BLACK SEA TRADE AND DEVELOPMENT BANK

Condensed Interim Financial Statements for the Six Months Period Ended 30 June 2022

Together with Auditors' Review Report

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Independent Auditor's Review Report

Review Report on Condensed Interim Financial Statements

To the Board of Directors and the Board of Governors of Black Sea Trade and Development Bank

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Black Sea Trade and Development Bank (the 'Bank') as of 30 June 2022 and the related condensed interim statements of income and comprehensive income, changes in equity and cash flows for the six-month period then ended, as well as the selected explanatory notes, which together comprise the condensed interim financial statements.

Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and applicable to Interim Financial Reporting (International Accounting Standard "IAS" 34). Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements (ISRE) 2410 "Review of interim financial information performed by the independent auditor of the entity". The review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, as transposed in Greek legislation, and consequently it does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with IAS 34.

Athens, 6 October 2022

The Certified Public Accountant

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CONDENSED INCOME STATEMENT

For the six months period ended 30 June

Presented in thousands of EUR	Note	Six months to 30 June 2022	Six months to 30 June 2021
Interest and similar income	7	62,813	54,177
Interest and similar expense	8	(27,713)	(31,873)
Net interest income (expense) on derivatives	9	5,934	5,408
Net interest income		**41,034**	**27,712**
Net fees and commissions		1,469	892
Net gains from equity investments through profit or loss		-	182
Net gains (losses) on derecognition of debt investment securities at fair value through other comprehensive income		138	5,103
Realized gains (losses) on derivative instruments		4,528	-
Unrealized fair value gains (losses) on derivative instruments		(15,627)	(5,432)
Fair value (losses) gains on loans measured at fair value through profit or loss		(31)	867
Fair value (losses) on equity investments measured at fair value through profit or loss		(791)	-
Foreign exchange income (losses)		1,104	3
Other (losses) income		-	(2)
Operating income		**31,824**	**29,325**
Personnel expenses	10,23	(9,192)	(8,062)
Administrative expenses	10	(2,201)	(2,069)
Depreciation and amortization	17,18	(166)	(245)
Income before impairment		**20,265**	**18,949**
Impairment gains (losses) on loans at amortized cost	11	(53,383)	12,322
Impairment gains (losses) on debt investment securities measured at fair value through other comprehensive income	12	251	2,684
Income for the period		**(32,867)**	**33,955**

The accompanying notes are an integral part of these financial statements.

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

For the six months period ended 30 June

Presented in thousands of EUR	Note	Six months to 30 June 2022	Six months to 30 June 2021
Income for the period		(32,867)	33,955
Other comprehensive income (expense):			
Items that will not be reclassified subsequently to profit or loss:			
Gains (losses) on equity investments financial assets		(7,960)	(56)
Items that are or may be reclassified subsequently to profit or loss:			
Gains (losses) on investment securities financial assets		(18,249)	(6,440)
Gains (losses) on cash flow hedges		(9,189)	-
Other comprehensive income (expense)		(35,398)	(6,496)
Total comprehensive income		**(68,265)**	**27,459**

The accompanying notes are an integral part of these financial statements.

CONDENSED STATEMENT OF FINANCIAL POSITION

At 30 June

Presented in thousands of EUR	Note	At 30 June 2022	At 31 December 2021
Assets			
Cash and due from banks		286,189	170,175
Deposits in margin accounts		111,060	30,740
Debt investment securities at fair value through other comprehensive income	12	285,702	652,448
Derivative financial instruments – assets	13	38,673	24,279
Loans at amortized cost	14	2,254,950	2,329,424
Less: deferred income	14	(3,299)	(14,700)
Less: impairment losses	14	(97,435)	(44,223)
Loans at fair value through profit or loss	14	14,983	15,014
Loans	14	2,169,199	2,285,515
Equity investments at fair value through profit or loss	15	-	791
Equity investments at fair value through other comprehensive income	15	15,474	24,986
Equity investments at fair value	15	15,474	25,777
Accrued interest receivable		35,078	27,181
Other assets	16,*	15,623	18,181
Property and equipment	17	323	368
Intangible assets	18	272	200
Right of use assets		523	245
Total Assets		**2,958,116**	**3,235,109**
Liabilities			
Short-term	19	-	167,756
Amounts due to financial institutions	19	437,842	438,293
Debt evidenced by certificates	19	1,529,047	1,657,416
Accrued interest payable	19	7,360	10,936
Borrowings	19	1,974,249	2,274,401
Margin accounts		8,980	16,590
Derivative financial instruments – liabilities	13	134,233	45,869
Other liabilities	20,*	22,865	12,484
Lease liability		332	43
Total liabilities		2,140,659	2,349,387
Members' Equity			
Authorized share capital	21	3,450,000	3,450,000
Less: unallocated share capital	21	(1,161,500)	(1,161,500)
Subscribed share capital	21	2,288,500	2,288,500
Less: callable share capital	21	(1,601,950)	(1,601,950)
Paid-in share capital	21	686,550	686,550
Reserves	22	64,914	100,312
Retained earnings		65,993	98,860
Total members' equity		817,457	885,722
Total Liabilities and Members' Equity		**2,958,116**	**3,235,109**
Off-balance-sheet items			
Commitments		158,362	237,471

The accompanying notes are an integral part of these financial statements.

