*		*0,00%*	*0,00%*	*0,00%*
67	*of which: systemic risk buffer requirement*		*0,00%*	*0,00%*	*0,00%*
EU-67a	*of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer requirement*		*0,75%*	*0,75%*	*1,50%*
EU-67b	*of which: additional own funds requirements to address the risks other than the risk of excessive leverage*		*0,00%*	*0,00%*	*0,00%*
68	**Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements**		**13,71%**	**(0,83%)**	**12,88%**
Amounts below the thresholds for deduction (before risk weighting)					
72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)		--	--	--
73	Direct and indirect holdings by the institution of the CET 1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	a + b *(note 4)*	31.241	--	31.241
75	Deferred tax assets arising from temporary differences (amount below 17,65% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)	d	9.608	--	9.608
Applicable caps on the inclusion of provisions in Tier 2					
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)		--	--	--
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach		60.264	(855)	59.379
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)		--	--	--
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach		--	--	--
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)					
80	Current cap on CET1 instruments subject to phase out arrangements		--	--	--
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)		--	--	--
82	Current cap on AT1 instruments subject to phase out arrangements		--	--	--
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)		--	--	--
84	Current cap on T2 instruments subject to phase out arrangements		--	--	--
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)		--	--	--

4.2 Template EU CC1 - Composition of regulatory own funds (continued)

Notes:

1. As at 30 June 2021, as per Article 26 (i) of the CRR and EBA Guidelines on prudent valuations a part of property revaluation reserve amounting to €20.136 thousand is not allowed to be included in CET 1 capital (31 December 2020: €20.524 thousand). Additionally, retained earnings for the six-month period ended 30 June 2021 exclude unaudited profits amounting to €22.021 thousand.

2. As at 30 June 2021, software assets amounting to €12.775 thousand (31 December 2020: €14.097 thousand) were not deducted from CET 1 capital as per the provisions of Regulation (EU) 2020/873. Additionally, Goodwill includes the excess of the cost of the acquisition over the Group’s interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquired entities at the date of acquisition of Pancyprian Insurance Ltd (PIL) as well as Present value of acquired in force business (PVIF) owned by PIL amounting to €14.418 thousand (31 December 2020: €14.418 thousand).

3. Other regulatory adjustments include IFRS 9 transitional arrangements added back of €45.362 thousand (31 December 2020: €59.422 thousand), capital reduction for additional prudential value adjustments as per Article 3 of the CRR of €1.400 thousand (31 December 2020: €1.400 thousand) and capital deduction for the prudential provisioning of non-performing exposures of €19.800 thousand, based on Pillar 1 and Pillar 2 treatment, (31 December 2020: NIL).

4. The corresponding reference in the statement of financial position includes the Group’s significant investments in financial sector entities, including its investments in subsidiary companies which operate in the insurance sector (amount below 10% threshold from CET 1 capital).

Composition of regulatory own funds - commentary

The decrease of 73 basis in CET 1 ratio[8] (transitional basis) compared to 31 December 2020, was the result of the following:

i) decrease in CET1 capital, due to:
   - the change in IFRS 9 transitional arrangements added back to CET 1, reduced from 85% for 2019 and 70% for 2020 to 50% for 2021 and the COVID-19 relief measures as per Regulation (EU) 2020/873 by which post 1 January 2020 expected credit losses on Stages 1 and 2 exposures are added back in CET 1 in a phased-out period of 5 years (100% for 2020 and 2021) (net effect of 25 basis points decrease),
   - the decrease in other comprehensive income (effect of 3 basis points decrease), mainly due to the decrease in revaluation reserve from bonds and the decrease in intangible assets (effect of 1 basis point increase),
   - the prudential provision impact of non-performing exposures as per Regulation (EU) 2019/630, amending Regulation (EU) No 575/2013 as regards to minimum loss coverage for non-performing exposures (Pillar 1 treatment) and as per ECB Addendum to NPL Guidance (2018) and minimum provision coverages for legacy defaulters communicated via SREP assessment (Pillar 2 treatment) is deducted from CET 1 capital (effect of 35 basis points decrease),

ii) overall increase in RWAs, mainly due to the increase in investments in debt securities, as the Bank continues the investment activity on the treasury portfolio, and new lending, offset by the decrease in placements with other banks and decrease in net funded exposures due to repayments (effect of 10 basis points decrease).

[8] As per the final regulatory submissions excluding unaudited profits for the six-month period ended 30 June 2021

4.3 Comparison of institutions' own funds and capital and leverage ratios with and without the application of transitional arrangements for IFRS 9 or analogous ECLs, and with and without the application of the temporary treatment in accordance with Article 468 CRR

Template IFRS 9 /Article 468 – Fully Loaded[9]

		30-Jun-21[10]	31-Mar-21[10]	31-Dec-20[11]	30-Sep-20[10]	30-Jun-20[10]
	Available capital (amounts €000)					
1	Common Equity Tier 1 (CET1) capital	1.076.324	1.104.915	1.111.714	1.027.542	1.025.617
2	Common Equity Tier 1 (CET1) capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	1.030.962	1.051.621	1.052.292	979.633	978.324
3	Tier 1 capital	1.205.990	1.234.582	1.241.380	1.157.208	1.155.283
4	Tier 1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	1.160.629	1.181.288	1.181.959	1.109.300	1.107.991
5	Total capital	1.205.990	1.234.582	1.241.380	1.157.208	1.155.283
6	Total capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	1.160.629	1.181.288	1.181.959	1.109.300	1.107.991
	Risk-weighted assets (amounts €000)					
7	Total risk-weighted assets	5.581.753	5.541.109	5.556.267	5.285.622	5.259.799
8	Total risk-weighted assets as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	5.516.694	5.488.460	5.485.428	5.234.934	5.210.060
	Capital ratios					
9	Common Equity Tier 1 (as a percentage of risk exposure amount)	19,28%	19,94%	20,01%	19,44%	19,50%
10	Common Equity Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	18,69%	19,16%	19,18%	18,71%	18,78%
11	Tier 1 (as a percentage of risk exposure amount)	21,61%	22,28%	22,34%	21,89%	21,96%
12	Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	21,04%	21,52%	21,55%	21,19%	21,27%
13	Total capital (as a percentage of risk exposure amount)	21,61%	22,28%	22,34%	21,89%	21,96%
14	Total capital (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	21,04%	21,52%	21,55%	21,19%	21,27%
	Leverage ratio					
15	Leverage ratio total exposure measure	19.023.290	16.210.723	16.109.613	15.939.663	16.143.441
	Leverage ratio total exposure measure as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	19.004.076	16.179.198	16.050.786	15.919.957	16.123.956
16	Leverage ratio	6,34%	7,62%	7,71%	7,26%	7,16%
17	Leverage ratio as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	6,11%	7,30%	7,36%	6,97%	6,87%

[9] The Group has not adopted the temporary treatment of unrealised gains and losses measured at fair value through other comprehensive income, therefore in the above template the relevant rows have not been included.
[10] Figures and ratios presented are as per the final regulatory submissions and exclude unaudited profits.
[11] Figures and ratios presented are as per the final regulatory submissions.

4.4 Disclosure of countercyclical capital buffers

As set out in Article 130(1) of Directive 2013/36/EU Member States are obliged to require institutions to maintain an institution-specific countercyclical capital buffer.

With a view to ensuring transparency and comparability across institutions, the CRR requires institutions to disclose the key elements of the calculation of their countercyclical capital buffer, comprising the geographical distribution of their relevant credit exposures and the final amount of their institution-specific countercyclical capital buffer.

As set out in Article 130(1) of Directive 2013/36/EU, an institution-specific countercyclical buffer is calculated as the product of its total risk exposure amount in accordance with Article 92(3) of the CRR and the institution-specific countercyclical buffer rate.

As set out in Article 140(1) of Directive 2013/36/EU, an institution-specific countercyclical capital buffer rate consists of the weighted average of the countercyclical buffer rates that apply in the countries where the relevant credit exposures of the institution are located. The distribution by country of relevant credit exposures is provided in the tables below for June 2021 and December 2020 respectively, in accordance with the provisions laid down in Commission Delegated Regulation (EU) No 1152/2014:

4.4.1 Template EU CCyB1 - Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer

		a	b	c	d	e	f	g	h	i	j	k	l	m
30 June 2021 (€000)		**General credit exposures**		**Relevant credit exposures – Market risk**		**Securitisation exposures Exposure value for non-trading book**	**Total exposure value**	**Own fund requirements**				**Risk-weighted exposure amounts**	**Own fund requirements weights (%)**	**Counter cyclical buffer rate (%)**
		Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models			Relevant credit risk exposures - Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book	**Total**			
010	**Breakdown by country:**													
0101	Cyprus	5.687.820	--	450	--	408.028	6.096.298	326.142	36	9.612	**335.791**	3.601.139	**95%**	**0%**
0102	Other	496.845	--	--	--	167.130	663.975	15.995	--	1.337	**17.332**	1.241.728	**5%**	**0%**
020	**Total**	**6.184.665**	**--**	**450**	**--**	**575.158**	**6.760.273**	**342.137**	**36**	**10.949**	**353.123**	**4.842.867**	**100%**	

4.4 Disclosure of countercyclical capital buffers (continued)

4.4.1 Template EU CCyB1 - Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer (continued)

31 December 2020 (€000)		a	b	c	d	e	f	g	h	i	j	k	l	m
		General credit exposures		Relevant credit exposures – Market risk		Securitisation exposures Exposure value for non-trading book	Total exposure value	Own fund requirements				Risk-weighted exposure amounts	Own fund requirements weights (%)	Counter cyclical buffer rate (%)
		Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models			Relevant credit risk exposures - Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book	Total			
010	**Breakdown by country:**													
0101	Cyprus	5.563.066	--	450	--	242.025	--	317.431	36	7.304	**324.771**	3.632.410	**92%**	**0%**
0102	Other	635.598	--	--	--	171.810	--	24.977	--	1.374	**26.351**	1.188.741	**8%**	**0%**
020	**Total**	**6.198.664**	**--**	**450**	**--**	**413.835**	**6.612.949**	**342.408**	**36**	**8.678**	**351.122**	**4.821.151**	**100%**	

In accordance with Article 2(5)(b) of Commission Delegated Regulation (EU) No 1152/2014, foreign general credit risk exposures, whose aggregate does not exceed 2% of the aggregate of the general credit, trading book and securitisation exposures of that institution, may be allocated to the institutions' home member state. The Bank has applied this discretion and since the highest foreign exposure is less than the 2% threshold (except France, Netherlands, UK and Marshall Islands in 2020), all foreign exposures, excluding the ones aforementioned, have been allocated to Cyprus.

4.4.2 Template EU CCyB2 - Amount of institution-specific countercyclical capital buffer

The table below summarizes the institution-specific countercyclical buffer rate calculation for June 2021 and December 2020 respectively:

€000)		30 June 2021	31 December 2020
1	Total Risk Exposure Amount	5.581.753	5.556.267
2	Institution specific countercyclical buffer rate	0,0%	0,0%
3	Institution specific countercyclical buffer requirement	--	--

5. CREDIT RISK MANAGEMENT

5.1 Disclosure of overview of risk-weighted exposure amounts

The Group follows the Standardised Approach for the calculation of the Pillar I capital requirement for credit risk and market risk and the Basic Indicator Approach for operational risk. Pillar II requirements are calculated through the ICAAP exercise. A comparison of Pillar I capital requirement (defined on Pillar I total capital at 8%) between 2021 and 2020 is provided in the table below.

Template EU OV1 – Overview of total risk exposure amounts

(€000)		**Total risk exposure amounts (TREA)[12]**		**Total own funds requirements**
		30 June 2021	**31 December 2020**	**30 June 2021**
1	Credit risk (excluding CCR)	4.577.742	4.608.597	366.219
2	*Of which the standardised approach*	4.577.742	4.608.597	366.219
3	*Of which the Foundation IRB (F-IRB) approach*	--	--	--
4	*Of which slotting approach*	--	--	--
EU 4a	*Of which equities under the simple riskweighted approach*	--	--	--
5	*Of which the Advanced IRB (A-IRB) approach*	--	--	--
6	Counterparty credit risk - CCR	14.455	3.414	1.156
7	*Of which the standardised approach*	--	--	--
8	*Of which internal model method (IMM)*	--	--	--
EU 8a	*Of which exposures to a CCP*	--	--	--
EU 8b	*Of which credit valuation adjustment - CVA*	5.299	1.466	424
9	*Of which other CCR*	9.155	1.949	732
15	Settlement risk	--	--	--
16	Securitisation exposures in the non-trading book (after the cap)	136.868	108.482	10.949
17	*Of which SEC-IRBA approach*	--	--	--
18	*Of which SEC-ERBA (including IAA)*	92.388	58.987	7.391
19	*Of which SEC-SA approach*	44.480	49.495	3.558
EU 19a	*Of which 1250% / deduction*	--	--	--
20	Position, foreign exchange and commodities risks (Market risk)	663	728	53
21	*Of which the standardised approach*	663	728	53
22	*Of which IMA*	--	--	--
EU 22a	Large exposures	--	--	--
23	Operational risk	732.923	732.923	58.634
EU 23a	*Of which basic indicator approach*	732.923	732.923	58.634
EU 23b	*Of which standardised approach*	--	--	--
EU 23c	*Of which advanced measurement approach*	--	--	--
24	Amounts below the thresholds for deduction (subject to 250% risk weight)	119.102	102.123	9.528
29	**Total**	**5.581.753**	**5.556.267**	**446.540**

The increase in total RWAs is mainly due to the increase in investments in debt securities, as the Bank continues the investment activity on the treasury portfolio, and new lending, offset by the decrease in placements with other banks and decrease in net funded exposures due to repayments.

[12] Figures reported include loans and advances to customers classified as held for sale as per IFRSs.

5.2 Disclosure of the use of credit risk mitigation techniques

The tables below provide a breakdown of the carrying amount of unsecured and secured exposures (net of allowances/impairments), the carrying amount of exposures (net of allowances/impairments) covered by collateral, financial guarantees and credit derivatives used as credit risk mitigants for loans and advances, debt securities and population which are non-performing and in default, as at 30 June 2021 and 31 December 2020 respectively.

Template EU CR3 – CRM techniques overview - Disclosure of the use of credit risk mitigation techniques

30 June 2021 (€000)		**Unsecured carrying amount**	**Secured carrying amount**			
				Of which **secured by collateral**	Of which **secured by financial guarantees**	
						Of which **secured by credit derivatives**
		a	**b**	**c**	**d**	**e**
1	Loans and advances[13]	8.410.565	5.147.426	5.053.938	93.488	--
2	Debt securities	4.752.980	--	--	--	
3	**Total**	**13.163.545**	**5.147.426**	**5.053.938**	**93.488**	**--**
4	*Of which non-performing exposures*	688.194	784.771	775.983	8.788	--
EU-5	*Of which defaulted*	688.194	784.771			

31 December 2020 (€000)[14]		**Unsecured carrying amount**	**Secured carrying amount**			
				Of which **secured by collateral**	Of which **secured by financial guarantees**	
						Of which **secured by credit derivatives**
		a	**b**	**c**	**d**	**e**
1	Loans and advances[13]	5.559.628	5.140.827	5.047.360	93.467	--
2	Debt securities	5.025.278	--	--	--	
3	**Total**	**10.584.906**	**5.140.827**	**5.047.360**	**93.467**	**--**
4	*Of which non-performing exposures*	701.898	801.317	792.709	8.608	--
EU-5	*Of which defaulted*	701.898	801.317			

The increase observed between the current and last year figures in the category "Total Loans" was driven by an increase in Cash balances at central banks and other demand deposits due to the participation of the Bank in the June 2021 ECB TLTRO operation. The Bank proceeded with a TLTRO transaction with the ECB (repurchase agreement) for an amount of €2,3 billion where it pledges bonds to received cash. The cash proceeds where placed in the ECB Target 2 account.

