

Pillar III Report 2021

Regulatory Capital Disclosures



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SOLVENCY

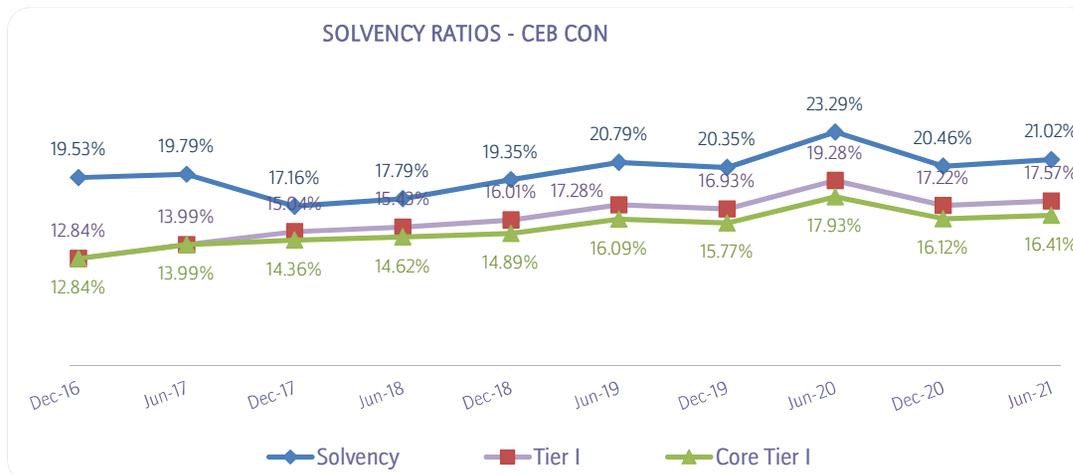
('000)	Jun-21	Dec-20
Core Tier I capital	598,415	602,443
Tier I capital	640,651	643,298
Tier II capital	125,576	121,228
Total Capital	766,227	764,526

RWA	3,646,059	3,736,593
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Capital Ratios

	Jun-21	Dec-20
Core Tier 1 (CT1) Ratio	16.41%	16.12%
Tier 1 ratio	17.57%	17.22%
Total Capital Ratio	21.02%	20.46%

Leverage ratio	12.64%	13.28%
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CAPITAL STRUCTURE

The Bank's total own funds consist of Core Tier I capital (also named as common Equity Tier I, CET 1), Additional Tier I capital (AT 1) and Tier II capital. The various elements making up both components are presented in the table below:

	Jun-21	Dec-20
Total Equity(FINREP)	625,134	612,574
Current year profit (1)	(11,380)	(4,678)
Eligible Current year profit after approval		
Non-eligible minority interest	(1,350)	(1,305)
Deductions from revaluation Reserve - AFS		
Prudential filters		
Cash flow hedge reserve	-	-
Prudent valuation	(770)	(998)
Intangible asset	(5,339)	(5,265)
Deferred tax assets rely on future profitability and do not arise from temporary differences	(25,250)	(22,294)
Transitional adjustments to IFRs 9 provisions (2)	18,213	25,499
Fair value gains and losses arising from the institution's own credit risk related to derivative liabilities	-	-
CIU investment deductions	(842)	
Core Tier I	598,415	603,533
Additional Tier I	42,235	40,855
Tier I	640,651	644,388
Subordinated Liabilities	125,576	121,228
Tier II	125,576	121,228
Total Regulatory Capital	766,227	765,616

Core Tier I (CET1) capital of CEB includes total equity subtracts regulatory adjustments.

(1) Current year profit is excluded from total own funds based on article 26, point 2 of CRR IV

(2) Transitional adjustment by adding 50% IFRS 9 Provisions back to total own funds

Tier II capital of CEB comprises of subordinated liabilities which is assessed by DNB and approved as CRR compliant. For more details of subordinated liabilities, please see note 16, Subordinated liabilities of CEB's Financial Statements as of 30 June 2021.