CONDENSED STATEMENT OF CHANGES IN MEMBERS' EQUITY

For the six months period ended 30 June

Presented in thousands EUR	Share capital					
	Subscribed	Callable	Payable	Reserves	Retained Earnings	Total
At 31 December 2020	**2,288,500**	**(1,601,950)**	**-**	**58,298**	**98,860**	**843,708**
Income for the year	-	-	-	-	43,897	43,897
Other comprehensive income:						
Net (losses) gains on financial assets at fair value reserve through OCI	-	-	-	(3,700)	-	(3,700)
Actuarial gains (losses) on defined benefit scheme	-	-	-	2,310	-	2,310
Effective portion of cash flow hedges (losses) gains	-	-	-	(493)	-	(493)
Total comprehensive income for the year	-	-	-	(1,883)	43,897	42,014
Members' contributions	-	-	-	-	-	-
Transfer to general reserve	-	-	-	43,897	(43,897)	-
Total contributions	-	-	-	43,897	(43,897)	-
At 31 December 2021	**2,288,500**	**(1,601,950)**	**-**	**100,312**	**98,860**	**885,722**
Income for the period	-	-	-	-	(32,867)	(32,867)
Other comprehensive income:						
Net gains (losses) on financial assets at fair value reserve through OCI	-	-	-	(26,209)	-	(26,209)
Effective portion of cash flow hedges (losses) gains	-	-	-	(9,189)	-	(9,189)
Total comprehensive income for the period	-	-	-	(35,398)	(32,867)	(68,265)
At 30 June 2022	**2,288,500**	**(1,601,950)**	**-**	**64,914**	**65,993**	**817,457**

The accompanying notes are an integral part of these financial statements.

CONDENSED STATEMENT OF CASH FLOWS

For the six months period ended 30 June

Presented in thousands of EUR	Note	Six months to 30 June 2022	Six months to 30 June 2021
Cash flows from operating activities			
Income for the period		(32,867)	33,955
Adjustment for items in income statement:			
Depreciation and amortization		166	245
Impairment (gains) losses on loans		53,383	(12,322)
Impairment (gains) losses on investment securities		(251)	(2,684)
Fair value (gains) losses on loans at FVTPL		31	(867)
Fair value (gains) losses on equity investments at FVTPL		791	(182)
Net interest income		(35,100)	(22,304)
Realized (gains) losses on disposal of investment securities at FVTOCI		(138)	(5,103)
Realized (gains) losses on derivative instruments		(4,528)	-
Cash generated from (used for) operations:			
Proceeds from repayment of loans		311,186	411,705
Proceeds from repayment of equity investments		1,728	385
Funds advanced for loans		(227,929)	(499,458)
Funds advanced for equity investments		(177)	(221)
Net movement in derivative financial instruments		58,343	6,349
Working capital adjustments:			
Interest income received		54,916	54,504
Interest income paid		(31,289)	(33,454)
Decrease (increase) in deposit margin accounts		(80,320)	(11,010)
Decrease (increase) in other assets		2,558	725
Increase (decrease) in margin accounts		(7,610)	(8,370)
Increase (decrease) in other liabilities		10,670	(403)
Increase (decrease) in deferred income		(11,401)	3,962
Net cash from / (used in) operating activities		62,162	(84,548)
Cash flows from investing activities			
Net proceeds from investment securities at FVTOCI		171,999	222,088
Purchase of property, software and equipment		(123)	(151)
Net cash from / (used in) investing activities		171,876	221,937
Cash flows from financing activities			
Proceeds from borrowings		172,898	1,201,864
Repayments of borrowings		(469,474)	(612,706)
Net cash from financing activities		(296,576)	589,158
Net increase (decrease) in cash and cash equivalents		**(62,538)**	**726,547**
Cash and cash equivalents at beginning of year		571,492	272,666
Cash and cash equivalents at end of period		**508,954**	**999,213**

The accompanying notes are an integral part of these financial statements.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

1. ESTABLISHMENT OF THE BANK

Agreement Establishing the Bank

The Black Sea Trade and Development Bank (the ‘Bank’), whose headquarters are located at 1 Komninon Street, Thessaloniki, in the Hellenic Republic, was established as an international financial organization under the Agreement Establishing the Bank dated 30 June 1994 (Establishing Agreement). In accordance with Article 61 of the Establishing Agreement, following the establishment of the Bank, the Establishing Agreement came into force on 24 January 1997. The Bank commenced operations on 1 June 1999.

The purpose of the Bank is to accelerate development and promote cooperation among its shareholder countries. As a regional development institution, the Bank is well placed to mobilize financial resources and to improve access to financing for businesses in the whole region as well as for those active only in its individual Member Countries. The Bank offers project and trade financing facilities, equity participations and guarantees. Bank financing of projects and programs is available directly or in cooperation with other national and international development institutions. The Bank may also, where appropriate, provide technical assistance to potential customers.

As at financial position date the Bank's shareholders comprised of the following 11 countries: Albania, Armenia, Azerbaijan, Bulgaria, Georgia, Greece, Moldova, Romania, Russian Federation, Türkiye, and Ukraine (all the countries hereafter, the ‘Region’).

Headquarters Agreement

The status, privileges and immunities of the Bank and persons connected therewith in the Hellenic Republic are defined in the Headquarters Agreement between the Government of the Hellenic Republic and the Bank (Headquarters Agreement) signed on 22 October 1998.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

2.1 Basis of Preparation

The condensed interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting* as published by the International Accounting Standards Board (IASB), and should be read in conjunction with the Bank’s last annual financial statements as at and for the year ended 31 December 2021 (last annual financial statements). They do not include all the information required for a complete set of International Financial Reporting Standards (IFRS) financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Bank’s financial position and performance since the last annual financial statements.

These condensed interim financial statements for the six month period ended 30 June 2022 are approved by the Management Committee, and also submitted to the Board of Directors (BoD) in their meeting on 6 October 2022 for their information.

Basis of measurement

The financial statements have been prepared on a historical cost basis except for the below assets and liabilities which have been measured at fair value:

- Debt investment securities at fair value through other comprehensive income;
- Loans at fair value through profit or loss;
- Equity investments at fair value through profit or loss;
- Equity investments at fair value through other comprehensive income;
- Derivative financial instruments.

Functional and presentation currency

The Bank's functional currency is the Euro (EUR) as defined by the European Central Bank (ECB). The Euro is most representative of the Bank's operations and environment as a significant percentage of the Bank's lending operations are in Euro, and the administrative expenses and capital expenditures are primarily denominated and settled in this currency. The Bank's presentation currency is the EUR and values are rounded to the nearest thousand unless otherwise stated.