[13] Figures reported include cash balances at central banks and other demand deposits and exclude loans and advances to customers classified as held for sale as per IFRSs.

[14] The figures reported for 31 December 2020 have been restated, in order to be comparable with current period figures, to be in with the latest EBA Guidelines on Pillar III disclosures.

5.3 Disclosure of the use of standardised approach

The tables below illustrate the effect of all CRM techniques applied in accordance with Part Three, Title II, Chapter 4 of the CRR as at 30 June 2021 and 31 December 2020 respectively.

Template EU CR4 – Standardised approach – Credit risk exposure and CRM effects

30 June 2021 - (€000)		a	b	c	d	e	f
		Exposures before CCF and before CRM		Exposures post CCF and post CRM		RWAs and RWAs density	
Exposure classes[15]		On-balance-sheet exposures	Off-balance-sheet exposures	On-balance-sheet exposures	Off-balance-sheet exposures	RWAs	RWA Density
1	Central governments or central banks	8.656.903	6	9.991.516	1.928	--	0%
2	Regional government or local authorities	5.947	9.430	2.281	--	456	20%
3	Public sector entities	--	40	--	5	5	100%
4	Multilateral development banks	128.761	--	128.761	--	--	0%
5	International organisations	N/A	N/A	N/A	N/A	N/A	N/A
6	Institutions	1.525.686	3.038	1.530.222	2.590	438.043	29%
7	Corporates	1.513.321	597.500	1.359.166	134.718	1.343.698	90%
8	Retail	2.087.383	572.001	1.045.565	67.217	790.364	71%
9	Secured by mortgages on immovable property	1.599.393	47.047	1.599.393	28.058	687.086	42%
10	Exposures in default	792.051	20.616	454.341	4.459	512.713	112%
11	Exposures associated with particularly high risk	204.637	62.236	184.909	27.948	319.285	150%
12	Covered bonds	642.258	--	642.258	--	81.019	13%
13	Institutions and corporates with a short-term credit assessment	N/A	N/A	N/A	N/A	N/A	N/A
14	Collective investment undertakings	N/A	N/A	N/A	N/A	N/A	N/A
15	Equity	25.269	--	25.269	--	63.173	250%
16	Other items	611.351	--	611.351	--	461.002	75%
17	**Total**	**17.792.960**	**1.311.914**	**17.575.031**	**266.925**	**4.696.844**	**26%**

[15] Figures reported include loans and advances to customers classified as held for sale as per IFRSs.

5.3 Disclosure of the use of standardised approach (continued)

31 December 2020 - (€000)		a	b	c	d	e	f
		Exposures before CCF and before CRM		Exposures post CCF and post CRM		RWAs and RWAs density	
Exposure classes[15]		On-balance-sheet exposures	Off-balance-sheet exposures	On-balance-sheet exposures	Off-balance-sheet exposures	RWAs	RWA Density
1	Central governments or central banks	6.037.791	6	7.447.480	3.098	--	0%
2	Regional government or local authorities	4.787	10.340	2.287	11	460	20%
3	Public sector entities	2	44	--	--	--	100%
4	Multilateral development banks	177.403	--	177.403	--	--	0%
5	International organisations	N/A	N/A	N/A	N/A	N/A	N/A
6	Institutions	1.544.357	2.696	1.548.597	2.624	430.204	28%
7	Corporates	1.538.784	542.212	1.383.063	77.748	1.307.829	90%
8	Retail	2.215.318	590.903	1.098.316	64.105	825.596	71%
9	Secured by mortgages on immovable property	1.529.192	46.443	1.529.192	29.828	635.769	41%
10	Exposures in default	809.890	34.911	484.715	10.194	537.228	109%
11	Exposures associated with particularly high risk	232.706	79.450	208.267	35.219	365.229	150%
12	Covered bonds	643.523	--	643.523	--	81.112	13%
13	Institutions and corporates with a short-term credit assessment	N/A	N/A	N/A	N/A	N/A	N/A
14	Collective investment undertakings	N/A	N/A	N/A	N/A	N/A	N/A
15	Equity	25.270	--	25.270	--	63.175	250%
16	Other items	609.170	--	609.170	--	464.118	76%
17	**Total**	**15.368.193**	**1.307.005**	**15.157.283**	**222.827**	**4.710.720**	**31%**

The on-balance sheet amount of "Central government or Central banks" exposure class has increased due to the participation of the Bank in the June 2021 ECB TLTRO operation. The Bank proceeded with a TLTRO transaction with the ECB (repurchase agreement) for an amount of €2,3 billion where it pledges bonds to received cash. The cash proceeds where placed in the ECB Target 2 account. In terms of RWAs all exposure classes present a slight decrease except "Corporates", "Institutions" and "Exposures secured by mortgages on immovable property" mainly due to new lending and investment activity.

5.3 Disclosure of the use of standardised approach (continued)

The tables below present the breakdown of exposures by asset class and risk weight for 30 June 2021 and 31 December 2020 respectively.

Template EU CR5 – Standardised approach

30 June 2021 - (€000) *		**Risk Weight**										**Total**	**Of which: unrated (excl. deducted)**
Exposure Classes[16]		**0%**	**10%**	**20%**	**35%**	**50%**	**75%**	**100%**	**150%**	**250%**	**Others (deducted)**		
1	Central governments or central banks	10.333.681	--	--	--	--	--	--	--	--	--	**10.333.681**	--
2	Regional government or local authorities	--	--	2.281	--	--	--	--	--	--	--	**2.281**	2.281
3	Public sector entities	--	--	--	--	--	--	5	--	--	--	**5**	5
4	Multilateral development banks	128.761	--	--	--	--	--	--	--	--	--	**128.761**	--
5	International organisations	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	--	**0**	--
6	Institutions	5.616	--	1.189.297	--	319.054	--	32.665	0	5.971	--	**1.552.604**	58.642
7	Corporates	--	--	--	--	33.778	86.681	1.238.100	135.325	--	--	**1.493.884**	1.086.273
8	Retail exposures	--	--	--	--	--	1.112.837	--	--	--	--	**1.112.837**	1.112.837
9	Exposures secured by mortgages on immovable property	--	--	--	1.164.615	233.883	--	228.953	--	--	--	**1.627.451**	1.627.451
10	Exposures in default	--	--	--	--	--	--	350.975	107.825	--	--	**458.800**	458.800
11	Exposures associated with particularly high risk	--	--	--	--	--	--	--	212.857	--	--	**212.857**	212.857
12	Covered bonds	--	474.323	167.935	--	--	--	--	--	--	--	**642.258**	--
13	Exposures to institutions and corporates with a short-term credit assessment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	--	**--**	--
14	Units or shares in collective investment undertakings	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	--	**--**	--
15	Equity exposures	--	--	--	--	--	--	--	--	25.269	--	**25.269**	25.269
16	Other items	156.823	0	22.660	--	--	--	415.467	--	16.401	35.795	**647.146**	611.351
17	**Total**	**10.624.880**	**474.323**	**1.382.173**	**1.164.615**	**586.716**	**1.199.518**	**2.266.166**	**456.007**	**47.641**	**35.795**	**18.237.834**	**5.195.766**

** Including Derivatives and Repo*

[16] Figures reported include loans and advances to customers classified as held for sale as per IFRSs.

5.3 Disclosure of the use of standardised approach (continued)

31 December 2020 - (€000) *		Risk Weight										Total	Of which: unrated (excl. deducted)
Exposure Classes[16]		0%	10%	20%	35%	50%	75%	100%	150%	250%	Others (deducted)		
1	Central governments or central banks	7.450.578	--	--	--	--	--	--	--	--	--	**7.450.578**	--
2	Regional government or local authorities	--	--	2.298	--	--	--	--	--	--	--	**2.298**	2.298
3	Public sector entities	--	--	--	--	--	--	--	--	--	--	**--**	--
4	Multilateral development banks	177.403	--	--	--	--	--	--	--	--	--	**177.403**	--
5	International organisations	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	--	**--**	--
6	Institutions	5.745	--	1.240.765	--	269.406	--	34.347	--	5.971	--	**1.556.234**	22.886
7	Corporates	--	--	--	--	13.784	90.264	1.243.989	112.774	--	--	**1.460.811**	1.096.618
8	Retail exposures	--	--	--	--	--	1.162.476	--	--	--	--	**1.162.476**	1.162.476
9	Exposures secured by mortgages on immovable property	--	--	--	1.137.337	249.276	--	172.407	--	--	--	**1.559.020**	1.559.020
10	Exposures in default	--	--	--	--	--	--	410.268	84.640	--	--	**494.908**	494.908
11	Exposures associated with particularly high risk	--	--	--	--	--	--	--	243.486	--	--	**243.486**	243.486
12	Covered bonds	--	475.921	167.602	--	--	--	--	--	--	--	**643.523**	--
13	Exposures to institutions and corporates with a short-term credit assessment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	--	**--**	--
14	Units or shares in collective investment undertakings	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	--	**--**	--
15	Equity exposures	--	--	--	--	--	--	--	--	25.270	--	**25.270**	25.270
16	Other items	140.962	--	23.128	--	--	--	435.472	--	9.608	36.084	**645.254**	609.170
17	**Total**	**7.77.688**	**475.921**	**1.433.793**	**1.137.337**	**532.466**	**1.252.740**	**2.296.483**	**440.900**	**40.849**	**36.084**	**15.421.261**	**5.216.134**

The on-balance sheet amount of “Central government or Central banks” exposure class has increased due to the participation of the Bank in the June 2021 ECB TLTRO operation. The Bank proceeded with a TLTRO transaction with the ECB (repurchase agreement) for an amount of €2,3 billion where it pledges bonds to received cash. The cash proceeds where placed in the ECB Target 2 account. In terms of RWAs all exposure classes present a slight decrease except "Corporates", "Institutions" and "Exposures secured by mortgages on immovable property" mainly due to new lending and investment activity.

5.4 Disclosure of credit risk quality

5.4.1 Non-performing exposures

The tables below disclose information on NPEs based on the definitions of the EBA standards. The definition of credit impaired loans (Stage 3) is aligned to the EBA NPEs definition.

Applicable as at 31 December 2020

The EBA published in 2014 its technical standards with respect to non-performing and forborne exposures which were adopted by the European Commission (EC) through the Commission Implementation Regulation (EU) 2015/1278. Exposures include all debt instruments (loans and advances and debt securities) and off-balance sheet exposures, except those held for trading exposures.

As per the above regulation, the following are considered as NPEs:

(i) Material exposures that are over 90 days past due,

(ii) The debtor is assessed as unlikely to pay its credit obligations in full without realisation of collateral, regardless of the existence of any past-due amount or of the number of days past due,

(iii) Exposures in respect of which a default is considered to have occurred in accordance with Article 178 of Regulation (EU) No 575/2013,

(iv) Exposures of debtors against whom legal action has been taken by the Bank or exposures of bankrupt debtors,

(v) Exposures that are found impaired as per the applicable accounting framework,

(vi) Forborne exposures that were NPE at forbearance or became NPE due to forbearance or NPE after forbearance and which are re-forborne while under probation (the probation period for forborne exposures begins once the contract is considered as performing and lasts for two years minimum),

(vii) Forborne exposures reclassified from NPE status i.e. that were NPE at forbearance or became NPE due to forbearance or NPE after forbearance and present more than 30 days past due while under probation,

(viii) Further to the above the all-embracing criteria apply as follows: (a) for debtors classified as retail debtors as per the Regulation (EU) No 575/2013, when the Bank has on-balance sheet exposures to a debtor that are material and are past due by more than 90 days the gross carrying amount of which represents more than 20% of the gross carrying amount of all on-balance sheet exposures to that debtor, all on and off-balance sheet exposures to that debtor shall be considered as non-performing, else only exposures that are non-performing will be classified as such and (b) for debtors classified as non-retail debtors as per the Regulation (EU) No 575/2013, when any on-balance sheet exposure to that debtor is non-performing, all on and off-balance sheet exposures to that debtor shall be considered as NPE.

Applicable as at 1 January 2021

As of 1 January 2021, the Bank has implemented the new default definition under Article 178 of the Capital Requirements Directive. The application of this definition has been aligned to the relevant EBA Guidelines (EBA/GL/2016/07) and the Regulatory Technical Standards on the materiality threshold for Past due credit obligations (EBA/RTS/2016/06). As at 1 January 2021, the impact of this change on the Group's exposures was immaterial.

The following amendments to the default definition have been applied:

- Material days past due - Based on regulatory materiality thresholds for Retail and Non-Retail borrowers, the days past due counter will be calculated whenever these thresholds are breached. As a result, a non-performing classification is triggered when materiality thresholds have been breached for more than 90 consecutive days.
- Diminished obligation due to a distressed restructuring - Where material forgiveness or postponement of principal, interest, or fees to forborne exposures results in a diminished financial obligation of previously expected cash flows. Default event is triggered through unlikely to pay criteria regardless of material days past due, resulting in a non-performing classification.
- Probation period - All non-performing exposures are subject to a 3-month probation period during which, no default entry criteria are met. Once the probation period ends, exposures are re-classified to performing with the exception of non-performing distressed restructurings that continue to undergo a 12-month probation period.

5.4.1 Non-performing exposures (continued)

For more information in relation to non-performing exposures, refer to Section 1.1.1 “Loans and advances” in the “Additional information for the six-month period ended 30 June 2021” of the Interim Condensed Consolidated Financial Statements for the six-month period ended 30 June 2021 and Notes 19 and 52 of the Financial Statements for the year ended 31 December 2020.

Loan Portfolio Quality

As part of its NPE deleveraging strategy, the Bank is committed and continues the efforts of exploring all deleveraging options, including the disposals of NPE portfolios. The Bank’s effort is developing gradually and steadily, despite the disruptions of the COVID-19 pandemic.

I. Loans and advances portfolios classified as held for sale

The Bank entered into binding agreements to dispose to third parties, portfolios of non-performing loans. Completion was subject to customary, regulatory and other approvals and was expected to take place during 2021. As at 31 December 2020 according to the provisions of IFRS 5 "Non-Current assets held for sale and Discontinued operations” the Group reclassified assets that related to portfolios of non-performing loans held at amortised cost. During the six-month period ended 30 June 2021, loans and advances have been derecognised following the successful completion of the corresponding transaction.

Further analysis of the loans and advances portfolios classified as held for sale is disclosed in Section 1.1.2. “Assets held for sale” in the “Additional information for the six-month period ended 30 June 2021” of the Interim Condensed Consolidated Financial Statements for the six-month period ended 30 June 2021 and Note 29 of the Financial Statements for the year ended 31 December 2020 and presented separately in Sections 5.4.1.1, 5.4.1.2 and 5.4.2.1 of this report. Loans and advances portfolios classified as held for sale as at 30 June 2021 have been derecognised following the successful completion of the corresponding transaction during September 2021.

II. Project Starlight

The Bank has been working closely together with its advisors towards a sale of a material NPE portfolio (“Project Starlight”), which will expedite the reduction of legacy NPEs and accelerate the Bank’s balance sheet clean-up. The transaction is progressing according to a planned timeline where a signing of the transaction is targeted by year end 2021 and a closing in 2022. The execution of Project Starlight transaction remains dependent on prevalent market conditions and third-party interest. The perimeter involved comprises legacy NPEs totalling a gross amount of c.€0,7 billion as of 30 June 2021. Post completion of the transaction the Bank is expected to reach its medium-term target of mid-single digit NPE ratio (excl. APS NPEs).

