Pillar III Report 2022

Regulatory Capital Disclosures

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Notes to Reader

General information

The objective of Pillar 3 disclosure is to provide existing and potential stakeholders of Credit Europe Bank N.V (hereafter referred to as CEB or the “Bank”) a higher transparency to assess banks’ capital structures, risk exposures, risk management processes and its overall capital adequacy.

The Pillar 3 disclosures are prepared at CEB consolidated basis and should be read in conjunction with the Annual Report of the Bank[1]. There are no differences between the scope of consolidation for prudential purposes and the scope of consolidation for accounting purposes. All amounts are in thousands of Euros.

CEB prepared the report twice a year. Middle year version disclosed in a condensed format with key metrics and yearend version is a comprehensive version, which fulfils the standardized reporting and disclosure obligations to facilitate the comparability of information for benefiting all market participants.

Regulatory Framework

CEB applied following regulatory framework to prepare pillar 3 report.

- Part Eight of Regulation (EU) No 575/2013 of the European Parliament and of the Council of June 26, 2013 on prudential requirements for credit institutions and investment firms, amending Regulation (EU) No 648/2012 as amended by (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 (hereinafter referred to as CRR)[2]
- Final draft ITS on public disclosures by institutions under Part Eight of Regulation (EU) No 575/2013[3]

Waiver policy (templates and tables that are not applicable to the Bank)

The following templates are excluded from CEB’s reporting framework, as they are no applicable to the bank.

EU INS1 - Insurance participations

1 Financials (crediteuropebank.com)
2 https://www.eba.europa.eu/regulation-and-policy/single-rulebook/interactive-single-rulebook/108255
3 https://www.eba.europa.eu/regulation-and-policy/transparency-and-pillar-3/its-of-institutions-public-disclosures-of-the-information-referred-to-in-titles-ii-and-iii-of-part-eight-of-regulation-eu-no-575-2013

Key metrics and overview of risk-weighted exposure amounts

EU OV1 – Overview of risk weighted exposure amounts.

		Total risk exposure amounts (TREA:RWA)		Total own funds requirement
	(In '000)	Dec-22	Dec-21	Dec-22
1	Credit risk (excluding CCR)	**3,055,037**	**3,350,065**	**244,403**
2	Of which the standardised approach	3,055,037	3,350,065	244,403
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	**37,570**	**32,656**	**3,006**
7	Of which the standardised approach	25,257	21,559	2,021
8	Of which internal model method (IMM)			
EU 8a	Of which exposures to a CCP			
EU 8b	Of which credit valuation adjustment - CVA	12,312	11,097	985
9	Of which other CCR			
15	Settlement risk			
16	Securitisation exposures in the non-trading book (after the cap)			
17	Of which SEC-IRBA approach			
18	Of which SEC-ERBA (including IAA)			
19	Of which SEC-SA approach			
EU 19a	Of which 1250% / deduction			
20	Position, foreign exchange and commodities risks (Market risk)	**56,621**	**79,936**	**4,530**
21	Of which the standardised approach	56,621	79,936	4,530
22	Of which IMA			
EU 22a	Large exposures			
23	Operational risk	**330,321**	**299,564**	**26,426**
EU 23a	Of which basic indicator approach			
EU 23b	Of which standardised approach	330,321	299,564	26,426
EU 23c	Of which advanced measurement approach			
24	Amounts below the thresholds for deduction (subject to 250% risk weight)	0	5,701	0
29	**Total**	**3,479,549**	**3,767,923**	**278,364**

EU KM1 - Key metrics template

	(In '000)	Dec-22	Sep-22	Jun-22	Mar-22	Dec-21
	Available own funds (amounts)					
1	Common Equity Tier 1 (CET1) capital	542,918	528,311	534,191	523,540	567,655
2	Tier 1 capital	589,848	580,871	582,410	569,710	611,857
3	Total capital	702,053	734,527	726,398	704,476	743,578
	Risk-weighted exposure amounts					
4	Total risk exposure amount	3,482,826	3,798,606	3,737,837	3,656,215	3,767,923
	Capital ratios (as a percentage of risk-weighted exposure amount)					
5	Common Equity Tier 1 ratio (%)	15.59%	13.91%	14.29%	14.32%	15.07%
6	Tier 1 ratio (%)	16.94%	15.29%	15.58%	15.58%	16.24%
7	Total capital ratio (%)	20.16%	19.34%	19.43%	19.27%	19.73%
	Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted					
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	1.1%	1.2%	1.2%	1.2%	1.2%
EU 7b	of which: to be made up of CET1 capital (percentage points)	0.6%	0.7%	0.7%	0.7%	0.7%
EU 7c	of which: to be made up of Tier 1 capital (percentage points)	1%	1%	1%	1%	1%
EU 7d	Total SREP own funds requirements (%)	15.10%	15.60%	15.60%	15.60%	15.60%
	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%	0%	0%	0%	0%
9	Institution specific countercyclical capital buffer (%)	0.00%				
EU 9a	Systemic risk buffer (%)	0%	0%	0%	0%	0%
10	Global Systemically Important Institution buffer (%)	0%	0%	0%	0%	0%
EU 10a	Other Systemically Important Institution buffer (%)	0%	0%	0%	0%	0%
11	Combined buffer requirement (%)	2.50%	2.50%	2.50%	2.50%	2.50%
EU 11a	Overall capital requirements (%)	18.70%	19.30%	19.30%	19.30%	19.30%
12	CET1 available after meeting the total SREP own funds requirements (%)	10.52%	10.86%	10.86%	10.86%	10.86%
	Leverage ratio					
13	Total exposure measure	4,980,107	5,486,907	5,170,298	5,360,107	5,274,575
14	Leverage ratio (%)	11.84%	10.59%	11.26%	10.63%	11.60%
	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	0%	0%	0%	0%	0%
EU 14b	of which: to be made up of CET1 capital (percentage points)	0%	0%	0%	0%	0%
EU 14c	Total SREP leverage ratio requirements (%)	3.00%	3.00%	3.00%	3.00%	3.00%
	Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)					
EU 14d	Leverage ratio buffer requirement (%)	0%	0%	0%	0%	0%
EU 14e	Overall leverage ratio requirement (%)	3.00%	3.00%	3.00%	3.00%	3.00%
	Liquidity Coverage Ratio					
15	Total high-quality liquid assets (HQLA) (Weighted value - average)	1,200,638	1,186,169	1,032,292	1,173,653	878,211
EU 16a	Cash outflows - Total weighted value	916,965	1,047,674	882,141	825,486	884,563
EU 16b	Cash inflows - Total weighted value	1,093,928	1,707,748	1,181,878	1,005,240	1,033,440
16	Total net cash outflows (adjusted value)	229,241	261,919	220,535	206,372	221,141
17	Liquidity coverage ratio (%)	524%	453%	468%	569%	397%
	Net Stable Funding Ratio					
18	Total available stable funding	3,730,586	4,113,674	3,926,866	4,062,562	3,921,928
19	Total required stable funding	2,112,952	2,509,292	2,292,420	2,334,473	2,454,365
20	NSFR ratio (%)	177%	164%	171%	174%	160%

EU OVC - ICAAP information

CEB conducts a detailed internal capital adequacy assessment on an annual basis. Internal capital adequacy assessment process (ICAAP) is a comprehensive assessment of all the major risks that the Bank is or may be exposed to. CEB is using its own processes and methodologies to identify, quantify and set aside internal capital against unexpected losses. Stress testing and scenario analysis are important parts of ICAAP to ensure capital adequacy under adverse circumstances. The outcome of this assessment is fed back to the Bank's strategic and operational management as well as its risk appetite and capital planning. The Bank maintains a robust and up-to-date capital plan over a medium-term horizon that is compatible with its strategic targets, capital resources and risk appetite framework.

On an annual basis, the summary of the ICAAP and the supporting documentation are shared with the competent authority, DNB for its review. DNB assesses the Bank's ICAAP as a part of the Supervisory Review and Evaluation Process (SREP). The Bank endeavours to fulfil all the regulatory and supervisory requirements like SREP capital requirement, overall capital requirement which includes combined buffer requirement, leverage ratio and MREL.

Risk management policies and objectives

EU OVA - Institution risk management approach & EU OVB - Disclosure on governance arrangements

Risk Management approach and governance arrangements are presented in following chapters:

Objective

The Bank, through a sound risk management, aims to ensure that risks taken and faced through day to day activities are consistent with Bank's strategies, risk appetite and shareholders expectations. Risk management provides the structural means to identify, assess, monitor, manage and report the risks inherent in its business activities. The core elements of the bank's risk management and control framework are:

- Adhering to the risk appetite and strategy set
- Periodically assessing the risk governance structure
- Maintaining capital management in line with the capital strategy
- Managing financial and operational risk in line with the risk appetite and strategy

Risk Governance

CEB has a well-established risk governance structure with clearly defined roles and responsibilities for managing risks and addressing the appropriate risk mitigation solutions. The risk management at CEB is governed by policy level standards in accordance with CRD IV and regulations relating to implementation of CRD IV published by the Dutch Central Bank (De Nederlandsche Bank – DNB). The CEB risk management philosophy requires direct reporting lines and a clear division of tasks and responsibilities. At the same time, it ensures that bank-wide criteria for acceptance, monitoring, control and management of risks are deeply rooted. We clearly separate risk ownership from business activities.

CEB exercises full control over its subsidiaries' business performance and steers their risk appetite. In addition, we employ the following risk management governance structure:

- Audit & Risk Committees at subsidiary as well as consolidated level;
- Direct reporting of general managers of the banks' subsidiaries to the CEO of CEB;
- Presence of a global CRO function on the Managing Board;
- A uniform credit committee structure at both local and the consolidated level.

Credit Europe Bank's risk management and internal control framework enables the Managing Board to control the financial and non-financial risks of business activities. This framework is governed by a system of policies, procedures, committees, as well as support and control functions. Limits and controls have been put in place to mitigate financial and non-financial risks to an acceptable level in line with Credit Europe Bank's risk appetite. The risk appetite has been approved by the Supervisory Board and is designed to i) set the maximum level of risk the Bank is willing to accept to achieve its business objectives and ii) protect the Bank's activities, not only in terms of profitability, sound capital adequacy and liquidity ratios, but also in terms of reputation and integrity risks. To maintain the quality of financial reports and to increase the effectiveness of reporting, the Bank has implemented internal financial reporting controls.

The risk consolidation is conducted by the Group Risk Management Department (GRMD) which is responsible for measurement and monitoring of risks at consolidated level. Each banking subsidiary has local risk management which reports both to local management and head office management. CEB has also a global Operational Risk Management (ORM) Department whose goal is to consolidate the already-existing ORM activities and coordinate implementation of the framework at locations where there was no prior ORM activity. The framework uses the Risk Control Self-Assessment and Operational Loss database to identify risks and establish risk mitigating action points. Related departments have been given awareness training to ensure that operational-risk management is embedded in day-today operations. The GRMD and ORM operate under the supervision of the Chief Risk Officer (CRO). The CRO has overall responsibility for developing and maintaining effective controls on financial and non-financial risks, liquidity and capital management principles of CEB.

CEB monitors aggregated risks via specific committees as well as through reporting to the Managing Board and Supervisory Board. More specifically, CEB's risks, capital and liquidity are monitored by The Supervisory Board Sub-committees (e.g. Audit & Risk Committee, Compliance Oversight Committee) and the Managing Board Sub-committees (e.g. Asset-Liability Committee (ALCO), Compliance Management Committee, Non-Financial Risk Committee, Financial Risk Committee, IT Steering Committee, Corporate Credit Committee, FI Credit Committee).

CEB's Managing Board has the overall responsibility for all processes related to strategy definition, risk appetite setting, capital planning, business planning and budgeting, while the Supervisory Board conducts oversight on overall risk management and respective processes, considering applicable local and international legal and regulatory requirements, to respond to the various financial and non-financial risks the Bank is exposed to. The Managing Board is also responsible for implementing and maintaining the risk policies within the organization, and monitoring the risk exposure to ensure that Credit Europe Bank's activities and portfolios are not exposed to unacceptable potential losses or reputational damage. Risk is assessed, managed and reported according to common principles that are approved by the CEO. The management annually reviews the effectiveness of the risk management and internal control framework and oversees that CEB has an adequate internal control framework.

Audit & Risk Committee (ARC) and Compliance Oversight Committee (COC) assist Managing Board in fulfilling its oversight responsibilities concerning the management and control of risk, risk frameworks and controls and processes associated with CEB's operations. These committees at the consolidated level play a pivotal role in CEB's risk governance framework. These committees meet 4 times a year and receive regular reports and updates on the Bank's actual risk appetite with respect to the approved risk appetite statement. The Audit and Risk Committee reviews and monitors the limits for individual types of risks and takes decisions whether principal risks have been properly identified and are being appropriately managed. The Audit & Risk Committee monitors the risk management and internal control framework and findings of the internal audit function. It makes assessments on the existing risk management capacity / know-how of the Bank and raises action items / investment plans –where necessary- to reach the desired level. In addition, regular reports are presented to the Audit & Risk Committee by the management, internal audit, risk management and financial control. Regular risk reports are distributed covering credit risk, market risk, liquidity risk, operational risk, etc. Compliance reports including integrity risks (money laundering, improper conduct, conflicts of interest etc.) are reported to the Compliance Oversight

Committee. The risk management and internal control processes provide reasonable assurance that the financial reporting does not contain errors of material importance. This includes its going concern basis and that the risk management and internal control framework regarding financial reporting risks worked properly in the year under review.

In addition, the Managing Board has established the Management Team which includes representation from the business, risk, financial control and treasury divisions in order to facilitate the implementation of robust processes.

Bank implements a “three lines of defense” governance framework to manage risks and exercise adequate oversight and accountability. The first and second lines of defense refer to risk ownership and control mechanisms to manage and oversee risks. The third line of defense provides independent assurance while assessing and managing its risks.

The first line of defense refers to Management and business lines which are risk owners and responsible for directly assessing, controlling and mitigating risks to maintain risk levels within the Bank’s risk appetite. Business divisions are responsible for managing the risks and the compliance of their daily operations. The second line of defense relates to risk, compliance and other control functions. They are responsible for identifying and analyzing risk, implementing effective risk management and assuring that risks are within approved limits and tolerance levels. They also create and maintain the policies and procedures which provide the boundaries for the local and consolidated business activities. The Managing Board ensures that risk management, compliance and other control issues are addressed and discussed with sufficient authority. The structure of the risk organization covers all relevant risks for CEB. The roles and responsibilities of the main control functions within the second line of defense are summarized below.

Corporate Credit Department

The credit risk assessment of bank’s customers is under Corporate Credit department responsibility. The credit department must assure credit proposals, credit risk assessments and risk classifications are in compliance with established policies and credit risk appetite. Main activities of corporate credit risk department include: approving credit lines for customers, approving internal ratings, reviewing risk classifications of customers, ensuring that credit risk is within the risk appetite set by the Managing Board, ensuring compliance with credit risk policies, monitoring workout activities and conducting assessments of provision adequacy.

Risk Management Department

Risk Management Department independently oversees the implementation of the Bank's risk management framework. It is responsible for identifying, assessing, monitoring and reporting of financial risks such as credit, market, liquidity and interest rate (banking book), and non-financial risks such as operational risk and strategy risk. Risk Management function provides relevant independent information, analyses and expert judgement on risk exposures, and advices on proposals and risk decisions made by the Managing Board and business or support units as to whether they are consistent with the institution's risk appetite. Risk function recommends improvements to the risk management framework and options to remedy breaches of risk policies, procedures and limits.

Compliance Department

The role of Compliance department is to make sure the Bank conducts its business activities in full compliance with laws, regulations and internal requirements. Compliance department supports the Bank in the identification, assessment, and reporting of all compliance risks related to the organization, to its transactions and conduct of all employees. In addition Compliance is managing non-financial risks like integrity risk, strategy risk, reputational risk, etc.

Financial Control

Financial Control is responsible for integrity and accuracy of the Bank's financial records. It monitors compliance with, and implementation of, international accounting standards. By overseeing both regulatory and management reporting it provides financial information to senior management as well as to regulatory bodies. Financial Control also supports businesses with financial insights through quantitative analysis, forecasting and measuring performance against targets.

Information Security Management Department (ISM)

The responsibilities of ISM is to ensure and monitor the implementation of security controls related to confidentiality, integrity and availability of information assets and the continuity of the critical business processes.

In that respect they establish and promote information security policies, standards and procedures, coordinate and support the business units with the implementation of security controls and oversee the effectiveness of the security controls implemented.

The third line of defense is the internal audit function, which assesses the functioning and effectiveness of business units, financial risk management and non-financial risk management activities. In order to guarantee effectiveness of the CEB's risk governance structure, internal and external audit functions provide independent and objective assurance of CEB's corporate governance, internal controls, and compliance and risk management systems as the third line of defense. They assure the effectiveness, completeness and efficiency of the internal controls in the first and second lines of defense. Internal Audit Department regularly reviews the implementation and effectiveness of the risk management framework and ensures the integrity of the risk management process. The internal audit function is organized in three units: internal audit, compliance audit and IT audit. Each unit has specific knowledge in their area and works closely together.

Risk appetite framework

CEB has developed a Risk Appetite Framework (RAF) where the Bank articulates risk tolerance levels and corresponding limits, targets, thresholds and acceptable boundaries for main significant risks categories. The risk appetite of CEB's defined on a consolidated level and applies to all subsidiaries and branches. It is based on the Bank's business plan (i.e. business strategy and company objectives), in addition to the guiding principles set by the Managing Board, and is endorsed by the Supervisory Board. CEB has defined the following roles and responsibilities with regard to its risk appetite.

Supervisory Board

The Supervisory Board approves the risk appetite framework and performs supervision and assessment at a strategic level whether the Bank's activities are in line and are appropriate in the context of the approved Risk Appetite Policy and CEB's overall strategy.

Managing Board

The Managing Board is the ultimate owner of the Policy. Managing Board ensures that the Risk Appetite Policy is up-to-date and it reflects the risk appetite levels in an adequate and accurate manner. Managing Board establishes the risk appetite framework and submits it to the approval of Supervisory Board. Along the lines of risk appetite framework, Managing Board sets the KRIs and limit framework. The limit framework is subject to change at the discretion of Managing Board with the acknowledgement of Supervisory Board. The Managing Board timely provides the Supervisory Board with the information relevant for assessing whether the Bank operations are in line with the risk appetite of the Bank and promptly takes the necessary actions in case the business operations are no longer within the approved risk appetite.

Supervisory Board Sub-committees

The Supervisory Board Sub-Committees assist the Supervisory Board in its oversight of the management of CEB's key risks and the alignment of the actual risk profile of CEB with the approved risk appetite framework.

Managing Board Sub-committees

Managing Board sub-committees assist Managing Board with the implementation of CEB's risk management strategy and ensure that the Bank's exposures are in line with the risk appetite as documented in this Policy.

2nd line of Defense

2nd line of defense (Group Risk Management Division, Compliance Division, Corporate Credit Risk Division and FI Credit &Risk Analytics Division) enables the identification of the inherent risks in daily operation of the business by establishing frameworks, policies, tools, and techniques to support risk and compliance management. 2nd LOD has further responsibility for measuring, monitoring and reporting risks. Accordingly, 2nd LOD ensures that the risk appetite is appropriately translated into specific risk limits, monitors the actual risk profile of CEB against these limits and reports the alignment periodically to Managing Board, Supervisory Board and Supervisory Board Sub-committees.

Division/Department Managers

Division and department managers are responsible for managing their areas in line with the risk appetite levels and limit framework described in the Risk Appetite Policy and the relevant policies and procedures.

Internal Audit

The Internal Audit function performs internal audit activities on the risk appetite framework to ascertain that the internal governance arrangements, processes and mechanisms are sound and effective, implemented and consistently applied.

The risk appetite framework of the Bank is supported by internal documentation (e.g. policies and procedures), processes, controls and systems through which the risk appetite is established, communicated and monitored.

Risk Appetite Framework

The risk appetite framework of the Bank is supported by internal documentation (e.g. policies and procedures), processes, controls and systems through which the risk appetite is established, communicated and monitored[4].

The risk appetite of the Bank is established in conjunction with the Bank's business plan and is aligned with the Bank's vision and mission statements. The business strategy and company objectives are further detailed in individual business targets. KRIs and risk limits are used to cascade the aggregate risk appetite framework to more granular levels for day-to-day risk management.

The Bank employs a combination of a top-down and bottom-up approach in establishing its risk appetite framework:

- The top-down approach implies that the Bank's risk appetite framework is established in line with the Bank's business strategy and company objectives. Risk appetite framework is supported by risk limits and KRIs allocated to business units through a variety of methods (e.g. regulatory requirements, analysis of financial performance, analysis of historical risk-data, stress testing and scenario analysis);
- The bottom-up approach means that the business units provide their estimates regarding risk and capital needs (e.g. as a result of risk and control self-assessments, analysis of an individual unit's strategies and needs).

To ensure that CEB's activities are consistent with its risk appetite, the risk appetite is subject to regular monitoring. The KRIs, risk limits and realized risk measures are reported on a periodical basis to the Managing Board and the Supervisory Board and reviewed at the relevant sub-committee meetings. The consolidated credit risk related reports are conducted on a monthly basis and contains detailed analysis of the portfolio structure, asset impairments and concentration risks. The consolidated market risk and liquidity gap reports are prepared on a monthly basis, except for VaR and liquidity positions which are reported daily to the Managing Board. In case of breach related business unit is expected to provide explanation and the reasoning of the limit breach and in certain cases the time required to eliminate the limit breach. Certain type of limit breaches are instantly directed to ALCO level, such as the exceedance of "nominal "limits (i.e. bonds or FX). For other type of limit breaches CRO has the authority to grant a grace period to correct the limit breach. In case the issue is not resolved within the grace period, the limit breach is directly escalated to ALCO.

[4] In line with the Financial Stability Board's 2013 "Principles for an Effective Risk Appetite Framework".