Use of Estimates and Judgments

The preparation of the financial statements in conformity with IFRS requires management to make judgments and use of estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those reported. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

The areas where the Bank has applied judgement and used estimates and assumptions are: estimation of expected credit losses of loans, fair valuation of financial instruments not quoted in active markets, including OTC derivatives and certain debt securities, impairment of equity investments, estimation of retirement benefits obligation, and contingencies from litigation.

The areas involving a higher degree of judgment or areas where assumptions and estimates are significant to the financial statements are disclosed in the Note 4.

2.2 Going Concern

The Bank's Board of Governors considered the Bank's ongoing financial sustainability when approving the Bank's "Long Term Strategic Framework (LTSF) 2021-2030" in June 2021, which reflects the Bank's prospects and the ways in which its shareholders would like it to evolve.

Further and in support of the new LTSF, the Board of Governors has approved an increase to the subscribed capital of the Bank, to take place over the period 2023-2030.

The condensed interim financial statements for the six month period ended 30 June 2022 have been prepared on a going concern basis. As the Bank maintains its operational capacity and retains its strong capital and liquidity positions, the Board of Directors is of the view that the Bank will continue to operate as a going concern from the date of approval of the financial statements.

In the context of formulation and approval of the next Medium-term Strategy and Business Plan 2023-2026, the Board of Governors will provide the necessary guidance and in this context will recommend adjustments to the LTSF 2021-2030 to the extent to which it will be deemed appropriate.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in these condensed interim financial statements are the same as those applied in the last annual financial statements.

The following amendments to IFRSs have been issued by the International Accounting Standards Board (IASB) as of the date of these financial statements were issued and effective from 1 January 2022:

IAS 1 — Presentation of Financial Statements. IAS 1 sets out the overall requirements for financial statements, including how they should be structured, the minimum requirements for their content and overriding concepts such as going concern, the accrual basis of accounting and the current/non-current distinction. The standard requires a complete set of financial statements to comprise a statement of financial position, a statement of profit or loss and other comprehensive income, a statement of changes in equity and a statement of cash flows.

IAS 8 — Accounting Policies, Changes in Accounting Estimates and Errors. IAS 8 is applied in selecting and applying accounting policies, accounting for changes in estimates and reflecting corrections of prior period errors. The standard requires compliance with any specific IFRS applying to a transaction, event or condition, and provides guidance on developing accounting policies for other items that result in relevant and reliable information. Changes in accounting policies and corrections of errors are generally retrospectively accounted for, whereas changes in accounting estimates are generally accounted for on a prospective basis.

IAS 12 — Income Taxes. IAS 12 of accounting for income taxes which recognizes both the current tax consequences of transactions and events and the future tax consequences of the future recovery or settlement of the carrying amount of an entity's assets and liabilities. Differences between the carrying amount and tax base of assets and liabilities, and carried forward tax losses and credits, are recognized, with limited exceptions, as deferred tax liabilities or deferred tax assets, with the latter also being subject to a 'probable profits' test.

IAS 16 — Property, Plant and Equipment. IAS 16 outlines the accounting treatment for most types of property, plant and equipment. Property, plant and equipment is initially measured at its cost, subsequently measured either using a cost or revaluation model, and depreciated so that its depreciable amount is allocated on a systematic basis over its useful life.

IAS 37 — Provisions, Contingent Liabilities and Contingent Assets. IAS 37 outlines the accounting for provisions (liabilities of uncertain timing or amount), together with contingent assets (possible assets) and contingent liabilities (possible obligations and present obligations that are not probable or not reliably measurable).

IAS 41 — Agriculture. IAS 41 sets out the accounting for agricultural activity – the transformation of biological assets (living plants and animals) into agricultural produce (harvested product of the entity's biological assets). The standard generally requires biological assets to be measured at fair value less costs to sell.

IFRS 1 — First-time Adoption of International Financial Reporting Standards. IFRS 1 sets out the procedures that an entity must follow when it adopts IFRS for the first time as the basis for preparing its general purpose financial statements. The IFRS grants limited exemptions from the general requirement to comply with each IFRS effective at the end of its first IFRS reporting period.

IFRS 3 — Business Combinations. IFRS 3 outlines the accounting when an acquirer obtains control of a business (e.g. an acquisition or merger). Such business combinations are accounted for using the 'acquisition method', which generally requires assets acquired and liabilities assumed to be measured at their fair values at the acquisition date.

IFRS 17 — Insurance Contracts. IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows.

The Bank has adopted the aforementioned amendments which did not have a material impact.

3.1 Foreign Currencies

The Bank uses the official exchange rates published for the EUR by the European Central Bank (ECB). The exchange rates used by the Bank at the financial position date were as follows.

			30 June 2022	31 December 2021	30 June 2021
	=	United States dollar	1.03870	1.13260	1.18840
	=	Pound sterling	0.85820	0.84028	0.85805
	=	Russian ruble	53.85800	85.30040	86.77250
1 EUR	=	Azerbaijan manat	1.77710	1.92650	2.02360
	=	Georgian lari	3.08210	3.50400	3.76080
	=	Armenian dram	423.5400	542.61000	589.68000
	=	Romanian leu	4.94640	4.94900	4.92800

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Bank's financial statements requires Management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities, income and expense and accompanying notes. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets and liabilities affected in future periods. The Bank believes that the significant judgments, estimates and assumptions used in the preparation of its condensed interim financial statements are appropriate given the factual circumstances as of the date of preparation. The most significant areas, for which critical judgments, estimates and assumptions are required in applying the Bank's accounting policies, are the following:

a. Fair value estimates for financials instruments measured at fair value.

b. In accordance with IFRS 9, ECL represents the average credit losses weighted by the probabilities of default (PD), whereby credit losses are defined as the present value of all cash shortfalls. The ECL is calculated for both Stage 1 and Stage 2 loans by applying the provision rate to the projected exposure at default (EAD), and discounting the resulting provision using the loan's effective interest rate (EIR). The provision rate is generated by multiplying the PD rate and the loss given default (LGD) rate applicable to the loan.