5.4.1.1 Non-performing exposures by past due days

The tables below present the gross carrying amount, broken down by exposure class, of performing and non-performing exposures, including a further breakdown of past-due exposures by the number of days that they have been past due, as at 30 June 2021 and 31 December 2020, respectively.

Template EU CQ3 - Credit quality of performing and non-performing exposures by past due days

5.4.1.1 Non-performing exposures by past due days (continued)

30 June 2021 (€000)[17]		a	b	b	d	e	f	g	h	i	j	k	l
		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
005	**Cash balances at central banks and other demand deposits**	**6.724.976**	**6.724.976**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**
010	**Loans and advances**	**5.360.050**	**5.323.590**	**36.460**	**1.472.966**	**282.074**	**53.302**	**50.254**	**117.995**	**359.983**	**95.434**	**513.924**	**1.472.966**
020	*Central banks*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*
030	*General governments*	*6.062*	*6.062*	*--*	*416*	*416*	*--*	*--*	*--*	*--*	*--*	*--*	*416*
040	*Credit institutions*	*145.410*	*145.410*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*
050	*Other financial corporations*	*129.247*	*129.164*	*83*	*10.948*	*5.087*	*--*	*61*	*41*	*1.289*	*320*	*4.151*	*10.948*
060	*Non-financial corporations*	*2.024.421*	*2.019.499*	*4.922*	*673.063*	*143.691*	*12.149*	*12.853*	*23.909*	*122.115*	*51.437*	*306.909*	*673.063*
070	*Of which SMEs*	*1.682.907*	*1.677.985*	*4.922*	*672.818*	*143.602*	*12.149*	*12.853*	*23.909*	*121.959*	*51.437*	*306.909*	*672.818*
080	*Households*	*3.054.910*	*3.023.456*	*31.454*	*788.539*	*132.881*	*41.152*	*37.340*	*94.045*	*236.580*	*43.677*	*202.864*	*788.539*
	Loans and advances to customers classified held for sale	**--**	**--**	**--**	**51.266**	**65**	**161**	**--**	**136**	**4.947**	**1.925**	**44.031**	**51.266**
090	**Debt securities**	**4.752.980**	**4.752.980**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**
100	*Central banks*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*
110	*General governments*	*2.104.545*	*2.104.545*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*
120	*Credit institutions*	*1.896.094*	*1.896.094*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*
130	*Other financial corporations*	*685.306*	*685.306*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*
140	*Non-financial corporations*	*67.035*	*67.035*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*
150	**Off-balance-sheet exposures**	**1.300.030**	**--**	**--**	**27.011**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**27.011**
160	*Central banks*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*
170	*General governments*	*9.527*	*--*	*--*	*334*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*334*
180	*Credit institutions*	*2.990*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*
190	*Other financial corporations*	*21.523*	*--*	*--*	*38*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*38*
200	*Non-financial corporations*	*900.317*	*--*	*--*	*21.749*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*21.749*
210	*Households*	*365.674*	*--*	*--*	*4.890*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*4.890*
220	***Total****	***11.413.060***	***10.076.570***	***36.460***	***1.499.976***	***282.074***	***53.302***	***50.254***	***117.995***	***359.983***	***95.434***	***513.924***	***1.499.976***

* *Total excludes rows "Cash balances at central banks and other demand deposits" and "Loans and advances to customers classified held for sale" as per EBA Guidelines.*

[17] Numbers may not add up/cross reference due to rounding.

5.4.1.1 Non-performing exposures by past due days (continued)

31 December 2020 (€000)[17]		a	b	b	d	e	f	g	h	i	j	k	l
		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
005	**Cash balances at central banks and other demand deposits**	**3.648.519**	**3.648.519**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**
010	**Loans and advances**	**5.548.721**	**5.514.146**	**34.575**	**1.503.215**	**249.757**	**25.880**	**63.940**	**189.826**	**333.305**	**115.838**	**524.670**	**1.503.215**
020	*Central banks*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*
030	*General governments*	*4.839*	*4.835*	*4*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*
040	*Credit institutions*	*250.249*	*250.247*	*2*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*
050	*Other financial corporations*	*139.762*	*139.702*	*60*	*17.147*	*4.674*	*--*	*1*	*6.982*	*986*	*418*	*4.086*	*17.147*
060	*Non-financial corporations*	*2.018.162*	*2.011.949*	*6.213*	*709.660*	*144.986*	*4.661*	*12.876*	*46.018*	*126.448*	*67.384*	*307.286*	*709.660*
070	*Of which SMEs*	*1.721.328*	*1.715.115*	*6.213*	*709.417*	*144.894*	*4.661*	*12.876*	*46.018*	*126.297*	*67.384*	*307.286*	*709.417*
080	*Households*	*3.135.708*	*3.107.413*	*28.295*	*776.407*	*100.097*	*21.218*	*51.063*	*136.826*	*205.870*	*48.035*	*213.298*	*776.407*
	Loans and advances to customers classified held for sale	**7**	**7**	**--**	**50.456**	**215**	**--**	**41**	**92**	**5.166**	**4.799**	**40.144**	**50.456**
090	**Debt securities**	**5.025.278**	**5.025.278**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**
100	*Central banks*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*
110	*General governments*	*2.492.840*	*2.492.840*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*
120	*Credit institutions*	*2.025.889*	*2.025.889*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*
130	*Other financial corporations*	*413.834*	*413.834*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*
140	*Non-financial corporations*	*92.714*	*92.714*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*
150	**Off-balance-sheet exposures**	**1.278.466**			**42.942**								**42.942**
160	*Central banks*	*--*			*--*								*--*
170	*General governments*	*10.454*			*750*								*750*
180	*Credit institutions*	*2.700*			*--*								*--*
190	*Other financial corporations*	*22.384*			*237*								*237*
200	*Non-financial corporations*	*864.344*			*38.940*								*38.940*
210	*Households*	*378.583*			*3.015*								*3.015*
220	***Total****	***11.852.464***	***10.539.424***	***34.574***	***1.546.156***	***249.757***	***25.879***	***63.940***	***189.826***	***333.304***	***115.837***	***524.670***	***1.546.156***

* *Total excludes rows "Cash balances at central banks and other demand deposits" and "Loans and advances to customers classified held for sale" as per EBA Guidelines.*

The NPEs as at 30 June 2021 amounted to €1.500 million (including off-balance sheet items), compared to €1.546 million as at 31 December 2020, reflecting a reduction of 3%. The reduction in the Non-Performing portfolio was driven by the €74 million non-contractual write offs implemented during the six-month period ended 30 June 2021 shared between Private Individuals (37%) and Legal Entities (63%). A significant increase of 84% is observed in Cash balances at central banks and other demand deposits due to the participation of the Bank in the June 2021 ECB TLTRO operation. The Bank proceeded with a TLTRO transaction with the ECB (repurchase agreement) for an amount of €2,3 billion where it pledges bonds to received cash. The cash proceeds where placed in the ECB Target 2 account.

5.4.1.2 Performing and non-performing exposures and related provisions

The tables below present the gross carrying amount, accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions, accumulated partial write-off, and collateral and financial guarantees received, for both performing and non-performing exposures, with a breakdown by exposure class and staging, as at 30 June 2021 and 31 December 2020 respectively.

Template EU CR1 - Performing and non-performing exposures and related provisions

30 June 2021 (€000)[18]		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Gross carrying amount/nominal amount	Gross carrying amount/nominal amount	Gross carrying amount/nominal amount	Gross carrying amount/nominal amount	Gross carrying amount/nominal amount	Gross carrying amount/nominal amount	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions	Accumula-ted partial write-off	Collateral and financial guarantees received[19]	Collateral and financial guarantees received[19]
		Performing exposures	Performing exposures	Performing exposures	Non-performing exposures	Non-performing exposures	Non-performing exposures	Performing exposures – accumulated impairment and provisions	Performing exposures – accumulated impairment and provisions	Performing exposures – accumulated impairment and provisions	Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions	Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk 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 stage 2	Of which stage 3		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3			
005	**Cash balances at central banks and other demand deposits**	**6.724.976**	**6.724.976**	**--**	**--**	**--**	**--**	**18**	**18**	**--**	**--**	**--**	**--**	**--**	**--**	**--**
010	**Loans and advances**	**5.360.050**	**4.286.061**	**977.885**	**1.472.966**	**--**	**1.472.966**	**57.458**	**35.735**	**50.003**	**628.098**	**--**	**628.098**	**955.424**	**4.362.655**	**784.771**
020	*Central banks*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*
030	*General governments*	*6.062*	*6.062*	*--*	*416*	*--*	*416*	*123*	*123*	*--*	*8*	*--*	*8*	*--*	*2.713*	*408*
040	*Credit institutions*	*145.410*	*145.410*	*--*	*--*	*--*	*--*	*272*	*272*	*--*	*--*	*--*	*--*	*--*	*--*	*--*
050	*Other financial corporations*	*129.247*	*109.795*	*19.452*	*10.948*	*--*	*10.948*	*2.173*	*1.365*	*808*	*4.295*	*--*	*4.295*	*6.056*	*77.067*	*6.645*
060	*Non-financial corporations*	*2.024.421*	*1.300.966*	*704.274*	*673.063*	*--*	*673.063*	*42.943*	*10.967*	*37.143*	*352.463*	*--*	*352.463*	*692.334*	*1.561.267*	*300.651*
070	*Of which SMEs*	*1.682.907*	*972.129*	*691.598*	*672.818*	*--*	*672.818*	*38.722*	*9.195*	*34.695*	*352.447*	*--*	*352.447*	*691.531*	*1.466.812*	*300.423*
080	*Households*	*3.054.910*	*2.723.828*	*254.159*	*788.539*	*--*	*788.539*	*11.947*	*23.008*	*12.052*	*271.331*	*--*	*271.331*	*257.035*	*2.721.608*	*477.068*
	Loans and advances to customers classified as held for sale	**--**	**--**	**--**	**51.266**	**--**	**51.266**	**--**	**--**	**--**	**43.765**	**--**	**43.765**	**--**	**--**	**2.998**

[18] Numbers may not add up/cross reference due to rounding.
[19] Government Guarantee Scheme is not included.

5.4.1.2 Performing and non-performing exposures and related provisions (continued)

30 June 2021 (€000)[18]		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumula-ted partial write-off	Collateral and financial guarantees received[19]	
		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 stage 2	Of which stage 3		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3			
090	**Debt securities**	**4.752.980**	**4.752.980**	**--**	**--**	**--**	**--**	**1.395**	**1.395**	**--**	**--**	**--**	**--**	**--**	**--**	**--**
100	*Central banks*	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
110	*General governments*	*2.104.545*	*2.104.545*	--	--	--	--	*204*	*204*	--	--	--	--	--	--	--
120	*Credit institutions*	*1.896.094*	*1.896.094*	--	--	--	--	*493*	*493*	--	--	--	--	--	--	--
130	*Other financial corporations*	*685.306*	*685.306*	--	--	--	--	*348*	*348*	--	--	--	--	--	--	--
140	*Non-financial corporations*	*67.035*	*67.035*	--	--	--	--	*350*	*350*	--	--	--	--	--	--	--
150	**Off-balance-sheet exposures**	**1.300.030**	**1.146.477**	**150.439**	**27.011**	**--**	**27.011**	**11.644**	**7.696**	**3.813**	**4.587**	**--**	**4.587**		**650.362**	**11.085**
160	*Central banks*	--	--	--	--	--	--	--	--	--	--	--	--		--	--
170	*General governments*	*9.527*	*9.357*	--	*334*	--	*334*	*54*	*53*	--	*4*	--	*4*		*1.407*	*334*
180	*Credit institutions*	*2.990*	*2.990*	--	--	--	--	*16*	*16*	--	--	--	-		*3*	-
190	*Other financial corporations*	*21.523*	*20.930*	*593*	*38*	--	*38*	*111*	*106*	*5*	*10*	--	*10*		*6.210*	*34*
200	*Non-financial corporations*	*900.317*	*757.385*	*141.172*	*21.749*	--	*21.749*	*7.412*	*3.888*	*3.434*	*3.769*	--	*3.769*		*475.491*	*8.130*
210	*Households*	*365.674*	*355.815*	*8.674*	*4.890*	--	*4.890*	*4.051*	*3.635*	*373*	*804*	--	*804*		*167.250*	*2.587*
220	***Total****	***11.413.060***	***10.185.518***	***1.128.324***	***1.499.976***	--	***1.499.976***	***70.496***	***44.826***	***53.816***	***632.685***	**--**	***632.685***	***955.424***	***5.013.017***	***795.856***

* *Total excludes rows "Cash balances at central banks and other demand deposits" and "Loans and advances to customers classified held for sale" as per EBA Guidelines.*

5.4.1.2 Performing and non-performing exposures and related provisions (continued)

31 December 2020 (€000)[18]		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumula-ted partial write-off	Collateral and financial guarantees received[19]	
		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 stage 2	Of which stage 3		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3			
005	**Cash balances at central banks and other demand deposits**	**3.648.519**	**3.648.519**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**
010	**Loans and advances**	**5.548.721**	**4.487.993**	**1.060.728**	**1.503.215**	**-**	**1.503.215**	**58.825**	**29.179**	**29.646**	**646.229**	- -	**646.229**	**869.933**	**4.339.510**	**801.317**
020	*Central banks*	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
030	*General governments*	*4.839*	*4.835*	*4*	--	--	--	*55*	*53*	*2*	--	--	--	--	*2.302*	--
040	*Credit institutions*	*250.249*	*250.241*	*8*	--	--	--	*289*	*289*	--	--	--	--	--	--	--
050	*Other financial corporations*	*139.762*	*93.039*	*46.724*	*17.147*	--	*17.147*	*3.335*	*2.581*	*753*	*4.978*	- -	*4.978*	*9.028*	*32.843*	*10.631*
060	*Non-financial corporations*	*2.018.162*	*1.347.582*	*670.580*	*709.660*	--	*709.660*	*42.661*	*10.917*	*31.744*	*367.785*	--	*367.785*	*640.350*	*1.531.963*	*322.031*
070	*Of which SMEs*	*1.721.328*	*1.050.748*	*670.580*	*709.417*	--	*709.417*	*40.397*	*8.652*	*31.744*	*367.639*	--	*367.639*	*640.347*	*1.459.572*	*321.806*
080	*Households*	*3.135.708*	*2.792.297*	*343.412*	*776.407*	--	*776.407*	*12.486*	*15.339*	*(2.853)*	*273.466*	--	*273.466*	*220.555*	*2.772.402*	*468.655*
	Loans and advances to customers classified as held for sale	**7**	--	**7**	**50.456**	--	**50.456**	--	--	--	**41.741**	--	**41.741**	--	--	**4.043**
090	**Debt securities**	**5.025.278**	**5.025.278**	**--**	**--**	**--**	**--**	**1.819**	**1.819**	**--**	**--**	**--**	**--**	**--**	**--**	**--**
100	*Central banks*	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
110	*General governments*	*2.492.840*	*2.492.840*	--	--	--	--	*260*	*260*	--	--	--	--	--	--	--
120	*Credit institutions*	*2.025.889*	*2.025.889*	--	--	--	--	*390*	*390*	--	--	--	--	--	--	--
130	*Other financial corporations*	*413.834*	*413.834*	--	--	--	--	*76*	*76*	--	--	--	--	--	--	--
140	*Non-financial corporations*	*92.714*	*92.714*	--	--	--	--	*1.093*	*1.093*	--	--	--	--	--	--	--