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EU OV1: Overview of RWAs

CEB Con ('000)	Jun-21	Dec-20	Regulatory Capital (8%) Jun-21
Credit risk (excluding CCR)	3,229,608	3,288,962	258,369
Of which the standardised approach	3,229,608	3,288,962	258,369
Of which the foundation IRB (FIRB) approach			
Of which the advanced IRB (AIRB) approach			
Of which equity IRB under the simple risk-weighted approach or the IMA			
CCR	12,581	13,127	1,006
Of which mark to market	12,581	13,127	1,006
Of which original exposure			
Of which the standardised approach			
Of which internal model method (IMM)			
Of which risk exposure amount for contributions to the default fund of a CCP			
Of which CVA	22,687	18,896	1,815
Settlement risk			
Securitisation positions in banking book			
Of which IRB approach			
Of which IRB supervisory formula approach (SFA)			
Of which internal assessment approach (IAA)			
Of which standardised approach			
Market risk	60,641	95,580	4,851
of which standardised approach(SA)	60,641	95,580	4,851
of which Internal model method (IMM)			
Large exposures			
Operational risk	306,371	306,371	24,510
Of which basic indicator approach			
Of which standardised approach	306,371	306,371	24,510
Of which advanced measurement approach			
Amounts below the thresholds for deduction (subject to 250% risk-weight)	14,171	15,797	1,134
Floor adjustment			
Total	3,646,059	3,738,733	291,685

CEB adopted Standardized Approach for credit risk, market risks and operational risk.

Risk weighted exposure for counterparty credit risk is calculated according to current exposure method

CVA is calculated based on Standardised Method

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IFRS 9-FL: Comparison of institution's own funds and capital and leverage ratios with and without the application of transitional arrangements for IFRS 9 or analogous ECLS

	2,018	2,019	2,020	Jun 2,021	2,022
Available Capital (amounts)					
1 Common Equity Tier 1 (CET1) capital	582,774	609,137	603,533	598,415	589,309
2 Common Equity Tier 1 (CET1) capital as if IFRS 9 or analogous ECLS transitional arrangements had NOT been applied	548,098	578,174	578,034	580,202	580,202
3 Tier 1 Capital	626,600	653,775	644,388	640,651	631,544
4 Tier 1 capital as if IFRS 9 or analogous ECLS transitional arrangements had NOT been applied	591,924	622,812	618,889	622,437	622,437
5 Total capital	757,650	785,920	765,616	766,227	757,120
6 Total Capital as if IFRS 9 or analogous ECLS transitional arrangements had NOT been applied	722,974	754,958	740,117	748,013	748,013
Risk-weighted assets (amounts)					
7 Total risk-weighted assets	3,914,512	3,862,027	3,767,359	3,646,059	3,637,033
8 Total risk-weighted assets as if IFRS 9 or analogous ECLS transitional arrangements had NOT been applied	3,881,719	3,834,052	3,742,167	3,628,006	3,628,006
Capital Ratios					
9 Common Equity Tier 1 (as a percentage of risk exposure amount)	14.89%	15.77%	16.02%	16.41%	16.20%
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	14.12%	15.08%	15.45%	15.99%	15.99%
11 Tier 1 (as a percentage of risk Exposure amount)	16.01%	16.93%	17.10%	17.57%	17.36%
12 Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLS transitional arrangements had NOT been applied	15.25%	16.24%	16.54%	17.16%	17.16%
13 Total capital (as a percentage of risk exposure amount)	19.35%	20.35%	20.32%	21.02%	20.82%
14 Total capital (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLS transitional arrangements had NOT been applied	18.63%	19.69%	19.78%	20.62%	20.62%
Leverage Ratio					
15 Leverage ratio total exposure measure	5,111,646	4,967,704	4,852,571	5,070,282	5,061,255
16 Leverage ratio	12.26%	13.16%	13.28%	12.64%	12.48%
Leverage ratio total exposure measure as if IFRS 9 or analogous ECLS transitional arrangements had NOT been applied	5,078,853	4,939,729	4,827,378	5,052,228	5,052,228
17 Leverage ratio as if IFRS 9 or analogous ECLS transitional arrangements had NOT been applied	11.65%	12.61%	12.82%	12.32%	12.32%