   A number of critical accounting estimates are therefore made in the calculation of expected credit losses for loans as follows:

   - Criteria used for staging assessment of loans and advances to customers.
   - Assumptions for future cashflows of individually assessed credit-impaired exposures.
   - The input and assumptions used to estimate the impact of multiple economic scenarios.

   For loans that are individually assessed which have a lifetime ECL and that are credit-impaired in Stage 3, the impairment allowance results from the impairment test that is conducted on the basis of objective evidence obtained through a risk asset review process. An impairment test includes projected cash in-flows and out-flows, available for debt service until maturity, which are discounted at the original effective interest rate (EIR) to reach a net present value for a particular loan, less any collateral that can be realized.

Notes to the Condensed Interim Financial Statements

5. FINANCIAL ASSETS AND LIABILITIES

The tables below identify the Bank's financial assets and financial liabilities in accordance with their categories.

	At 30 June 2022				
Presented in EUR (000)	Fair value through profit or loss	Fair value through OCI	Amortized cost	**Carrying amount**	**Fair value**
Assets					
Cash and due from banks	-	-	286,189	**286,189**	286,189
Deposits in margin accounts	-	-	111,060	**111,060**	111,060
Debt investment securities	-	285,702	-	**285,702**	285,702
Derivative financial assets	38,673	-	-	**38,673**	38,673
Loans	14,983	-	2,254,950	**2,269,933**	2,168,791
Deferred income	-	-	(3,299)	**(3,299)**	(3,299)
Impairment losses on loans	-	-	(97,435)	**(97,435)**	(97,435)
Equity investments	-	15,474	-	**15,474**	15,474
Accrued interest receivable	-	-	35,078	**35,078**	35,078
Other assets	-	-	15,623	**15,623**	15,623
Total financial assets	**53,656**	**301,176**	**2,602,166**	**2,956,998**	2,855,856
Liabilities					
Borrowings	-	-	1,974,249	**1,974,249**	1,895,886
Margin accounts	-	-	8,980	**8,980**	8,980
Derivative financial instruments	134,233	-	-	**134,233**	134,233
Other liabilities and lease liabilities	-	-	23,197	**23,197**	23,197
Total financial liabilities	**134,233**	**-**	**2,006,426**	**2,140,659**	**2,062,296**

	At 31 December 2021				
Presented in EUR (000)	Fair value through profit or loss	Fair value through OCI	Amortized cost	**Carrying amount**	**Fair Value**
Assets					
Cash and due from banks	-	-	170,175	**170,175**	170,175
Deposits in margin accounts	-	-	30,740	**30,740**	30,740
Debt investment securities	-	652,448	-	**652,448**	652,448
Derivative financial assets	24,279	-	-	**24,279**	24,279
Loans	15,014	-	2,329,424	**2,344,438**	2,350,869
Deferred income	-	-	(14,700)	**(14,700)**	(14,700)
Impairment losses on loans	-	-	(44,223)	**(44,223)**	(44,223)
Equity investments	791	24,986	-	**25,777**	25,777
Accrued interest receivable	-	-	27,181	**27,181**	27,181
Other assets	-	-	18,181	**18,181**	18,181
Total financial assets	**40,084**	**677,434**	**2,516,778**	**3,234,296**	**3,240,727**
Liabilities					
Borrowings	-	-	2,274,401	**2,274,401**	2,299,564
Margin accounts	-	-	16,590	**16,590**	16,590
Derivative financial instruments	45,869	-	-	**45,869**	45,869
Other liabilities and lease liabilities	-	-	12,527	**12,527**	12,527
Total financial liabilities	**45,869**	**-**	**2,303,518**	**2,349,387**	**2,374,550**

Notes to the Condensed Interim Financial Statements

5.1 Fair Value Hierarchy

For the those financial instruments measured at fair value, the Bank uses the following levels of hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: Quoted market prices in active markets for identical assets or liabilities;
- Level 2: Other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly; and
- Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The tables below identify the Bank's financial instruments measured at fair value.

Presented in EUR (000)	Level 1	Level 2	Level 3	**Carrying Amount**
Derivative financial instruments – assets	-	38,673	-	**38,673**
Fair value through profit or loss:				
Loans	-	-	14,983	**14,983**
Fair value through other comprehensive income:				
Debt investment securities	285,702	-	-	**285,702**
Equity investments	-		15,474	**15,474**
Derivative financial instruments – liabilities	-	(134,233)	-	**(134,233)**
At 30 June 2022	**285,702**	**(95,560)**	**30,457**	**220,599**

There have been no transfers between Level 1 and Level 2 during the year. For Level 1 market prices are used whereas for Level 2 the valuation techniques used are broker quotes and observable market data. For Level 3 the valuation techniques/models used to determine the fair values are the net asset value (NAV), EBITDA multiples and discounted cash flows (DCF) models.

Presented in EUR (000)	Level 1	Level 2	Level 3	**Carrying Amount**
Derivative financial instruments – assets	-	24,279	-	**24,279**
Fair value through profit or loss:				
Loans	-	-	15,014	**15,014**
Equity investments	-	-	791	**791**
Fair value through other comprehensive income:				
Debt investment securities	652,448	-	-	**652,448**
Equity investments	-		24,986	**24,986**
Derivative financial instruments – liabilities	-	(45,869)	-	**(45,869)**
At 31 December 2021	**652,448**	**(21,590)**	**40,791**	**671,649**

Notes to the Condensed Interim Financial Statements

5.2 Fair Value Measurement in Level 3

The table provides a reconciliation of the fair values of the Bank's Level 3 for loan financial assets of the fair value hierarchy.

Presented in EUR (000)	At 30 June 2022	At 31 December 2021
At 1 January	15,014	12,525
Disbursements	-	1,806
Total gains (losses) recognized in the income statement	(31)	683
At end of period/year	**14,983**	**15,014**

The table provides a reconciliation of the fair values of the Bank's Level 3 equity investments financial assets of the fair value hierarchy.