CEB's end to end risk appetite process cycle is also aligned with other strategical processes including the Internal Capital Adequacy Process (ICAAP), Internal Liquidity Adequacy Assessment Process (ILAAP), Capital Management, Recovery and Resolution Plan.

CEB's risk appetite is based on both (i) quantitative and (ii) qualitative assessment criteria which guide the Bank in determining the amount and types of risk it can prudently undertake.

- Quantitative criteria can include: % of total assets, required/available capital or total earnings and profit. The direction of change in the quantitative level is also defined for each risk type.
- Qualitative criteria can include the results of risk-assessments on severity and likelihood where the division/department manager assesses the risks and controls within their area of responsibility at least annually.

Below table presents a summary of the allocation of CEB's risk appetite to the relevant risk and sub-risk categories.

CEB adapts a forward looking approach in assessing its appetite for each category of risk, in the sense that the actual level of risk might be higher or lower than the level implied by the assessment.

Given that CEB is a relatively small "niche" bank, profit concentrations in subsidiaries and product lines are inevitable. Due to proportionality, this is not considered as a critical risk for CEB and a specific risk appetite level is not defined.

RISK CATEGORY	RISK APPETITE
Portfolio Breakdown	
Corporate Wholesale	**High**
Oil & Derivatives Sector	**Fair**
Iron& Steel Sector	**Limited**
Real Estate Sector	**Limited**
Shipping & Shipyard Sector	**Limited**
Financial Institution	**Fair**
Residential Mortgages	**Limited**
Other Retail and SME Loans	**Low**
Country Concentration Risk	
Turkey	**Fair**

Romania	Fair
Climate Related and Environmental Risk	
Coal Trade	Low
Asset Quality	
Non Performing Exposures	Low
Under Performing Exposures	Limited
MARKET RISK	
Trading Book	Limited
AFS Portfolio	Fair
BANKING BOOK - INTEREST RATE RISK	Limited
LIQUIDITY RISK	Low
OPERATIONAL RISK	Limited
1.INTERNAL FRAUD	Low
1.1. Unauthorized Activity	Low
1.2. Internal Theft and Fraud	Low
2.EXTERNAL FRAUD	Limited
2.1.External Theft and Fraud	Fair
2.2.Systems Security	Low
3.EMPLOYMENT PRACTICES AND WORKPLACE SAFETY	Limited
3.1.Employee Relations	Fair
3.2.Safe Environment	Low
3.3.Diversity & Discrimination	Low
4.CLIENTS, PRODUCTS & BUSINESS PRACTICES	Limited
4.1.Suitability, Disclosure & Fiduciary	Low
4.2.Improper Business or Market Practices	Limited
4.3.Product Flaws	Limited
4.4.Selection, Sponsorship & Exposure	Limited

5. DAMAGE TO PHYSICAL ASSETS 5.1 Disasters and other events	Fair
6. BUSINESS DISRUPTION AND SYSTEM FAILURES - 6.1. Systems	Fair
7. EXECUTION, DELIVERY & PROCESS MANAGEMENT	Limited
7.1.Transaction Capture, Execution & Maintenance	Fair
7.2. Monitoring and Reporting	Low
7.3. Customer Intake and Documentation	Low
7.4.Customer / Client Account Management	Low
7.5.Trade Counterparties	Low
7.6. Vendors & Suppliers	Fair
BUSINESS RISK	Limited
INTEGRITY RISK	Limited
STRATEGY RISK	Low

Risk Types

Pillar I Risks

In pillar I, which forms the base for the regulatory capital requirement, three risk types are covered: credit risk, market risk and operational risk.

Credit Risk

Credit risk is defined as the current or prospective threat to CEB's earnings and capital as a result of counterparty's failure to comply with financial or other contractual obligations. Credit risk constitutes the most significant risk of CEB and arises mainly from its trade finance, lending, treasury, mortgage and leasing businesses. Credit risk both stem from idiosyncratic risk factors and systematic factors like country risk and industry risk. Idiosyncratic risk factors are managed through counterparty risk assessment and monitoring while portfolio diversification is adopted as the main portfolio strategy to control country, industry and single name concentration risks.

Market Risk

Market risk is the risk that CEB's earnings or capital, or its ability to meet business objectives, will be adversely affected by changes in the level or volatility of market rates or prices such as interest rates, credit spreads, commodity prices, equity prices and foreign exchange rates.

Operational Risk

CEB defines Operational Risk as the risk of loss resulting from inadequate or failed internal processes, people, and systems or from external events. It includes legal risk and outsourcing risk (within Execution, Delivery, & Process Management) but excludes strategic risk, business risk, liquidity risk, reputational risk.

Pillar II Risks

Concentration risks

This includes single-name, sector and country concentration risks. Calculation of capital requirements for the credit risk under Pillar I do not consider a buffer for credit risk concentrations, therefore an assessment of additional required capital due to concentration risk is conducted under Pillar II. GRMD prepares regular concentration reports to monitor its concentration risks on different levels. Concentration risk is managed with the limit structure and credit risk mitigation techniques.

Interest rate risk in the banking book

One of the Bank's major risks under Pillar II is the interest-rate risk on the banking book. The Bank defines interest rate risk as the current or prospective risk to earnings and capital arising from adverse movements in interest rates. The trading book is also subject to interest-rate risk, but this type of risk is dealt with under the Market Risk Value-at-Risk section. Subsidiaries are not allowed to carry interest-rate positions and are expected to transfer their positions to the parent Bank, where centralized ALM and funding principles are in place. The Bank has a 'limited' risk tolerance towards interest-rate risk in its banking book.

Liquidity risk

Liquidity risk rises when an institution is unable to meet its due liabilities, since it is unable to borrow on an unsecured basis or does not have sufficient good quality assets to borrow against or liquid assets to sell to raise immediate cash without severely damaging its net asset value. CEB manages its liquidity position on the consolidated level to be able to ride out a crisis without damaging the on-going viability of the business. This is complemented by its funding risk management which aims to achieve the optimal liability structure to finance its businesses cost-efficiently and reliably.

Strategic Risks

Strategic risk management is the process of identifying, quantifying, and mitigating any risk that affects or is inherent in a bank's business strategy, strategic objectives, and strategy execution. CEB conducts a strategic risk self-assessment at least annually to identify whether there is any material risk that might prevent CEB from reaching its targets. This assessment covers existing or planned mitigating actions, including but not limited to holding additional capital. In the most current assessment in Q1 2023, the Managing Board assessed 10 strategic risk areas5 and based on the self-assessment, it is concluded that capital allocation for strategic risks is not necessary either because CEG has adequate risk mitigating tools in place for the time being or because this factor has already been sufficiently covered under other risk items within CEG's ICAAP. CEB's risk appetite is "LOW" for strategic risks and expected to remain stable". The each strategic risk area is described in CEB's 'Strategic Risk Self-Assessment' document.

Financial Risks

Risk Category	Definition	Sub-Risk Category	Definition
Credit Risk	The risk that a counterparty fails to meet contractual or other agreed obligations (such as those in respect of credits or loan granted, exposures incurred or guarantees received), including where such is due to restrictions on foreign payments.	**Default Risk**	The risk of loss incurred due to non-performance or default of parties to which credit facilities have been made available (or in whose debt instruments investments have been made).
		Concentration Risk	The risk of a development or event having a significant to high impact on the value of the credit portfolio due to inadequate diversification within the portfolio.
		Country Risk	The risk of exposure to losses caused by events in a particular country. These items may result in inability of a business to receive funds from or send funds to counterparties outside this country.
		Climate Related and Environmental Risk	The risk of default by businesses and households, and collateral depreciation caused by climate-

[5] The list of Strategic Risk Items listed in Annex 10. Integrity and Reputation Risk are treated individually in this document so they are excluded from this section.

			related and environment physical and transition risks.
Market Risk	The risk of exposure to changes in the market prices of marketable financial instruments within a trading or other portfolio.	**FX Risk**	The risk of changes in the value of a portfolio or of marketable instruments within a portfolio arising from changes of foreign exchange rates.
		Equity Risk	The risk of changes in the value of a portfolio or of marketable instruments within a portfolio arising from changes of equity prices.
		Commodity Risk	The risk of changes in the value of a portfolio or of marketable instruments within a portfolio arising from changes of commodity prices.
		Concentration Risk	The risk of a development or event having an above-average impact on the value of a portfolio due to inadequate diversification within the portfolio.
		AFS Portfolio	The risk of changes in the value of a portfolio of marketable securities arising from changes of interest rates or credit spreads.
		Climate-related and Environmental Risk	**The risk of repricing of equities, fixed income and commodities arising from climate-related and environmental physical and transition risks.**
Liquidity Risk	The risk that current assets cannot be converted at sufficient speed or at acceptable prices into cash.	--	--
Interest Rate Risk	The risk that interest rate fluctuations lead to undesirable effects on balance sheet and earnings performance as a result of a mismatch between interest rate sensitive	--	--

	assets and liabilities (including off-balance sheet items) in terms of interest rate periods and interest rate levels.		

Non-Financial Risks

Risk Category	Definition	Sub-Risk Category[6]	Definition
Operational Risk	The risk of loss resulting from inadequate or failed internal processes, people, and systems or from external events.	**INTERNAL FRAUD**	Risk of fraud committed internally in CEB against its interests.
		EXTERNAL FRAUD	Risk of activities committed by third parties.
		EMPLOYMENT PRACTICES AND WORKPLACE SAFETY	Risk of Non-compliance to employment or health-and-safety laws and regulations and grave operational hazards in CEB.
		CLIENTS, PRODUCTS & BUSINESS PRACTICES	Risk of failing to meet promises made to our clients.
		DAMAGE TO PHYSICAL ASSETS	Risk of losses incurred by damages caused to physical assets.
		BUSINESS DISRUPTION AND SYSTEM FAILURES	Risk of supply-chain disruptions and business continuity.

[6] The sub-categories mentioned for operational risks define Level1 risks. Level 2 and 3 Operational Risk categories are detailed in Operational Risk Management Policy.

Risk Category	Definition	Sub-Risk Category[6]	Definition
		EXECUTION, DELIVERY & PROCESS MANAGEMENT	Risk of failure in delivery, transaction or process management.
Business Risk	The risk arises due to potential changes in general business conditions, such as market environment, client behavior and technological progress.	--	--
Integrity Risk	The risk of the integrity of the institution or the financial system being affected by the improper, unethical conduct of the organization, its management, staff or customers in contravention of legislation and regulation and the standards set by society or by the institution itself.	**Conflicts of Interest Risk**	The risk of the institution's reputation (and possibly also its financial position) and/or other loss being affected by the harming of interests of third parties caused by the institution or its staff, due to involvement in multiple interests.
		Insider Trading Risk	The risk of the institution's reputation, regulatory status and possibly also its financial position being adversely affected by the possession of inside information and the use of such information by acquiring or disposing of, or by trying to acquire or dispose of, for the institution's own account or for the account of a third party, either directly or indirectly, financial instruments to which such information relates.
		Money Laundering/ Terrorism Financing Risk	The risk of the institution's reputation, regulatory status and possibly also its financial position being adversely affected by the (unwitting) involvement in money laundering and/or terrorism financing
		Tax Evasion/ Avoidance Risk	The risk of the institution's reputation, regulatory status and possibly also its financial

Risk Category	Definition	Sub-Risk Category[6]	Definition
			position being adversely affected by the involvement in tax evasion or avoidance.
		Violation of Sanction Legislation Risk	The risk of the institution's reputation, regulatory status and possibly also its financial position being adversely affected by the institution's dealings with natural persons and/or legal entities that are subject to applicable sanctions legislation/regulation.
		Improper Conduct Risk	The risk of the institution's reputation, regulatory status and possibly also its financial position being adversely affected by the institution's intentional or unintentional facilitation of or involvement with other (criminal) offences.
		Environmental, Social and Governance (ESG) Risk	The risk of the institution's reputation, regulatory status and possibly also its financial position being adversely affected by the institution's insufficient actions related to climate change impacts (mitigation and adaptation), environmental management practices and duty of care, working and safety condition, respect for human rights, anti-bribery and anti-corruption practices, and compliance to relevant laws and regulations.
Strategic Risk [7]	The risk that affects or is inherent in a bank's business strategy, strategic objectives, and strategy execution.	**--**	--

[7] The subcategories are subject to change annually. A detailed discussion of Strategical Risks exist in ICAAP document.

Risk Limits

Risk	Metric
Credit risk	Large Exposure Limit
	Single Client Limit Framework
	Industry Limits
	Geography Limits
	Top 20 Borrower Group Limit
	Healthy Balance Sheet Ratio Limit[4]
	Fossil Fuels Financing Limit
	Asset Quality (NPL Ratio, Texas Ratio, Stage 2 Ratio) Limits
	Non-performing Exposure Reduction Targets
	Repossessed Asset Divestment Plan/Targets
	Inflow Criteria
	Portfolio Level Average Rating Limit
	Stressed RWA and Profit/Loss Analysis
Liquidity And Funding	Internal Limit (6 Months Liquidity Buffer)
	Immediate Liquidity
	Liquidity Coverage Ratio
	Net Stable Funding Ratio
	Survival period
	Large issuer limit
	Funding Mismatch in Major Currencies
	Loan to Deposit Ratio Limit
	Encumbered Asset Limit
	Equity and Subordinated Funding Limit
Operational Risk	Annual Operational Risk Loss Limit
Solvency	Total capital Ratio Thresholds
	Tier1 Cap Ratio Thresholds
	CET1 Cap Ratio Thresholds
	ICAAP Profile Thresholds
Market Risk (Trading Book)	Nominal Limits
	PV01 Limit
	FX Limits
	Equity Trading Limits
	Value at Risk Limits
	CDS Trading Limits
	Holding period Limit

[4] It measures exposures in countries outside of the European Economic Area ("EEA") with respect to its total assets and the deposits under the Dutch Deposit Guarantee Scheme ("DGS")).

Market Risk (Banking Book)	Nominal Limits
	PV01 Limit
	Modified Duration Limits (BB)
	FX Limits
Interest Rate Risk on Banking Book	Repricing Mismatch Monitoring
	Scenario Analysis
	Change in Net Interest Margin
	Change in Economic Value of Equity
Counterparty Risk	Limit Setting with Internal Model
Non-financial Risks	Qualitative assessment

Capital Management

Fundamentals of Capital Management Framework

A capital level commensurate with the bank's risk profile is the key to financial resilience. CEB operates with an optimum level and mix of capital resources. CEB has defined seven fundamental items for its capital management framework that it deems necessary in order to allow for the framework to soundly and adequately work. These items cover (i) an appropriate risk management that allows for an accurate risk assessment and risk control; solid methodologies for (ii) loss estimation as well as for (iii) capital resource estimation, which in turn will allow for (iv) a sound assessment of CEB's capital adequacy. In addition, CEB's fundamental items cover (v) a comprehensive capital policy and capital planning practices that allow CEB to determine adequate capital targets, -levels and -compositions. The above mentioned items are backed-up by (vi) an effective governance approach and (vii) robust internal controls. The fundamentals are summarised on the figure below accordingly.

Capital Management

Fundament 1: Sound foundational risk management

CEB has a sound risk measurement and risk management infrastructure in place that supports the identification, measurement, assessment, and control of all material risks arising from its exposures and business activities.

Fundament 2: Effective loss estimation methodologies

CEB has effective processes in place that allow for translating its risk measures into estimates of potential, expected losses including stress testing scenarios and the aggregation of those estimated losses across CEB.

Fundament 3: Solid resource estimation methodologies

CEB has a clear view on available capital resources and an effective process for estimating available capital resources (including the projection of retained earnings and under the consideration of stress testing scenarios).

Fundament 4: Coherent capital adequacy impact assessment

CEB has processes in place for bringing together estimates of losses and capital resources to assess the combined impact on its capital adequacy in relation to CEB's pre-defined targets for the level and composition of its capital.

Fundament 5: Comprehensive capital policy and capital planning

CEB has a comprehensive capital policy and robust capital planning practices for establishing capital targets, determining appropriate capital levels and composition of capital, making decisions about capital actions, and maintaining capital contingency plans.

Fundament 6: Effective governance

CEB has effective management board and senior management oversight of its capital management, including (i) the periodic review of CEB's risk infrastructure and loss-/resource-estimation methodologies; (ii) the evaluation and re-assessment of capital targets; (iii) the assessment of the appropriateness of the stress testing scenarios considered; (iv) the regular review of any limitations and uncertainties in all aspects of CEB's capital management; and (v) the approval of CEB's decisions related to capital management.

Fundament 7: Robust internal controls

CEB has robust internal controls in place governing the capital adequacy process components, including policies and procedures, change control, model validation and independent review, comprehensive documentation and regular review by CEB's internal audit division.

CEB's philosophy and objectives of capital management are shareholder as well as stakeholder oriented. Therefore, CEB's approach to capital management is dedicated to optimizing the shareholder's value by optimizing the return on capital while at the same time keeping CEB in a position, that allows it to maintain ready access to funding, meet its obligations to creditors and other counterparties, as well continue to serve as a credit intermediary before, during and after stress conditions. This status shall be held at all times and at all relevant levels of CEB, i.e. at a consolidated, a sub-consolidated and a solo level across all subsidiaries accordingly. In order to meet the above mentioned status, CEB is asked to be in financial resilience which in turn it defines as an adequate capital level that is commensurate with its overall risk profile. Consequentially, CEB will operate with an optimum level and mix of capital resources, adequately balancing its shareholder and stakeholder orientation.

A centralized capital management framework plays a major role in this approach and consists of four key guiding principles outlined in the following in greater detail accordingly.

Firstly, the framework, though being centrally run out of the Netherlands, features all relevant levels of CEB. I.e. risks and capital are efficiently managed at the consolidated group level of CEG, the sub-consolidated level of CEB NV as well as at the solo level of CEB NV.

Secondly, the framework is designated to ensure CEB has sufficient capital resources available in order to meet the capital requirements of its regulators; i.e. those of DNB as well as those of the local regulators in the subsidiaries' operating countries. Moreover, the framework will also take into account the expectations on CEB's capital base from additional stakeholders like investors, creditors and rating agencies. Further, the framework shall ensure that CEB has sufficient capital resources available in order to meet its own risk appetite and defined internal principles and guidelines.

Thirdly, CEB allocates its capital under the consideration of the risk/return thresholds defined in the risk appetite statement. CEB's business units are required to fully understand the inherent risk/reward profile of their businesses and to generate a defined level of return on the capital deployed.

Fourthly, the framework excels due to its clear definition of roles and responsibilities across CEB's organizational structure. While the capital management framework is centrally held and operated by the risk, financial control and treasury divisions of CEB NV, the Managing Board and business units in the subsidiaries are required to contribute and are held responsible for the functioning of the framework accordingly.

Conclusively, CEB may summarize the above stated functioning of its capital management framework under four clearly defined guiding principles as outlined in the following figure.

Guiding principles for capital management

Guiding principle 1: 'group- and subsidiary-level oriented'	▪ CEB efficiently manages its capital and risks at group- as well as at subsidiary-level; ▪ Accordingly, CEB's (i) risk appetite, (ii) adequate capital ratios and (iii) capital allocation are determined by the managing board and are managed at group- as well as at subsidiary-level in line with CEB's high level strategy guidance, single business strategies and targets accordingly.
Guiding principle 2: 'multiple views oriented'	▪ CEB manages capital and risk, taking into account multiple views for capital adequacy; ▪ Holding adequate capital against risk is mandatory and needed to protect the bank against legal insolvency, regulatory actions and to maintain its external ratings at an adequate level; ▪ Incorporating stress-testing views complements the economic perspective of risk capital.
Guiding principle 3: 'value oriented'	▪ CEB allocates capital efficiently to support growth and opportunities of its business units while optimising the shareholders' value accordingly; therefore, the cost of capital is optimised via (i) an increased predictability of earnings and capital usage, (ii) the leveraging of the shareholder's equity across CEB's subsidiaries depending on the existing business opportunities and their respective risk/return profile as well as via (iii) a disciplined management of capital requirements; the above is ensured by a prospective, clear and transparent view on CEB's risks and capital position.
Guiding principle 4: 'responsibility oriented'	▪ An effective capital organisation requires clearly defined roles and responsibilities across CEB's organisational structure including corresponding accountability.

Applying these four guiding principles in turn will allow CEB to meet its capital management objectives that are to (i) optimize the shareholder's value, (ii) maintain sufficient capital resources in order to meet DNB's minimum regulatory capital requirements; (iii) ensure that locally regulated subsidiaries can meet their minimum capital requirements accordingly ; (iv) achieve adequate capital levels to support CEB's risk appetite and internal capital requirements; (v) maintain a strong capital base to meet and re-assure the respective expectations set not only by regulators, but also investors, creditors and market participants, and finally (vi) to sustain CEB's future business development accordingly.

CEB's capital management process

With its capital management process CEB's covers current, future and potential capital needs. While these three dimensions of capital need to be feed from CEB's strategy outline and its risk appetite statement, they in turn feed into the application of CEB's capital policy, capital planning and capital targets accordingly. These items finally allow CEB to define its capital management strategy that is covering a distinct period of time and is subject to continuous update.