EU CR1-A: Credit quality of exposures by exposure class and instrument

	Gross carrying values of		Specific credit risk adjustment	General credit risk adjustment	Net values
	Defaulted exposures	Non-defaulted exposures			
Central governments and central banks		1,459,861			1,459,861
Regional governments or local authorities		37,557			37,557
Public sector entities		-			-
Multiateral development banks		-			-
International organisations		6,625			6,625
Institutions	-	650,189	-	(273)	649,916
Corporates	191,540	2,714,460	(22,259)	(41,369)	2,842,372
<i>of which: SMEs</i>	-	-	-	-	-
Retail	22,580	322,608	(9,352)	(4,275)	331,561
<i>of which: SMEs</i>	2,668	11,739	(120)	(17)	14,269
Secured by mortgages on immovable property	35,551	136,768	(406)	(63)	171,849
<i>of which: SMEs</i>					-
Exposures in default					-
Items associated with particularly high risk					-
Covered bonds		4,700			4,700
Claims on institutions and corporates with a short-term credit assessment					-
Collective investments undertakings					-
Equity exposures		52,319			52,319
Other exposures		274,398			274,398
Total	249,670	5,659,486	(32,016)	(45,980)	5,831,160
Of which: Loans	238,914	2,690,652.92	(32,016)	(45,980)	2,851,571
Of which: Debt securities		483,216.78		-	483,217
Of which: Off-balance-sheet exposures	10,755	1,013,801			1,024,556

EU CR1-B: Credit quality of exposures by industry or counterparty types

	Gross carrying values of		Specific credit risk adjustment	General credit risk adjustment	Net values
	Defaulted exposures	Non-defaulted exposures			
Oil & derivatives	3,104	977,087	(165)	(1,526)	978,500
Leisure & tourism	42,377	272,965	(6,011)	(13,925)	295,406
Construction & installation	8,784	50,027	(1,619)	(1,757)	55,435
Real estate	99,411	247,160	(7,523)	(15,383)	323,666
Financial services & investments	4	157,157	(4)	(1,418)	155,739
Iron & steel	5,561	248,001	(323)	(872)	252,367
Shipping & shipyards	11,143	210,135	(1,024)	(3,187)	217,067
Energy & Coal	1,651	130,384	(144)	(740)	131,150
Transportation, logistics & warehousing	1,608	80,780	(821)	(682)	80,885
Petrochemical, plasticizers & derivatives	7,217	51,942	(3,417)	(262)	55,480
Holding	-	1,345	-	-	1,345
Fertilizers	-	61,943	-	(68)	61,875
Retail	1,305	23,481	(13)	(71)	24,702
Textile, clothing and leather	294	2,152	-	(2)	2,445
Soft commodities & agricultural products	-	89,302	-	(212)	89,090
Food, beverage & tobacco	7,226	10,569	(159)	(88)	17,548
Paper and Pulp & Forestry	68	1,284	(19)	(7)	1,327
Automotive & Derivatives	-	12,284	-	(24)	12,260
Machinery-Office & Optical Equipment	1,243	5,001	(1,017)	(23)	5,204
Mining	-	-	-	-	-
Telecommunications	-	19,994	-	(95)	19,900
Building materials	-	8,192	-	(295)	7,897
Private Person	-	2,711	-	-	2,711
Technology, IT & Electronic Equipment	-	-	-	-	-
Luxury Goods	-	413	-	(11)	402
Other	-	20,774	-	(496)	20,278
Total	190,997	2,685,081	(22,259)	(41,144)	2,812,677

EU CR1-C: Credit quality of exposures by geography

	Gross carrying values of				
	Defaulted exposures	Non-defaulted exposures	Specific credit risk adjustment	General credit risk adjustment	Net values
Russia	20,853	49,607	(6,011)	(1,150)	63,299
Turkey	110,625	729,750	(1,985)	(24,181)	814,210
Romania	89,424	1,139,881	(10,778)	(8,071)	1,210,456
Ukraine	1,243	31,123	(1,017)	(387)	30,962
Other Emerging Markets	23,427	1,043,864	(11,720)	(7,336)	1,048,235
Developed markets	4,098	2,665,260	(506)	(4,856)	2,663,997
Total	249,670	5,659,486	(32,016)	(45,980)	5,831,160

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EU CR1-D: Ageing of default exposures