Presented in EUR (000)	At 30 June 2022	At 31 December 2021
At 1 January	25,777	26,310
Total gains (losses) recognized in the income statement	(791)	-
Total gains (losses) recognized in other comprehensive income	(7,960)	6,047
Disbursements*	177	460
Disposals	(1,728)	(7,169)
Foreign exchange adjustments	(1)	129
At end of period/year	**15,474**	**25,777**

* Committed capital call or covering general costs, without increase percentage of investment.

5.3 Sensitivity Analysis for Level 3

The table below illustrates the valuation techniques used in the determination of fair values for financial instruments within Level 3 of the measurement hierarchy, and on an estimated 5% increase or decrease in net asset value. The Bank considers that market participants would use the same inputs in pricing the financial assets. Management considers that changing the unobservable inputs described below to reflect other reasonably possible alternative assumptions would not result in a significant change in the estimated fair value.

Presented in EUR (000)	Valuation techniques	Carrying amount	Favorable change	Unfavorable change
Loans	Discounted cash flows models	14,983	749	(749)
Equity investments	Net asset value and EBITDA multiplies	15,474	774	(774)
At 30 June 2022		**30,457**	**1,523**	**(1,523)**

Presented in EUR (000)	Valuation techniques	Carrying amount	Favorable change	Unfavorable change
Loans	Discounted cash flows models	15,014	751	(751)
Equity investments	Net asset value and EBITDA multiplies	25,777	1,289	(1,289)
At 31 December 2021		**40,791**	**2,040**	**(2,040)**

Loans at fair value through profit or loss mainly comprise convertible loans or loans with an element of performance-based return. The inputs into the models could include comparable pricing, interest rates, discounts rates, average cost of capital, probability of default and loss given default.

Equity investments comprises the Bank's equity funds and equity participations. The main valuation models used to determine the fair value of these financial assets are NAV and EBITDA models.

Although the Bank believes that its estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different fair value results.

5.4 Credit Risk by Country and Sector

The Bank uses international best practices for lending activities in order to diversify risk by country and by sector, while also preserving the needs of the Bank's Member States in accordance with the Bank's mandate to promote economic development in the Black Sea Region.

The concentration of credit risk in lending portfolios is presented below, also including the undrawn amounts. The Bank is generally well diversified by country and by sector.

	At 30 June 2022		At 31 December 2021	
Presented in EUR (000)	Outstanding balance	Undrawn commitments	Outstanding balance	Undrawn commitments
Concentration by instrument				
Loans	2,269,933	111,026	2,344,438	208,203
Equity investments	15,474	6,183	25,777	6,833
Guarantees	-	41,153	-	22,435
At end of period/year	**2,285,407**	**158,362**	**2,370,215**	**237,471**
Concentration by country				
Albania	22,942	12	29,673	27
Armenia	101,763	2,023	108,823	4,507
Azerbaijan	8,934	9,640	49,438	12
Bulgaria	272,638	4,777	248,397	57,946
Georgia	68,255	14,809	52,921	20,004
Greece	258,104	84,748	335,926	100,192
Moldova	28,888	12,445	48,686	27
Romania	239,720	197	224,213	29,055
Russia	479,119	17,943	477,945	8,236
Türkiye	528,855	2,005	507,258	5,459
Ukraine	276,189	9,763	286,935	12,006
At end of period/year	**2,285,407**	**158,362**	**2,370,215**	**237,471**
Concentration by sector				
Consumer discretionary	87,636	8,000	91,695	8,659
Consumer staples	213,435	11,434	217,544	20,000
Energy	43,209	65,500	57,251	92,395
Financial institutions	455,570	26,550	541,638	23,609
Health care	109,075	1,200	107,456	4,616
Industrials	450,061	4,526	510,462	4,526
Information technology	3,947	-	3,976	-
Materials	352,927	-	318,048	26,488
Real estate	99,045	-	99,736	25,954
Telecom services	-	-	-	-
Utilities	470,502	41,152	422,409	31,224
At end of period/year	**2,285,407**	**158,362**	**2,370,215**	**237,471**
Incurred by				
Sovereign	320,857	67,250	356,314	95,669
Non-sovereign	1,964,550	91,112	2,013,901	141,802
At end of period/year	**2,285,407**	**158,362**	**2,370,215**	**237,471**

5.5 Capital Management

At the inception of the Bank, the initial authorized share capital was SDR 1 billion, which was fully subscribed by the Member States. In December 2007 the BoG approved an increase of the Bank's authorized share capital to SDR 3 billion and authorized the offering of SDR 1 billion to the existing Member States for subscription, with the objective of increasing subscribed capital to a total of SDR 2 billion. The increase allows the Bank to implement its operational strategy to a substantial degree. The Bank does not have any other classes of capital.

In October 2008 the above new shares in the amount of SDR 1 billion that were offered for subscription to the Bank's Member States were fully subscribed and allocated. Accordingly, the Bank's paid-in share capital was doubled from SDR 300 million to SDR 600 million. The remaining SDR 1 billion of authorized share capital has not yet been allocated.

Pursuant to Resolution 131 of the BoG, the BoG unanimously adopted the first amendment to the Establishing Agreement, which became effective on 21 June 2013. As of this effective date, and as per Resolution 131 of the BoG, the unit of account of the Bank became the EUR and all of the Bank's authorized share capital was redenominated from SDR to EUR. The conversion rate applied was SDR to EUR fixed at 1:1.15.

The share capital usage of the Bank is guided by statutory and financial policy parameters. Article 15 of the Establishing Agreement limits the total amount of outstanding loans, equity investments and guarantees made for ordinary operations to 150% of the Bank's unimpaired subscribed capital, reserves and surpluses, establishing a 1.5:1 institutional gearing ratio. Additionally, disbursed equity investments shall not at any time exceed an amount corresponding to the Bank's total unimpaired paid-in capital, surpluses and general reserve.