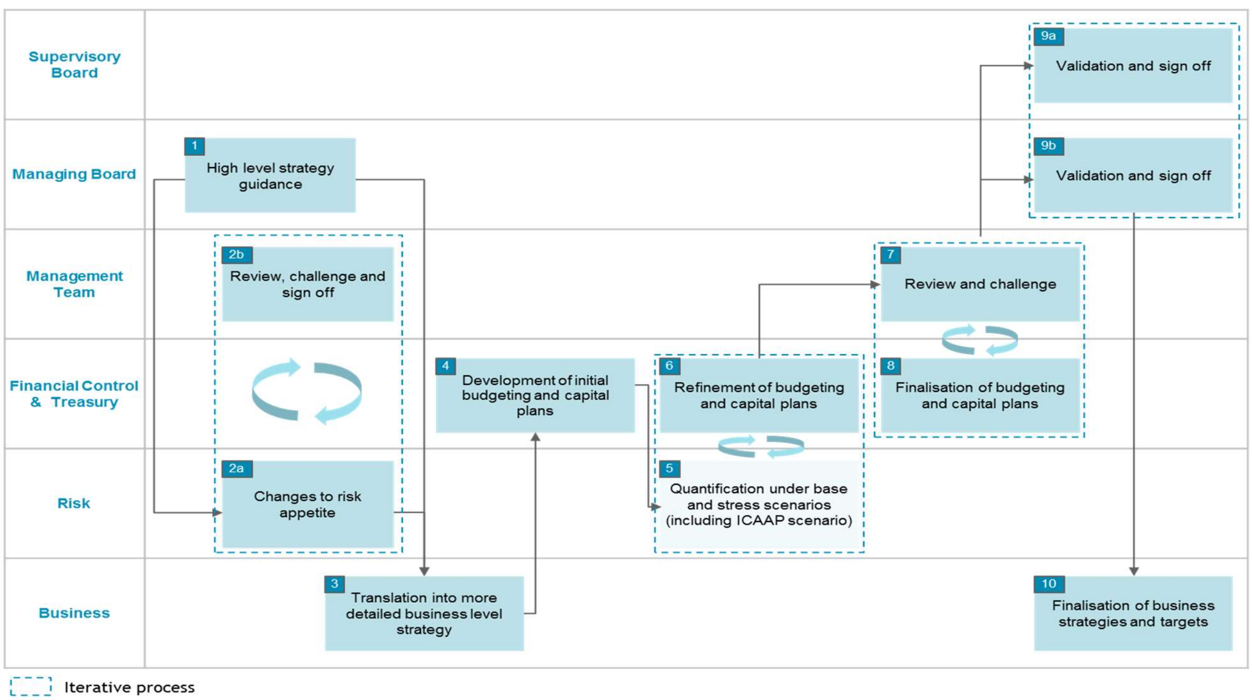
In terms of adequately managing these three dimensions of capital needs, CEB has defined five core activities that in summary build up to its capital management process: CEB will (i) measure, monitor and challenge its defined capital metrics and risk/return thresholds; (ii) estimate its capital (needs) into the future on the basis of its planning and budgeting efforts; (iii) allocate its capital on the basis of overall defined rules and policies; (iv) optimize its capital structure and (v) adequately communicate to external stakeholders. The activities are closely linked to CEB's risk appetite statement as well as to the planning and budgeting process. For a high-level overview of the activities refer to the figure below accordingly.

Per definition, CEB holds capital in order to cover unexpected losses on the basis of its given risk profile. Amount and quality of this capital is subject to policies and guidelines as well as to the expectations of CEB's different stakeholders (i.e. regulators, investors, creditors, rating agencies and market participants) and the CEBNV Managing Board (on the basis of and according to its risk appetite statement).

CEB measures, monitors and challenges its available and required capital (and hence its capital adequacy) on an ongoing basis. Measuring, monitoring and challenging the respective capital metrics, here, is set against CEB's actual risk appetite statement, which defines the respective capital targets per above view accordingly.

The estimation of capital is the process of projecting expected use and generation of capital that is derived from CEB's business planning and budgeting process. Under the consideration of CEB's high level strategy guidance, the capital projection will cover a multi-year period into the future. Further, the process covers analyzing the evolution of CEB's capital ratios against CEB's long-term strategic objectives and goals. The process ultimately feeds back into advising on CEB's ICAAP, CEBNV's risk appetite statement and, in case necessary, into CEB's capital actions and capital contingency planning under its overall recovery plan. The graph below outlines the overall processes flow from initial high level strategy guidance over risk appetite setting, capital planning and budgeting to final business strategy and target setting accordingly.

Capital Planning Process



Recovery Plan

Recovery Plan has been prepared addressing the Bank's liquidity and capital situation under unforeseen events/crises. The Bank developed a robust Recovery Plan that has been set-up to comply with the requirements set by both the Dutch Central Bank and the Financial Stability Board. CEB's Recovery Plan outlines the array of measures the Bank proposes to adopt in the event of a material deterioration of its financial situation triggered by idiosyncratic problems, market wide stresses or a combination of both. CEB's Recovery Plan is embedded within the Bank's risk management and internal control framework and can be readily implemented in the event of a situation of severe stress.

CEB acknowledges the criticality of implementing sufficient measures to survive a severe crisis and restore the long-term viability of the Bank. As a minimum, CEB has set the following objectives for its Recovery Plan:

(i) to ensure an adequate and timely response to a near-default stress scenario on its own strength;
(ii) to reduce the impact of a crisis on the Bank thereby minimizing the probability of default; and
(iii) to effect the integration of appropriate supportive measures into CEB's existing risk management and internal control framework.

CEB's Recovery Plan is not restricted to any one specific stress scenario but rather assesses whether the array of recovery measures proposed are sufficiently robust and varied in their nature to withstand a wide range of shocks.

The Recovery Plan is built upon CEB's business-as-usual ("BAU") operations which facilitate the proactive identification, monitoring, management and mitigation of the risk of near-default stress scenarios. These BAU activities are embedded within the Bank's risk management and internal control framework which aims to protect and strengthen CEB's foundation of capital and liquidity through escalating periods of stress.

Key developments in 2022

In 2022, the following events required the specific attention of the Managing Board: Environmental, Social and Governance (ESG) risks continued to be among CEB's focus areas in 2022. We are mindful of the fact that our business actions can both have an impact on and be impacted by environmental and societal issues. The Bank has taken a number of actions to further incorporate ESG initiatives into existing processes.

Besides introducing new environmental risk acceptance criteria for the Marine Finance and Commercial Real Estate portfolios, CEB continued its efforts to enrich its risk appetite framework through supplementing nominal limits with Loss Given Default (LGD)-based concentration limits. To estimate the worst-case LGD metric at obligor level, CEB collaborated with S&P and utilized their proven methodologies for the low default for the Bank, Sovereign and Corporate portfolios. The LGD models of retail portfolios are developed in-house utilizing internal data. The implementation of the new models was finalized in 2022. The worst-case LGD-based risk/limit framework will be introduced in parallel to the nominal limits in the first half of 2023 and will be effective starting from the second half of 2023. In addition, the risk management framework was further extended with additional recovery plan indicators related to market-base and macroeconomic indicators in line with related new EBA guidelines.

Regarding both economic value and earnings-based measures of IRRBB, CEB revised its Non-Maturity Deposits (NMDs) models in 2022 with the external party Prometeia to better describe the key behavioral characteristics of NMDs. The project has been finalized and the results have been reflected in 2022 year-end figures.

In 2022, CEB went live with a new compliance software suite. This suite allows for an integrated approach between first and second line-related compliance processes in the area of transaction monitoring and sanctions compliance. Additional work has been undertaken on improving the operational risk management processes. In 2022, CEB performed its regular risk control self-assessment activities and internal control evaluation, covering every major process and high-risk areas. Credit Europe Bank conducts regulatory self-assessments and takes necessary measures by revising its internal policies and processes and updating its IT systems. Furthermore, to monitor each operational risk type effectively, the new key risk indicator framework and early warning limits defined in 2021 were implemented and have been integrated into the operational risk monitoring process.

In relation to the data improvement program, the integration of the core banking system in CEB Switzerland was finalized in 2022. In addition, several data centralization, improvement and reporting projects were executed to enhance the content, quality and automation of the data inflow and reporting processes at the consolidated level. Credit Europe Bank continued strengthening its cyber security and resilience to be able to respond to emerging and sophisticated cyber threats in the financial sector. Furthermore, enhancements were made in the areas of information security, data protection and business continuity. CEB recognizes that its Financial Economic Crime (FEC) prevention framework serves as a solid foundation to prevent financial and economic crime risks. Therefore, CEB assesses such a framework on a continuous basis. The issuance of the EBA final report with guidelines on, among others, the organization of the AML/CFT compliance function at group level, resulted in the appointment of a Group Head of Compliance.
aspects of the London interbank offered rate (LIBOR) transition. The bank is currently finalizing client communication documents together with relevant guidance notes setting out the background of the benchmark transition, new interest calculation methodologies, and FAQs, as well as the draft amendment templates.

In relation to the data improvement program, CEB began a project to improve data centralization throughout its subsidiaries in 2020. The integration of the core banking system in CEB Switzerland is still ongoing. In addition, several data centralization, improvement, and reporting projects have been executed to enhance the content, quality, and automation of the data inflow and reporting processes at the consolidated level.

Areas of improvement for 2023

The Bank continues to make necessary preparations to comply with changing regulatory requirements such as 'revised standard approaches in the Basel 3 framework', among others. Data centralization, internal process automation and risk management framework enhancements will remain as focus areas in 2023 as well. CEB will continue to strengthen its operational risk framework, with an additional focus on evaluating control effectiveness by control testing and developing new operational risk stress scenarios.

CEB will continue their work on further strengthening its AML/CTF framework in relation to its retail banking operations, also in order to meet regulatory expectations. Furthermore, the Bank will also continue their close monitoring of the developments regarding the introduction of the new EU AML/CTF package, which aims to further strengthen the EU's AML/ CTF rules by introducing, among others, an EU AML/CTF regulation and sixth Directive on Anti-Money Laundering (AMLD6). In addition, the activity report, as issued by CEB's compliance function and presented to the Managing Board of Credit Europe Bank on a regular basis, will be further automated in 2023.

The scope of application

EU LI1 - Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories

2022 (In '000)	Carrying values as reported in published financial statements	Carrying values under scope of regulatory consolidation	Subject to credit risk framework	Subject to counterparty credit risk framework	Subject to the securitisation framework	Subject to the market risk framework	Not subject to capital requirements or subject to deduction from capital
Assets							
Cash and balances at central banks	1,103,693	1,103,693	1,103,693				
Financial assets measured at FVTPL							
- Trading assets	66,659	66,659				66,659	
- Non-trading assets mandatorily at FVTPL	27,974	27,974	27,974				
Financial investments	383,370	383,370	383,370				
Loans and advances to banks	460,542	460,542	460,542				
Derivative financial instruments	112,997	112,997		112,997			
Loans and advances to customers	2,481,515	2,481,515	2,459,299	22,216			
Current tax assets	70	70	70				
Deferred tax assets	80,785	80,785	29,118				51,667
Other assets	99,640	99,640	99,640				
Investment in associates and joint ventures	0	3,760	3,760				
Property and equipment	65,332	66,867	66,867				
Investment property	3,760	0	0				
Intangible assets	9,427	7,892	-				7,892
Total Assets	**4,895,764**	**4,895,764**	**4,634,333**	**135,213**	**-**	**66,659**	**59,559**
Liabilities							
Due to banks	441,236	441,236					441,236
Derivative financial instruments	150,560	150,560		150,560			-
Due to customers	3,417,018	3,417,018					3,417,018
Current tax liabilities	1,564	1,564					1,564
Other liabilities	48,223	48,222.88					48,223
Provisions	9,909	9,909					9,909
Deferred tax liabilities	18,905	18,905					18,905
Subordinated liabilities	188,732	188,732					188,732
Total Liabilities	**4,276,147**	**4,276,147**	**-**	**150,560**		**-**	**4,125,587**

2021 (In '000)	Carrying values as reported in published financial statements	Carrying values under scope of regulatory consolidation	Carrying values of items				
			Subject to credit risk framework	Subject to counterparty credit risk framework	Subject to the securitisation framework	Subject to the market risk framework	Not subject to capital requirements or subject to deduction from capital
Assets							
Cash and balances at central banks	934,648	934,648	934,648				
Financial assets measured at FVTPL							
- Trading assets	68,511	68,511				68,511	
- Non-trading assets mandatorily at FVTPL	19,195	19,195	19,195				
Financial investments	693,291	693,291	693,291				
Loans and advances to banks	283,387	283,387	283,387				
Derivative financial instruments	69,593	69,593		69,593			
Loans and advances to customers	2,753,014	2,753,014	2,752,740	274			
Current tax assets	1,249	1,249	1,249				
Deferred tax assets	79,324	79,324	25,269				54,055
Other assets	91,869	91,868	91,868				
Investment in associates and joint ventures	2,280	2,856	2,856				
Property and equipment	99,133	99,133	99,133				
Investment property	2,856	2,280	2,280				
Intangible assets	7,120	7,120	-				7,120
Total Assets	**5,105,470**	**5,105,470**	**4,905,917**	**69,867**	**-**	**68,511**	**61,175**
Liabilities							
Due to banks	799,098	799,098					799,098
Derivative financial instruments	87,878	87,878		87,878			-
Due to customers	3,326,040	3,326,040					3,326,040
Current tax liabilities	948	948					948
Other liabilities	33,977	33,976.87					33,977
Provisions	9,963	9,963					9,963
Deferred tax liabilities	18,183	18,183					18,183
Subordinated liabilities	176,891	176,891					176,891
Total Liabilities	**4,452,978**	**4,452,978**	**-**	**87,878**		**-**	**4,365,100**

EU LI2 - Main sources of differences between regulatory exposure amounts and carrying values in financial statements

(In '000)	Total	Items subject to			
Dec-22		Credit risk framework	Securitisation framework	Counterparty credit risk framework	Market risk framework
Assets carrying value amount under the scope of prudential consolidation (as per template LI1)	4,895,764	4,634,333	-	135,213	66,659
Liabilities carrying value amount under the scope of prudential consolidation (as per template LI1)	150,560			150,560	
Total net amount under the scope of prudential consolidation	**4,745,204**	**4,634,333**	**-**	**-**	**66,659**
Off-balance-sheet amounts	1,277,257	1,277,257			
Differences in valuations	70,299			70,299	
Differences due to different netting rules, other than those already included in row 2					
Differences due to consideration of provisions	8,191				
Differences due to the use of credit risk mitigation techniques (CRMs)	(181,588)	(123,667)		(57,921)	
Differences due to credit conversion factors	(909,386)	(909,386)			
Differences due to Securitisation with risk transfer					
Other differences					
Exposure amounts considered for regulatory purposes	**5,009,978**	**5,911,590**	**-**	**-**	**66,659**

(In '000)		Items subject to			
Dec-21	Total	Credit risk framework	Securitisation framework	Counterparty credit risk framework	Market risk framework
Assets carrying value amount under the scope of prudential consolidation (as per template LI1)	5,105,470	4,905,917	-	69,867	68,511
Liabilities carrying value amount under the scope of prudential consolidation (as per template LI1)	87,878			87,878	
Total net amount under the scope of prudential consolidation	**5,017,592**	**4,905,917**	**-**	**-**	**68,511**
Off-balance-sheet amounts	1,479,172	1,479,172			
Differences in valuations	63,224			63,224	
Differences due to different netting rules, other than those already included in row 2					
Differences due to consideration of provisions	16,453				
Differences due to the use of credit risk mitigation techniques (CRMs)	(282,750)	(134,753)		(147,997)	
Differences due to credit conversion factors	(981,297)	(981,297)			
Differences due to Securitisation with risk transfer					
Other differences					
Exposure amounts considered for regulatory purposes	**5,312,394**	**6,385,090**	**-**	**-**	**68,511**

** Off-balance sheet amounts in the first column are original exposures, prior to the use of credit conversion factors. Exposures reported in second column onwards are after application of the credit conversion factors (CCFs)*

EU LI3 - Outline of the differences in the scopes of consolidation (entity by entity)

Name of the entity	Method of accounting consolidation	Method of prudential consolidation					Description of the entity
		Full consolidation	Proportional consolidation	Equity method	Neither consolidated nor deducted	Deducted	
Credit Europe Bank (N.V).	Full consolidation	X					Credit institution
Credit Europe Bank (Dubai) Ltd	Full consolidation	X					Credit institution
Credit Europe Bank (Suisse) SA	Full consolidation	X					Credit institution
Credit Europe Bank (Romania) SA	Full consolidation		X (99.34%)				Credit institution
JSC Credit Europe Bank (Ukraine)	Full consolidation		X (99.99%)				Credit institution
Credit Europe Leasing (Ukraine) LLC	Full consolidation	X					Immaterial leasing company
Credit Europe Asset Management S.A	Full consolidation	X					Immaterial leasing company
Other SPVs* (Vessels, Shipyards, Commerical real estate)							
Yenikoy Enterprises B.V.	Full consolidation	X					Immaterial Non-financial corporation
Hitit Shipping Ltd	Full consolidation	X					Immaterial Non-financial corporation
Cappadocia Shipping Ltd	Full consolidation	X					Immaterial Non-financial corporation
Mysia Shipping Ltd	Full consolidation	X					Immaterial Non-financial corporation
Angora 1 Shipping Ltd	Full consolidation	X					Immaterial Non-financial corporation
Angora 4 Shipping Ltd	Full consolidation	X					Immaterial Non-financial corporation
Angora Yacht Ltd	Full consolidation	X					Immaterial Non-financial corporation
Ziyaret Gayrimenkul Yatirim A.S.	Full consolidation	X					Immaterial Non-financial corporation
Feniks Gayrimenkul Yatirim A.S.	Full consolidation	X					Immaterial Non-financial corporation
Etkin Deger Gayrimenkul Yatirim A.S.	Full consolidation	X					Immaterial Non-financial corporation
Seyir Gayrimenkul Yatirim A.S.	Full consolidation		X (53.00%)				Immaterial Non-financial corporation
Cirus Holding B.V.	Full consolidation			X (50.00%)			Immaterial Non-financial corporation
Ikano Finance Holding B.V	Full consolidation			X (50.00%)			Immaterial Non-financial corporation

EU LIA - Explanations of differences between accounting and regulatory exposure amounts &

EU LIB - Other qualitative information on the scope of application

With respect to EU LI3, there are no differences between the scope of consolidation for prudential purposes based on CRD and CRR and the scope of consolidation for accounting purposes based on International Financial Reporting Standards (IFRS).

In Prior years, CEB had differences between accounting and regulatory scopes due to insurance entities consolidated under CEB RU. Till September 2018, the bank has completed the disposal of 90% of shares of its wholly own subsidiaries CEB RU. The transaction has been executed between the bank and its shareholders in the form of spin-off. . The differences in scope of consolidation is no longer applicable to the bank since then.

EU PV1: Prudent valuation adjustments (PVA)

Based on article 34 of CRR, Institutions shall apply the requirements of Article 105 to all their assets measured at fair value when calculating the amount of their own funds and shall deduct from Common Equity Tier 1 capital the amount of any additional value adjustments necessary.

CEB NV calculated prudent valuation deduction adjustment by using simplified method, as the sum of the absolute value of assets and liabilities measured at fair value as reported in the institution's financial statements in accordance with the applicable accounting framework is less than EUR 15 billion.

EU PV1 table required by EBA is mainly designed for Core approach, thus the bank does not present this table under this session. Total prudent valuation adjustment deducted from own funds is 570,651 as of 31 Dec 2022. (compare to Dec 2021, the prudent valuation adjustment was 831,819)

Own funds

EU CC1 - Composition of regulatory own funds

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. CEB ensures that it holds enough capital to cover its material risks. The nature and quality of the capital which can be included into total own funds for the purposes of capital requirement calculation is subject to regulatory restrictions set out by CRD and the Dutch Central Bank. The table below presents information on the components of regulatory capital.