5.4.1.2 Performing and non-performing exposures and related provisions (continued)

31 December 2020 (€000)[18]		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumula-ted partial write-off	Collateral and financial guarantees received[19]	
		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 stage 2	Of which stage 3		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3			
150	**Off-balance-sheet exposures**	**1.278.466**	**1.083.854**	**194.612**	**42.942**	**--**	**42.942**	**12.508**	**9.202**	**3.306**	**5.806**	**--**	**5.806**		**685.486**	**17.265**
160	*Central banks*	--	--	--	--	--	--	--	--	--	--	--	--		--	--
170	*General governments*	*10.454*	*10.434*	*21*	*750*	--	*750*	*72*	*72*	--	*8*	--	*8*		*1.443*	*750*
180	*Credit institutions*	*2.700*	--	*2.700*	--	--	--	*5*	*5*	--	--	--	--		*3*	--
190	*Other financial corporations*	*22.384*	*723*	*21.661*	*237*	--	*237*	*148*	*97*	*51*	*33*	--	*33*		*6.520*	*232*
200	*Non-financial corporations*	*864.344*	*707.590*	*156.753*	*38.940*	--	*38.940*	*7.532*	*4.693*	*2.839*	*5.145*	--	*5.145*		*498.623*	*15.069*
210	*Households*	*378.583*	*365.107*	*13.477*	*3.015*	--	*3.015*	*4.752*	*4.335*	*417*	*620*	--	*620*		*178.896*	*1.214*
220	***Total****	***11.852.464***	***10.597.126***	***1.255.340***	***1.546.156***	**--**	***1.546.156***	***73.153***	***40.200***	***32.952***	***652.035***	**--**	***652.035***	***869.933***	***5.024.996***	***818.582***

* *Total excludes rows "Cash balances at central banks and other demand deposits" and "Loans and advances to customers classified held for sale" as per EBA Guidelines.*

An overall reduction was observed in the total performing portfolio driven by the repayments of loans and advances and maturities of debt securities during the six-month period ended 30 June 2021. A significant increase of 84% is observed in Cash balances at central banks and other demand deposits due to the participation of the Bank in the June 2021 ECB TLTRO operation. The Bank proceeded with a TLTRO transaction with the ECB (repurchase agreement) for an amount of €2,3 billion where it pledges bonds to received cash. The cash proceeds where placed in the ECB Target 2 account.

5.4.1.3 Quality of non-performing exposures by geography

The tables below present the gross carrying amount of performing and non-performing exposures and the related accumulated impairment, provisions and accumulated negative changes in fair value due to credit risk by geographical location as at 30 June 2021 and 31 December 2020 respectively.

Template EU CQ4 - Quality of non-performing exposures by geography

30 June 2021 (€000)[20]		a	b	c	d	e	f	g
		Gross carrying/nominal amount				Accumulated impairment	Provisions on off-balance-sheet commitments and financial guarantees given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
			Of which non-performing		Of which subject to impairment			
				Of which defaulted				
010	***On-balance-sheet exposures***	**11.585.996**	**1.472.966**	**1.472.966**	**11.585.996**	**686.951**		--
020	*Cyprus*	8.446.215	1.442.159	1.442.159	8.446.215	667.836		--
030	*Greece*	173.091	1.940	1.940	173.091	1.383		--
040	*France*	411.292	11	11	411.292	253		--
050	*United Kingdom*	447.158	15.295	15.295	447.158	8.785		--
060	*Canada*	221.827	--	--	221.827	45		--
070	*Other countries**	1.886.412	13.560	13.560	1.886.412	8.649		--
080	***Off-balance-sheet exposures***	**1.327.041**	**27.011**	**27.011**			**16.231**	
090	*Cyprus*	1.289.644	26.938	26.938			16.187	
100	*Greece*	12.884	--	--			11	
110	*France*	5.931	--	--			1	
120	*United Kingdom*	326	2	2			2	
130	*Canada*	18	--	--			--	
140	*Other countries**	18.238	70	70			30	
150	***Total***	***12.913.037***	***1.499.976***	***1.499.976***	***11.585.996***	***686.951***	***16.231***	**--**

* *Exposures to supranational organisations are reported in "Other countries".*

[20] Figures reported exclude loans and advances to customers classified as held for sale as per IFRSs and cash balances at central banks and other demand deposits.

5.4.1.3 Quality of non-performing exposures by geography (continued)

31 December 2020 (€000)[20]		a	b	c	d	e	f	g
		Gross carrying/nominal amount				Accumulated impairment	Provisions on off-balance-sheet commitments and financial guarantees given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
			Of which non-performing		Of which subject to impairment			
				Of which defaulted				
010	***On-balance-sheet exposures[21]***	**12.231.615**	**1.503.215**	**1.503.215**	**12.231.615**	**706.872**		**--**
020	*Cyprus*	8.857.710	1.474.421	1.474.421	8.857.710	687.153		--
030	*Greece*	227.914	1.496	1.496	227.914	776		--
040	*France*	415.303	--	--	415.303	394		--
050	*United Kingdom*	467.891	15.064	15.064	467.891	8.976		--
060	*Canada*	222.018	--	--	222.018	45		--
070	*Other countries**	2.040.779	12.234	12.234	2.040.779	9.528		--
080	***Off-balance-sheet exposures***	**1.321.407**	**42.942**	**42.942**			**18.314**	
090	*Cyprus*	1.316.750	42.924	42.877			18.288	
100	*Greece*	1.789	4	4			9	
110	*France*	8	--	--			--	
120	*United Kingdom*	295	2	2			2	
130	*Canada*	20	--	--			--	
140	*Other countries**	2.545	12	59			15	
150	***Total***	***13.553.023***	***1.546.157***	***1.546.157***	***12.231.615***	***706.872***	***18.314***	**--**

* *Exposures to supranational organisations are reported in "Other countries".*

The on-balance sheet exposures have reduced for all countries because of the reduction in both loans and advances and debt securities portfolios. Performing exposures have reduced due to repayments and the reduction in the non-performing loans and advances is driven by the non-contractual write-offs implemented during the six-month period ended 30 June 2021. Investments in debt securities have decreased mainly due to maturities during the six-month period ended 30 June 2021.

[21] The figures reported for 31 December 2020 have been restated, in order to be comparable with current period figures, to be in with the latest EBA Guidelines on Pillar II disclosures.

5.4.1.4 Credit quality of loans and advances to non-financial corporations by industry

The tables below present the gross carrying amount of loans and advances to non-financial corporations, and the related accumulated impairment and accumulated negative changes in fair value due to credit risk by counterparty sector relating to non-financial corporation counterparty as at 30 June 2021 and 31 December 2020 respectively.

Template EU CQ5 - Credit quality of loans and advances to non-financial corporations by industry

30 June 2021 (€000)[22]		a	b	c	d	e	f
		Gross carrying amount				Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
			Of which non-performing		Of which loans and advances subject to impairment		
				Of which defaulted			
010	Agriculture, forestry and fishing	45.970	12.736	12.736	45.970	7.298	--
020	Mining and quarrying	10.953	896	896	10.953	800	--
030	Manufacturing	370.857	53.923	53.923	370.857	34.931	--
040	Electricity, gas, steam and air conditioning supply	40.769	510	510	40.769	956	--
050	Water supply	40.522	1.060	1.060	40.522	162	--
060	Construction	334.940	188.185	188.185	334.940	109.455	--
070	Wholesale and retail trade	521.866	164.331	164.331	521.866	111.289	--
080	Transport and storage	263.708	12.192	12.192	263.708	8.917	--
090	Accommodation and food service activities	515.849	76.121	76.121	515.849	60.399	--
100	Information and communication	37.984	4.379	4.379	37.984	2.842	--
110	Financial and insurance activities	--	--	--	--	--	--
120	Real estate activities	258.051	117.180	117.180	258.051	39.422	--
130	Professional, scientific and technical activities	59.381	8.192	8.192	59.381	3.836	--
140	Administrative and support service activities	36.288	5.121	5.121	36.288	4.358	--
150	Public administration and defence, compulsory social security	--	--	--	--	--	--
160	Education	20.305	9.833	9.833	20.305	4.550	--
170	Human health services and social work activities	93.927	2.265	2.265	93.927	2.475	--
180	Arts, entertainment and recreation	28.262	14.016	14.016	28.262	2.778	--
190	Other services	17.852	2.124	2.124	17.852	940	--
200	***Total***	***2.697.484***	***673.063***	***673.063***	***2.697.484***	***395.406***	***--***

[22] Figures reported exclude loans and advances to customers classified as held for sale as per IFRSs.

5.4.1.4 Credit quality of loans and advances to non-financial corporations by industry (continued)

31 December 2020 (€000)[22]		a	b	c	d	e	f
		Gross carrying amount				Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
			Of which non-performing		Of which loans and advances subject to impairment		
				Of which defaulted			
010	Agriculture, forestry and fishing	47.478	14.986	14.986	47.478	7.673	--
020	Mining and quarrying	11.902	1.242	1.242	11.902	1.157	--
030	Manufacturing	359.047	58.150	58.150	359.047	36.566	--
040	Electricity, gas, steam and air conditioning supply	43.758	573	573	43.758	1.207	--
050	Water supply	45.259	594	594	45.259	308	--
060	Construction	361.118	214.732	214.732	361.118	118.792	--
070	Wholesale and retail trade	542.121	170.844	170.844	542.121	115.172	--
080	Transport and storage	264.031	14.154	14.154	264.031	9.581	--
090	Accommodation and food service activities	511.851	78.476	78.476	511.851	56.654	--
100	Information and communication	26.976	4.296	4.296	26.976	2.983	--
110	Financial and insurance activities	--	--	--	--	--	--
120	Real estate activities	256.157	112.328	112.328	256.157	41.835	--
130	Professional, scientific and technical activities	59.147	6.985	6.985	59.147	3.279	--
140	Administrative and support service activities	29.942	5.408	5.408	29.942	4.619	--
150	Public administration and defence, compulsory social security	--	--	--	--	--	--
160	Education	20.383	9.113	9.113	20.383	3.938	--
170	Human health services and social work activities	101.633	2.404	2.404	101.633	2.867	--
180	Arts, entertainment and recreation	27.952	13.502	13.502	27.952	2.705	--
190	Other services	19.068	1.875	1.875	19.068	1.108	--
200	***Total***	***2.727.822***	***709.660***	***709.660***	***2.727.822***	***410.446***	***--***

During the six-month period ended 30 June 2021, a decrease of €37 million was observed in the non-performing loans to non-financial corporations, driven mainly by the resolution of non-performing loans in the Construction industry (€27 million). Reduction of non-performing loans has been achieved through the non-contractual write offs implemented during the six-month period ended 30 June 2021, of which €17 million relates to Construction industry, and through the implementation of Debt to Asset swaps, foreclosures and write-offs performed.

5.4.1.5 Collateral valuation - loans and advances

The tables below present the gross carrying amount of loans and advances collateralised, both performing and non-performing, broken down by loan-to-value bucket, the related accumulated impairment, and the value of the collateral/financial guarantees received and the partial write-offs for these exposures, as at 30 June 2021 and 31 December 2020 respectively. All this information is broken down by ageing analysis.

Template EU CQ6 - Collateral valuation - loans and advances

30 June 2021 (€000)[23,24]		a	b	c	d	e	f	g	h	i	j	k	l
		Loans and advances											
			Performing		**Non-performing**								
						Unlikely to pay that are not past due or are past due ≤ 90 days	**Past due > 90 days**						
				Of which past due > 30 days ≤ 90 days				**Of which past due > 90 days ≤ 180 days**	**Of which: past due > 180 days ≤ 1 year**	**Of which: past due > 1 years ≤ 2 years**	**Of which: past due > 2 years ≤ 5 years**	**Of which: past due > 5 years ≤ 7 years**	**Of which: past due > 7 years**
010	**Gross carrying amount**	**6.833.015**	**5.360.050**	**36.460**	**1.472.966**	**282.074**	**1.190.892**	**53.302**	**50.254**	**117.995**	**359.983**	**95.434**	**513.924**
020	*Of which secured*	6.003.777	4.651.588	32.909	1.352.189	258.325	1.093.864	48.631	45.536	107.416	337.560	85.582	469.138
030	*Of which secured with immovable property*	5.518.259	4.185.620	31.892	1.332.639	251.428	1.081.211	47.901	44.876	105.846	332.640	85.025	464.922
040	*Of which instruments with LTV higher than 60% and lower or equal to 80%*	991.679	829.988		161.691	35.758	125.933						
050	*Of which instruments with LTV higher than 80% and lower or equal to 100%*	477.050	338.572		138.478	32.256	106.222						
060	*Of which instruments with LTV higher than 100%*	1.015.232	329.376		685.856	30.395	655.461						
070	**Accumulated impairment for secured assets**	**568.171**	**41.008**	**2.067**	**527.163**	**42.749**	**484.415**	**7.653**	**9.954**	**24.504**	**101.163**	**42.758**	**298.384**

[23] Figures reported exclude loans and advances to customers classified as held for sale as per IFRSs.
[24] Numbers may not add up/cross reference due to rounding.

5.4.1.5 Collateral valuation - loans and advances (continued)

30 June 2021 (€000)[23,24]		a	b	c	d	e	f	g	h	i	j	k	l
		Loans and advances											
			Performing		Non-performing								
						Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days						
				Of which past due > 30 days ≤ 90 days				Of which past due > 90 days ≤ 180 days	Of which: past due > 180 days ≤ 1 year	Of which: past due > 1 years ≤ 2 years	Of which: past due > 2 years ≤ 5 years	Of which: past due > 5 years ≤ 7 years	Of which: past due > 7 years
080	**Collateral**												
090	*Of which value capped at the value of exposure*	5.053.938	4.277.955	30.015	775.983	201.918	574.065	38.573	33.869	79.150	218.626	41.117	162.730
100	*Of which immovable property*	4.672.724	3.903.885	29.283	768.839	197.590	571.249	38.046	33.454	78.593	217.664	41.034	162.458
110	*Of which value above the cap*	893.455	506.500	3.690	386.955	62.573	324.382						
120	*Of which immovable property*	835.271	450.967	3.630	384.304	61.215	323.090						
130	**Financial guarantees received**	**93.488**	**84.700**	**107**	**8.788**	**3.087**	**5.701**	**208**	**355**	**811**	**2.838**	**177**	**1.312**
140	**Accumulated partial write-off**	**955.424**	**7.515**	**7**	**947.909**	**13.616**	**934.294**	**2.143**	**1.392**	**2.368**	**53.710**	**61.376**	**813.304**

5.4.1.5 Collateral valuation - loans and advances (continued)

31 December 2020 (€000)[23,24]		a	b	c	d	e	f	g	h	i	j	k	l
		Loans and advances											
			Performing		Non-performing								
						Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days						
				Of which past due > 30 days ≤ 90 days				Of which past due > 90 days ≤ 180 days	Of which: past due > 180 days ≤ 1 year	Of which: past due > 1 years ≤ 2 years	Of which: past due > 2 years ≤ 5 years	Of which: past due > 5 years ≤ 7 years	Of which: past due > 7 years
010	**Gross carrying amount**	**10.700.455**	**9.197.240**	**34.575**	**1.503.215**	**249.757**	**1.253.458**	**25.880**	**63.940**	**189.826**	**333.305**	**115.838**	**524.670**
020	*Of which secured*	5.995.914	4.612.428	31.429	1.383.486	229.044	1.154.442	22.516	58.111	175.232	312.810	106.724	479.049
030	*Of which secured with immovable property*	5.606.332	4.241.829	29.986	1.364.503	223.855	1.140.648	22.145	56.811	172.904	308.080	105.856	474.852
040	*Of which instruments with LTV higher than 60% and lower or equal to 80%*	997.954	835.549		162.405	29.615	132.791						
050	*Of which instruments with LTV higher than 80% and lower or equal to 100%*	511.986	341.159		170.827	80.489	90.338						
060	*Of which instruments with LTV higher than 100%*	1.051.135	381.112		670.023	28.834	641.189						
070	**Accumulated impairment for secured assets**	**581.354**	**36.580**	**2.198**	**544.774**	**46.200**	**498.574**	**2.957**	**10.183**	**40.601**	**84.294**	**55.214**	**305.325**
080	**Collateral**												
090	*Of which value capped at the value of exposure*	5.047.360	4.254.651	28.052	792.709	174.464	618.245	18.627	44.980	125.870	213.871	49.778	165.119
100	*Of which immovable property*	4.737.212	3.953.581	27.181	783.631	171.878	611.753	18.429	44.538	121.225	213.075	49.689	164.797
110	*Of which value above the cap*	936.577	561.077	2.820	375.500	55.484	320.015	4.633	13.181	46.328	94.392	31.023	130.458
120	*Of which immovable property*	875.081	501.794	2.751	373.286	54.534	318.752	4.625	13.138	46.255	93.476	30.987	130.271
130	**Financial guarantees received**	**93.467**	**84.859**	**431**	**8.608**	**2.014**	**6.594**	**123**	**846**	**1.082**	**2.946**	**315**	**1.284**
140	**Accumulated partial write-off**	**869.933**	**9.851**	**339**	**860.081**	**10.404**	**849.678**	**312**	**631**	**21.613**	**45.918**	**64.833**	**716.372**

5.4.1.6 Changes in the stock of non-performing loans and advances and related net accumulated recoveries

The tables below present the movements of the gross carrying amount of non-performing loans and advances from 1 January 2021 to 30 June 2021 and from 1 January 2020 to 31 December 2020 respectively, with specific details on the net accumulated recoveries related to these changes.