At the 36th meeting of the BoD in 2008, the operational gearing ratio was set at 100% of the Bank's unimpaired paid-up capital, reserves and surpluses, and the usable portion of the callable capital. This limit on the total amount of operations which includes all callable capital is approximately EUR 2.45 billion.

The Bank preserves an actively managed capital stock to prudently cover risks in its activities. As a multilateral financial institution, the Bank is not subject to regulatory capital requirements. However, the Bank uses standards proposed by the Basel II Capital Accord as a benchmark for its risk management and capital framework. Pursuant to Article 5 of the Establishing Agreement, the BoG shall at intervals of not more than five years review the capital stock of the Bank. In substance, the primary objective of the Bank's capital management is to ensure adequate share capital is available to support the Bank's operations.

6. OPERATING SEGMENTS

The Bank is a multilateral financial institution, which in accordance with the Establishing Agreement, is dedicated to accelerating development and promoting co-operation among the Bank's shareholder countries. The Bank operates in a specific geographical area and the primary reporting format for business segments are the Lending and Treasury operations. Lending activities represent investments in projects such as loans, equity investments and guarantees. Treasury activities include raising debt finance, investing surplus liquidity, and managing the Bank's foreign exchange, liquidity and interest rate risks.

The Bank's primary source of revenues is interest income from above mentioned activities. In addition, the Bank also derives revenues from net fees and commissions and other income that comprise: dividend income, net gains from equity investments at fair value through profit or loss, net gains from loans, net gains from investment securities held at amortized cost and at fair value through profit or loss.

Information on the financial performance of Lending and Treasury activities is prepared regularly and provided to the President, the Bank's chief operating decision-maker. As such, these activities have been identified as the operating segments which the President assesses their performance in a manner associated with the financial statements and consistent with the prior year that is as follows:

	2022			2021		
Presented in EUR (000)	Lending	Treasury	Total	Lending	Treasury	Total
Income statement						
Interest income	60,307	2,506	62,813	48,009	6,168	54,177
Net fees and commissions	1,469	-	1,469	892	-	892
Other income	-	138	138	180	5,103	5,283
Total segment revenues	61,776	2,644	64,420	49,081	11,271	60,352
Interest expense	(27,233)	(480)	(27,713)	(31,423)	(450)	(31,873)
Net interest income (expense) on derivatives	-	5,934	5,934	-	5,408	5,408
Gains (losses) on other financial instruments	(822)	(11,099)	(11,921)	867	(5,432)	(4,565)
Foreign exchange	-	1,104	1,104	-	3	3
Personnel and administrative expenses	(10,767)	(626)	(11,393)	(9,305)	(826)	(10,131)
Depreciation and amortization	(157)	(9)	(166)	(239)	(6)	(245)
Segment income before impairment	22,797	(2,532)	20,265	8,981	9,968	18,949
Less: impairment (losses) gains	(53,383)	251	(53,132)	12,322	2,684	15,006
Income for the period	**(30,586)**	**(2,281)**	**(32,867)**	**21,303**	**12,652**	**33,955**

	30 June 2022			31 December 2021		
Presented in EUR (000)	Lending	Treasury	Total	Lending	Treasury	Total
Financial position						
Segment assets	2,236,492	721,624	2,958,116	2,357,467	877,642	3,235,109
At end of year			**2,958,116**			**3,235,109**
Segment liabilities	1,997,446	143,213	2,140,659	2,286,928	62,459	2,349,387
Members' equity	-	-	817,457	-	-	885,722
At end of year			**2,958,116**			**3,235,109**

Notes to the Condensed Interim Financial Statements

7. INTEREST AND SIMILAR INCOME

Interest and similar income is analyzed as follows:

Presented in EUR (000)	Six months to 30 June 2022	Six months to 30 June 2021
From loans at amortized cost	59,997	47,746
From due from banks	99	47
From debt securities at FVTOCI	2,407	6,121
Total interest income for financial instruments not measured at FVTPL	62,503	53,914
From loans at FVTPL	310	263
Interest and similar income	**62,813**	**54,177**

8. INTEREST AND SIMILAR EXPENSE

Interest and similar expense is analyzed as follows:

Presented in EUR (000)	Six months to 30 June 2022	Six months to 30 June 2021
Debit evidenced by certificates	22,522	28,059
Other borrowings	4,711	3,364
Other charges	480	450
Interest and similar expense	**27,713**	**31,873**

9. NET INTEREST ON DERIVATIVES

Net interest on derivatives is analyzed as follows:

Presented in EUR (000)	Six months to 30 June 2022	Six months to 30 June 2021
Interest on derivatives receivable	23,512	25,459
Interest on derivatives payable	(17,578)	(20,051)
Net interest on derivatives	**5,934**	**5,408**

10. PERSONNEL AND ADMINISTRATIVE EXPENSES

Administrative expenses are analyzed as follows:

Presented in EUR (000)	Six months to 30 June 2022	Six months to 30 June 2021
Salaries and benefits	7,561	6,273
Staff retirement plans	1,631	1,789
Personnel expenses	**9,192**	**8,062**
Professional fees and related expenses	550	715
Utilities and maintenance	822	753
Other administrative	829	601
Administrative expenses	**2,201**	**2,069**

The average number of staff employed during the period was 119 (respective period 2021: 116). The number of staff at 30 June 2022 was 120 (30 June 2021: 116). Further analysis of the staff retirement plan is presented in the Note 'Employee benefits'.