	≤ 30 days	> 30 days ≤ 60 days	> 60 days ≤ 90 days	> 90 days ≤ 180 days	> 180 days ≤ 1 year	> 1 year ≤ 5 years	> 5 years	Total
Loans			146,177	3,095	4,645	62,697	22,301	238,915
Debt securities								
Total exposures	-	-	146,177	3,095	4,645	62,697	22,301	238,915

EU CR1-E: Non-performing and forborne exposures

	Gross carrying amount of performing and non-performing exposures						Accumulated impairment and provisions and negative fair value adjustments due to credit risk				Collaterals and financial guarantees received		
	Of which performing but past due > 30 days and <= 90 days	Of which performing forborne	Of which non-performing			On performing exposures		On non-performing exposures		On non-performing exposures	Of which forborne exposures		
			Of which defaulted	Of which impaired	Of which forborne		Of which forborne		Of which forborne				
Debt securities													
Loans and advances	588,788	10,064	27,704	150,532	150,532	150,532	23,942	(28,411)	(28,411)	(12,023)	(12,023)	469,020	136,661
Off-balance-sheet Exp	10,755			10,755	10,755	10,755							
Total	599,543	10,064	27,704	161,287	161,287	161,287	23,942	(28,411)	(28,411)	(12,023)	(12,023)	469,020	136,661

EU CR2-A: Changes in the stock of general and specific credit risk adjustments

	Accumulated specific credit risk adjustment
Opening balances	(79,170)
Increases due to amounts set aside for estimated loan losses during the period	(3,365)
Decreases due to amounts reversed for estimated loan losses during the period	549
Decreases due to amounts taken against accumulated credit risk adjustments	5,216
Transfers between credit risk adjustments	-
Impact of exchange rate differences	373
Business combinations, including acquisitions and disposals of subsidiaries	
Other adjustments	2,024
Closing balance	(74,373)
Recoveries on credit risk adjustments recorded directly to the statement of profit or loss	2,024
Specific credit risk adjustments directly recorded to the statement of profit or loss	(1,019)

EU CR2-B: Changes in the stock of defaulted and impaired loans and debt securities

	Gross carrying value defaulted exposures
Opening balance	260,741
Loans and debt securities that have defaulted or impaired since the last reporting period	18,579
Returned to non-defaulted status	(18,781)
Amounts written off	(22,056)
Other changes	432
Closing balance	238,914

EU CR3: CRM techniques – Overview

	Exposures unsecured - Carrying amount	Exposures secured – Carrying amount(1)	Exposures secured by Eligible collateral(2)	Exposures secured by financial guarantees	Exposures secured by credit derivatives
Loans	1,418,522	1,433,049	203,848	42,080	
Debt securities	483,217				
Total Exposures	1,901,738	1,433,049	203,848	42,080	-

(1) Including all Collaterals

(2) Eligible collaterals under CRR framework

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

	Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
Sovereigns and their central banks	1,497,418	-	1,539,499	-	127,184	8%
Non-central government public sector entities						
Multiateral development banks						
International organisations	6,625		6,625		-	0%
Banks	314,056	335,860	314,056	75,352	148,887	47%
Securities firms						
Corporates	2,180,649	492,441	2,071,148	105,522	2,189,223	100%
Regulatory retail portfolios	136,478	182,133	136,478	36,674	127,771	94%
Secured by residential property	136,427	-	136,427		47,749	35%
Secured by commercial real estate	-	-	-		-	
Equity	48,953	3,366	48,953	673	65,030	133%
Past-due loans	206,898	10,755	206,898	2,750	280,160	135%
Higher-risk categories						
Covered bonds	4,700		4,700		470	10%
Other assets	274,398	-	274,398	-	239,238	87%
Total	4,806,604	1,024,556	4,739,183	220,970	3,225,713	