Template EU CR2a - Changes in the stock of non-performing loans and advances and related net accumulated recoveries

(€000)[25]		**a**	**b**	**a**	**b**
		30 June 2021		**31 December 2020**	
		Gross carrying amount	**Related net accumulated recoveries**	**Gross carrying amount**	**Related net accumulated recoveries**
010	**Initial stock of non-performing loans and advances**	1.553.671		2.275.828	
020	Inflows to non-performing portfolios	205.486		267.530	
030	Outflows from non-performing portfolios	(286.192)		(1.040.143)	
040	Outflow to performing portfolio	(24.755)		(103.616)	
050	Outflow due to loan repayment, partial or total	(61.367)		(107.709)	
060	Outflow due to collateral liquidations	(1.215)	(1.214)	(1.490)	(1.470)
070	Outflow due to taking possession of collateral	(16.946)	(14.058)	(67.922)	(52.193)
080	Outflow due to sale of instruments	--	--	--	
090	Outflow due to risk transfers	--	--	--	
100	Outflows due to write-offs	(83.274)		(642.120)	
110	Outflow due to other situations	(45.053)		(62.061)	
120	Outflow due to reclassification as held for sale	(53.581)		(55.225)	
130	**Final stock of non-performing loans and advances**	**1.472.966**		**1.503.215**	

The Bank continues its efforts to limit its non-performing exposures. During the six-month period ended 30 June 2021, the Non-Performing book was reduced by €30 million, mainly driven by the implementation of €74 million non-contractual write offs, cures of accounts successfully meeting the non-performing exposure exit criteria, repayments following successful restructurings of accounts pending reclassification to performing during probation period and through sale or repossession of collaterals.

[25] Figures reported exclude loans and advances to customers classified as held for sale as per IFRSs.

5.4.1.7 Collateral obtained by taking possession and execution processes

The tables below present the value at initial recognition of collateral obtained by taking possession and held in the Group's Statement of financial position as at 30 June 2021 and 31 December 2020, as well as the accumulated negative changes of the respective collaterals. Foreclosed assets (assets repossessed consensually and non-consensually) are reported by asset category.

Template EU CQ7 - Collateral obtained by taking possession and execution processes

30 June 2021 - (€000)		**Collateral obtained by taking possession**	
		Value at initial recognition	**Accumulated negative changes**
010	Property, plant and equipment (PP&E)	--	--
020	Other than PP&E	240.320	(50.423)
030	*Residential immovable property*	24.309	(856)
040	*Commercial Immovable property*	216.011	(49.567)
050	*Movable property (auto, shipping, etc.)*	--	--
060	*Equity and debt instruments*	--	--
070	*Other collateral*	--	--
080	***Total***	***240.320***	***(50.423)***

31 December 2020 - (€000)		**Collateral obtained by taking possession**	
		Value at initial recognition	**Accumulated negative changes**
010	Property, plant and equipment (PP&E)	--	--
020	Other than PP&E	259.111	(51.936)
030	*Residential immovable property*	24.391	(907)
040	*Commercial Immovable property*	234.719	(51.028)
050	*Movable property (auto, shipping, etc.)*	--	--
060	*Equity and debt instruments*	--	--
070	*Other collateral*	--	--
080	***Total***	***259.111***	***(51.936)***

5.4.1.8 Collateral obtained by taking possession and execution processes – vintage breakdown

The tables below present the gross carrying amount and the related accumulated negative changes of debts cancelled in exchange for the collateral obtained by taking possession, the value at initial recognition and the accumulated negative changes to the initial value of the collateral obtained, including vintage breakdown of the foreclosed assets as at 30 June 2021 and 31 December 2020 respectively. Foreclosed assets (assets repossessed consensually and non-consensually) are reported by asset category.

Template EU CQ8 - Collateral obtained by taking possession and execution processes – vintage breakdown

30 June 2021 - (€000)		**Debt balance reduction**		**Total collateral obtained by taking possession**									
						Foreclosed <=2 years		**Foreclosed >2 years <=5 years**		**Foreclosed >5 years**		**Of which: non-current assets held for sale**	
		Gross carrying amount	**Accumulated negative changes**	**Value at initial recognition**	**Accumulated negative changes**	**Value at initial recognition**	**Accumulated negative changes**	**Value at initial recognition**	**Accumulated negative changes**	**Value at initial recognition**	**Accumulated negative changes**	**Value at initial recognition**	**Accumulated negative changes**
010	Collateral obtained by taking possession classified as PP&E	--	--										
020	Collateral obtained by taking possession other than that classified as PP&E	415.201	(174.881)	240.320	(50.423)	90.188	(403)	106.656	(10.562)	43.476	(39.458)	--	--
030	*Residential immovable property*	39.340	(15.031)	24.309	(856)	18.610	(60)	5.488	(686)	211	(110)	--	--
040	*Commercial immovable property*	375.861	(159.850)	216.011	(49.567)	71.578	(342)	101.168	(9.876)	43.265	(39.348)	--	--
050	*Movable property (auto, shipping, etc.)*	--	--	--	--	--	--	--	--	--	--	--	--
060	*Equity and debt instruments*	--	--	--	--	--	--	--	--	--	--	--	--
070	*Other collateral*	--	--	--	--	--	--	--	--	--	--	--	--
080	***Total***	***415.201***	***(174.881)***	***240.320***	***(50.423)***	***90.188***	***(403)***	***106.656***	***(10.562)***	***43.476***	***(39.458)***	***--***	***--***

5.4.1.8 Collateral obtained by taking possession and execution processes – vintage breakdown (continued)

31 December 2020 - (€000)		Debt balance reduction		Total collateral obtained by taking possession									
						Foreclosed <=2 years		Foreclosed >2 years <=5 years		Foreclosed >5 years		Of which: non-current assets held for sale	
		Gross carrying amount	Accumulated negative changes	Value at initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes
010	Collateral obtained by taking possession classified as PP&E	--	--										
020	Collateral obtained by taking possession other than that classified as PP&E	445.271	(186.160)	259.111	(51.936)	107.399	(1.697)	108.236	(10.988)	43.476	(39.251)	--	--
030	*Residential immovable property*	37.209	(12.818)	24.391	(907)	19.702	(233)	4.527	(578)	162	(96)	--	--
040	*Commercial immovable property*	408.062	(173.343)	234.719	(51.028)	87.697	(1.464)	103.709	(10.410)	43.314	(39.154)	--	--
050	*Movable property (auto, shipping, etc.)*	--	--	--	--	--	--	--	--	--	--	--	--
060	*Equity and debt instruments*	--	--	--	--	--	--	--	--	--	--	--	--
070	*Other collateral*	--	--	--	--	--	--	--	--	--	--	--	--
080	***Total***	***445.271***	***(186.160)***	***259.111***	***(51.936)***	***107.399***	***(1.697)***	***108.236***	***(10.988)***	***43.476***	***(39.251)***	***--***	***--***

5.4.1.9 Maturity of exposures

The tables below disclose the net exposure value by residual maturities of loans and advances and debt securities as at 30 June 2021 and 31 December 2020 respectively.

Template EU CR1-A - Maturity of exposures

30 June 2021 - (€000)		**a**	**b**	**c**	**d**	**e**	**f**
		Net exposure value[26]					
		On Demand	**<= 1 year**	**> 1 year <= 5 years**	**> 5 years**	**No stated maturity**	**Total**
1	Loans and advances	653.018	84.864	989.640	4.419.938	--	6.147.460
2	Debt securities	--	930.177	3.330.560	490.848	--	4.751.585
3	***Total***	***653.018***	***1.015.041***	***4.320.200***	***4.910.786***	***--***	***10.899.045***

31 December 2020 - (€000)[27]		**a**	**b**	**c**	**d**	**e**	**f**
		Net exposure value[26]					
		On Demand	**<= 1 year**	**> 1 year <= 5 years**	**> 5 years**	**No stated maturity**	**Total**
1	Loans and advances	652.316	191.671	999.057	4.503.834	--	6.346.878
2	Debt securities	--	1.157.483	3.366.872	499.104	--	5.023.459
3	***Total***	***652.316***	***1.349.154***	***4.365.929***	***5.002.938***	***--***	***11.370.337***

[26] Figures reported exclude loans and advances to customers classified as held for sale as per IFRSs and cash balances at central banks and other demand deposits.
[27] The figures reported for 31 December 2020 have been restated, in order to be comparable with current period figures, to be in with the latest EBA Guidelines on Pillar III disclosures.

5.4.2 Forborne exposures

According to the European Banking Authority's (EBA) technical standards, forborne exposures are (i) exposures which involve changes in their terms and/or conditions and (ii) the forbearance measures consist of concessions towards a debtor which aim to address existing or anticipated difficulties on the part of the borrower to service debt in accordance with the current repayment schedule. Changes in the terms and conditions of a contract that do not occur because the customer is not able to meet the terms and conditions of the contract due to financial difficulties do not constitute forbearance measures.

The most significant prerequisite for the forbearance of an exposure is the existence of customer repayment ability i.e. the customer is viable. The Bank's Restructuring Policy includes the terms and conditions on which the Bank determines whether a renegotiated repayment schedule shall be granted.

The forbearance measures to be taken and their duration thereof are determined based on specific customer information, based on the prevailing economic conditions and in accordance with relevant legislation or regulatory Directives.

Every effort is taken by the Bank for the proper assessment of the new repayment schedule based on the forbearance measures, in order to avoid a new default.

For more information in relation to forborne exposures, refer to Section 1.1.1 "Loans and advances" in the "Additional information for the six-month period ended 30 June 2021" of the Interim Condensed Consolidated Financial Statements for the six-month period ended 30 June 2021 and Notes 19 and 52 of the Financial Statements for the year ended 31 December 2020.

5.4.2.1 Credit quality of forborne exposures

The tables below present the gross carrying amount, the related accumulated impairment, accumulated changes in fair value due to credit risk and provisions, and the collateral and financial guarantees received, of forborne exposures, broken down by exposure class, as at 30 June 2021 and 31 December 2020 respectively.

Template EU CQ1 - Credit quality of forborne exposures

		a	b	c	d	e	f	g	h
30 June 2021 (€000)[28]		**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**				
005	**Cash balances at central banks and other demand deposits**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**
010	**Loans and advances**	**324.025**	**682.168**	**682.168**	**682.168**	**6.847**	**225.895**	**704.138**	**418.718**
020	*Central banks*	--	--	--	--	--	--	--	--
030	*General governments*	--	*416*	*416*	*416*	--	*8*	*408*	*408*
040	*Credit institutions*	--	--	--	--	--	--	--	--
050	*Other financial corporations*	*284*	*7.100*	*7.100*	*7.100*	*3*	*2.241*	*5.140*	*4.859*
060	*Non-financial corporations*	*214.578*	*346.404*	*346.404*	*346.404*	*13.772*	*145.281*	*382.119*	*188.657*
070	*Households*	*109.162*	*328.247*	*328.247*	*328.247*	*(6.928)*	*78.365*	*316.471*	*224.794*
	Loans and advances to customers classified as held for sale	**--**	**4.885**	**4.885**	**4.885**	**--**	**2.592**	**2.225**	**2.225**
080	**Debt Securities**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**
090	**Loan commitments given**	**2.122**	**3.753**	**3.753**	**3.753**	**75**	**352**	**3.941**	**2.385**
100	***Total***	***326.147***	***685.920***	***685.920***	***685.920***	***6.922***	***226.247***	***708.078***	***421.103***

[28] Numbers may not add up/cross reference due to rounding.

5.4.2.1 Credit quality of forborne exposures (continued)

31 December 2020 (€000)[28]		a	b	c	d	e	f	g	h
		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				
005	**Cash balances at central banks and other demand deposits**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**
010	**Loans and advances**	**247.016**	**706.461**	**706.461**	**706.461**	**(2.168)**	**226.941**	**648.626**	**443.999**
020	*Central banks*	--	--	--	--	--	--	--	--
030	*General governments*	--	--	--	--	--	--	--	--
040	*Credit institutions*	--	--	--	--	--	--	--	--
050	*Other financial corporations*	305	13.714	13.714	13.714	3	3.306	9.178	8.877
060	*Non-financial corporations*	113.972	370.664	370.664	370.664	8.090	149.633	300.547	207.034
070	*Households*	132.739	322.083	322.083	322.083	(10.262)	74.003	338.901	228.088
	Loans and advances to customers classified as held for sale	**--**	**7.130**	**7.130**	**7.130**	**--**	**3.837**	**3.193**	**3.193**
080	**Debt Securities**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**
090	**Loan commitments given**	**1.748**	**5.230**	**5.230**	**5.230**	**84**	**348**	**4.890**	**3.908**
100	***Total***	***248.764***	***718.820***	***718.820***	***718.820***	***(2.085)***	***231.126***	***656.708***	***451.100***

During the six-month period ended 30 June 2021, an increase was observed in the Performing Forborne accounts, following the expiration of suspension of instalments of capital and interest (loan moratorium). Reduction of Non-Performing Forborne accounts has achieved through the non-contractual write-offs implemented during the six-month period ended 30 June 2021, of which €17 million relates to Non-Performing Forborne accounts.

5.4.2.2 Quality of forbearance

The tables below present the gross carrying amount of forborne exposures that have been forborne more than twice, as well as the gross carrying amount of the non-performing forborne exposures that have failed to meet the non-performing exit criteria, as at 30 June 2021 and 31 December 2020 respectively.