11. IMPAIRMENT LOSSES ON LOANS

Loans that are measured at amortized cost are stated net of provisions for impairment, which includes also their related provisions for impairment on undrawn commitments. A summary of the movements in provisions for impairment is as follows:

Presented in EUR (000)	Stage 1	Stage 2	Stage 3	Total
At 31 December 2020	15,499	3,055	37,383	55,937
New loans originated	1,519	-	-	1,519
Release	(4,652)	(2,652)	(1,299)	(8,603)
Transfer	(248)	248	-	-
Change in model or risk parameters	(7,400)	-	2,602	(4,798)
Foreign exchange adjustments	265	(32)	(65)	168
At 31 December 2021	4,984	619	38,620	44,223
New loans originated	290	-	-	290
Transfer	(3,687)	1,986	1,701	-
Write-offs/recoveries	-		(1,262)	(1,262)
Change in model or risk parameters	474	16,378	37,159	54,011
Foreign exchange adjustments	173	-	-	173
At 30 June 2022	**2,234**	**18,983**	**76,218**	**97,435**

At each reporting date, the Bank recognizes loss allowances based on either 12-month ECL or lifetime ECL, depending on the state of the loan.

Total impairment losses on loans was EUR 97,435 thousand in the period ended 30 June 2022, an increase of EUR 53,212 thousand compared to 2021. The increase in Expected Credit Loss (ECL) is mainly attributed to the conflict between Russia and Ukraine, which resulted in many loans in those countries to be automatically assigned credit ratings downgrades and to be placed in Stage 3. With the subsequent review of each loan on a case-by-case basis, certain loans have been reassigned to Stage 2 on the basis of their expected repayment prospects and underlying creditworthiness notwithstanding the effects of the conflict. At 30 June 2022 for the stage override loans the total outstanding balance is EUR 477,042 thousand and the ECL is EUR 17,312 thousand.

Staging Criteria 12-month ECL (Stage 1)

As IFRS 9 does not distinguish between individually significant or not individually significant financial instruments, the Bank measures potential credit losses for all non-impaired loans (Stage 1 and Stage 2) on an individual loan basis. Provisions for impairment in Stage 1 are therefore affected by the specifics of any particular loan together with general market scenarios. They are meant to protect against potential risks that are considered present, or within a 12-month horizon, and derived from potentially adverse developments in operating conditions beyond the control of individual borrowers.

Staging Criteria Lifetime ECL (Stages 2 and 3)

When a loan deteriorates substantially in credit quality, it enters Stage 2 and an expected credit loss calculation is performed on a Lifetime Expected Credit Loss (LECL) basis. Stage 2 loans are those that have experienced an overall credit quality downgrade but are still performing. They are not considered credit-impaired.

Stage 3 loans have objective evidence of impairment that immediately impacts the ECL.

Revolving Facilities and Undrawn Commitments

Revolving credit facilities have no fixed term and they can be cancelled at the discretion of the Bank at any point in time. These facilities are subject to, at a minimum, an annual credit review. In this regard, the date of the latest credit review is considered the relevant date to assess if there is any increase in credit risk, as at that point in time. Following this, the Bank may amend the terms and conditions of the exposure.

The estimate of the ECLs on irrevocable loan commitments is consistent with its expectations of drawdowns on that loan commitment. Therefore, the Bank considered (i) the expected portion of the loan commitment that will be drawn down within 12 months of the reporting date when estimating 12-month expected credit losses and (ii) the expected portion of the loan commitment that will be drawn down over the expected life of the reporting date when estimating lifetime expected credit losses. At 30 June 2022 the amount of expected credit losses was EUR 103 thousand for loan commitments of EUR 111,026 thousand (2021: EUR 193 thousand for loan commitments of EUR 208,203 thousand).

12. DEBT INVESTMENT SECURITIES

Debt investment securities are analyzed as follows:

Presented in EUR (000)	At 30 June 2022	At 31 December 2021
Bonds	63,314	136,760
Commercial papers	222,765	516,316
Debt investment securities	286,079	653,076
Less: impairment losses	(377)	(628)
Debt investment securities at fair value through OCI	**285,702**	**652,448**

13. DERIVATIVE FINANCIAL INSTRUMENTS

In the ordinary course of business, the Bank enters into various types of transactions that involve derivative financial instruments. A derivative financial instrument is a financial contract between two parties, where future payments are dependent upon movements in price in one or more underlying financial instruments, reference rates or indices.

The Bank primarily makes use of derivatives for the below strategic purposes:

- Many of the Bank's issued securities, excluding commercial paper, are individually paired with a swap to convert the issuance proceeds into the currency and interest rate structure sought by the Bank.
- To manage the net interest rate risks and foreign exchange risks arising from all financial assets and liabilities.
- Through currency swaps, to manage funding requirements for the Bank's loan portfolio.

Derivatives can include interest rate and cross currency swaps, forward foreign exchange contracts, interest rate future contracts, and options on interest rates and foreign currencies. Such financial instruments are initially recognized in the statement of financial position (SoFP) at fair value and are subsequently measured at their fair value. They are carried in the SoFP as assets when their fair value is positive and as liabilities when their fair value is negative.

Changes in fair value of derivative financial instruments are included in the income statement. Fair values are obtained from quoted market prices to the extent publicly available, discounted cash flows and options pricing models as appropriate.

The Bank enters into derivatives, to protect the Bank from financial risks such as currency risk, market price risk and interest rate risk. Such hedges are entered into to lessen or eliminate economic exposure. The Bank's policies on risk management are to not take significant interest rate or foreign exchange risks, and to aim where possible to match assets, liabilities and derivatives.

The majority of the Bank's lending activities is at floating rates linked to USD Libor or Euribor. When lending at a fixed rate the Bank will often use interest rate swaps to produce floating rate interest payments.

The Bank's borrowings, particularly bonds issuances, tend to be at a fixed rate and sometimes in currency denominations other than EUR or USD. The Bank in order mitigate the aforementioned underlying risks uses either interest rate or cross currency interest rate swaps to produce floating rate liabilities in USD or EUR.

All the Bank's interest rate or cross currency swaps are explicitly tied to a balance sheet asset or liability. Typically, the fixed rate on the swap and the matching asset or liability has the same characteristics (term, payment dates etc.).