	Dec 2022 ('000)	Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
	Common Equity Tier 1 (CET1) capital: instruments and reserves		
1	Capital instruments and the related share premium accounts	726,748	CC2-26 & 27
	of which: Paid in Capital	726,748	
2	Retained earnings	60,463	CC2-29
3	Accumulated other comprehensive income (and other reserves)	-208,675	CC2-30
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 CET1)	459	CC2-32
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend	18,369	
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	**597,364**	
	Common Equity Tier 1 (CET1) capital: regulatory adjustments		
7	Additional value adjustments (negative amount)	-571	
8	Intangible assets (net of related tax liability) (negative amount)	-7,892	CC2-15
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)	-51,667	CC2-10
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, indirect and synthetic holdings by an institution of own CET1 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)		
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	5,684	
28	**Total regulatory adjustments to Common Equity Tier 1 (CET1)**	-54,446	
29	**Common Equity Tier 1 (CET1) capital**	**542,918**	

	Additional Tier 1 (AT1) capital: instruments		
30	Capital instruments and the related share premium accounts	46,930	CC2-24
31	of which: classified as equity under applicable accounting standards		
32	of which: classified as liabilities under applicable accounting standards	46,930	
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**	**46,930**	
	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**	**0**	
44	**Additional Tier 1 (AT1) capital**	**46,930**	
45	**Tier 1 capital (T1 = CET1 + AT1)**	**589,848**	
	Tier 2 (T2) capital: instruments		
46	Capital instruments and the related share premium accounts	112,202	CC2-24
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**	**112,202**	
	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**	**0**	
58	**Tier 2 (T2) capital**	**112,202**	
59	**Total capital (TC = T1 + T2)**	**702,050**	
60	**Total Risk exposure amount**	**3,479,549**	

	Capital ratios and requirements including buffers	
61	Common Equity Tier 1 capital	15.60%
62	Tier 1 capital	16.95%
63	Total capital	20.18%
64	Institution CET1 overall capital requirements	
65	of which: capital conservation buffer requirement	2.50%
66	of which: countercyclical capital buffer requirement	0.2%
67	of which: systemic risk buffer requirement	0%
EU-67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer requirement	0%
EU-67b	of which: additional own funds requirements to address the risks other than the risk of excessive leverage	0%
68	**Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements**	
	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	
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	
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)	
	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	
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)	

	Dec 2021 ('000)	Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
	Common Equity Tier 1 (CET1) capital: instruments and reserves		
1	Capital instruments and the related share premium accounts	726,748	CC2-26 & 27
	of which: Paid in Capital	726,748	
2	Retained earnings	55,465	CC2-29
3	Accumulated other comprehensive income (and other reserves)	-168,849	CC2-30
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 CET1)	421	CC2-32
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend	410	
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	**614,195**	
	Common Equity Tier 1 (CET1) capital: regulatory adjustments		
7	Additional value adjustments (negative amount)	-832	
8	Intangible assets (net of related tax liability) (negative amount)	-7,120	CC2-15
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)	-54,055	CC2-10
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, indirect and synthetic holdings by an institution of own CET1 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)		
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	15,467	
28	**Total regulatory adjustments to Common Equity Tier 1 (CET1)**	-46,540	
29	**Common Equity Tier 1 (CET1) capital**	**567,655**	

	Additional Tier 1 (AT1) capital: instruments		
30	Capital instruments and the related share premium accounts	44,202	CC2-24
31	of which: classified as equity under applicable accounting standards		
32	of which: classified as liabilities under applicable accounting standards	44,202	
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**	**44,202**	
	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**	**0**	
44	**Additional Tier 1 (AT1) capital**	**44,202**	
45	**Tier 1 capital (T1 = CET1 + AT1)**	**611,857**	
	Tier 2 (T2) capital: instruments		
46	Capital instruments and the related share premium accounts	131,721	CC2-24
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**	**131,721**	
	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**	**0**	
58	**Tier 2 (T2) capital**	**131,721**	
59	**Total capital (TC = T1 + T2)**	**743,578**	
60	**Total Risk exposure amount**	**3,767,923**	

	Capital ratios and requirements including buffers	
61	Common Equity Tier 1 capital	15.07%
62	Tier 1 capital	16.24%
63	Total capital	19.73%
64	Institution CET1 overall capital requirements	
65	of which: capital conservation buffer requirement	2.50%
66	of which: countercyclical capital buffer requirement	0%
67	of which: systemic risk buffer requirement	0%
EU-67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer requirement	0%
EU-67b	of which: additional own funds requirements to address the risks other than the risk of excessive leverage	0%
68	**Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements**	
	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	
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	
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)	
	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	
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)	

EU CC2 - reconciliation of regulatory own funds to balance sheet in the audited financial statements

	Dec 2022 ('000)	Balance sheet as in published financial statements 2022	Under regulatory scope of consolidation 2022	Reference
	Assets			
1	Cash and balances at central banks	1,103,693	1,103,693	
2	Financial assets measured at FVTPL	-	-	
3	- Trading assets	66,659	66,659	
4	- Non-trading assets mandatorily at FVTPL	27,974	27,974	
5	Financial investments	383,370	383,370	
6	Loans and advances to banks	460,542	460,542	
7	Derivative financial instruments	112,997	112,997	
8	Loans and advances to customers	2,481,515	2,481,515	
9	Current tax assets	70	70	
10	Deferred tax assets	80,785	80,785	CC1-8
11	Other assets	99,640	99,640	
12	Investment in associates and joint ventures	0	3,760	
13	Property and equipment	65,332	66,867	
14	Investment property	3,760	0	
15	Intangible assets	9,427	7,892	CC1-10
16	**Total assets**	4,895,764	4,895,764	
	Liabilities			
17	Due to banks	441,236	441,236	
18	Derivative financial instruments	150,560	150,560	
19	Due to customers	3,417,018	3,417,018	
20	Current tax liabilities	1,564	1,564	
21	Other liabilities	48,223	48,223	
22	Provisions	9,909	9,909	
23	Deferred tax liabilities	18,905	18,905	
24	Subordinated liabilities	188,732	188,732	CC1-30 & 46
25	**Total liabilities**	4,276,147	4,276,147	
	Shareholders' Equity			
26	Share capital	563,000	563,000	CC1-1
27	Share Premium	163,748	163,748	CC1-1
28	CY P&L	39,369	39,369	
29	Retained Earnings	60,463	60,463	
30	Revaluation Reserve (incl. tangibles & Intangibles/hedging/foreign currency translation/Fair value reserves)	(208,675)	(208,675)	
31	Equity attributable to shareholders of the parent company	617,905	617,905	
32	Equity attributable to minority interests	1,712	1,712	
33	**Total shareholders' equity**	619,617	619,617	

There is no difference between accounting and regulatory scope.

	Dec 2021 ('000)	Balance sheet as in published financial statements 2021	Under regulatory scope of consolidation 2021	Reference
	Assets			
1	Cash and balances at central banks	934,648	934,648	
2	Financial assets measured at FVTPL	-	-	
3	- Trading assets	68,511	68,511	
4	- Non-trading assets mandatorily at FVTPL	19,195	19,195	
5	Financial investments	693,291	693,291	
6	Loans and advances to banks	283,387	283,387	
7	Derivative financial instruments	69,593	69,593	
8	Loans and advances to customers	2,753,014	2,753,014	
9	Current tax assets	1,249	1,249	
10	Deferred tax assets	79,324	79,324	CC1-8
11	Other assets	91,869	91,868	
12	Investment in associates and joint ventures	2,280	2,856	
13	Property and equipment	99,133	99,133	
14	Investment property	2,856	2,280	
15	Intangible assets	7,120	7,120	CC1-10
16	**Total assets**	5,105,470	5,105,470	
	Liabilities			
17	Due to banks	799,098	799,098	
18	Derivative financial instruments	87,878	87,878	
19	Due to customers	3,326,040	3,326,040	
20	Current tax liabilities	948	948	
21	Other liabilities	33,977	33,977	
22	Provisions	9,963	9,963	
23	Deferred tax liabilities	18,183	18,183	
24	Subordinated liabilities	176,891	176,891	CC1-30 & 46
25	**Total liabilities**	4,452,978	4,452,978	
	Shareholders' Equity			
26	Share capital	563,000	563,000	CC1-1
27	Share Premium	163,748	163,748	CC1-1
28	CY P&L	37,397	37,397	
29	Retained Earnings	49,551	49,551	
30	Revaluation Reserve (incl. tangibles & Intangibles/hedging/foreign currency translation/Fair value reserves)	(162,935)	(162,935)	
31	Equity attributable to shareholders of the parent company	650,760	650,760	
32	Equity attributable to minority interests	1,731	1,731	
33	**Total shareholders' equity**	652,492	652,492	

There is no difference between accounting and regulatory scope.

EU CCA: Main features of regulatory own funds instruments and eligible liabilities instruments

	Qualitative or quantitative information - Free format	Common Equity Tier I	Tier I	Tier II
1	Issuer		Credit Europe Bank N.V.	Credit Europe Bank N.V.
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)			XS0854926671
2a	Public or private placement		Private	Irish Stock Exchange
3	Governing law(s) of the instrument	Dutch Law	Dutch Law	Dutch Law
3a	Contractual recognition of write down and conversion powers of resolution authorities	N/A	N/A	N/A
	Regulatory treatment			
4	Current treatment taking into account, where applicable, transitional CRR rules	Common equity tier 1	Additional Tier 1	Tier 2
5	Post-transitional CRR rules			
6	Eligible at solo/(sub-)consolidated/ solo&(sub-)consolidated	Solo & consolidated	Solo & consolidated	Solo & consolidated
7	Instrument type (types to be specified by each jurisdiction)	AT1 EU 575/2013 art 26	AT1 EU 575/2013 art 51	AT1 EU 575/2013 art 62
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)			
9	Nominal amount of instrument		50 million USD	150 million USD
EU-9a	Issue price			100%
EU-9b	Redemption price			
10	Accounting classification		Subordinated liabilities	Subordinated liabilities
11	Original date of issuance		18-Dec-2017	9-Nov-2017
12	Perpetual or dated		Perpetual	Dated
13	Original maturity date			9-Nov-2027
14	Issuer call subject to prior supervisory approval			
15	Optional call date, contingent call dates and redemption amo		18-Dec-2022	9-Nov-2022 Regulatory & Tax call (100% nominal
16	Subsequent call dates, if applicable			
	Coupons / dividends			
17	Fixed or floating dividend/coupon		Fixed	Fixed
18	Coupon rate and any related index		8.95%	7.25%
19	Existence of a dividend stopper		No	No
EU-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)		Mandatory	Mandatory
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)		Mandatory	Mandatory
21	Existence of step up or other incentive to redeem		No	No
22	Noncumulative or cumulative		N/A	N/A
23	Convertible or non-convertible		Convertible	Convertible
24	If convertible, conversion trigger(s)		at any time the Common Equity Tier 1 Capital Ratio of the borrower on a solo consolidated, sub consolidated or consolidated basis falls below 5.125%	
25	If convertible, fully or partially		Fully	
26	If convertible, conversion rate			
27	If convertible, mandatory or optional conversion		mandatory	
28	If convertible, specify instrument type convertible into		Convert into Ordinary Share	
29	If convertible, specify issuer of instrument it converts into		Convert into Credit Europe Bank	
30	Write-down features			
31	If write-down, write-down trigger(s)			
32	If write-down, full or partial			
33	If write-down, permanent or temporary			
34	If temporary write-down, description of write-up mechanism			
34a	Type of subordination (only for eligible liabilities)			
EU-34b	Ranking of the instrument in normal insolvency proceedings			
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)			
36	Non-compliant transitioned features			
37	If yes, specify non-compliant features			
37a	Link to the full term and conditions of the instrument (signposting)			

(1) Insert 'N/A' if the question is not applicable

Countercyclical capital buffers

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

Dec 2022 ('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 (%)	Countercyclical 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			
Country:													
ROMANIA	677,335	N/A	-	-	-	**677,335**	42,007	-	-	**42,007**	525,083	5.016153%	1.0%
UNITED KINGDOM	148,087	N/A	-	-	-	**148,087**	10,852	-	-	**10,852**	135,644	0.000000%	1.0%
CZECH REPUBLIC	21,087	N/A	-	-	-	**21,087**	843	-	-	**843**	10,544	0.389910%	1.0%
LUXEMBOURG	2	N/A	-	-	-	**2**	0	-	-	**0**	2	0.000083%	0.5%
DENMARK	0	N/A	-	-	-	**0**	0	-	-	**0**	0	0.000000%	1.5%
Total	**846,512**		-	-	-	**846,512**	**53,702**	-	-	**53,702**	**671,273**		

Dec 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 (%)	Countercyclical 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			
Country:													
HONG KONG	0	N/A	-	-	-	**0**	0	-	-	**0**	0	0.000000%	1.0%
CZECH REPUBLIC	0	N/A	-	-	-	**0**	0	-	-	**0**	0	0.000000%	0.5%
NORWAY	4	N/A	-	-	-	**4**	0	-	-	**0**	2	0.000050%	1.0%
Total	**4**		-	-	-	**4**	0	-	-	**0**	**2**		

EU CCyB2 - Amount of institution-specific countercyclical capital buffer

The countercyclical capital buffer (CCyB) is designed to counter procyclicality in the financial system. When it is determined that cyclical systemic risk is rising, institutions are required to invest in capital to build up buffers that will make the banking industry more resilient when losses do occur. This will lessen the financial cycle's downturn and assist maintain the economy's access to credit. During the financial cycle's upswing, the CCyB can also aid in reducing the expansion of excessive credit.

The CCyB rate increased as countries started to make use of this macroprudential tool after the pandemic. As a result, CEB's countercyclical capital buffer requirement increased during 2022.

Dec 2022 ('000)	
Total risk exposure amount	3,479,549
Institution specific countercyclical capital buffer rate	0.15310%
Institution specific countercyclical capital buffer requirement	5,327,168

Dec 2021 ('000)	
Total risk exposure amount	3,767,923
Institution specific countercyclical capital buffer rate	0.00000%
Institution specific countercyclical capital buffer requirement	19

Leverage ratio

EU LRA: Disclosure of LR qualitative information

The leverage ratio measures the level of the Tier 1 Capital compared to its non-risk based exposure defined by the Capital Requirements Regulation, with a minimum requirement at 3%. CEB presents its leverage ratio using the particular EBA templates in accordance with regulatory standards. These EBA templates show the advantage ratio as it was determined in accordance with CCR/CRD specifications.

Throughout 2022, CEB maintained its strong capital ratios, with a 1:7 capital to asset leverage, CEB is currently one of the least leveraged banks in the Netherlands.

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

	Dec 2022 ('000)	**Applicable amount**
1	Total assets as per published financial statements	4,760,551
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation	
3	(Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	
4	(Adjustment for temporary exemption of exposures to central bank (if applicable))	
5	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the leverage ratio total exposure measure in accordance with point (i) of 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	(17,862)
9	Adjustment for securities financing transactions (SFTs)	2,782
10	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	288,511
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 leverage ratio total exposure measure in accordance with point (c) of Article 429a(1) CRR)	
EU-11b	(Adjustment for exposures excluded from the leverage ratio total exposure measure in accordance with point (j) of Article 429a(1) CRR)	
12	Other adjustments	(53,875)
13	**Leverage ratio total exposure measure**	**4,980,107**

	Dec 2021 ('000)	Applicable amount
1	Total assets as per published financial statements	5,035,603
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation	
3	(Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	
4	(Adjustment for temporary exemption of exposures to central bank (if applicable))	
5	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the leverage ratio total exposure measure in accordance with point (i) of 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	(13,840)
9	Adjustment for securities financing transactions (SFTs)	14,760
10	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	283,760
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 leverage ratio total exposure measure in accordance with point (c) of Article 429a(1) CRR)	
EU-11b	(Adjustment for exposures excluded from the leverage ratio total exposure measure in accordance with point (j) of Article 429a(1) CRR)	
12	Other adjustments	(46,434)
13	**Leverage ratio total exposure measure**	**5,273,849**

EU LR2 - LRCom: Leverage ratio common disclosure

		CRR leverage ratio exposures	
		Dec-22	**T-1**
	On-balance sheet exposures (excluding derivatives and SFTs)		
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	4,760,551	
2	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	(46,380)	
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	(59,574)	
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)	(53,875)	
7	**Total on-balance sheet exposures (excluding derivatives and SFTs)**	**4,600,721**	
	Derivative exposures		
8	Replacement cost associated with SA-CCR derivatives transactions (ie net of eligible cash variation margin)	56,852	
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	31,241	
EU-9a	Derogation for derivatives: Potential future exposure contribution under the simplified standardised approach		
EU-9b	Exposure determined under Original Exposure Method		
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**	**88,093**	
	Securities financing transaction (SFT) exposures		
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	59,856	
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	(57,921)	
16	Counterparty credit risk exposure for SFT assets	846	
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**	**2,782**	
	Other off-balance sheet exposures		
19	Off-balance sheet exposures at gross notional amount	1,217,401	
20	(Adjustments for conversion to credit equivalent amounts)	(928,890)	
21	(General provisions associated with off-balance sheet exposures deducted in determining Tier 1 capital)		
22	**Off-balance sheet exposures**	**288,511**	

	Excluded exposures	
EU-22a	(Exposures excluded from the leverage ratio 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 - Public sector investments)	
EU-22d	(Excluded promotional loans of public development banks: - Promotional loans granted by a public development credit institution - Promotional loans granted by an entity directly set up by the central government, regional governments or local authorities of a Member State - Promotional loans granted by an entity set up by the central government, regional governments or local authorities of a Member State through an intermediate credit institution)	
EU-22e	(Excluded passing-through promotional loan exposures by non-public development banks (or units): - Promotional loans granted by a public development credit institution - Promotional loans granted by an entity directly set up by the central government, regional governments or local authorities of a Member State - Promotional loans granted by an entity set up by the central government, regional governments or local authorities of a Member State through an intermediate credit institution)	
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 xposures)**	-
	Capital and total exposure measure	
23	**Tier 1 capital**	**589,848**
24	**Leverage ratio total exposure measure**	**4,980,107**
	Leverage ratio	
25	Leverage ratio	11.84%
EU-25	Leverage ratio (without the adjustment due to excluded exposures of public development banks - Public sector investments) (%)	11.84%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	11.84%
26	Regulatory minimum leverage ratio requirement (%)	3%
EU-26	Additional leverage ratio requirements (%)	0%
27	Required leverage buffer (%)	0%
	Choice on transitional arrangements and relevant exposures	
EU-27	Choice on transitional arrangements for the definition of the capital measure	
	Disclosure of mean values	
28	Mean of daily values of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivable	
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	
30	Total exposures (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	
30a	Total exposures (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	
31	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	
31a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	

(*) In the course of 2021, the Bank's application for deductibility of interest component of net investment hedge
contracts for the years 2013-2015 was approved by Dutch tax authorities. As result, the

CRR leverage ratio exposures

		Dec-21	T-1
	On-balance sheet exposures (excluding derivatives and SFTs)		
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	5,035,603	
2	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	(47,019)	
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	(50,188)	
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)	(46,434)	
7	**Total on-balance sheet exposures (excluding derivatives and SFTs)**	**4,891,962**	
	Derivative exposures		
8	Replacement cost associated with SA-CCR derivatives transactions (ie net of eligible cash variation margin)	58,980	
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	24,387	
EU-9a	Derogation for derivatives: Potential future exposure contribution under the simplified standardised approach		
EU-9b	Exposure determined under Original Exposure Method		
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**	**83,367**	
	Securities financing transaction (SFT) exposures		
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	158,263	
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	(147,997)	
16	Counterparty credit risk exposure for SFT assets	4,494	
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**	**14,760**	
	Other off-balance sheet exposures		
19	Off-balance sheet exposures at gross notional amount	1,320,331	
20	(Adjustments for conversion to credit equivalent amounts)	(1,036,571)	
21	(General provisions associated with off-balance sheet exposures deducted in determining Tier 1 capital)		
22	**Off-balance sheet exposures**	**283,760**	

	Excluded exposures	
EU-22a	(Exposures excluded from the leverage ratio 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 - Public sector investments)	
EU-22d	(Excluded promotional loans of public development banks: - Promotional loans granted by a public development credit institution - Promotional loans granted by an entity directly set up by the central government, regional governments or local authorities of a Member State - Promotional loans granted by an entity set up by the central government, regional governments or local authorities of a Member State through an intermediate credit institution)	
EU-22e	(Excluded passing-through promotional loan exposures by non-public development banks (or units): - Promotional loans granted by a public development credit institution - Promotional loans granted by an entity directly set up by the central government, regional governments or local authorities of a Member State - Promotional loans granted by an entity set up by the central government, regional governments or local authorities of a Member State through an intermediate credit institution)	
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 xposures)**	-
	Capital and total exposure measure	
23	**Tier 1 capital**	**612,624**
24	**Leverage ratio total exposure measure**	**5,273,849**
	Leverage ratio	
25	Leverage ratio	11.62%
EU-25	Leverage ratio (without the adjustment due to excluded exposures of public development banks - Public sector investments) (%)	11.62%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	11.62%
26	Regulatory minimum leverage ratio requirement (%)	3%
EU-26	Additional leverage ratio requirements (%)	0%
27	Required leverage buffer (%)	0%
	Choice on transitional arrangements and relevant exposures	
EU-27	Choice on transitional arrangements for the definition of the capital measure	
	Disclosure of mean values	
28	Mean of daily values of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivable	
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	
30	Total exposures (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	
30a	Total exposures (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	
31	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	
31a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	

(*) In the course of 2021, the Bank's application for deductibility of interest component of net investment hedge
contracts for the years 2013-2015 was approved by Dutch tax authorities. As result, the

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

	Dec 2022 ('000)	CRR leverage ratio exposures
EU-1	**Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:**	4,709,167
EU-2	Trading book exposures	66,659
EU-3	Banking book exposures, of which:	
EU-4	Covered bonds	-
EU-5	Exposures treated as sovereigns	1,470,492
EU-6	Exposures to regional governments, MDB, international organisations and PSE **not** treated as sovereigns	17,671
EU-7	Institutions	420,770
EU-8	Secured by mortgages of immovable properties	153,823
EU-9	Retail exposures	131,508
EU-10	Corporate	2,114,498
EU-11	Exposures in default	128,010
EU-12	Other exposures (eg equity, securitisations, and other non-credit obligation assets)	205,737

	Dec ('000)	CRR leverage ratio exposures
EU-1	**Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:**	5,001,868
EU-2	Trading book exposures	68,511
EU-3	Banking book exposures, of which:	
EU-4	Covered bonds	-
EU-5	Exposures treated as sovereigns	1,632,586
EU-6	Exposures to regional governments, MDB, international organisations and PSE **not** treated as sovereigns	
EU-7	Institutions	259,349
EU-8	Secured by mortgages of immovable properties	140,196
EU-9	Retail exposures	136,018
EU-10	Corporate	2,312,348
EU-11	Exposures in default	187,392
EU-12	Other exposures (eg equity, securitisations, and other non-credit obligation assets)	265,469

Liquidity requirements

EU LIQA - Liquidity risk management

Strategies and processes in management of liquidity risk

CEB has policies, procedures and systems that enable it to identify measure, manage and monitor liquidity risk over different time horizons to ensure that it maintains adequate levels of available liquidity. These systems and controls are tailored for centralized liquidity management.

CEB's key funding principles also form an essential part of its liquidity risk appetite which are further explained in the Funding Plan document:

(1) Alignment with the asset profile and asset strategy

(2) Alignment with the liquidity risk appetite

(3) Minimizing any funding deficit risk by ensuring granular and stable funding

(4) Support the Bank's overall objective of achieving an investment grade rating

(5) Satisfy any minimum requirements from regulatory authorities

(6) Management of asset encumbrance

(7) Self-funded subsidiary structures

Structure and organisation of the liquidity risk management function (authority, statute, other arrangements)

CEB's Managing Board set the strategies regarding the Bank's liquidity risk management framework through the Risk Appetite statement, which is approved and endorsed by the Supervisory Board. Managing Board delegates the execution, monitoring and oversight of the funding and liquidity strategy to the Group Asset Liability Management Committee ('the ALCO'), a sub-committee of the Managing Board. This Committee executes the board-approved strategies within the principles outlined in ILAAP. Group Treasury in CEBNV is responsible for the operational and day-to-day execution of this strategy. Risk Management Division is segregated from the operational functions and provides independent monitoring function. Risk Management regularly updates the Audit & Risk Committee (a sub-committee of the Supervisory Board) over the Bank's liquidity risk profile, for supervision and oversight of the Managing Board purposes. The checks and balances in the form of segregation of duties between operational departments and the different systems, control procedures, limits monitoring and reconciliations ensure the integrity of the Bank's liquidity risk management. The integrity of the liquidity risk management is further safeguarded by the Internal Audit Department and through its independent regular reviews.

The degree of centralisation of liquidity management and interaction between the group's units

CEB applies a centralised approach towards liquidity risk policies, measurement methodologies and monitoring of the group-wide liquidity position. Centralisation covers both the operational functions (Treasury departments) and monitoring functions (Risk Management departments). Therefore, all related functions have dual responsibilities at solo and consolidated levels with respect to liquidity risk management.