Template EU CQ2 - Quality of forbearance

30 June 2021 **(€000)**[29]		**a**
		Gross carrying amount of forborne exposures
010	Loans and advances that have been forborne more than twice	195.701
020	Non-performing forborne loans and advances that failed to meet the non-performing exit criteria	605.539

31 December 2020 **(€000)**[29]		**a**
		Gross carrying amount of forborne exposures
010	Loans and advances that have been forborne more than twice	78.342
020	Non-performing forborne loans and advances that failed to meet the non-performing exit criteria	574.184

[29] Figures reported exclude loans and advances to customers classified as held for sale as per IFRSs.

5.5 Disclosure of exposures to counterparty credit risk

Exposures to Counterparty Credit Risk (CCR) and Credit Valuation Adjustment (CVA) Risk

Article 432 of CRR provides that Institutions have the right to omit one or more disclosure requirements if the information provided by such disclosures is not regarded as material. Information in disclosures shall be regarded as material if its omission or misstatement could change or influence the assessment or decision of a user relying on that information for the purpose of making economic decisions.

Pursuant to EBA Guidelines on materiality, proprietary and confidentiality and on disclosure frequency under Articles 432(1), 432(2) and 433 of CRR, the BoD has decided that the disclosure requirements of Article 439 of CRR and information relating to Credit Valuation Adjustment Risk (CVA Risk) to be omitted from Pillar III disclosures since the information provided under this Article is not regarded as material for the Bank, as per the Provisions of the said guidelines.

The information requirements of Article 439 relate to Derivative Exposures while the information on CVA risk relates specifically to Over-The-Counter Derivative Exposures of the Bank. This information has been assessed as non-material based on:

- Business model of the Bank and its long-term strategy to which derivative positions are assessed as non-relevant.
- The size of the derivative and SFTs exposures both in terms of gross exposure (2% of total exposure) and in terms of Risk Weighted Asset Base (0,2% of Credit RWA).
- The size of CVA Risk in terms of Risk Weighted Asset Base (0,1% of Total RWA)
- Impact on the overall risk profile of the institution which is deemed as negligible based on the amount and nature of the exposure.

It is noted that the methodology for calculating the exposure in derivatives has changed according to the CRR II revised rules. The Bank has chosen to follow the “Original exposure method” due to the small size of its derivatives portfolio.

The size of the derivatives portfolio has not changed significantly in June 2021 compared to December 2020. However, the reported exposure of the derivatives increased significantly from €5,1 million in December 2020 to €30,8 million in June 2021 due to the changes in the methodology followed under CRR II. In a similar way the Risk Weighted Assets of derivatives increased from €1,9 million in December 2020 to €9,2 million in June 2021.

In addition, during June 2021 there was a new position in an SFT. This derives from a TLTRO transaction with the European Central Bank. Under this transaction, the Bank has borrowed €2,3 billion from the ECB against a pool of eligible collateral pledged by the Bank. This transaction has zero risk weight due to the counterparty.

Is it noted that the templates that have been omitted due to materiality are EU CCR1, EU CCR2, EU CCR3 and EU CCR5.

The materiality of the disclosure requirements included in Article 439 and information related to CVA Risk will be re-assessed every six months.

5.6 Disclosures on measures applied in response to the COVID-19 outbreak

Loan moratorium

In the light of the COVID-19 crisis, a first moratorium was applied, as voted by the Cyprus Parliament, to all individuals or legal entities across different sectors who applied and were eligible under the scheme (suspension of instalments of capital and interest for a period of nine months) until 31 December 2020. The gross carrying amount of the loans and advances subject to the first moratorium, which expired, on loan repayments amounted to €2,6 billion as at 30 June 2021 (31 December 2020: €2,8 billion), comprising of gross loans to Households of €1,4 billion (31 December 2020: €1,5 billion), and gross loans to Non-financial corporations of €1,2 billion (31 December 2020: €1,3 billion).

Following the expiration of the first moratorium on 31 December 2020, a second scheme for the suspension of instalments of capital and interest (loan moratorium) was introduced in January 2021 until 30 June 2021, as announced by the Cyprus Government on 15 January 2021, for customers impacted by the second lockdown, subject to certain criteria. Under the second moratorium scheme, payment deferrals may be offered until 30 June 2021, however, the total months under loan moratorium, when including the loan moratorium offered in 2020, should not exceed a total of nine months. The application period for the second moratorium scheme expired on 31 January 2021 and the assessment was completed on 28 February 2021. The gross carrying amount of the loans and advances subject to the second moratorium amounted to €23,5 million as at 30 June 2021, comprising of gross loans to Households of €10,7 million and gross loans to Non-financial corporations of €12,7 million.

Following expiry of the first moratorium, payment behaviour continues to be encouraging, with repayments duly met for 97% of such borrowers (excluding the loans covered by the APS agreement) which participated in the first moratorium and had a payment fall due by the end of June 2021. Nevertheless, the Bank continues to adopt an appropriately prudent approach and is in readiness in terms of monitoring procedures and day-to-day management of the accounts to deal with early arrears. The Bank's total performing portfolio in arrears remains at lower levels compared to pre-COVID 19 levels (48% of February 2020 performing arrears stock), as at the end of June 2021.

COVID-19 Template 1: Information on loans and advances subject to legislative and non-legislative moratoria

The table below provides an overview of the credit quality of loans and advances subject to the second scheme (as described above) for the suspension of instalments of capital and interest (loan moratorium), on loan repayments applied in the light of the COVID-19 crisis as at 30 June 2021. The type of eligible moratorium granted was the suspension of instalments of capital and interest for a period of six months. Moratorium was applied to all eligible individuals or legal entities across different sectors.

	30 June 2021	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		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
		€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
1	**Loans and advances subject to moratorium**	**23.477**	**22.483**	**--**	**11.478**	**993**	**--**	**993**	**(785)**	**(791)**	**--**	**(725)**	**7**	**--**	**7**	**--**
2	of which: Households	10.734	9.821	--	1.402	913	--	913	(144)	(121)	--	(68)	(22)	--	(22)	--
3	of which: Collateralised by residential immovable property	9.810	9.041	--	1.232	769	--	769	(110)	(90)	--	(55)	(20)	--	(20)	--
4	of which: Non-financial corporations	12.743	12.662	--	10.076	80	--	80	(641)	(670)	--	(658)	29	--	29	--
5	of which: Small and Medium-sized Enterprises	12.743	12.662	--	10.076	80	--	80	(641)	(670)	--	(658)	29	--	29	--
6	of which: Collateralised by commercial immovable property	12.576	12.496	--	10.020	80	--	80	(667)	(665)	--	(656)	(2)	--	(2)	--

The “exposures with forbearance measures” columns report exposures subject to legislative moratorium that are also subject to other COVID-19-related forbearance measures.

COVID-19 Template 1: Information on loans and advances subject to legislative and non-legislative moratoria (continued)

The table below provides an overview of the credit quality of loans and advances subject to moratorium on loan repayments applied in the light of the COVID-19 crisis as at 31 December 2020. The type of eligible moratorium granted was the suspension of instalments of capital and interest for a period of nine months. Moratorium was applied to all eligible individuals or legal entities across different sectors.

	31 December 2020	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		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
		€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
1	**Loans and advances subject to moratorium**	**2.758.376**	**2.594.460**	**--**	**462.956**	**163.916**	**--**	**162.572**	**(62.314)**	**(24.223)**	**--**	**(9.827)**	**(38.091)**	**--**	**(37.848)**	**--**
2	of which: Households	1.472.611	1.431.929	--	125.431	40.682	--	40.553	(8.032)	530	--	7.374	(8.562)	--	(8.525)	--
3	of which: Collateralised by residential immovable property	1.130.545	1.106.815	--	91.728	23.730	--	23.714	858	2.911	--	5.000	(2.053)	--	(2.048)	--
4	of which: Non-financial corporations	1.261.873	1.143.307	--	336.025	118.566	--	117.352	(52.968)	(24.663)	--	(17.178)	(28.305)	--	(28.099)	--
5	of which: Small and Medium-sized Enterprises	1.198.734	1.080.168	--	336.025	118.566	--	117.352	(52.820)	(24.515)	--	(17.178)	(28.305)	--	(28.099)	--
6	of which: Collateralised by commercial immovable property	1.085.167	975.269	--	310.701	109.898	--	108.811	(47.171)	(21.968)	--	(16.077)	(25.203)	--	(25.001)	--

The "exposures with forbearance measures" columns above refers to forbearance measures granted post the moratorium date being 29 March 2020. Moratorium refers to the suspension of capital and interest payments until 31 December 2020 for natural persons, self-employed persons and businesses made available for all eligible borrowers with no arrears for more than 30 days as at 29 February 2020. This was passed through a bill in Parliament on 29 March 2020.

COVID-19 Template 2: Breakdown of loans and advances subject to legislative and non-legislative moratoria by residual maturity of moratoria

The table provides a breakdown of subject to legislative and non-legislative moratoria by residual maturity of moratoria with reference date 30 June 2021. The second moratorium length applied is for six months, ending 30 June 2021. Moreover, on this table loans and advances with expired legislative moratoria are reported.

30 June 2021		a	b	c	d	e	f	g	h	i
		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
			€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
1	**Loans and advances for which moratorium was offered**	**20.256**	**2.672.028**							
2	**Loans and advances subject to moratorium (granted)**	**20.208**	**2.658.529**	**23.477**	**2.635.053**	**23.477**	**--**	**--**	**--**	**--**
3	of which: Households		1.408.730	10.734	1.397.996	10.734	--	--	--	--
4	of which: Collateralised by residential immovable property		1.090.993	9.810	1.081.183	9.810	--	--	--	--
5	of which: Non-financial corporations		1.225.461	12.743	1.212.719	12.743	--	--	--	--
6	of which: Small and Medium-sized Enterprises		1.142.183	12.743	1.129.441	12.743	--	--	--	--
7	of which: Collateralised by commercial immovable property		1.063.650	12.576	1.051.074	12.576	--	--	--	--

The table below provides an overview of the volume of loans and advances subject to legislative and non-legislative moratorium by residual maturity of this moratorium as at 31 December 2020. The moratorium length applied was for nine months, ending 31 December 2020.

31 December 2020		a	b	c	d	e	f	g	h	i
		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
			€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
1	**Loans and advances for which moratorium was offered**	**21.191**	**2.792.314**							
2	**Loans and advances subject to moratorium (granted)**	**20.687**	**2.758.376**	**2.758.376**	**--**	**2.758.376**	**--**	**--**	**--**	**--**
3	of which: Households		1.472.611	1.472.611	--	1.472.611	--	--	--	--
4	of which: Collateralised by residential immovable property		1.130.545	1.130.545	--	1.130.545	--	--	--	--
5	of which: Non-financial corporations		1.261.873	1.261.873	--	1.261.873	--	--	--	--
6	of which: Small and Medium-sized Enterprises		1.198.734	1.198.734	--	1.198.734	--	--	--	--
7	of which: Collateralised by commercial immovable property		1.085.167	1.085.167	--	1.085.167	--	--	--	--

COVID-19 Template 3: Information on newly originated loans and advances provided under newly applicable public guarantee schemes introduced in response to COVID-19 crisis

The Group has not granted newly originated loans and advances under newly applicable public guarantee schemes introduced in response to COVID-19 crisis, as such scheme had not been voted by the Parliament and hence not introduced up to the date of this report.

30 June 2021/31 December 2020		a	b	c	d
		Gross carrying amount		**Maximum amount of the guarantee that can be considered**	**Gross carrying amount**
			of which: forborne	Public guarantees received	Inflows to non-performing exposures
		€'000	€'000	€'000	€'000
1	**Newly originated loans and advances subject to public guarantee schemes**	**--**	**--**	**--**	**--**
2	of which: Households	--			--
3	of which: Collateralised by residential immovable property	--			--
4	of which: Non-financial corporations	--	--	--	--
5	of which: Small and Medium-sized Enterprises	--			--
6	of which: Collateralised by commercial immovable property	--			--

6. INVESTMENT, MARKET AND LIQUIDITY RISK MANAGEMENT

6.1 Disclosure of liquidity requirements

Liquidity risk is the risk of a decrease in profits or capital, arising from a weakness of the Bank to meet its immediate obligations, without incurring additional costs. The Group's approach in managing liquidity risk is to ensure, to the extent possible (considering that the main role of the Bank as an intermediary is to accept short term deposits and grant long term loans), that there is adequate liquidity to satisfy its obligations, when they arise, under "normal" circumstances as well as under stress conditions, without the Group incurring any additional costs.

The Liquidity Coverage Ratio (LCR)

The Group must comply with the Liquidity Coverage Ratio (LCR) as per the provisions of the Commission Delegated Regulation (EU) 2015/61 (which supplements CRR with regards to the liquidity coverage requirement for Credit Institutions). The LCR was in effect from 1 October 2015 with a regulatory limit of 60%, increasing to 100% from 1 January 2018 when the full phase-in of the requirement was effected.

The table below shows a quantitative analysis of LCR which complements Article 435(1)(f) of Regulation No. 575/2013.

It is noted that according to the Pillar III disclosure requirements, for the calculation of the values shown in the table each quarterly observation is the average of the previous 12 months preceding the end of each quarter.

The Group's Liquidity Coverage Ratio (LCR) increased to 510% in June 2021, compared to 477% at December 2020, and remains well within its regulatory limit of 100%. The main reason for the increase in the LCR ratio was the increase of the total High-Quality Liquid Assets of the Bank, primarily due to the increase in customer deposits and the participation in the TLTRO program (ECB funding). The net outflows of the Bank have remained fairly stable due to the fact that the customer deposit increase is mainly due to retail deposits with a low outflow rate and the ECB funding obtained is of a long-term nature and consequently excluded from the LCR outflows.

Template EU LIQ1 - Quantitative information of LCR

Scope of consolidation: Consolidated		a	b	c	d	e	f	g	h
€ million		**Total unweighted value (average)**				**Total weighted value (average)**			
EU 1a	Quarter ending on:	**30-Jun-21**	**31-Mar-21**	**31-Dec-20**	**30-Sep-20**	**30-Jun-21**	**31-Mar-21**	**31-Dec-20**	**30-Sep-20**
EU 1b	Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
HIGH-QUALITY LIQUID ASSETS									
1	Total high-quality liquid assets (HQLA)					7.034	6.974	7.211	7.573
CASH – OUTFLOWS									
2	Retail deposits and deposits from small business customers, of which:	6.842	6.587	6.318	6.057	432	422	411	407
3	*Stable deposits*	5.206	4.901	4.574	4.214	260	245	229	211
4	*Less stable deposits*	1.636	1.686	1.744	1.843	172	177	183	196
5	Unsecured wholesale funding	2.241	2.243	2.298	2.369	1.328	1.351	1.394	1.448
6	*Operational deposits (all counterparties) and deposits in networks of cooperative banks*	37	39	37	35	9	9	9	8
7	*Non-operational deposits (all counterparties)*	2.204	2.204	2.261	2.335	1.319	1.341	1.385	1.440
8	*Unsecured debt*	--	--	--	--	--	--	--	--
9	Secured wholesale funding					--	--	--	--
10	Additional requirements	378	375	374	362	33	33	34	33
11	*Outflows related to derivative exposures and other collateral requirements*	5	5	5	5	5	5	5	5
12	*Outflows related to loss of funding on debt products*	--	--	--	--	--	--	--	--
13	*Credit and liquidity facilities*	373	371	369	358	29	29	29	28
14	Other contractual funding obligations	16	16	18	21	1	1	1	1
15	Other contingent funding obligations	955	972	991	1.011	59	60	60	61
16	**TOTAL CASH OUTFLOWS**					1.854	1.866	1.900	1.950
CASH – INFLOWS									
17	Secured lending (e.g. reverse repos)	--	--	--	--	--	--	--	--
18	Inflows from fully performing exposures	303	314	332	342	293	306	324	332
19	Other cash inflows	378	389	404	425	82	86	89	93
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**	681	703	737	767	375	392	413	425
EU-20a	***Fully exempt inflows***	--	--	--	--	--	--	--	--
EU-20b	***Inflows subject to 90% cap***	--	--	--	--	--	--	--	--
EU-20c	***Inflows subject to 75% cap***	681	703	737	767	375	392	413	425
						TOTAL ADJUSTED VALUE			
21	**LIQUIDITY BUFFER**					7.034	6.974	7.211	7.573
22	**TOTAL NET CASH OUTFLOWS**					1.478	1.475	1.487	1.524
23	**LIQUIDITY COVERAGE RATIO (%)**					476%	473%	485%	497%

6.1 Disclosure of liquidity requirements (continued)

Concentration of funding sources

The Group places emphasis on the maintenance of stable customer deposits, as they represent its main funding source. This is effectively achieved through the maintenance of good and long-standing relationships of trust with customers and through competitive and transparent pricing strategies, also taking into consideration the liquidity position of the Bank. Furthermore, the Bank does not have any concentration in individual large depositors.