EU CR5: Standardised approach

Asset classes												Total Credit exposures amount (post CCF and post-CRM)
Risk Weight	0%	2%	10%	20%	35%	50%	75%	100%	150%	250%	Others*	
Sovereigns and their central banks	1,360,839		-			114,701		60,042	-	3,917		1,539,499
Non-central government public sector entities (PSEs)												-
Multilateral development banks (MDBs)												-
International organisations	6,625											6,625
Banks	-	-		255,352		74,986		56,563	2,506.96			389,408
Securities firms												-
Corporates	-			54,801		8,561		1,991,960	121,348.12			2,176,670
Regulatory retail portfolios							173,152					173,152
Secured by residential property					136,427							136,427
Secured by commercial real estate						-						-
Equity	842							42,443		5,669	673	49,626
Past-due loans								68,623	141,025			209,648
Covered bonds			4,700									4,700
Higher-risk categories												-
Other assets	35,160							239,238				274,398
Total	1,403,466	-	4,700	310,152	136,427	198,247	173,152	2,458,869	264,880	9,585	673	4,960,153

*Others records CIU investment assigned with 1250% RW

EU CCR1: Analysis of CCR exposure by approach

	Notional	Replacement cost (RC)	Potential future exposure (PFE)	EEPE	Alpha used for computing regulatory exposure value	Exposure value pre-CRM	Exposure value post-CRM	Exposure value	RWA
SA-CCR (for derivatives)	256,545	9,286	15,278		1.4	83,856	34,389	34,389	10,424
Financial collateral comprehensive method (for SFTs) VaR for SFTs	93,327						10,784	10,784	2,157
Total		9,286	15,278	-		83,856	45,173	45,173	12,581

EU CCR2: Transactions subject to own funds requirements for CVA risk

	EAD post-CRM	RWA
Total portfolios subject to the Advanced CVA capital charge		
(i) VaR component (including the 3 * multiplier)		
(ii) stressed VaR component (including the 3 * multiplier)		
All portfolios subject to the Standardised CVA capital charge	32,415	22,687
Total subject to the CVA capital charge	32,415	22,687

EU CCR3: Standardised approach- CCR exposures by regulatory portfolio and risk

Asset classes											Total Credit exposures amount (post CCF and post-CRM)
Risk Weight	0%	2%	10%	20%	35%	50%	75%	100%	150%	250%	
Sovereigns and their central banks											-
Non-central government public sector entities (PSEs)											-
Multilateral development banks (MDBs)											-
Banks		5,767		33,682					11		39,461
Securities firms											-
Corporates								5,725			5,725
Regulatory retail portfolios											-
Secured by residential property											-
Secured by commercial real estate											-
Equity											-
Past-due loans											-
Higher-risk categories											-
Other assets											-
Total	-	5,767	-	33,682	-	-	-	5,725	11	-	45,186

EU CCR5: Composition of collateral for CCR exposures

Collateral type	Collateral used in derivative transactions				Collateral used in SFTs			
	Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received		Fair value of posted collateral	
	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated
Cash – domestic currency		24,711		16,340				
Cash – other currencies		9,304		6,013				
Domestic sovereign debt								50,343
Other sovereign debt								
Government agency debt								
Corporate bonds								27,667
Equity securities								
Other collateral								
Total	-	34,016	-	22,353	-	-	-	78,010

EU CCR8: Exposures to CCPs

	Exposure value	RWEA
Exposures to QCCPs (total)	██████████	88
Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	4,395	88
(i) OTC derivatives	4,395	88
(ii) Exchange-traded derivatives		
(iii) SFTs		
(iv) Netting sets where cross-product netting has been approved		
Segregated initial margin		██████████
Non-segregated initial margin		
Prefunded default fund contributions		
Unfunded default fund contributions		
Exposures to non-QCCPs (total)	██████████	
Exposures for trades at non-QCCPs (excluding initial margin and default fund con		
(i) OTC derivatives		
(ii) Exchange-traded derivatives		
(iii) SFTs		
(iv) Netting sets where cross-product netting has been approved		
Segregated initial margin		██████████
Non-segregated initial margin		
Prefunded default fund contributions		
Unfunded default fund contributions		
Unfunded default fund contributions		

EU MR1 – Market risk under the standardised approach

	RWAs	Capital requirements
Outright products		
Interest rate risk (general and specific)	18,936	1,515
Equity risk (general and specific)	3,519	
Foreign exchange risk	38,186	3,055
Commodity risk		
Options		
Simplified approach		
Delta-plus method		
Scenario approach		
Securitisation (specific risk)		
Total	60,641	4,570