In close coordination with local Treasury departments, the Group Treasury is responsible for day-to-day operations while monitoring the various funding options under the prevailing market conditions. Group Treasury monitors both solo and consolidated liquidity position and assesses the Group's liquidity position on a daily basis. By taking into account the Bank's cash position, future cash flows and pipeline transactions, settlement activities and margin requirements and intra-group positions, Group Treasury conducts the day-to-day liquidity operations. The Treasury operates within the boundaries of CEB's liquidity risk appetite and the decisions taken by the ALCO.

Additionally, subsidiaries need to comply with local statutory requirements.

Scope and nature of liquidity risk reporting and measurement systems

CEB's methodologies are designed in view of the Bank's risk tolerance and set the boundaries of CEB liquidity risk control through limits. These limits are relevant for all business lines in terms of duration, product, currency and geography. These thresholds are used for day-to-day liquidity management and they ensure CEB to operate under market stress at both solo and group levels without any disruption.

Policies for hedging and mitigating the liquidity risk and strategies and processes for monitoring the continuing effectiveness of hedges and mitigants

CEB ensures that the Bank maintains a 'cushion' of unencumbered liquid assets to be held against potential liquidity stress scenarios. The size and composition of the available liquidity are defined such that the Bank can mobilize these resources in a relatively short time horizon.

CEB takes into account the nature of its activities, concentrations and funding dynamics to design relevant liquidity stress scenarios. CEB targets to maintain adequate 'available liquidity' to offset the impacts of these scenarios.

CEB not only focuses on short-term liquidity generation capacity, but also targets matched asset-liability structure in the medium to longer term. At the solo level, CEB's liquidity risk management framework also takes into account the mismatch between asset and liabilities among group entities. Targeting self-reliant subsidiaries, CEB manages its intra-group exposures with respect to pre-defined limits per entity and maturity.

Outline of the bank`s contingency funding plans

CEB's crisis communication plan provides guidelines and procedures for the accurate, timely, appropriate and understandable coordination of communication within CEB and between CEB and any third party in the event of a potential/actual crisis or controversial issue.

In order to support timely and decisive action in a stressed situation, CEB has defined a number of early warning indicators that are used to monitor the development of CEB-specific and/or market-wide negative trends. These indicators help in measuring the adequacy of CEB's financial resources with the aim of prompting timely action and avoiding the potential failure of the Bank in a situation of severe financial distress.

The monitoring of the indicators is embedded within CEB's normal operating processes and existing risk management framework.

Stress testing

The Bank uses stress testing to verify that its liquidity buffer is adequate to withstand severe but plausible funding conditions. The outcome of the stress testing shows the Bank the level of required liquidity across different time horizons. In this respect, the design and frequency of the stress test scenarios reveal the Bank's risk appetite and preparedness to withstand a liquidity crisis.

A declaration approved by the management body on the adequacy of liquidity risk management arrangements of the institution providing assurance that the liquidity risk management systems put in place are adequate with regard to the institution's profile and strategy.

CEB's Supervisory Board approves the strategy and provides guidance over its risk tolerance over liquidity management in the Bank's Risk Appetite statement. The Asset Liability Management Committee (ALCO) ensures that the Bank operates in line with the Supervisory Board's liquidity risk tolerance described in CEB's Risk Appetite statement. The governance of the liquidity management process is conducted by the Audit & Risk Committee. The ARC ensures that the Group ALCO takes the steps necessary to monitor and control liquidity risk. During its quarterly meetings, the Committee is informed by the Group Risk Management regularly over the liquidity risk profile of the Bank and immediately if there are any material changes in the Bank's current or prospective liquidity position.

Any major changes pertaining to the design of the Bank's liquidity risk management oversight or the principles are thoroughly discussed in the Committee and become effective if and when ARC approves those revisions.

A concise liquidity risk statement approved by the management body succinctly describing the institution's overall liquidity risk profile associated with the business strategy. This statement shall include key ratios and figures (other than those already covered in the EU LIQ1 template under this ITS) providing external stakeholders with a comprehensive view of the institution's management of liquidity risk, including how the liquidity risk profile of the institution interacts with the risk tolerance set by the management body.

CEB's liquidity risk appetite is low and the Bank maintains a large liquidity portfolio with a healthy liquidity buffer. CEB's liquidity risk measurement metrics and all liquidity ratios (LCR and NSFR) are well above regulatory limits and internal targets. CEB ensures that the Bank maintains a 'cushion' of unencumbered liquid assets to be held at all times against potential liquidity stress scenarios. The size and composition of the available liquidity are defined such that the Bank can mobilize these resources in a relatively short time horizon.

EU LIQ1 - Quantitative information of LCR

		a	b	c	d	e	f	g	h
	2022 ('000)	Total unweighted value (average)				Total weighted value (average)			
EU 1a	Quarter ending on (31 Dec 2022)	T	T-1	T-2	T-3	T	T-1	T-2	T-3
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)					1,147,464	1,080,932	1,088,273	1,072,381
CASH - OUTFLOWS									
2	Retail deposits and deposits from small business customers, of which:	1,352,527	1,411,810	1,417,239	1,397,126	90,041	94,153	94,716	93,527
3	*Stable deposits*	1,025,843	1,071,817	1,078,112	1,071,684	51,292	53,591	53,906	53,584
4	*Less stable deposits*	326,684	339,993	339,126	325,442	38,749	40,562	40,811	39,943
5	Unsecured wholesale funding	1,130,892	1,031,898	960,844	900,673	548,370	510,178	492,293	482,158
6	*Operational deposits (all counterparties) and deposits in networks of cooperative banks*	228,562	212,841	198,822	181,991	57,140	53,210	49,706	45,498
7	*Non-operational deposits (all counterparties)*	902,330	819,057	762,022	718,682	491,230	456,968	442,587	436,660
8	*Unsecured debt*	-	-	-	-	-	-	-	-
9	*Secured wholesale funding*					13,906	18,099	23,566	27,204
10	Additional requirements	277,396	273,507	265,928	299,691	55,247	53,015	48,512	56,902
11	*Outflows related to derivative exposures and other collateral requirements*	29,826	26,865	22,315	19,611	29,826	26,865	22,315	19,611
12	*Outflows related to loss of funding on debt products*	-	-	-	-	-	-	-	-
13	*Credit and liquidity facilities*	247,570	246,642	243,613	280,080	25,421	26,150	26,197	37,291
14	Other contractual funding obligations	132	7	7	7	132	7	7	7
15	Other contingent funding obligations	1,201,999	1,231,318	1,231,186	1,133,475	195,354	201,949	200,483	187,485
16	TOTAL CASH OUTFLOWS					903,049	877,401	859,578	847,283
CASH - INFLOWS									
17	Secured lending (e.g. reverse repos)	3,529	3,134	3,134	1,673	-	-	-	-
18	Inflows from fully performing exposures	1,361,619	1,298,905	1,188,820	1,103,495	1,129,682	1,078,389	984,229	909,661
19	Other cash inflows	18,424	17,818	9,533	8,272	11,009	10,922	3,159	2,704
EU-19a	(Difference between total weighted inflows and total								
EU-19b	(Excess inflows from a related specialised credit institution)								
20	TOTAL CASH INFLOWS	1,383,572	1,319,856	1,201,487	1,113,440	1,140,691	1,089,311	987,388	912,365
EU-20a	*Fully exempt inflows*								
EU-20b	*Inflows subject to 90% cap*								
EU-20c	*Inflows subject to 75% cap*					1,162,709	1,111,156	993,706	917,772
TOTAL ADJUSTED VALUE									
EU-21	LIQUIDITY BUFFER					1,147,464	1,080,932	1,088,273	1,072,381
22	TOTAL NET CASH OUTFLOWS					225,762	219,350	214,894	211,821
23	LIQUIDITY COVERAGE RATIO					508%	493%	506%	506%

		a	b	c	d	e	f	g	h
	('000)	Total unweighted value (average)				Total weighted value (average)			
EU 1a	Quarter ending on (31 Dec 2021)	T	T-1	T-2	T-3	T	T-1	T-2	T-3
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)					1,067,347	1,021,191	1,010,070	1,029,036
CASH - OUTFLOWS									
2	Retail deposits and deposits from small business customers, of which:	1,370,185	1,345,822	1,348,207	1,352,299	91,963	90,472	90,951	92,027
3	*Stable deposits*	1,057,841	1,042,165	1,047,218	1,049,398	52,892	52,108	52,361	52,470
4	*Less stable deposits*	312,344	303,657	300,989	302,901	39,071	38,363	38,590	39,557
5	Unsecured wholesale funding	829,020	738,282	638,772	594,354	462,191	413,714	361,590	338,295
6	*Operational deposits (all counterparties) and deposits in networks of cooperative banks*	169,261	159,036	148,886	144,295	42,315	39,759	37,221	36,074
7	*Non-operational deposits (all counterparties)*	659,759	579,245	489,886	450,059	419,875	373,955	324,369	302,221
8	*Unsecured debt*	-	-	-	-	-	-	-	-
9	*Secured wholesale funding*					23,160	19,651	13,371	6,666
10	Additional requirements	341,722	374,574	416,180	407,195	69,900	81,928	97,065	98,176
11	*Outflows related to derivative exposures and other collateral requirements*	24,415	31,224	37,148	44,342	24,415	31,224	37,148	44,342
12	*Outflows related to loss of funding on debt products*	-	-	-	-	-	-	-	-
13	*Credit and liquidity facilities*	317,307	343,350	379,033	362,853	45,485	50,704	59,917	53,834
14	Other contractual funding obligations	7	-	-	-	7	-	-	-
15	Other contingent funding obligations	968,994	775,392	560,105	425,869	164,391	136,348	108,181	83,583
16	TOTAL CASH OUTFLOWS					811,613	742,113	671,159	618,747
CASH - INFLOWS									
17	Secured lending (e.g. reverse repos)	-	-	-	-	-	-	-	-
18	Inflows from fully performing exposures	1,005,233	923,900	831,239	762,421	823,131	745,757	666,986	607,698
19	Other cash inflows	7,440	7,193	6,137	5,556	2,703	2,819	2,983	2,965
EU-19a	(Difference between total weighted inflows and total								
EU-19b	(Excess inflows from a related specialised credit institution)								
20	TOTAL CASH INFLOWS	1,012,673	931,092	837,376	767,976	825,834	748,576	669,970	610,663
EU-20a	*Fully exempt inflows*								
EU-20b	*Inflows subject to 90% cap*								
EU-20c	*Inflows subject to 75% cap*					831,241	754,215	675,936	616,594
TOTAL ADJUSTED VALUE									
EU-21	LIQUIDITY BUFFER					1,067,347	1,021,191	1,010,070	1,029,036
22	TOTAL NET CASH OUTFLOWS					202,903	185,528	167,790	154,687
23	LIQUIDITY COVERAGE RATIO					526%	550%	602%	665%

EU LIQB - Qualitative information on LCR, which complements template EU LIQ1

Main drivers of LCR

The main drivers of LCR are the high quality liquid assets and the net cash outflows represented by deposits and commitments. It is observed that the increase in net outflows over time is more than the increase in liquid assets. The consolidated LCR amounted to 508% at the end of December 2022, based on a 12-month rolling average.

Changes in the LCR over time

The change in LCR results over time can be explained by increasing portion of corporate current accounts within funding mix.

Concentration of funding sources

CEB maintains at all times an optimal mix of different funding sources such as retail deposits, corporate deposits, funding from other banks, instruments issued via international capital markets and equity. The largest funding source was retail deposits (38%) in Q4.

Composition of the institution`s liquidity buffer.

CEB's liquid assets buffer consists of assets of extremely high liquidity and credit quality (Level 1 assets in the form of cash, central bank reserves and qualifying unencumbered securities) and assets of high liquidity and credit quality (Level 2 assets) as in the definition of high-quality liquid assets (HQLA) as defined in LCR DA.

Derivative exposures and potential collateral calls

Additional margin calls and collateral requirements are calculated by using the Historical Lookback method according to the definition of EBA's RTS on additional liquidity outflows and are taken into account in LCR.

Currency mismatch in the LCR

CEB steers LCR above 100% in all currencies and also monitors and reports LCR in both USD and RON to the regulator. Additionally, CEB reviews its maturity ladders and liquidity mismatches across different currencies and entities, monitors its funding gap in different time buckets as well as the cumulative net liquidity surplus or deficit. Gaps between the assets and liabilities structure for each major currency are subject to internal limits. CEB covers permitted gaps through cross-currency swap transactions.

Other items in the LCR calculation

The LCR disclosure template only presents the consolidated LCR. The bank also monitors, reports and steers the LCR on solo level.

EU LIQ2: Net Stable Funding Ratio

		a	b	c	d	e
Dec 2022 (in currency amount)('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	**574**	**-**	**168**	**-**	**742**
2	*Own funds*	574	-	168	-	742
3	*Other capital instruments*					
4	Retail deposits		**1,430**	**303**	**634**	**2,260**
5	*Stable deposits*		1,087	248	570	1,838
6	*Less stable deposits*		342	55	64	422
7	Wholesale funding:		**1,409**	**4**	**10**	**488**
8	*Operational deposits*		-	-	-	-
9	*Other wholesale funding*		1,409	4	10	488
10	Interdependent liabilities		-	-	-	-
11	Other liabilities:	**85**	**-**	**-**	**240**	**240**
12	*NSFR derivative liabilities*	85				
13	*All other liabilities and capital instruments not included in the above categories*		-	-	240	240
14	**Total available stable funding (ASF)**					**3,731**
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					**6**
EU-15a	Assets encumbered for more than 12m in cover pool		**-**	**-**	**-**	**-**
16	Deposits held at other financial institutions for operational purposes		**-**	**-**	**-**	**-**
17	Performing loans and securities:		**1,752**	**114**	**1,125**	**1,520**
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*		488	3	72	122
20	*Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:*		822	90	913	1,357
21	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		-	-	-	-
22	*Performing residential mortgages, of which:*		35	21	141	-
23	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		-	-	-	-
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*		407	-	-	41
25	Interdependent assets		-	-	-	-
26	Other assets:		**279**	**-**	**249**	**525**
27	*Physical traded commodities*				-	-
28	*Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*				-	-
29	*NSFR derivative assets*				-	-
30	*NSFR derivative liabilities before deduction of variation margin posted*				76	4
31	*All other assets not included in the above categories*		-	-	26	24
32	Off-balance sheet items		**1,019**	**45**	**0**	**59**
33	**Total RSF**					**2,113**
34	**Net Stable Funding Ratio (%)**					177%

		a	b	c	d	e
	Dec 2021 (in currency amount)('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	**617,369**	**-**	**186,305**	**-**	**803,674**
2	*Own funds*	617,369	-	186,305	-	803,674
3	*Other capital instruments*					
4	Retail deposits		**1,728,056**	**178,603**	**718,269**	**2,510,712**
5	*Stable deposits*		1,363,853	165,146	646,051	2,098,599
6	*Less stable deposits*		364,204	13,457	72,218	412,113
7	Wholesale funding:		**1,331,400**	**39,861**	**128,615**	**447,015**
8	*Operational deposits*		-	-	-	-
9	*Other wholesale funding*		1,331,400	39,861	128,615	447,015
10	Interdependent liabilities		-	-	-	-
11	Other liabilities:	**7,078**	**-**	**-**	**160,527**	**160,527**
12	*NSFR derivative liabilities*	7,078				
13	*All other liabilities and capital instruments not included in the above categories*		-	-	160,527	160,527
14	**Total available stable funding (ASF)**					**3,921,928**
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					**137,859**
EU-15a	Assets encumbered for more than 12m in cover pool		-	-	-	-
16	Deposits held at other financial institutions for operational purposes		-	-	-	-
17	Performing loans and securities:		**1,807,723**	**131,420**	**1,206,863**	**1,709,245**
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*		286,879	30,653	106,159	150,173
20	*Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:*		1,062,470	82,234	854,557	1,517,783
21	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		-	-	-	-
22	*Performing residential mortgages, of which:*		48,481	18,533	245,794	-
23	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		-	-	-	-
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*		409,895	-	352	41,289
25	Interdependent assets		-	-	-	-
26	Other assets:		**196,988**	**-**	**363,813**	**554,336**
27	*Physical traded commodities*				-	-
28	*Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*				661	562
29	*NSFR derivative assets*				-	-
30	*NSFR derivative liabilities before deduction of variation margin posted*				49,859	2,493
31	*All other assets not included in the above categories*		-	-	60,555	54,089
32	Off-balance sheet items		**850,201**	**44,333**	**-**	**49,870**
33	**Total RSF**					**2,454,365**
34	**Net Stable Funding Ratio (%)**					160%

Credit Risk

Credit risk quality

EU CRA: General qualitative information about credit risk

Credit risk arises from the possibility of losses stemming from the failure of customers or counterparties to meet their financial obligations with Credit Europe Bank. The Bank undertakes credit risk by offering loans, guarantees and other credit products. Credit risk is the primary risk factor in the Bank's operations and taking on credit risk is a core activity of the Bank. The Bank has policies and procedures for accepting, measuring and managing credit risk. The objective of credit risk management is to achieve an appropriate balance between risk and return and to minimize potential adverse effects of credit risk on the Bank's financial performance.

The points below define the general approach towards credit risk at Credit Europe Bank:

- Group level policies and procedures to identify, measure, monitor, control and report material risks in all countries.
- Establishment of effective and efficient internal control mechanisms to ensure the integrity of credit processes.
- Group level Credit Risk Management function covers: Sovereign/Counterparty/Treasury/Corporate-Commercial/Retail and SMEs.
- Control and setting of local Credit Limit powers in all subsidiaries.
- Establish a comprehensive risk appetite framework and ensure credit risks are only accepted and managed within that risk appetite.
- Application of consistent Internal Credit Risk Rating Models in all subsidiaries.
- Establishment and maintenance of a sound internal rating system supported with an adequate number of rating models and processes to ensure its robustness across all lending types.
- Establishment and maintenance of a sound IFRS9 Impairment Calculation Framework supported with an adequate governance and processes to ensure accuracy and robustness of impairment calculations.
- Building a regular cycle of IFRS9 model validation that includes validation of the general framework and periodic monitoring of model performance and stability; and model improvement where necessary.
- Stress testing of loan portfolios under alternative scenarios.
- Standardization of all product and facility definitions at Group level.
- Regulatory and Internal Concentration Limits are set at the Group level: Country / Single Name / Sector.
- CRR, standards and guidelines published by European Banking Authority (EBA) and DNB regulations.

EU CRB: Additional disclosure related to the credit quality of assets

The Credit Exposure Classification and Treatment Policies for corporate as well as retail clients define the minimum standards for, and establish a single view, on identification and treatment of non-performing corporate credit exposures in Credit Europe Bank N.V. and all of its subsidiaries.

The policies also set minimum standards and explain the processes to be followed for the identification and treatment of obligors whose creditworthiness and repayment capacity of their performing exposures may potentially deteriorate or have already deteriorated, even though their credit exposures are still performing. CEB differentiates between the following categories of assets in the loan portfolio:

- Fully performing: Fully performing exposures are defined as credit exposures that are not past-due or exposures past-due up to 30 days, provided that there is no significant increase in credit risk since origination. An exposure is past due when any amount of principal, interest or fee has not been paid at the date it was due.
- Underperforming: Underperforming exposures belong to a sub-category of the performing asset class, where the Bank observes a significant increase in credit risk since origination. Underperformance might become evident if an exposure is past-due more than 30 days, subject to forbearance measures, or the assigned PD has increased significantly since the origination of the exposure (applicable for corporate exposures, measured by CEB's internal PD Master Scale).
- Non-performing: Non-performing exposures (NPE) are defined as exposures that satisfy either or both of the following criteria:
    1) material exposures which are more than 90 days past-due.
    2) the obligor is assessed as unlikely to pay its credit obligations in full without realization of collateral, regardless of the existence of any past-due amount or of the number of days past-due.

An exposure is past-due only if there is a legal obligation to make a payment and this payment is compulsory. The counting of days past-due starts as soon as any amount of principal, interest or fee has not been paid to CEB at the date this obligation was due.

To be able to monitor delinquent corporate loans in a more structured way the Bank developed NPL & forbearance screens on solo level and strive to spread the system across subsidiaries.

Impairment allowances

IFRS 9 introduced forward-looking expected loss model for impairment allowances. Expected credit loss (ECL) amount is calculated on a probability-weighted basis as the difference between the cash flows that are due to the Group in accordance with the contractual terms of a financial instrument and the cash flows that the Group expects to receive. The Group classifies its financial assets in ‘three-stage’ model (‘general model’) for impairment based on changes in credit quality since initial recognition.

Stage 1 includes financial instruments that have not had a significant increase in credit risk since initial recognition. For these assets, 12-month expected credit losses (‘ECL’) are recognized and interest revenue is calculated on the gross carrying amount of the asset (that is, without deduction for credit allowance). 12-month ECL is the expected credit losses that result from default events that are possible within 12 months after the reporting date. It is not the expected cash shortfalls over the 12-month period but the entire credit loss on an asset weighted by the probability that the loss will occur in the next 12 months.

Stage 2 includes financial instruments that have had a significant increase in credit risk since initial recognition (unless they have low credit risk at the reporting date) but that do not have objective evidence of impairment. For these assets, lifetime ECL are recognized, but interest revenue is still calculated on the gross carrying amount of the asset. Lifetime ECL are the expected credit losses that result from all possible default events over the expected life of the financial instrument. Expected credit losses are the weighted average credit losses with the probability of default (‘PD’) as the weight.

Stage 3 includes financial assets that have objective evidence of impairment at the reporting date. In line with the Capital Requirement Regulations (CRR) the Bank defines defaulted exposures as exposures that satisfy either or both of the following criteria:

- material exposures which are more than 90 days past-due
- the obligor is assessed as unlikely to pay its credit obligations in full without realization of collateral, regardless of the existence of any past-due amount or of the number of days past-due.