Composition of the institution`s liquidity buffer.

The Bank aims to maintain an adequate liquidity buffer, which will allow it not only to meet its obligations as they fall due in a business-as-usual scenario, but also to be able to survive a combined market-wide and idiosyncratic scenario, as defined in the Bank's ILAAP. To determine the minimum required level of liquid assets, the Bank considers the RAF Management Action Trigger levels of Liquidity Risk metrics.

The Bank holds a liquidity buffer in the form of a portfolio of unencumbered, high quality liquid assets which could be monetized quickly in the event that the Bank experiences a liquidity crisis. The Liquidity Buffer is primarily comprised of Central Bank reserves. The rest of the buffer is mainly held in Level 1 high quality securities and some Level 2 securities.

The quality of the liquid assets held by the Bank is safeguarded by the Hellenic Bank Investment Framework (HBIF), which promotes a well-diversified, high credit quality investment portfolio, while placing a limit on non-ECB eligible securities.

Derivative exposures and potential collateral calls

The Bank has a relatively small derivatives portfolio which mainly consists of FX-swaps that are short term. Therefore, any potential collateral calls, which may be the result of either changes in market value of the derivatives or a deterioration in the Bank's credit quality, are not expected to materially affect the liquidity position of the Bank.

Currency mismatch in the LCR

It is noted that for the USD, which is the Bank's foreign currency with material positions, the Bank does not have a mismatch, meaning that it maintains a ratio well above 100%. The Bank has included LCR USD in its Risk Appetite Statement with a risk appetite limit set to 100%.

The Net Stable Funding Ratio (NSFR)

Additionally, the Bank monitors the Net Stable Funding Ratio (NSFR) which also stems from CRR. NSFR has been developed to provide a sustainable maturity structure of assets and liabilities. It calculates the proportion of available stable funding via the capital and liabilities over required stable funding for the assets. The components of stable funding are not equally weighted.

The Capital Requirements Regulation II (CRR II), the regulation which defines and implements the NSFR for the EU, was finalized in June 2019 and is effective from June 2021, with the regulatory minimum limit of 100%.

The Bank is calculating this ratio on a quarterly basis. The NSFR as of 30 June 2021 stands at 187%, well above the regulatory minimum.

The table below shows a quantitative analysis of NSFR in accordance with Article 451a (3) CRR.

Template EU LIQ2 - Net Stable Funding Ratio

30 June 2021		a	b	c	d	e
(in € '000)		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
Available stable funding (ASF) Items						
1	Capital items and instruments	**--**	**--**	**--**	**1.076.324**	**1.076.324**
2	*Own funds*	--	--	--	1.076.324	1.076.324
3	*Other capital instruments*		--	--	--	--
4	Retail deposits		**9.879.700**	**1.529.570**	**661.467**	**11.397.934**
5	*Stable deposits*		7.930.972	1.431.498	616.330	9.510.676
6	*Less stable deposits*		1.948.728	98.073	45.137	1.887.258
7	Wholesale funding:		**2.407.059**	**2.316.702**	**115.683**	**2.092.270**
8	*Operational deposits*		726	--	--	363
9	*Other wholesale funding*		2.406.333	2.316.702	115.683	2.091.907
10	Interdependent liabilities		**--**	**--**	**--**	**--**
11	Other liabilities:	**--**	**--**	**--**	**369.842**	**369.842**
12	*NSFR derivative liabilities*	--				
13	*All other liabilities and capital instruments not included in the above categories*		**--**	**--**	**369.842**	**369.842**
14	**Total available stable funding (ASF)**					**14.936.369**
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					**987.298**
EU-15a	Assets encumbered for a residual maturity of one year or more in a cover pool		**--**	**--**	**--**	**--**
16	Deposits held at other financial institutions for operational purposes		**274.056**	**--**	**--**	**137.028**
17	Performing loans and securities:		**200.612**	**159.172**	**6.258.640**	**5.258.164**
18	*Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut*		--	--	--	--
19	*Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions*		--	--	--	--
20	*Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:*		83.046	13.799	3.444.028	2.975.755
21	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		53.716	--	457	27.155
22	*Performing residential mortgages, of which:*		2.700	725	1.151.482	753.000
23	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		1.903	725	1.137.361	740.599
24	*Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products*		114.866	144.648	1.663.130	1.529.408
25	Interdependent assets		--	--	--	**--**
26	Other assets:	**--**	**2.576**	**407.416**	**1.342.157**	**1.546.541**
27	*Physical traded commodities*				**--**	**--**
28	*Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*				--	**--**
29	*NSFR derivative assets*				576	**576**
30	*NSFR derivative liabilities before deduction of variation margin posted*				2.000	**100**
31	*All other assets not included in the above categories*		**--**	**407.416**	**1.342.157**	**1.545.865**
32	Off-balance sheet items		**554.165**		**22.730**	**50.438**
33	**Total RSF**					**7.979.469**
34	**Net Stable Funding Ratio (%)**					**187%**

6.1 Disclosure of liquidity requirements (continued)

The recent coronavirus (COVID-19) worldwide pandemic outbreak and the subsequent lockdowns did not have so far, a significant impact on the Bank's liquidity. Nevertheless, the continued crisis and the likelihood of a renewed pandemic outbreak could potentially affect the Bank's liquidity position in the future. However, even under an extreme stress scenario, the Bank is expected to remain comfortably above its regulatory and risk appetite limits for LCR and NSFR, because of its large liquidity buffer that allows it to withstand liquidity shocks and comfortably ensure its continuity through such a crisis.

6.2 Disclosure of the use of standardised approach for market risk

For calculating the minimum capital requirement, the Group uses the Standardised Approach. The size of the Bank's business subject to market risk is smaller than the thresholds applicable according to the CRR II rules and therefore the Bank continues to use the standardised approach.

Based on this method, the capital requirement is calculated as the sum of the capital requirements on risk positions in interest rates, equities, debt securities, foreign exchange and derivatives, which are part of the trading book, based on predetermined models per risk category.

The table below shows the capital requirements for the trading book, by risk category

Template EU MR1 - Market risk under the standardised approach

Amounts (€000)		**a**	**a**
		RWEAs 30 June 2021	**RWEAs 31 December 2020**
	Outright products		
1	Interest rate risk (general and specific)	728	663
2	Equity risk (general and specific)	--	--
3	Foreign exchange risk	--	--
4	Commodity risk	--	--
	Options		
5	Simplified approach	--	--
6	Delta-plus approach	--	--
7	Scenario approach	--	--
8	Securitisation (specific risk)	--	--
9	**Total**	**728**	**663**

It should be noted that under Article 351 of the CRR, the Bank is required to maintain capital for foreign exchange risk only if its overall net foreign exchange position exceeds 2% of its Own Funds. In the Bank's case, the overall net foreign exchange position was less than 2%, so there was no need to hold capital for foreign exchange risk.

6.3 Disclosure of information on exposures to interest rate risk on positions not held in the trading book (Article 448 CRR)

The table below shows the changes in the Economic Value of Equity (EVE) and Net Interest Income for the Banking book positions. The Net Interest Income sensitivity is calculated for the next 12 months, under a change of ±200 basis points in interest rates. The Economic Value of Equity sensitivity is calculated for interest rate changes under the six standardised scenarios defined by the European Banking Authority (EBA). Both the EVE and the Net Interest Income sensitivity measures are calculated for the significant currencies which are EUR and USD.

Template EU IRRBB1 - Interest rate risks of non-trading book activities

Amounts (€000)	Changes in the EVE		Changes in Net Interest Income	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
Parallel up	176.375	216.991	32.333	44.594
Parallel down	(56.374)	(3.117)	(8.148)	(12.194)
Steepener	86.773	98.615		
Flattener	(49.412)	(43.535)		
Short rates up	10.024	22.707		
Short rates down	(33.097)	1.032		

The largest negative sensitivity of EVE at the end of June 2021 was under the "Parallel Down" scenario and amounted to €56,4 million or 4,6% of the Bank's Tier 1 Capital compared to €43,5 million or 3,6% of the Bank's Tier 1 Capital at the end of December 2020, when the largest negative sensitivity was under the Flattener scenario.

EVE sensitivity from a 2% change in interest rates needs to be below 20% of total Own Funds according to the CRD, while EVE sensitivity from the six prescribed interest rate shock scenarios needs to be below 15% of Tier 1 Capital according to the updated EBA IRRBB Guidelines. The Bank has approved within its risk appetite framework, a limit of 14% of Tier 1 Capital based on EBA's six prescribed interest rate shock scenarios. The Economic Value of Equity sensitivity of the Bank for June 2021 was 4,6% of Tier 1 Capital, well within the regulatory limit and the risk appetite limit.

The maximum one-year loss in Net Interest Income was under the parallel down scenario and was €8,1 million at the end of June 2021 compared to €12,2 million at the end of December 2020.

7. SECURITISATIONS

The Bank holds a portfolio of securitisation positions, classified under its Banking Book. The Bank's investments in bonds are governed by the Hellenic Bank Investment Framework (HBIF) which is reviewed and approved by the Board of Directors on a yearly basis (latest revision was in December 2020). The Framework provides, among others, limits and qualitative guidelines for investing in a diversified bonds portfolio, while also allowing for investments in securitisation positions and restricting investments in re-securitisations. The BoD has approved (under the HBIF) a proportion of the Bank's total bond investments to be in AAA senior securitisation tranches, as part of the efforts to maintain a well-diversified portfolio of bonds.

With respect to securitisations, the Bank has acted only as an investor and has not originated, issued or sponsored any securitisations.

The Bank manages the credit risk stemming from its investments in securitisations through the HBIF, which sets a maximum concentration limit for exposures in securitisations, expressed as a percentage of the Group's CET1 Capital. In addition to the overall exposure limit in securitisations, HBIF sets "Issuer" concentration limits for securitisations, expressed as a percentage on the Group's CET1 capital, duration limits, liquidity limits and other qualitative limits. The "Issuer" concentration limit allows investments only in tranches which are AAA-rated (according to CRR Article 138). Investments in securitisations are performed only if a tranche meets the requirements of Article 405 of CRR as well as Articles 5 and 6 referring to risk retention of Regulation EU 2017/2402 and in specific that the originator, sponsor or original lender has explicitly disclosed to the institution that it will retain, on an ongoing basis, a material net economic interest which, shall not be less than 5%.

<u>Investment Process and Ongoing Monitoring</u>

The Bank's investments in securitisations involve the following process:

1. Treasury and Risk Management analyse and review the investment opportunity;
2. Investment proposal is discussed at ALCO alongside separate Risk opinion;
3. Deal execution and ongoing monitoring of portfolio and limits;
4. Limit breach escalation process, if required; and
5. Breach rectification, if required.

As described above, in addition to the approved limit framework, before proceeding with an investment in a securitisation position, a relevant investment process is followed, whereby Treasury prepares an investment proposal which is discussed at the Bank's ALCO, alongside Risk's comments. Before approving each investment in a securitisation position, ALCO reviews the structure of each securitisation, the credit quality of the securitised pool of assets, adherence to approved limits, performance of previous securitisations, credit enhancement, adherence with the CRR regulation, the expected yield and Return on Equity of the transaction along with several sensitivities, etc.

Following the approval and execution of each investment, the Bank monitors possible deterioration of the securitisations' risk metrics through the procedures established in HBIF. For example, through the "Early Warning Signals" procedure, the price and credit spread changes of the securities are monitored, while any deviations above trigger levels are communicated to the appropriate management bodies. Similar procedures are in place in the event of changes in the credit ratings or in the outlook of the credit ratings, while the approved breach escalation process is adhered to. In addition, the quality of the underlying collaterals (e.g. default rates, collateralization levels, weighted average rating factors, etc.) supporting the securitisation positions is also actively monitored.

The Bank, as part of its securitisation portfolio monitoring process maintains a subscription to a specialized platform for monitoring and performing scenarios on securitised investments, while also maintaining subscription services to the three largest rating agencies that provide access to the information needed for monitoring securitisation positions.

The risks of securitisation positions are actively monitored and reported to ALCO on a monthly basis and to the Bank's BRMC on a monthly and quarterly basis. Additionally, any breaches in limits or early warnings are escalated in accordance with the breach escalation process.

The Bank calculates the risk weighted exposure amount of a securitisation position by applying the relevant risk weight to the exposure value, where the exposure value equals the accounting value remaining after specific credit risk adjustments have been applied. With respect to calculating risk weighted assets for securitisations, the Bank uses the SEC – ERBA approach, Article 263 for non-STS and Article 264 for STS securitisations of Regulation 2017/2401 except for an exposure in a senior unrated securitisation tranche, for which the Bank has adopted the SEC-SA approach as defined in Article 261 of Regulation 2017/2401.

The securitisation positions held by the Bank as at 30 June 2021 amounted to about €575,2 million, out of which an amount of €167,1 million is classified as Level 2B for liquidity risk and LCR purposes, while the rest are not considered as High-Quality Liquid Assets. The interest rate risk stemming from these positions is monitored as part of the Bank's overall interest rate risk management.

Securitisation Activity of the Current Period (1H2021)

During the first half of 2021, the Bank increased its investments in securitisation positions. As at 30 June 2021, the Bank had a total exposure of €575,2 million (nominal amounts) in securitisation positions, compared to €413,8 million as at 31 December 2020. An amount of €29,7 million refers to an investment in a senior unrated tranche of a securitisation that was exceptionally approved by the Bank's BoD, as the limits included in HBIF do not allow for investments in unrated securitisations. Excluding the investment exceptionally approved by the BoD, the rest of the securitisation positions are investments in the most senior AAA-rated tranches, out of which, €177,9 million are in residential mortgage backed securities (RMBS) which are mainly backed by prime Dutch mortgage loans and €367,6 million are in euro denominated collateralized loan obligations (CLOs). Finally, as at 30 June 2021 the Bank did not have any investments in asset backed commercial paper (ABCP) securities.

All exposures in securitisations are classified as "at Amortised Cost". These positions follow the same accounting treatment as any other item in the relevant category in accordance with IFRS 9, which is effective from 1 January 2018. As at 30 June 2021, there were no off-balance sheet and no outstanding securitisation exposures.

Additional information, based on Article 449a of CRR II, which is applicable from June 2021, is presented in the tables below.