The Bank aligns the definition of credit impaired under IFRS 9 (Stage 3) with default definition of CRR. For these assets, lifetime ECL is recognized and interest revenue is calculated on the net carrying amount (that is, net of credit allowance).

Collective impairment

The calculation of expected credit losses requires management to apply judgment and make estimates and assumptions. These judgments, estimates and assumptions are an inherent part of the calculation, which includes probability of default (PD), loss given default (LGD) and exposure at default (EAD) models, the determination of a significant increase in credit risk, the selection of appropriate scenarios and macroeconomic factors and the expected credit loss measurement period. These inputs are based on the best available information and are subject to frequent reassessment. The Bank considers a number of quantitative and qualitative factors like forbearance status, warning signals, 30 days past-due back stop to identify and assess significant increase in credit risk.

Individual impairment

The individual component of the total allowance for impairment applies to financial assets evaluated individually for impairment and is based on management's best estimate of the present value of the cash flows that are expected to be received. In estimating these cash flows, management makes judgments about a debtor's financial position and the net realizable value of any underlying collateral. Each impaired asset is assessed on its merits, and the workout strategy and estimate of cash flows considered recoverable are approved by the Corporate Credit Committee independently.

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

		Gross carrying amount/nominal amount					
		Performing exposures			Non-performing exposures		
	Dec 2022 ('000)	Total	Of which stage 1	Of which stage 2	Total	Of which stage 2	Of which stage 3
005	**Cash balances at central banks and other demand deposits**	***1,207,492***	-	-	-	-	-
010	**Loans and advances**	***2,784,703***	***2,525,201***	***259,502***	***169,718***	-	***169,718***
020	*Central banks*	-	-	-	-	-	-
030	*General governments*	47,416	47,416	-	-	-	-
040	*Credit institutions*	344,003	344,003	-	-	-	-
050	*Other financial corporations*	75,752	75,752	-	-	-	-
060	*Non-financial corporations*	2,047,951	1,889,709	158,242	117,817	-	117,817
070	*Of which SMEs*	-	-	-	-	-	-
080	*Households*	269,580	168,320	101,260	51,900	-	51,900
090	**Debt securities**	***319,286***	***319,286***	-	-	-	-
100	*Central banks*	-	-				
110	*General governments*	269,778	269,778				
120	*Credit institutions*	19,802	19,802				
130	*Other financial corporations*	-	-				
140	*Non-financial corporations*	29,706	29,706				
150	**Off-balance-sheet exposures**	***1,215,414***	-	-	***1,987***	-	***1,987***
160	*Central banks*	-					
170	*General governments*	-					
180	*Credit institutions*	259,646					
190	*Other financial corporations*	-					
200	*Non-financial corporations*	764,909			*1,987*		*1,987*
210	*Households*	190,859					
220	***Total***	***5,526,895***	***2,844,486***	***259,502***	***171,705***	-	***171,705***

	Dec 2022 ('000)	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collateral and financial guarantees received	
		Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and				On performing exposures	On non-performing exposures
		Total	Of which stage 1	Of which stage 2	Total	Of which stage 2	Of which stage 3			
005	**Cash balances at central banks and other demand deposits**	-	-	-	-	-	-	-	-	-
010	**Loans and advances**	***(29,536)***	***(10,164)***	***(19,372)***	***(44,363)***	-	***(44,363)***	-	-	-
020	*Central banks*	-	-	-	-	-	-	-	-	-
030	*General governments*	-	-	-	-	-	-	-	-	-
040	*Credit institutions*	(841)	(841)	-	-	-	-	-	-	-
050	*Other financial corporations*	(848)	(848)	-	-	-	-	-	-	-
060	*Non-financial corporations*	(22,042)	(8,023)	(14,019)	(26,320)	-	(26,320)	-	-	-
070	*Of which SMEs*	-	-	-	-	-	-	-	-	-
080	*Households*	(5,805)	(452)	(5,353)	(18,043)	-	(18,043)	-	-	-
090	**Debt securities**	-	-	-	-	-	-	-	-	-
100	*Central banks*									
110	*General governments*									
120	*Credit institutions*									
130	*Other financial corporations*									
140	*Non-financial corporations*									
150	**Off-balance-sheet exposures**	-	-	-	-	-	-			
160	*Central banks*									
170	*General governments*									
180	*Credit institutions*									
190	*Other financial corporations*									
200	*Non-financial corporations*									
210	*Households*									
220	***Total***	***(29,536)***	***(10,164)***	***(19,372)***	***(44,363)***	-	***(44,363)***	-	-	-

	Dec 2021 ('000)	Gross carrying amount/nominal amount					
		Performing exposures			Non-performing exposures		
		Total	Of which stage 1	Of which stage 2	Total	Of which stage 2	Of which stage 3
005	**Cash balances at central banks and other demand deposits**	***1,001,133***	**-**	**-**	**-**	**-**	**-**
010	**Loans and advances**	***2,941,276***	***2,659,510***	***281,766***	***212,886***	**-**	***212,886***
020	*Central banks*	-	-	-	-	-	-
030	*General governments*	151,010	151,010	-	-	-	-
040	*Credit institutions*	201,236	201,236	-	-	-	-
050	*Other financial corporations*	107,466	107,466	-	-	-	-
060	*Non-financial corporations*	2,214,649	2,046,467	168,182	154,412	-	154,412
070	*Of which SMEs*	-	-	-	-	-	-
080	*Households*	266,915	153,332	113,584	58,474	-	58,474
090	**Debt securities**	***524,469***	***524,469***	**-**	**-**	**-**	**-**
100	*Central banks*	17,122	17,122				
110	*General governments*	465,094	465,094				
120	*Credit institutions*	26,106	26,106				
130	*Other financial corporations*	7,805	7,805				
140	*Non-financial corporations*	8,341	8,341				
150	**Off-balance-sheet exposures**	***1,320,331***	**-**	**-**	**-**	**-**	**-**
160	*Central banks*	-					
170	*General governments*	-					
180	*Credit institutions*	307,586					
190	*Other financial corporations*	-					
200	*Non-financial corporations*	833,964					
210	*Households*	178,781					
220	***Total***	***5,787,209***	***3,183,979***	***281,766***	***212,886***	**-**	***212,886***

	Dec 2021 ('000)	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collateral and financial guarantees received	
		Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and				On performing exposures	On non-performing exposures
		Total	Of which stage 1	Of which stage 2	Total	Of which stage 2	Of which stage 3			
005	**Cash balances at central banks and other demand deposits**	-	-	-	-	-	-	-	-	-
010	**Loans and advances**	***(31,925)***	***(10,339)***	***(21,586)***	***(26,790)***	-	***(26,790)***	-	-	-
020	*Central banks*	-	-	-	-	-	-	-	-	-
030	*General governments*	-	-	-	-	-	-	-	-	-
040	*Credit institutions*	(196)	(196)	-	-	-	-	-	-	-
050	*Other financial corporations*	(968)	(968)	-	-	-	-	-	-	-
060	*Non-financial corporations*	(21,195)	(8,518)	(12,677)	(10,712)	-	(10,712)	-	-	-
070	*Of which SMEs*	-	-	-	-	-	-	-	-	-
080	*Households*	(9,565)	(657)	(8,908)	(16,079)	-	(16,079)	-	-	-
090	**Debt securities**	-	-	-	-	-	-	-	-	-
100	*Central banks*									
110	*General governments*									
120	*Credit institutions*									
130	*Other financial corporations*									
140	*Non-financial corporations*									
150	**Off-balance-sheet exposures**	-	-	-	-	-	-			
160	*Central banks*									
170	*General governments*									
180	*Credit institutions*									
190	*Other financial corporations*									
200	*Non-financial corporations*									
210	*Households*									
220	***Total***	***(31,925)***	***(10,339)***	***(21,586)***	***(26,790)***	-	***(26,790)***	-	-	-

EU CR1-A: Maturity of exposures

	Dec 2022 ('000)	Net exposure value					
		On demand	**<= 1 year**	**> 1 year <= 5 years**	**> 5 years**	**No stated maturity**	**Total**
1	Loans and advances	-	1,526,509	626,162	492,235	235,616	**2,880,521**
2	Debt securities	-	120,321	113,349	85,616	-	**319,286**
3	**Total**	**-**	**1,646,829**	**739,511**	**577,851**	**235,616**	**3,199,807**

	Dec 2021 ('000)	Net exposure value					
		On demand	**<= 1 year**	**> 1 year <= 5 years**	**> 5 years**	**No stated maturity**	**Total**
1	Loans and advances	-	1,583,814	778,209	568,622	164,803	**3,095,447**
2	Debt securities	-	314,836	66,512	143,121	-	**524,469**
3	**Total**	**-**	**1,898,650**	**844,721**	**711,743**	**164,803**	**3,619,916**

EU CR2: Changes in the stock of non-performing loans and advances

	Dec 2022 ('000)	Gross carrying amount
010	**Initial stock of non-performing loans and advances**	212,886
020	Inflows to non-performing portfolios	54,975
030	Outflows from non-performing portfolios	(96,157)
040	Outflows due to write-offs	(3,809)
050	Outflow due to other situations	(92,348)
060	**Final stock of non-performing loans and advances**	171,705

	Dec 2021 ('000)	Gross carrying amount
010	**Initial stock of non-performing loans and advances**	260,957
020	Inflows to non-performing portfolios	56,288
030	Outflows from non-performing portfolios	(104,359)
040	Outflows due to write-offs	(13,443)
050	Outflow due to other situations	(90,916)
060	**Final stock of non-performing loans and advances**	212,886

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

	Dec 2022 ('000)	Gross carrying amount	Related net accumulated recoveries
010	**Initial stock of non-performing loans and advances**	212,886	
020	Inflows to non-performing portfolios	54,975	
030	Outflows from non-performing portfolios	(96,157)	
040	Outflow to performing portfolio	(6,411)	
050	Outflow due to loan repayment, partial or total	(59,646)	
060	Outflow due to collateral liquidations		
070	Outflow due to taking possession of collateral		
080	Outflow due to sale of instruments		
090	Outflow due to risk transfers		
100	Outflows due to write-offs	(3,809)	
110	Outflow due to other situations	(26,291)	
120	Outflow due to reclassification as held for sale	-	
130	**Final stock of non-performing loans and advances**	**171,705**	

	Dec 2021 ('000)	Gross carrying amount	Related net accumulated recoveries
010	**Initial stock of non-performing loans and advances**	260,957	
020	Inflows to non-performing portfolios	56,288	
030	Outflows from non-performing portfolios	(104,359)	
040	Outflow to performing portfolio	(2,166)	
050	Outflow due to loan repayment, partial or total	(79,230)	
060	Outflow due to collateral liquidations		
070	Outflow due to taking possession of collateral		
080	Outflow due to sale of instruments		
090	Outflow due to risk transfers		
100	Outflows due to write-offs	(13,443)	
110	Outflow due to other situations	(9,520)	
120	Outflow due to reclassification as held for sale	-	
130	**Final stock of non-performing loans and advances**	**212,886**	

EU CQ1: Credit quality of forborne exposures

	Dec 2022 ('000)	Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
		Performing forborne	Non-performing forborne	Of which defaulted	Of which impaired	On performing forborne exposures	On non-performing forborne exposures		Of which collateral and financial guarantees received on non-performing exposures with forbearance
005	**Cash balances at central banks and other demand deposits**	-	-	-	-	-	-	-	-
010	**Loans and advances**	**26,609**	**118,383**	**118,383**	**118,383**	**(3,117)**	**(24,285)**	**108,660**	**93,384**
020	*Central banks*	-	-	-	-	-	-	-	-
030	*General governments*	-	-	-	-	-	-	-	-
040	*Credit institutions*	-	-	-	-	-	-	-	-
050	*Other financial corporations*	-	-	-	-	-	-	-	-
060	*Non-financial corporations*	13,644	106,912	106,912	106,912	(1,906)	(20,418)	85,075	85,792
070	*Households*	12,965	11,471	11,471	11,471	(1,211)	(3,867)	23,585	7,592
080	Debt Securities	-	-	-	-	-	-	-	-
090	**Loan commitments given**	-	-	-	-	-	-	-	-
100	***Total***	**26,609**	**118,383**	**118,383**	**118,383**	**(3,117)**	**(24,285)**	**108,660**	**93,384**

	Dec 2021 ('000)	Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
		Performing forborne	Non-performing forborne	Of which defaulted	Of which impaired	On performing forborne exposures	On non-performing forborne exposures		Of which collateral and financial guarantees received on non-performing exposures with forbearance
005	**Cash balances at central banks and other demand deposits**	-	-	-	-	-	-	-	-
010	**Loans and advances**	**337,348**	**151,643**	**151,643**	**151,643**	**(16,311)**	**(11,806)**	**374,707**	**138,033**
020	*Central banks*	-	-	-	-	-	-	-	-
030	*General governments*	-	-	-	-	-	-	-	-
040	*Credit institutions*	-	-	-	-	-	-	-	-
050	*Other financial corporations*	55,666	-	-	-	(1,043)	-	-	-
060	*Non-financial corporations*	263,123	137,630	137,630	137,630	(13,020)	(8,458)	336,515	127,715
070	*Households*	18,558	14,013	14,013	14,013	(2,248)	(3,348)	38,192	10,318
080	Debt Securities	-	-	-	-	-	-	-	-
090	**Loan commitments given**	-	-	-	-	-	-	-	-
100	***Total***	**337,348**	**151,643**	**151,643**	**151,643**	**(16,311)**	**(11,806)**	**374,707**	**138,033**

During Covid 19 pandemic, CEB flagged several customers as Forborne. As of yearend 2022, CEB removed those loans from forborne portfolio.

EU CQ2: Quality of forbearance

	Dec 2022 ('000)	Gross carrying amount of forborne
010	Loans and advances that have been forborne more than twice	11,365
020	Non-performing forborne loans and advances that failed to meet the non-performing exit criteria	19,190.97

	Dec 2021 ('000)	Gross carrying amount of forborne
010	Loans and advances that have been forborne more than twice	10,138
020	Non-performing forborne loans and advances that failed to meet the non-performing exit criteria	19,203.30

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

		Gross carrying amount/nominal amount											
		Performing exposures			Non-performing exposures								
	Dec 2022 ('000)		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**	**1,207,492**	-	-	-	-	-	-	-	-	-	-	-
010	**Loans and advances**	**2,784,703**			**169,718**	**87,506**	**24,188**	**5,818**	**23,374**	**19,615**	**9,056**	**160**	**169,718**
020	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-
030	*General governments*	47,416	-	-	-	-	-	-	-	-	-	-	-
040	*Credit institutions*	344,003	-	-	-	-	-	-	-	-	-	-	-
050	*Other financial corporations*	75,752	-	-	-	-	-	-	-	-	-	-	-
060	*Non-financial corporations*	2,047,951	-	-	117,817	79,854	22,242	2,541	7,656	1,481	4,043	-	117,817
070	*Of which SMEs*	0	-	-	-	-	-	-	-	-	-	-	-
080	*Households*	269,580	-	-	51,900	7,653	1,946	3,278	15,718	18,134	5,013	160	51,900
090	**Debt securities**	**319,286**											
100	*Central banks*	-											
110	*General governments*	269,778											
120	*Credit institutions*	19,802											
130	*Other financial corporations*	-											
140	*Non-financial corporations*	29,706											
150	**Off-balance-sheet exposures**	**1,215,414**			**1,987**								**1,987**
160	*Central banks*	-											
170	*General governments*	-											
180	*Credit institutions*	259,646											
190	*Other financial corporations*	-											
200	*Non-financial corporations*	764,909			1,987								1,987
210	*Households*	190,859											
220	***Total***	**5,526,895**	**-**	**-**	**171,705**	**87,506**	**24,188**	**5,818**	**23,374**	**19,615**	**9,056**	**160**	**171,705**

	Dec 2021 ('000)	Gross carrying amount/nominal amount											
		Performing exposures			Non-performing exposures								
			Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days		Unlikely to pay that are not past due or are past due ≤ 90	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**	**1,001,133**	-	-	-	-	-	-	-	-	-	-	-
010	**Loans and advances**	**2,941,276**			**212,886**	**143,797**	**5,161**	**3,217**	**29,960**	**23,504**	**7,247**	**-**	**212,886**
020	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-
030	*General governments*	151,010	-	-	-	-	-	-	-	-	-	-	-
040	*Credit institutions*	201,236	-	-	-	-	-	-	-	-	-	-	-
050	*Other financial corporations*	107,466	-	-	-	-	-	-	-	-	-	-	-
060	*Non-financial corporations*	2,214,649	-	-	154,412	133,707	651	-	15,527	4,526	-	-	154,412
070	*Of which SMEs*	0	-	-	-	-	-	-	-	-	-	-	-
080	*Households*	266,915	-	-	58,474	10,090	4,511	3,217	14,432	18,978	7,247	-	58,474
090	**Debt securities**	**524,469**											
100	*Central banks*	17,122											
110	*General governments*	465,094											
120	*Credit institutions*	26,106											
130	*Other financial corporations*	7,805											
140	*Non-financial corporations*	8,341											
150	**Off-balance-sheet exposures**	**1,320,331**											
160	*Central banks*	-											
170	*General governments*	-											
180	*Credit institutions*	307,586											
190	*Other financial corporations*	-											
200	*Non-financial corporations*	833,964											
210	*Households*	178,781											
220	***Total***	**5,787,209**	**-**	**-**	**212,886**	**143,797**	**5,161**	**3,217**	**29,960**	**23,504**	**7,247**	**-**	**212,886**

EU CQ4: Quality of non-performing exposures by geography

		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***	***4,481,199***	***169,718***	***169,718***	***4,481,199***	***(73,899)***		
020	*Russia*	34,566	21,622	21,622	34,566	(15,390)		
030	*Turkey*	425,814	66,743	66,743	425,814	(20,016)		
040	*Romania*	925,216	68,536	68,536	925,216	(29,077)		
050	*Ukraine*	26,738	5,962	5,962	26,738	(3,639)		
060	*Other Emerging Markets*	671,851	-	-	671,851	(3,129)		
070	*Developed markets*	2,397,013	6,854	6,854	2,397,013	(2,648)		
080	***Off-balance-sheet exposures***	***1,217,401***	***1,987***	***1,987***				
090	*Russia*	-	-	-				
100	*Turkey*	48,043	1,970	1,970				
110	*Romania*	217,282	-	-				
120	*Ukraine*	17	17	17				
130	*Other Emerging Markets*	351,213	-	-				
140	*Developed markets*	600,846	-	-				
150	***Total***	**5,698,600**	**171,705**	**171,705**	**4,481,199**	**(73,899)**		

Dec 2021 ('000)		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
		Total	Of which non-performing		Of which subject to impairment			
				Of which defaulted				
010	***On-balance-sheet exposures***	***4,679,765***	***212,886***	***212,886***	***4,679,765***	***(58,715)***		
020	*Russia*	55,351	21,166	21,166	55,351	(6,688)		
030	*Turkey*	523,334	100,222	100,222	523,334	(14,403)		
040	*Romania*	991,461	83,310	83,310	991,461	(29,289)		
050	*Ukraine*	55,785	271	271	55,785	(556)		
060	*Other Emerging Markets*	715,395	3,850	3,850	715,395	(4,739)		
070	*Developed markets*	2,338,439	4,068	4,068	2,338,439	(3,040)		
080	***Off-balance-sheet exposures***	***1,320,331***						
090	*Russia*	5,516	-	-				
100	*Turkey*	114,562	4,315	4,315				
110	*Romania*	201,021	-	-				
120	*Ukraine*	42	-	-				
130	*Other Emerging Markets*	375,061	-	-				
140	*Developed markets*	624,130	-	-				
150	***Total***	**6,000,096**	**212,886**	**212,886**	**4,679,765**	**(58,715)**		

EU CQ5: Credit quality of loans and advances by industry

	Dec 2022 ('000)	Gross carrying amount				Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
		Total	Of which non-performing		Of which loans and advances subject to impairment		
				Of which defaulted			
010	Agriculture, forestry and fishing	20,258	-	-	20,258	(167)	
020	Mining and quarrying	-	-	-	-	-	
030	Manufacturing	257,169	16,975	16,975	257,169	(4,566)	
040	Electricity, gas, steam and air conditioning supply	83,501	-	-	83,501	(96)	
050	Water supply	-	-	-	-	-	
060	Construction	5,727	6,763	6,763	5,727	(3,583)	
070	Wholesale and retail trade	791,696	2,189	2,189	791,696	(1,257)	
080	Transport and storage	37,227	269	269	37,227	(2,499)	
090	Accommodation and food service activities	233,787	30,689	30,689	233,787	(19,590)	
100	Information and communication	11,710	25	25	11,710	(4)	
110	Financial and insurance actvities	72,820	-	-	72,820	(454)	
120	Real estate activities	177,196	58,663	58,663	177,196	(13,540)	
130	Professional, scientific and technical activities	-	-	-	-	-	
140	Administrative and support service activities	327,082	1,481	1,481	327,082	(2,369)	
150	Public administration and defense, compulsory social security	-	-	-	-	-	
160	Education	5,202	-	-	5,202	(24)	
170	Human health services and social work activities	-	-	-	-	-	
180	Arts, entertainment and recreation	-	-	-	-	-	
190	Other services	24,577	763	763	24,577	(213)	
200	***Total***	***2,047,951***	***117,817***	***117,817***	***2,047,951***	***(48,362)***	

	Dec 2021 ('000)	Gross carrying amount				Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
		Total	Of which non-performing		Of which loans and advances subject to impairment		
				Of which defaulted			
010	Agriculture, forestry and fishing	57,899	0	0	57,899	(95)	
020	Mining and quarrying	0	-	-	0	-	
030	Manufacturing	289,405	8,482	8,482	289,405	(1,962)	
040	Electricity, gas, steam and air conditioning supply	63,393	-	-	63,393	(72)	
050	Water supply	-	-	-	-	-	
060	Construction	12,109	7,455	7,455	12,109	(1,883)	
070	Wholesale and retail trade	939,249	3,870	3,870	939,249	(1,542)	
080	Transport and storage	76,043	254	254	76,043	(414)	
090	Accommodation and food service activities	232,249	42,548	42,548	232,249	(10,760)	
100	Information and communication	22,607	62	62	22,607	(46)	
110	Financial and insurance actvities	40,107	3	3	40,107	(127)	
120	Real estate activities	213,323	79,900	79,900	213,323	(11,241)	
130	Professional, scientific and technical activities	-	-	-	-	-	
140	Administrative and support service activities	245,069	10,783	10,783	245,069	(3,503)	
150	Public administration and defense, compulsory social security	-	-	-	-	-	
160	Education	5,027	-	-	5,027	(5)	
170	Human health services and social work activities	-	-	-	-	-	
180	Arts, entertainment and recreation	-	-	-	-	-	
190	Other services	18,169	1,055	1,055	18,169	(258)	
200	***Total***	***2,214,649***	***154,412***	***154,412***	***2,214,649***	***(31,907)***	

EU CQ6: Collateral valuation - loans and advances

	Dec 2022 ('000)	Loans and advances											
			Performing		Non-performing								
							Past due > 90 days						
		Total	Total Performing	Of which past due > 30 days ≤ 90 days	Total Non-performing	Unlikely to pay that are not past due or are past due ≤ 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**	**2,954,421**	**2,784,703**	**-**	**169,718**	**87,506**	**82,211**	**24,188**	**5,818**	**23,374**	**19,615**	**9,056**	**160**
020	*Of which secured*	1,645,750	1,512,545	13,756	133,205	85,677	47,529	9,483	2,027	3,629	16,001	13,154	3,235
030	*Of which secured with immovable property*	743,937	632,599	277,650	111,338	32,835	78,503	23,696	3,532	6,812	24,922	16,083	3,458
040	*Of which instruments with LTV higher than 60% and lower or equal to 80%*	81,237	75,114		6,123	1,134	4,989						
050	*Of which instruments with LTV higher than 80% and lower or equal to 100%*	453,722	371,714		82,008	24,305	57,703						
060	*Of which instruments with LTV higher than 100%*	64,750	48,747		16,002	3,614	12,388						
070	**Accumulated impairment for secured assets**	(56,684)	(20,361)		(36,323)	(6,224)	(30,098)	(14,124)	(1,509)	(3,183)	(8,947)	(2,084)	(251)
080	**Collateral**												
090	*Of which value capped at the value of exposure*	*1,645,750*	1,512,545	29,032	133,205	85,677	47,529	9,483	2,027	3,629	16,001	13,154	3,235
100	*Of which immovable property*	*678,918*	604,319	13,755	74,599	27,083	47,515	9,470	2,027	3,629	16,001	13,154	3,235
110	*Of which value above the cap*	*1,990,210*	1,831,827	14,921	158,383	97,869	60,514	-	-	-	-	-	-
120	*Of which immovable property*	*966,996*	868,987	14,920	98,010	38,732	33,957	-	-	-	-	-	-
130	**Financial guarantees received**	*51,182*	49,617	-	1,565	486	1,079	152	927	-	-	-	-
140	**Accumulated partial write-off**	*(37,802)*	-	-	(37,802)	(5,443)	(32,359)	-	-	-	(32,359)	-	-

	Dec 2021 ('000)	Loans and advances											
			Performing		Non-performing								
							Past due > 90 days						
		Total	Total Performing	Of which past due > 30 days ≤ 90 days	Total Non-performing	Unlikely to pay that are not past due or are past due ≤ 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**	**3,154,162**	**2,941,276**	**-**	**212,886**	**143,797**	**69,089**	**5,161**	**3,217**	**29,960**	**23,504**	**7,247**	**-**
020	*Of which secured*	1,573,321	1,392,205	13,670	181,116	128,702	52,414	3,468	1,590	7,925	23,253	10,924	5,255
030	*Of which secured with immovable property*	1,078,533	970,799	269,827	107,734	41,667	66,068	4,517	3,141	10,824	30,219	11,787	5,581
040	*Of which instruments with LTV higher than 60% and lower or equal to 80%*	110,724	98,071		12,653	3,394	9,259						
050	*Of which instruments with LTV higher than 80% and lower or equal to 100%*	797,862	720,249		77,613	31,035	46,578						
060	*Of which instruments with LTV higher than 100%*	42,426	32,349		10,076	2,861	7,216						
070	**Accumulated impairment for secured assets**	(50,377)	(27,078)		(23,299)	(9,164)	(14,135)	(1,686)	(1,547)	(2,899)	(6,652)	(863)	(488)
080	**Collateral**												
090	*Of which value capped at the value of exposure*	*1,573,321*	1,392,205	250,001	181,116	128,702	52,414	3,468	1,590	7,925	23,253	10,924	5,255
100	*Of which immovable property*	*1,012,977*	928,969	13,669	84,008	32,250	51,758	2,830	1,590	7,925	23,234	10,924	5,255
110	*Of which value above the cap*	*1,943,200*	1,733,325	14,055	209,875	142,870	67,005	-	-	-	-	-	-
120	*Of which immovable property*	*705,178*	648,646	12,670	56,532	22,190	34,342	-	-	-	-	-	-
130	**Financial guarantees received**	*29,246*	29,097	28	149	-	149	-	-	-	149	-	-
140	**Accumulated partial write-off**	*(18,800)*	-	-	(18,800)	(13,587)	(5,213)	-	(602)	-	(3,327)	-	(1,284)

EU CQ7: Collateral obtained by taking possession and execution processes

	Dec 2022 ('000)	Collateral obtained by taking possession Value at initial recognition	Collateral obtained by taking possession Accumulated negative changes
010	Property, plant and equipment (PP&E)	9,417	(5,453)
020	Other than PP&E	94,093	(15,701)
030	*Residential immovable property*	18,599	(207)
040	*Commercial Immovable property*	23,049	(2,068)
050	*Movable property (auto, shipping, etc.)*	35,792	(6,561)
060	*Equity and debt instruments*	-	-
070	*Other collateral*	16,653	(6,865)
080	***Total***	**103,510**	**(21,154)**

	Dec 2021 ('000)	Collateral obtained by taking possession Value at initial recognition	Collateral obtained by taking possession Accumulated negative changes
010	Property, plant and equipment (PP&E)	82,846	(23,059)
020	Other than PP&E	89,750	(30,765)
030	*Residential immovable property*	10,309	(1,389)
040	*Commercial Immovable property*	40,719	(7,908)
050	*Movable property (auto, shipping, etc.)*	19,600	(11,069)
060	*Equity and debt instruments*	-	-
070	*Other collateral*	19,122	(10,398)
080	***Total***	**172,596**	**(53,823)**

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

		Debt balance reductic		Total collateral obtained by taking possession									
						Foreclosed ≤ 2 years		Foreclosed > 2 years ≤ 5		Foreclosed > 5 years		Of which non-	
	Dec 2022 ('000)	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	9,417	-	9,417	(5,453)								
020	Collateral obtained by taking possession other than that classified as PP&E	59,794	(12,133)	94,093	(15,701)	69,022	(1,291)	12,354	(6,671)	12,717	(7,738)	22,038	-
030	*Residential immovable property*	11,820	(983)	18,599	(207)	12,751	-	4,847	(110)	1,000	(97)	-	
040	*Commercial immovable property*	14,647	(6)	23,049	(2,068)	20,067	-	-	-	2,982	(2,068)	10,131	
050	*Movable property (auto, shipping, etc.)*	22,745	(9,828)	35,792	(6,561)	28,286	-	7,506	(6,561)	-	-	11,907	
060	*Equity and debt instruments*	-	-	-	-	-	-	-	-	-	-	-	
070	*Other collateral*	10,583	(1,317)	16,653	(6,865)	7,918	(1,291)	-	-	8,735	(5,574)	-	
080	***Total***	**69,211**	**(12,133)**	**103,510**	**(21,154)**	**69,022**	**(1,291)**	**12,354**	**(6,671)**	**12,717**	**(7,738)**	**22,038**	**-**

	Dec 2021 ('000)	Debt balance reductic		Total collateral obtained by taking possession									
						Foreclosed ≤ 2 years		Foreclosed > 2 years ≤ 5		Foreclosed > 5 years		Of which non-	
		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	82,846	(10,321)	82,846	(23,059)								
020	Collateral obtained by taking possession other than that classified as PP&E	68,818	(12,196)	89,750	(30,765)	36,283	(4,752)	24,246	(12,458)	29,221	(13,554)	281	-
030	*Residential immovable property*	10,309	(958)	10,309	(1,389)	1,932	-	5,098	(1,389)	3,278	-	-	
040	*Commercial immovable property*	25,072	(6)	40,719	(7,908)	29,845	(4,752)	-	-	10,874	(3,156)	281	
050	*Movable property (auto, shipping, etc.)*	23,112	(9,261)	19,600	(11,069)	2,000	-	17,600	(11,069)	-	-	-	
060	*Equity and debt instruments*	-	-	-	-	-	-	-	-	-	-	-	
070	*Other collateral*	10,326	(1,971)	19,122	(10,398)	2,506	-	1,547	-	15,069	(10,398)	-	
080	***Total***	**151,664**	**(22,516)**	**172,596**	**(53,823)**	**36,283**	**(4,752)**	**24,246**	**(12,458)**	**29,221**	**(13,554)**	**281**	**-**

Credit risk mitigation techniques

EU CRC – Qualitative disclosure requirements related to CRM techniques

It is CEB's policy to ensure that the loan extension process is conducted under strong evidence of a customer's ability to repay the loan. Nevertheless, collaterals are actively used for the purposes of credit-risk mitigation. The Transactions and Collateral Management Department is organized as a separate department for collateral management of all types of lending. Transactional lending especially relies heavily upon collaterals and documentation.

Valuation reports, survey report updates and insurance policies are followed up systematically. Mainly related to trade finance, Collateral Management Agreements and Collateral Monitoring Agreements are also outsourced to expert collateral management agents who have management and reporting capabilities at the site of the collateral. As a principal, the value of the collateral should not have a material positive correlation with the credit quality of the provider for the risk mitigation effect to be considered.

Due to the application of Standardized Approach, not all available collaterals can be considered for solvency testing. Currently CEB applies Financial Collateral Comprehensive Approach to assess the value of collateral for risk mitigation purposes.

For funded credit protections, following collaterals are recognized as eligible:

- cash on deposit with, or cash-assimilated instruments held by, a lending credit institution;
- debt securities issued by central governments or central banks which securities have a credit assessment that is associated with credit quality step 4 or above;

- debt securities issued by institutions or other entities which securities have a credit assessment that is associated with credit quality step 3 or above;
- debt securities with a short-term credit assessment that is associated with credit quality step 3 or above;
- equities or convertible bonds that are included in a main index or listed on a recognized stock exchange;
- gold;

To reflect the possible fluctuations in the collateral value CEB applies supervisory haircuts set by the Dutch Central Bank, CEB strictly ensures that there is a proper documentation in place which legally enforces the pledge of the collateral to the exposure. Otherwise the collateral is not accepted for risk mitigation purposes. The main documents ensuring that CEB has the right to liquidate collateral in case the customer does not fulfill its credit obligations are Deed of Pledge and Framework Credit Agreements. The next tables show the carrying amount of collateralized exposure broken down by type of collateral obtained.

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

	Dec 2022 ('000)	**Unsecured carrying amount**	**Secured carrying amount**	Of which **secured by collateral**	Of which **secured by financial guarantees**	Of which **secured by credit derivatives**
1	Loans and advances	2,784,703	1,696,932	1,696,932	51,182	
2	Debt securities	319,286	-	-	-	
3	**Total**	**3,103,989**	**1,696,932**	**1,696,932**	**51,182**	
4	*Of which non-performing exposures*	169,718	134,770	134,770	1,565	
5	*Of which defaulted*	*169,718*	134,770			

	Dec 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**
1	Loans and advances	2,941,276	1,602,567	1,602,567	29,246	
2	Debt securities	524,469	-	-	-	
3	**Total**	**3,465,745**	**1,602,567**	**1,602,567**	**29,246**	
4	*Of which non-performing exposures*	212,886	181,265	181,265	149	
5	*Of which defaulted*	*212,886*	181,265			

Standardized approach

EU CRD – Qualitative disclosure requirements related to standardised model

For calculating its minimum capital requirements, CEB applies standardized approach for credit risk calculation following methodology as laid down in CRR. Risk exposures is weighted with the designated risk weight. The risk weight is influenced by the external rating issued by eligible credit assessment institutions (ECAIs) and type of the counterparty and is determined separately for each transactions.

According to CRR, CEB uses default long-term credit assessment provided by ECAI from Moody's, Standards & Poor's and Fitch and applies the second best rating among three ECAI as the final credit assessment to assign the risk weight. ECAIs are usually available for the exposure classes Central Governments or Central Banks, and Institutions. CEB ensures to use the credit assessment in a continuous and consistent way over time.

EU CR4 – standardised approach – Credit risk exposure and CRM effects

Dec 2022 ('000)

	Exposure classes	Exposures before CCF and before CRM		Exposures post CCF and post CRM		RWAs and RWAs density	
		On-balance-sheet exposures	Off-balance-sheet exposures	On-balance-sheet exposures	Off-balance-sheet amount	RWAs	RWAs density (%)
1	Central governments or central banks	1,470,492	-	1,470,492	-	130,562	9%
2	Regional government or local authorities	17,671	-	17,671	-	298	2%
3	Public sector entities						
4	Multilateral development banks						
5	International organisations	-	-	-	-	-	
6	Institutions	480,344	259,646	461,644	56,308	240,630	50%
7	Corporates	2,114,498	763,039	2,066,953	160,565	2,167,203	102%
8	Retail	131,508	190,859	131,508	39,138	124,180	94%
9	Secured by mortgages on immovable property	153,823	-	153,823	-	53,838	35%
10	Exposures in default	128,010	1,988	121,225	994	156,171	122%
11	Exposures associated with particularly high risk						
12	Covered bonds						
13	Institutions and corporates with a short-term credit assessment						
14	Collective investment undertakings						
15	Equity	13,997	1,870	13,997	374	15,772	113%
16	Other items	191,739	0	191,739	-	169,285	88%
17	**TOTAL**	**4,702,083**	**1,217,401**	**4,629,052**	**257,378**	**3,057,939**	

Dec 2021 ('000)

	Exposure classes	Exposures before CCF and before CRM		Exposures post CCF and post CRM		RWAs and RWAs density	
		On-balance-sheet exposures	Off-balance-sheet exposures	On-balance-sheet exposures	Off-balance-sheet amount	RWAs	RWAs density (%)
1	Central governments or central banks	1,494,908	-	1,518,962	-	142,032	10%
2	Regional government or local authorities	128,689	-	128,689	-	860	1%
3	Public sector entities						
4	Multilateral development banks						
5	International organisations	8,989	-	8,989	-	-	0%
6	Institutions	309,537	307,586	325,154	63,016	150,961	49%
7	Corporates	2,312,348	827,005	2,218,276	157,918	2,387,223	103%
8	Retail	136,018	178,781	136,018	35,764	126,517	93%
9	Secured by mortgages on immovable property	140,196	-	140,196	-	49,069	35%
10	Exposures in default	187,392	4,315	187,392	1,454	249,185	133%
11	Exposures associated with particularly high risk						
12	Covered bonds						
13	Institutions and corporates with a short-term credit assessment						
14	Collective investment undertakings						
15	Equity	48,630	2,643	48,630	529	56,946	117%
16	Other items	216,839	0	216,839	-	192,952	89%
17	**TOTAL**	**4,983,545**	**1,320,331**	**4,929,145**	**258,681**	**3,355,745**	

EU CR5 – standardised approach

Dec 2022 ('000)

	Exposure classes	Risk weight															Total	Of which unrated
		0%	2%	4%	10%	20%	35%	50%	70%	75%	100%	150%	250%	370%	1250%	Others		
1	Central governments or central banks	1,324,019	-	-	-	-	-	72,088	-	-	47,123	20,760	6,502	-	-	-	**1,470,492**	47,119
2	Regional government or local authorities	17,373	-	-	-	-	-	-	-	-	298	-	-	-	-	-	**17,671**	
3	Public sector entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**	
4	Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**	
5	International organisations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**	
6	Institutions	-	139	-	-	324,402	-	132,698	-	-	65,308	34,603	-	-	-	-	**557,150**	7,627
7	Corporates	-	-	-	-	15,736	-	103,124	-	-	2,118,677	7,671	-	-	-	-	**2,245,208**	
8	Retail exposures	-	-	-	-	-	-	-	-	170,646	-	-	-	-	-	-	**170,646**	
9	Exposures secured by mortgages on immovable property	-	-	-	-	-	153,823	-	-	-	-	-	-	-	-	-	**153,823**	
10	Exposures in default	-	-	-	-	-	-	-	-	-	54,313	67,905	-	-	-	-	**122,219**	
11	Exposures associated with particularly high risk	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**	
12	Covered bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**	
13	Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**	
14	Units or shares in collective investment undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**	
15	Equity exposures	2,900	-	-	-	-	-	-	-	-	11,097	-	0	-	374	-	**14,371**	
16	Other items	22,454	-	-	-	-	-	-	-	-	169,285	-	-	-	-	-	**191,739**	
17	**TOTAL**	**1,366,747**	**139**	**-**	**-**	**340,138**	**153,823**	**307,909**	**-**	**170,646**	**2,466,102**	**130,939**	**6,502**	**-**	**374**	**-**	**4,943,319**	**54,745**

Dec 2021 ('000)

	Exposure classes	Risk weight															Total	Of which unrated
		0%	2%	4%	10%	20%	35%	50%	70%	75%	100%	150%	250%	370%	1250%	Others		
1	Central governments or central banks	1,322,352	-	-	-	-	-	120,852	-	-	71,859	-	3,899	-	-	-	**1,518,962**	43,611
2	Regional government or local authorities	127,830	-	-	-	-	-	-	-	-	860	-	-	-	-	-	**128,689**	
3	Public sector entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**	
4	Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**	
5	International organisations	8,989	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**8,989**	
6	Institutions	-	5,836	-	-	269,734	-	100,503	-	-	53,751	143	-	-	-	-	**429,967**	10,448
7	Corporates	-	-	-	-	38,142	-	13,666	-	-	2,241,892	96,753	-	-	-	-	**2,390,453**	
8	Retail exposures	-	-	-	-	-	-	-	-	171,782	-	-	-	-	-	-	**171,782**	
9	Exposures secured by mortgages on immovable property	-	-	-	-	-	140,196	-	-	-	-	-	-	-	-	-	**140,196**	
10	Exposures in default	-	-	-	-	-	-	-	-	-	68,169	120,677	-	-	-	-	**188,846**	
11	Exposures associated with particularly high risk	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**	
12	Covered bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**	
13	Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**	
14	Units or shares in collective investment undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**	
15	Equity exposures	1,712	-	-	-	-	-	-	-	-	44,637	-	2,280	-	529	-	**49,158**	
16	Other items	23,887	-	-	-	-	-	-	-	-	192,952	-	-	-	-	-	**216,839**	
17	**TOTAL**	**1,484,770**	**5,836**	**-**	**-**	**307,876**	**140,196**	**235,022**	**-**	**171,782**	**2,674,120**	**217,574**	**6,179**	**-**	**529**	**-**	**5,243,883**	**54,059**

Counterparty credit risk

EU CCRA – Qualitative disclosure related to CCR

Counterparty credit risk (CCR) is the risk that the counterparty to a transaction could default before the final settlement of the transaction's cash flows. An economic loss would occur if the transaction or portfolio of transactions with the counterparty has a positive economic value at the time of default. Counterparty risk is part of the credit risk framework, which deals with the determination of the exposure value for a position arising from a financial derivative or a securities financing transaction.

For the purpose of regulatory capital calculation and reporting, CEB has adapted the standardized approach for counterparty credit risk (SA-CCR) method specified in the Regulation (EU) No 2019/876 amending Regulation (EU) No 575/2013 starting from June 2021, prior to that, CEB applied Mark to market approach. Under the new Method, the exposure value is calculated as 1.4 multiplies the sum of the current replacement cost (MTM) and the potential future exposure (PFE).

To assign credit limits for counterparty credit exposures for its internal limit management, CEB has adopted an internal modelling method. The aim is to better capture the risk characteristics of the underlying instruments of the OTC derivatives and be able to effectively monitor the positive fair value of the contracts, netted current credit exposure and the collateral held.

CCR exposure or exposure at default (EAD) is measured at the level of the netted exposures. The internal model for measuring counterparty credit exposure takes into account the distributions for changes in the market value attributable to changes in market variables, such as interest rates, foreign exchange rates, etc. The model then computes the firm's CCR exposure for the netting set at each future date given the changes in the market variables. The tail risk is calculated by Monte Carlo simulation for all currency pairs in both directions, therefore the calculated PFE percentages take into account the general wrong way risk due to changes in market variables.

For calculation of the PFE, if ISDA contract with the counterparty exists, multiple transactions netting is performed; i.e. netting and unwinding of the product notional with the same currency and maturity. Cross-product netting is not allowed while calculating PFE. If ISDA does not exist, no netting and unwinding is allowed. PFE is always positive by definition. If the Counterparty has CSA; PFE will be calculated over a horizon of 2 weeks if the maturity exceeds 2 weeks. For the calculation of MTM, if ISDA contract with the counterparty does not exist, netting or unwinding is not allowed. That is, only the positive MTM's will be taken into account; i.e. where the counterparty is in loss. If there is an available ISDA agreement, the system will assume full close-out netting and net all MTM's across all OTC derivatives for the same counterparty. CEB does not enter into netting agreements that require additional collateral due to an own rating downgrade.