Tables on STS / Non-STS classification (Template EU-SEC1 - Securitisation exposures in the non-trading book) as at 30 June 2021 and 31 December 2020:

Template EU-SEC1 - Securitisation exposures in the non-trading book

30 June 2021 (€000)		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Institution acts as originator							**Institution acts as sponsor**				**Institution acts as investor**			
		Traditional				**Synthetic**		**Sub-total**	**Traditional**		**Synthetic**	**Sub-total**	**Traditional**		**Synthetic**	**Sub-total**
		STS		Non-STS			of which SRT		STS	Non-STS			STS	Non-STS		
			of which SRT		of which SRT											
1	**Total exposures**	--	--	--	--	--	--	--	--	--	--	--	167.130	408.028	--	--
2	Retail (total)	--	--	--	--	--	--	--	--	--	--	--	167.130	10.742	--	--
3	residential mortgage	--	--	--	--	--	--	--	--	--	--	--	167.130	10.742	--	--
4	credit card	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
5	other retail exposures	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
6	re-securitisation	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
7	Wholesale (total)	--	--	--	--	--	--	--	--	--	--	--	--	397.285	--	--
8	loans to corporates	--	--	--	--	--	--	--	--	--	--	--	--	397.285	--	--
9	commercial mortgage	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
10	lease and receivables	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
11	other wholesale	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
12	re-securitisation	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

31 December 2020 (€000)		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Institution acts as originator							**Institution acts as sponsor**				**Institution acts as investor**			
		Traditional				**Synthetic**		**Sub-total**	**Traditional**		**Synthetic**	**Sub-total**	**Traditional**		**Synthetic**	**Sub-total**
		STS		Non-STS			of which SRT		STS	Non-STS			STS	Non-STS		
			of which SRT		of which SRT											
1	**Total exposures**	--	--	--	--	--	--	--	--	--	--	--	171.810	242.025	--	--
2	Retail (total)	--	--	--	--	--	--	--	--	--	--	--	171.810	12.362	--	--
3	residential mortgage	--	--	--	--	--	--	--	--	--	--	--	171.810	11.419	--	--
4	credit card	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
5	other retail exposures	--	--	--	--	--	--	--	--	--	--	--	--	943	--	--
6	re-securitisation	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
7	Wholesale (total)	--	--	--	--	--	--	--	--	--	--	--	--	229.663	--	--
8	loans to corporates	--	--	--	--	--	--	--	--	--	--	--	--	229.663	--	--
9	commercial mortgage	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
10	lease and receivables	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
11	other wholesale	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
12	re-securitisation	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Tables on RWAs and Capital Charges (Template EU-SEC4 - Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as investor) as at 30 June 2021 and 31 December 2020:

Template EU-SEC4 - Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as investor

30 June 2021 (€000)		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
		Exposure values (by RW bands/deductions)					**Exposure values (by regulatory approach)**				**RWEA (by regulatory approach)**				**Capital charge after cap**			
		≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250%/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250%/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250%/ deductions
1	**Total exposures**	545.505	--	--	29.653	--	--	545.505	29.653	--	--	92.388	44.480	--	--	7.391	3.558	--
2	Traditional securitisation	545.505	--	--	29.653	--	--	545.505	29.653	--	--	92.388	44.480	--	--	7.391	3.558	--
3	Securitisation	545.505	--	--	29.653	--	--	545.505	29.653	--	--	92.388	44.480	--	--	7.391	3.558	--
4	Retail underlying	177.873	--	--	--	--	--	177.873	--	--	--	18.862	--	--	--	1.509	--	--
5	of which STS	167.130	--	--	--	--	--	167.130	--	--	--	16.713	--	--	--	1.337	--	--
6	Wholesale	367.632	--	--	29.653	--	--	367.632	29.653	--	--	73.526	44.480	--	--	5.882	3.558	--
7	of which STS	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
8	Re-securitisation	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
9	Synthetic securitisation	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
10	Securitisation	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
11	Retail underlying	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
12	Wholesale	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
13	Re-securitisation	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

31 December 2020 (€000)		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
		Exposure values (by RW bands/deductions)					**Exposure values (by regulatory approach)**				**RWEA (by regulatory approach)**				**Capital charge after cap**			
		≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250%/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250%/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250%/ deductions
1	**Total exposures**	380.838	--	--	32.997	--	--	380.838	32.997	--	--	58.987	49.495	--	--	4.719	3.960	--
2	Traditional securitisation	380.838	--	--	32.997	--	--	380.838	32.997	--	--	58.987	49.495	--	--	4.719	3.960	--
3	Securitisation	380.838	--	--	32.997	--	--	380.838	32.997	--	--	58.987	49.495	--	--	4.719	3.960	--
4	Retail underlying	184.172	--	--	--	--	--	184.172	--	--	--	19.653	--	--	--	1.572	--	--
5	of which STS	171.810	--	--	--	--	--	171.810	--	--	--	17.181	--	--	--	1.374	--	--
6	Wholesale	196.666	--	--	32.997	--	--	196.666	32.997	--	--	39.333	49.495	--	--	3.147	3.960	--
7	of which STS	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
8	Re-securitisation	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
9	Synthetic securitisation	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
10	Securitisation	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
11	Retail underlying	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
12	Wholesale	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
13	Re-securitisation	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

8. LEVERAGE RATIO

The disclosures on Leverage Ratio have been prepared in accordance with the updated Leverage Ratio framework implemented in CRR II.

As per Regulation (EU) No 2019/876 (CRR II) applicable from June 2021 a binding minimum Leverage ratio of 3% is introduced.

According to Article 429 of CRR II, the leverage ratio is calculated as an institution's capital measure divided by the institution's total exposure measure expressed as a percentage.

The leverage ratio of the Group is calculated using two capital measures:

a) Tier 1 capital: fully phased-in definition.
b) Tier 1 capital: transitional definition.

According to the Regulation (EU) 2015/62 of the European Parliament and Council dated 10 October 2014, as at 30 June 2021 the Leverage Ratio[30], on a transitional basis, for the Group was 6,34% compared to 7,71% as at 31 December 2020. The Leverage Ratio[30] on a fully loaded basis for the Group was 6,11% compared to 7,36% as at 31 December 2020.

Factors that had an impact on the leverage ratio during the six-month period ended 30 June 2021

The Group's Leverage ratio[30] on a transitional basis, which is above the minimum ratio set at 3% by the amended CRR rules effective from June 2021, has decreased by 137 basis points compared to 31 December 2020 mainly due to the comparatively higher increase in "Leverage ratio total exposure measure".

The main reason for the increase in "Leverage ratio total exposure measure" was the increase in "Other assets" due to the increase in cash and balances with Central Banks mainly as a result of the new TLTRO transaction with ECB of €2,3 billion. In addition, an Add-on for counterparty credit risk for SFTs was included in the Leverage ratio exposure which reduced the ratio further. The methodology for calculating the exposure of derivatives which is included in the "Leverage ratio total exposure measure" has changed according to the CRR II revised rules. However, due to the small size of derivatives in the Bank this has not impacted the Leverage ratio significantly.

[30] As per the final regulatory submissions excluding unaudited profits for the six-month period ended 30 June 2021.

8.1 Summary reconciliation of accounting assets and leverage ratio exposures

Template EU LR1 - LRSum: Summary reconciliation of accounting assets and leverage ratio exposures

(€000)		**30 June 2021**	**31 December 2020**
1	**Total assets as per published financial statements**	**18.478.533**	**15.856.875**
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation	(122.185)	(111.274)
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	--	--
7	Adjustment for eligible cash pooling transactions	--	--
8	Adjustments for derivative financial instruments	29.309	4.660
9	Adjustment for securities financing transactions (SFTs)	284.727	--
10	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	368.074	338.467
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	(15.168)	20.885
13	**Total leverage exposure measure**	**19.023.290**	**16.109.613**

8.2 Leverage ratio common disclosure

Template EU LR2 - LRCom: Leverage ratio common disclosure

(€000)		CRR leverage ratio exposures	
		30 June 2021	31 December 2020
On-balance sheet exposures (excluding derivatives and SFTs)			
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	18.403.912	15.818.111
2	Gross-up for derivatives collateral provided, where deducted from the balance sheet assets pursuant to the applicable accounting framework	--	--
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	--	--
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	--	--
5	(General credit risk adjustments to on-balance sheet items)	--	--
6	(Asset amounts deducted in determining Tier 1 capital)	(64.216)	(52.033)
7	**Total on-balance sheet exposures (excluding derivatives and SFTs)**	**18.339.696**	**15.766.078**
Derivative exposures			
8	Replacement cost associated with SA-CCR derivatives transactions (ie net of eligible cash variation margin)	--	303
EU-8a	Derogation for derivatives: replacement costs contribution under the simplified standardised approach	--	--
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	--	--
EU-9a	Derogation for derivatives: Potential future exposure contribution under the simplified standardised approach	--	--
EU-9b	Exposure determined under Original Exposure Method	30.793	4.764
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	--	
EU-10a	(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)	--	
EU-10b	(Exempted CCP leg of client-cleared trade exposures) (Original Exposure Method)	--	
11	Adjusted effective notional amount of written credit derivatives	--	
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	--	
13	**Total derivatives exposures**	**30.793**	**5.067**
Securities financing transaction (SFT) exposures			
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	--	--
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	--	--
16	Counterparty credit risk exposure for SFT assets	284.727	--
EU-16a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Articles 429e (5) and 222 CRR	--	--
17	Agent transaction exposures	--	--
EU-17a	(Exempted CCP leg of client-cleared SFT exposure)	--	--
18	**Total securities financing transaction exposures**	**284.727**	**--**
Other off-balance sheet exposures			
19	Off-balance sheet exposures at gross notional amount	1.327.151	807.835
20	(Adjustments for conversion to credit equivalent amounts)	(959.077)	(469.367)
21	(General provisions deducted in determining Tier 1 capital and specific provisions associated associated with off-balance sheet exposures)	--	--
22	**Off-balance sheet exposures**	**368.074**	**338.468**

Template EU LR2 - LRCom: Leverage ratio common disclosure (continued)

(€000)		CRR leverage ratio exposures	
		30 June 2021	**31 December 2020**
	Excluded exposures		
EU-22a	(Exposures excluded from the total exposure measure in accordance with point (c) of Article 429a (1) CRR)	--	--
EU-22b	(Exposures exempted in accordance with point (j) of Article 429a (1) CRR (on and off-balance sheet))	--	--
EU-22c	(Excluded exposures of public development banks (or units) - Public sector investments)	--	--
EU-22d	(Excluded exposures of public development banks (or units) - Promotional loans)	--	--
EU-22e	(Excluded passing-through promotional loan exposures by non-public development banks (or units))	--	--
EU-22f	(Excluded guaranteed parts of exposures arising from export credits)	--	--
EU-22g	(Excluded excess collateral deposited at triparty agents)	--	--
EU-22h	(Excluded CSD related services of CSD/institutions in accordance with point (o) of Article 429a (1) CRR)	--	--
EU-22i	(Excluded CSD related services of designated institutions in accordance with point (p) of Article 429a (1) CRR)	--	--
EU-22j	(Reduction of the exposure value of pre-financing or intermediate loans)	--	--
EU-22k	**(Total exempted exposures)**	**--**	**--**
	Capital and total exposure measure		
23	**Tier 1 capital**	**1.205.990**	**1.241.381**
24	**Total exposure measure**	**19.023.290**	**16.109.613**
	Leverage ratio		
25	Leverage ratio(%)	6,34%	7,71%
EU-25	Leverage ratio (excluding the impact of the exemption of public sector investments and promotional loans) (%)	6,34%	7,71%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) (%)	6,34%	7,71%
26	Regulatory minimum leverage ratio requirement (%)	3,00%	n/a
EU-26a	Additional own funds requirements to address the risk of excessive leverage (%)	0,00%	n/a
EU-26b	of which: to be made up of CET1 capital	0,00%	n/a
27	Leverage ratio buffer requirement (%)	0,00%	n/a
EU-27a	Overall leverage ratio requirement (%)	3,00%	n/a
	Choice on transitional arrangements and relevant exposures		
EU-27b	Choice on transitional arrangements for the definition of the capital measure	Transitional	

8.3 Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)

Template EU LR3 - LRSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)

(€000)		**CRR Leverage Ratio Exposures**	
		30 June 2021	**31 December 2020**
EU-1	**Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:**	**18.403.913**	**15.818.112**
EU-2	Trading book exposures	--	--
EU-3	Banking book exposures, of which:	18.403.913	15.818.112
EU-4	Covered bonds	642.258	643.523
EU-5	Exposures treated as sovereigns	8.802.650	6.231.785
EU-6	Exposures to regional governments, MDB, international organisations and PSE, not treated as sovereigns	5.947	4.789
EU-7	Institutions	1.508.700	1.527.765
EU-8	Secured by mortgages of immovable properties	1.599.393	1.529.192
EU-9	Retail exposures	2.087.383	2.215.318
EU-10	Corporates	1.513.321	1.538.784
EU-11	Exposures in default	792.051	809.890
EU-12	Other exposures (eg equity, securitisations, and other non-credit obligation assets)	1.452.210	1.317.066

9. MINIMUM REQUIREMENT FOR OWN FUNDS AND ELIGIBLE LIABILITIES

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 credible 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 (that is: "bailed in"). Such liabilities, in combination with equity, are known as MREL.

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 and it has recently been transposed into National Law. Further to the above, 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 (the Decision) from the Single Resolution Board (SRB) in April 2021, of its final decision for the binding minimum requirement for own funds and eligible liabilities (MREL) for the Bank.

According to the draft decision, the minimum MREL requirement for the Bank is set at 24,10% of risk weighted assets (RWAs) and 5,91% of leverage ratio exposure (LRE) and this must be met by 31st December 2025. Furthermore, the Bank must comply with an interim requirement of 16,57% of RWAs and 5,91% of LRE by 1st 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.

Having been provided with interim and final MREL targets by 1 January 2022 and by 31 December 2025, respectively, the Bank is in the process of establishing a Euro Medium Term Note (EMTN) program of a €1,5 billion size in order to initiate its MREL issuance by year-end 2021. Any decision regarding the type of MREL to be issued as well as the issuance amount will based on market conditions and investor appetite at the relevant time.

The MREL requirement for the final target to be met by 31 December 2025 is expected to change over time due to: (a) possible changes in regulatory capital requirements and/or (b) changes in the financial position of the Bank (such as changes in RWAs, own funds, non-performing exposures). The Bank anticipates that the MREL requirement will be assessed and set on an ongoing basis.

The provisions on disclosures on MREL, as published by the EBA and the SRB, apply from 1st January 2024 at the earliest and the first reference date for reporting in accordance with the implementing technical standards is the 30 June 2021.

10. 2021 ECB SREP STRESS TEST

The Bank was selected to participate in the ECB SREP Stress Test of 2021. The 2020 ECB SREP Stress Test exercise was postponed to 2021, to mitigate the impact of COVID-19 on the EU banking sector and to prioritise operational continuity, in line with the announcement of 12 March 2020 regarding the postponement of the 2020 ECB stress test exercise. As in 2016 and in 2018, in execution of its mandate and in close cooperation with the national competent authorities, the ECB runs two stress-testing exercises – the EBA EU-wide stress test and the ECB SREP stress test, to assess the resilience of financial institutions to adverse market developments. The results of these exercises are factored into its overall assessment within the Supervisory Review and Evaluation Process (SREP).

The 2021 Stress test exercise was launched on the 29th of January 2021 and results were published by the ECB on the 30th of July 2021.

APPENDIX A – LIST OF TABLES/TEMPLATES

APPENDIX A – LIST OF TABLES/TEMPLATES