EU CCR1 – Analysis of CCR exposure by approach

	Dec 2022 ('000)	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	RWEA
EU1	EU - Original Exposure Method (for derivatives)				1.4				
EU2	EU - Simplified SA-CCR (for derivatives)				1.4				
1	SA-CCR (for derivatives)	10,472	27,999		1.4	123,330	53,859	53,859	24,701
2	IMM (for derivatives and SFTs)								
2a	*Of which securities financing transactions netting sets*								
2b	*Of which derivatives and long settlement transactions netting sets*								
2c	*Of which from contractual cross-product netting sets*								
3	Financial collateral simple method (for SFTs)								
4	Financial collateral comprehensive method (for SFTs)					60,703	2,782	2,782	556
5	VaR for SFTs								
6	**Total**					184,033	56,641	56,641	25,257

	Dec 2021 ('000)	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	RWEA
EU1	EU - Original Exposure Method (for derivatives)				1.4				
EU2	EU - Simplified SA-CCR (for derivatives)				1.4				
1	SA-CCR (for derivatives)	11,962	17,521		1.4	116,714	41,276	41,276	18,607
2	IMM (for derivatives and SFTs)								
2a	*Of which securities financing transactions netting sets*								
2b	*Of which derivatives and long settlement transactions netting sets*								
2c	*Of which from contractual cross-product netting sets*								
3	Financial collateral simple method (for SFTs)								
4	Financial collateral comprehensive method (for SFTs)					162,757	14,760	14,760	2,952
5	VaR for SFTs								
6	**Total**					279,471	56,036	56,036	21,559

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

The valuation of financial OTC trades carried out by Credit Europe bank as part of its trading activities includes credit value adjustments (CVAs). CVA is an adjustment of the trading portfolio valuation to take into account the counterparty credit risk. CVA is the fair value of any expected loss arising from counterparty exposure based on the potential positive value of the portfolio, the counterparty default probability and the estimated recovery rate at default. The following table shows the value adjustment for counterparty credit risk (Credit Value Adjustment or CVA):

	Dec 2022 ('000)	Exposure value	RWEA
1	Total transactions subject to the Advanced method		
2	(i) VaR component (including the 3× multiplier)		
3	(ii) stressed VaR component (including the 3× multiplier)		
4	Transactions subject to the Standardised method	36,619	12,312
EU4	Transactions subject to the Alternative approach (Based on the Original Exposure Method)		
5	**Total transactions subject to own funds requirements for CVA risk**	36,619	12,312

	Dec 2021 ('000)	Exposure value	RWEA
1	Total transactions subject to the Advanced method		
2	(i) VaR component (including the 3× multiplier)		
3	(ii) stressed VaR component (including the 3× multiplier)		
4	Transactions subject to the Standardised method	28,141	11,097
EU4	Transactions subject to the Alternative approach (Based on the Original Exposure Method)		
5	**Total transactions subject to own funds requirements for CVA risk**	28,141	11,097

EU CCR3 – Standardised approach – CCR exposures by regulatory exposure class and risk weights

	Dec 2022 ('000)	Risk weight											
	Exposure classes	0%	2%	4%	10%	20%	50%	70%	75%	100%	150%	Others	Total exposure value
1	Central governments or central bank	-	-	-	-	-	-	-	-	-	-	-	-
2	Regional government or local authorities	-	-	-	-	-	-	-	-	-	-	-	-
3	Public sector entities	-	-	-	-	-	-	-	-	-	-	-	-
4	Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-
5	International organisations	-	-	-	-	-	-	-	-	-	-	-	-
6	Institutions	-	139	-	-	39,059	-	-	-	-	-	-	39,198
7	Corporates	-	-	-	-	-	-	-	-	17,690	-	-	17,690
8	Retail	-	-	-	-	-	-	-	-	-	-	-	-
9	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-
10	Other items	-	-	-	-	-	-	-	-	-	-	-	-
11	**Total exposure value**	-	139	-	-	39,059	-	-	-	17,690	-	-	56,888

	Dec 2021 ('000)	Risk weight											
	Exposure classes	0%	2%	4%	10%	20%	50%	70%	75%	100%	150%	Others	Total exposure value
1	Central governments or central bank	-	-	-	-	-	-	-	-	-	-	-	-
2	Regional government or local authorities	-	-	-	-	-	-	-	-	-	-	-	-
3	Public sector entities	-	-	-	-	-	-	-	-	-	-	-	-
4	Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-
5	International organisations	-	-	-	-	-	-	-	-	-	-	-	-
6	Institutions	-	5,836	-	-	35,953	-	-	-	-	9	-	41,797
7	Corporates	-	-	-	-	-	-	-	-	14,260	-	-	14,260
8	Retail	-	-	-	-	-	-	-	-	-	-	-	-
9	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-
10	Other items	-	-	-	-	-	-	-	-	-	-	-	-
11	**Total exposure value**	-	5,836	-	-	35,953	-	-	-	14,260	9	-	56,057

EU CCR5 – Composition of collateral for CCR exposures

Dec 2022 ('000)

	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
1	Cash – domestic currency		44,106		43,599				
2	Cash – other currencies		12,039		7,141				
3	Domestic sovereign debt								59,856
4	Other sovereign debt								-
5	Government agency debt								-
6	Corporate bonds								-
7	Equity securities								
8	Other collateral								
9	**Total**	-	**56,145**	-	**50,740**	-	-	-	**59,856**

Dec 2021 ('000)

	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
1	Cash – domestic currency		26,152		30,166				
2	Cash – other currencies		9,506		20,022				
3	Domestic sovereign debt								100,537
4	Other sovereign debt								24,765
5	Government agency debt								-
6	Corporate bonds								32,961
7	Equity securities								
8	Other collateral								
9	**Total**	-	**35,659**	-	**50,188**	-	-	-	**158,263**

EU CCR6 – Credit derivatives exposures

CEB has no exposure of Credit derivatives as of year-end 2022

EU CCR8 – Exposures to CCPs

	Dec 2022 ('000)	Exposure value	RWEA
1	**Exposures to QCCPs (total)**		3
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	139	3
3	(i) OTC derivatives	139	3
4	(ii) Exchange-traded derivatives		
5	(iii) SFTs		
6	(iv) Netting sets where cross-product netting has been approved		
7	Segregated initial margin		
8	Non-segregated initial margin		
9	Prefunded default fund contributions		
10	Unfunded default fund contributions		
11	**Exposures to non-QCCPs (total)**		
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which		
13	(i) OTC derivatives		
14	(ii) Exchange-traded derivatives		
15	(iii) SFTs		
16	(iv) Netting sets where cross-product netting has been approved		
17	Segregated initial margin		
18	Non-segregated initial margin		
19	Prefunded default fund contributions		
20	Unfunded default fund contributions		

	Dec 2021 ('000)	Exposure value	RWEA
1	**Exposures to QCCPs (total)**		117
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	5,836	117
3	(i) OTC derivatives	5,836	117
4	(ii) Exchange-traded derivatives		
5	(iii) SFTs		
6	(iv) Netting sets where cross-product netting has been approved		
7	Segregated initial margin		
8	Non-segregated initial margin		
9	Prefunded default fund contributions		
10	Unfunded default fund contributions		
11	**Exposures to non-QCCPs (total)**		
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which		
13	(i) OTC derivatives		
14	(ii) Exchange-traded derivatives		
15	(iii) SFTs		
16	(iv) Netting sets where cross-product netting has been approved		
17	Segregated initial margin		
18	Non-segregated initial margin		
19	Prefunded default fund contributions		
20	Unfunded default fund contributions		

Market risk

EU MRA: Qualitative disclosure requirements related to market risk

Market risk is defined as the current or prospective threat to the Bank’s earnings and capital because of adverse market movements in market prices (security and derivative prices, as well as interest rates and foreign exchange rates) or in parameters such as volatility and correlations.

CEB draws the regulatory boundary between the ‘Trading Book’ and the ‘Banking Book (i.e. the non-trading book) in line with the Trading Book definition provided in Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms (CRR), Article 4 (85) and (86). In this respect, CEB classifies all positions in financial instruments held with trading intent, or in order to hedge those trading positions in its 'Trading book'. CEB has established portfolio-level limit structure per the trading book and the banking book. For the trading book, nominal, PV01, holding period, equity, FX, Value at Risk and capital limits are in place; and for the banking book, nominal, PV01, equity, Structural FX, capital and total capital usage limits are in place. Any breach of the mentioned limits is clearly marked and demonstrated in Risk Management's 'Market Risk Report'. The circulation of this report triggers the escalation process, since the CRO and the division directors of Treasury and Risk Management are among the recipient list. Treasury is expected to provide explanation and the reasoning of the limit breach and in certain cases the time required to eliminate the limit breach.

Certain type of limit breaches are instantly directed to ALCO level, such as the exceedance of nominal limits (i.e. bonds or FX). For other type of limit breaches, particularly "sensitivity-based" metrics such as PV01 or VaR limits, CRO has the authority to grant a grace period (max 1 week) to Treasury to correct the limit breach. In case the issue is not resolved within the grace period, the limit breach is directly escalated to ALCO.

CEB's market risk policy is subject to the approval of CEB's Managing Board and reviewed annually by Risk Management Division. CEB's Audit & Risk Committee is informed about the level of limits and utilization at least on a quarterly basis. The ALCO determines the main pillars of CEB's trading book and banking book management and monitors compliance with the market risk policy, it bears the responsibility to monitor and control the composition, characteristics and diversification of the Bank's regulatory books in line with the overall strategic objectives, and it monitors the current limit utilization and compliance with the limits. The Risk Management Division establishes and maintains systems and controls to manage the risks associated with the regulatory books, it ensures that all entry requirements for either of the regulatory books are satisfied, it monitors all the limits defined in the market risk policy are complied with, and it builds and maintains efficient and accurate risk measurement systems for daily risk monitoring and ICAAP purposes. Treasury Department follows the principles laid down in the market risk policy during the assignment of financial instruments to regulatory books and in coordination with Risk Management, it ensures that all trading and banking book positions are within the limits.

Market Risk Capital Component

From a regulatory perspective, market risk stems from all the positions included in banks' trading book as well as from commodity and foreign exchange risk positions in the whole balance sheet. The standardized approach is used to calculate capital requirements for market risk as shown below.

EU MR1 - Market risk under the standardized approach

Dec 2022 ('000)	RWEAs
Outright products	
Interest rate risk (general and specific)	37,751
Equity risk (general and specific)	-
Foreign exchange risk	18,998
Commodity risk	
Options	
Simplified approach	
Delta-plus approach	
Scenario approach	
Securitisation (specific risk)	
Total	**56,749**

Dec 2021 ('000)	RWEAs
Outright products	
Interest rate risk (general and specific)	52,843
Equity risk (general and specific)	4,331
Foreign exchange risk	22,762
Commodity risk	
Options	
Simplified approach	
Delta-plus approach	
Scenario approach	
Securitisation (specific risk)	
Total	**79,936**

Market Risk – Internal Models (VaR)

The Bank measures the market risk of its trading book and the foreign-exchange risk of its banking book by using an internal historical simulation method, based on VaR methodology. VaR defines the maximum loss not exceeded with a given probability over a given period under normal market conditions.

The internal historical simulation method of VaR model is used for risk-monitoring purposes and whereas regulatory capital for market risk is calculated and reported quarterly according to the Standard Approach, as specified in the DNB's market-risk regulations.

The internal historical simulation method is used starting from January 2013. The last 250 historical daily returns of market risk factors are used to stress the current trading positions to estimate possible fluctuations caused by market movements while keeping the portfolio fixed.

The internal limit for the 10-day VaR of trading FX positions and treasury products, measured at 99% confidence interval, is EUR 2 million. This implies that diversified VaR from foreign-exchange risk and interest-rate risk in the trading book should not exceed this level.

The Bank started to measure the market risk of its loan trading portfolio in the trading book via the internal historical simulation method, based also on VaR methodology, starting from March 2021. As of 31st of December 2022, VaR has been calculated as EUR 0.1 million for the loan trading portfolio in the trading book.

The internal limit for the 10-day VaR of the loan trading portfolio, measured at 95% confidence interval, is EUR 3.75 million.

Other market risks such as liquidity, re-pricing and interest-rate risk on the banking book are measured and monitored through sensitivity and gap analyses, detailed in subsequent sections.

Value-at-risk figures - Trading Book (2022)*	Total	Diversification effect	Interest-rate risk	Foreign-exchange risk
Average	305	100%	112	240
Maximum	822	100%	456	822
Minimum	84	100%	-	84
Period-end	822	100%	-	84

Value-at-risk figures - Trading Book (2021)	Total	Diversification effect	Interest-rate risk	Foreign-exchange risk
Average	384	100%	9	384
Maximum	741	100%	9	741
Minimum	128	100%	9	128
Period-end	183	100%	-	183

(*) Values in thousand Euros

Interest-rate risk in the banking book

One of the Bank's major risks under Pillar II is the interest-rate risk on the banking book. The Bank defines interestrate risk as the current or prospective risk to earnings and capital arising from adverse movements in interest rates. The trading book is also subject to interest-rate risk, but this type of risk is dealt with under the Market Risk: Value-at-Risk section. The Bank has a 'limited' risk appetite towards interest-rate risk in its banking book.

The Bank's interest-rate risk is monitored for the banking book by means of static re-pricing gap and interest rate sensitivity analyses once a month at all levels and for each major currency in use. Interest-rate sensitivity in the banking book is calculated according to the economic-value approach. All future cash flows, arising solely from on- and offbalance sheet assets and liabilities are discounted back to their present values with zero-coupon yield curves to see the impact of interest-rate changes on the economic value of the Bank. The impact of the curve with the maximum net gain or loss compared to a benchmark curve is then analysed.

According to the revised EBA guidelines applicable since December 31, 2019, CEB applies six additional interest rate shock scenarios on the top of +/-200 bps parallel shock to capture parallel and non-parallel gap risks for Economic Value of Equity (EVE). The capital requirement is based on the maximum EVE impact under all these scenarios. As of December 31, 2022, EVE drops by EUR 8.1 million in case of a short rates shock down scenario (2021: EUR 16.7 million in case of a short rates shock down scenario).

The interest rate repricing gap table below is prepared to determine the Bank's exposure to interest rate risk because of maturity mismatches in its balance sheet. Repricing is based on remaining days to maturity for fixed rate instruments and next repricing date for floating rate instruments.

Additionally, the Bank calculates the projected net interest income for +/-200 bps parallel shift of the yield curve. As of 31 December 2022, NII drops by EUR 20.6 million in case of -200 bps shock over 12 months from the reporting date. (2021: EUR 12 million in case of -200 bps shock over 12 months from the reporting date)

Operational risk

EU ORA - Qualitative information on operational risk

Operational risk management

The Bank has an Operational Risk Management (ORM) function, the goal of which is to enhance the operational risk culture of the Bank by promoting awareness of the Bank's operational risk management framework and providing oversight of its execution in line with the three lines of defence model.

ORM act as the second line of defence, providing the business line and other functions across the Bank, with support related to the implementation of the identification, assessment, measurement, mitigation, monitoring and reporting of operational risks, which together form a framework for managing the Bank's exposure to operational risk losses.

Operational risk events and significant control incidents are reported and analysed through the Operational Risk Incident Management framework. The effectiveness of the Bank's controls are assessed through the annual Internal Control Framework evaluations and the execution of Risk Control Self-Assessments in 2022. The risks identified as being above risk appetite, were reported to Managing Board for further risk mitigation, acceptance for a limited period, transfer or avoidance. Furthermore, in order to：

- Strength the front line responsibility for operational risk management and
- check whether key controls are working as intended

The Bank initiated control-testing activities in 2022. The governance mechanism of control testing is built and the roles and responsibilities of different functions are clarified. The results of control testing activities is planned to be shared with Non-Financial Risk Committee and Managing Board to monitor the effectiveness of internal control environment.

The Bank also has an established operational risk appetite, broken down by both business- and subsidiary-specific thresholds, which is monitored in the quarterly Non-Financial Risk Committee meetings. On the other hand, early warning limits are defined for the operational risk metrics in order to trigger intensified risk monitoring In addition to promote the monitoring capability of operational risks, key risk indicator (KRI) framework is improved in 2022. A new, comprehensive KRI set is in place and periodically reported to Non-Financial Risk Committee and Audit Risk Committee for better risk monitoring.

New products, or changes to existing products, are subject to the Product Approval and Review Process. Key Risk Indicators are established and regularly monitored. In addition, regular training and awareness sessions are provided to employees to ensure that operational risk management continues to be embedded in the Bank's day-to-day operations.

Calculation of operational risk

CEB applies standardized approach for operational risk calculation. Under Standardized approach, the capital requirement for operational risk is calculated as: Average over three years of the sum of annual own funds requirements across all business lines. The annual own funds requirement of each business line is equal to the relevant indicator mapped to the respective business line multiplied by the corresponding beta factor CEB calculates the average over three years of the sum on the basis of the last three twelve-monthly observations at the end of the financial year with the available audited figures.

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

	Banking activities	Relevant indicator 2020	Relevant indicator 2021	Relevant indicator 2022	Own funds requirements	Risk weighted exposure amount
1	Banking activities subject to basic indicator approach (BIA)					
2	Banking activities subject to standardised (TSA) / alternative standardised (ASA) approaches				26,426	330,321
3	*Subject to TSA:*					
	TRADING AND SALES (TS)	5,706	11,784	37,013		
	COMMERCIAL BANKING (CB)	102,591	139,096	160,557		
	RETAIL BANKING (RB)	33,971	22,715	19,396		
4	*Subject to ASA:*					
5	Banking activities subject to advanced measurement approaches AMA					

	Banking activities	Relevant indicator 2019	Relevant indicator 2020	Relevant indicator 2021	Own funds requirements	Risk weighted exposure amount
1	Banking activities subject to basic indicator approach (BIA)					
2	Banking activities subject to standardised (TSA) / alternative standardised (ASA) approaches				23,965	299,564
3	*Subject to TSA:*					
	TRADING AND SALES (TS)	13,580	5,706	11,784		
	COMMERCIAL BANKING (CB)	132,034	102,591	139,096		
	RETAIL BANKING (RB)	28,685	33,971	22,715		
4	*Subject to ASA:*					
5	Banking activities subject to advanced measurement approaches AMA					

Remuneration policy

EU REMA - Remuneration policy

CEB's Group Remuneration Policy is in line with national and international regulations. The policy applies to CEB and its subsidiaries. It also covers the remuneration of Managing Board members of CEB and its subsidiaries. Through its conservative remuneration policy, CEB promotes a sound remuneration culture with a long term focus. The Group Remuneration Policy is reviewed and approved by amongst others the Supervisory Board. The

Supervisory Board monitors the proper implementation of the policy by the Managing Board. Annually the compliance to the rules and procedures under the policy is reviewed in line with the Control Functions Remuneration Monitoring Procedure. The HR & Remuneration Committee meets at least each quarter and prepares the decision-making process for the Supervisory Board, taking into account the long-term interests of all stakeholders of CEB.

The Supervisory Board determines the level of remuneration for the members of the Managing Board in line with the principles of the Group Remuneration Policy. The remuneration received by the members of the Supervisory Board is not dependent on the (financial) results of the Bank. Each Supervisory Board member receives an appropriate amount of compensation taking into account the total number of hours spent for the tasks and the compensation paid to Supervisory Board members of companies of comparable size and business. The Bank's Remuneration Report is included in section F of the annual report and is also made available on the Bank's website. The main elements of the agreement of a Managing Board member with the Bank are not published on the Bank's website as CEB holds the view that sufficient information is disclosed in the Bank's Remuneration Report.

Encumbered and unencumbered assets

EU AE4 - Accompanying narrative information

Encumbered Assets are assets that have been pledged or if it is subject to any form of arrangement to secure, collateralize or credit enhance any transaction from which it cannot be freely withdrawn. CEB's encumbered assets consist primarily of securities designated for the guaranteed deposit protection fund and securities pledged for repurchase agreement. Repurchased agreement encumbered assets is around 60 million as of Dec 2022, and the rest are securities pledged for guaranteed deposit protections.

EU AE1 - Encumbered and unencumbered assets

	Dec 2022 ('000)	Carrying amount of encumbered assets	of which notionally eligible EHQLA and HQLA	Fair value of encumbered assets	of which notionally eligible EHQLA and HQLA	Carrying amount of unencumbered assets	of which EHQLA and HQLA	Fair value of unencumbered assets	of which EHQLA and HQLA
010	**Assets of the reporting institution**	169,909	59,857			4,725,855	237,044		
030	Equity instruments	-	-	-	-	-	-	-	-
040	Debt securities	59,857	59,857	59,857	59,857	296,203	237,044	296,203	237,044
050	of which: covered bonds	-	-	-	-	-	-	-	-
060	of which: securitisations	-	-	-	-	-	-	-	-
070	of which: issued by general governments	59,857	59,857	59,857	59,857	246,695	209,540	246,695	209,540
080	of which: issued by financial corporations	-	-	-	-	19,802	-	19,802	-
090	of which: issued by non-financial corporations	-	-	-	-	29,706	27,504	29,706	27,504
120	Other assets	110,053	-			4,429,652	-		

	Dec 2021 ('000)	Carrying amount of encumbered assets	of which notionally eligible EHQLA and HQLA	Fair value of encumbered assets	of which notionally eligible EHQLA and HQLA	Carrying amount of unencumbered assets	of which EHQLA and HQLA	Fair value of unencumbered assets	of which EHQLA and HQLA
010	**Assets of the reporting institution**	518,293	380,467			4,587,176	77,511		
030	Equity instruments	-	-	-	-	-	-	-	-
040	Debt securities	413,715	380,467	413,715	380,467	94,520	77,511	94,520	77,511
050	of which: covered bonds	-	-	-	-	-	-	-	-
060	of which: securitisations	-	-	-	-	-	-	-	-
070	of which: issued by general governments	376,534	376,534	376,534	376,534	88,560	77,511	88,560	77,511
080	of which: issued by financial corporations	30,515	-	30,515	-	3,396	-	3,396	-
090	of which: issued by non-financial corporations	6,665	3,933	6,665	3,933	2,564	-	2,564	-
120	Other assets	104,579	-			4,492,656	-		

EU AE2 - Collateral received and own debt securities issued

CEB has no collateral receive and own debts securities issued as of year end 2022

EU AE3 - Sources of encumbrance

	Dec 2022('000)	Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and securitisations encumbered
010	**Carrying amount of selected financial liabilities**	**117,596**	**119,431**

	Dec 2021('000)	Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and securitisations encumbered
010	**Carrying amount of selected financial liabilities**	**426,248**	**463,903**