Foreign exchange forwards (paired purchases and sales of currencies on different dates) of maturities typically less than three months are not tied to specific assets or liabilities. These are undertaken to manage surpluses and shortfalls in EUR and USD and are not undertaken for speculative purposes. All derivatives are documented under International Swaps and Derivatives Association (ISDA) master netting agreement with Credit Swap Annexes (CSAs) and marked to market and cash collateralized daily. The Department of Treasury, under the guidance of ALCO and the supervision of the ALM unit, is responsible for the primary usage and managing interest rate and currency risks in the Bank's statement of financial position.

The table below shows the Bank's outstanding derivative financial instruments.

The first column shows the sum of notional amounts, which is the amount of a derivative's nominal value, whereas the second and third columns depict the fair value of outstanding derivatives.

Presented in EUR (000)	**At 30 June 2022**		
	Notional amount of derivative contracts	Fair Value	
		Assets	***Liabilities***
Derivatives held for hedging:			
Derivatives designated and effective as hedging instruments carried at fair value hedges:			
Interest Rate Swaps	201,833	-	(43,383)
Cross Currency Swaps	212,877	-	(36,517)
Total Derivatives designated in fair value hedges:	414,710	-	(79,900)
Derivatives designated and effective as hedging instruments in cash flow hedges:			
Cross Currency Swaps	156,120	-	(3,463)
Total Derivatives designated in cash flow hedges:	156,120	-	(3,463)
Derivatives held for risk management purposes:			
Interest Rate Swaps	317,703	10,358	(35,138)
Cross Currency Swaps	788,461	28,315	(15,690)
Forwards	-	-	-
Cap/floor	160,000	-	(42)
Total Derivatives held for risk management purposes:	1,266,164	38,673	(50,870)
Total	**1,836,994**	**38,673**	**(134,233)**

Presented in EUR (000)	At 31 December 2021		
	Notional amount of derivative contracts	Fair Value	
		Assets	**Liabilities**
Derivatives held for hedging:			
Derivatives designated and effective as hedging instruments carried at fair value hedges:			
Interest Rate Swaps	120,000	-	(6,118)
Cross Currency Swaps	35,178	-	(3,177)
Total Derivatives designated in fair value hedges:	155,178	-	(9,294)
Derivatives designated and effective as hedging instruments in cash flow hedges:			
Cross Currency Swaps	143,177	231	-
Total Derivatives designated in cash flow hedges:	143,177	231	-
Derivatives held for risk management purposes:			
Interest Rate Swaps	379,263	15	(16,969)
Cross Currency Swaps	1,061,402	23,934	(19,606)
Forwards	-	-	-
Cap/floor	160,000	99	-
Total Derivatives held for risk management purposes:	1,600,665	24,049	(36,575)
Total	**1,899,019**	**24,279**	**(45,869)**

The Bank uses derivative instruments, mainly currency and interest rate swaps, as part of its asset and liability management activities to manage exposures to interest rate and foreign currency risks. Derivatives are contractual financial instruments, the value of which fluctuates according to the trends in the underlying assets, interest rates, exchange rates or indices. Derivatives transactions are not used for trading, but only in connection with fund-raising and for the reduction of market risk exposure. The Bank's exposure to derivative contracts is monitored on regular basis as part of its overall risk management framework. The majority of the Bank's interest rate swaps and cross currency swaps are concluded with a view to hedging bond issues, as part of its resource-raising operations (funding activity).

The Bank applies hedge accounting where there is an identifiable, one-to-one relationship between a hedging derivative instrument and a hedged item, in accordance with IFRS9 requirements which was fully adopted since 2021; regarding prior legacy derivative financial instruments economic hedge accounting is applied.

The derivative financial instrument contracts with financial counterparties have been documented under International Swaps and Derivative Association (ISDA) Master Agreements with Credit Support Annexes (CSAs). Pursuant to such arrangements the Bank is eligible to offset assets and liabilities in the event of a counterparty default occurrence. The Bank's derivative assets and financial liabilities are generally not offset in the statement of financial position unless the IFRS netting criteria are met.

14. LOANS

The Bank offers a range of loan facilities directed to investments for both project and trade financing, and tailored to meet an individual loan's requirements. Loans may be denominated in any convertible currency, or a combination of convertible currencies in which the Bank is able to fund itself.

Presented in EUR (000)	At 30 June 2022	At 31 December 2021
Loans at amortized cost:		
At 1 January	2,329,424	2,030,396
Disbursements	227,929	1,072,130
Less: repayments	(385,384)	(833,928)
Write-offs	(515)	-
Foreign exchange movements	83,496	60,826
Outstanding disbursements	2,254,950	2,329,424
Less: deferred income	(3,299)	(14,700)
Less: impairment losses	(97,435)	(44,223)
Loans at fair value:		
Outstanding disbursements	19,705	19,705
Fair value adjustment	(4,722)	(4,691)
Loans net of impairment	**2,169,199**	**2,285,515**

At 30 June 2022 the principal amount of outstanding disbursements was EUR 2,274,655 thousand (2021: EUR 2,349,129 thousand).

For the period ended the amount of accrued interest receivable pertaining to loans was EUR 34,251 thousand (2021: EUR 25,260 thousand).

15. EQUITY INVESTMENTS

A primary focus of the Bank is to facilitate access to funding for those small and medium-size enterprises with the potential for positive economic developmental impact. With this objective in mind, the Bank, together with a number of other institutions has invested in the entities as detailed below.

		At 30 June 2022		At 31 December 2021	
Presented in EUR (000)	% of Investment	Cost	Fair Value	Cost	Fair value
Balkan Accession Fund	-	-	-	-	791
At fair value through profit or loss		-	-	-	791
SEAF Caucasus Growth Fund	21.39	6,165	5,447	5,631	5,494
Access Bank, Azerbaijan	0.06	849	88	783	81
A-Park Kaluga, Russia	19.99	1,714	980	1,714	980
Emerging Europe Accession Fund	10.15	2,064	6,256	2,064	6,865
Rusal	0.01	4	174	4	363
ADM Ceecat Recovery Fund	5.75	2,027	1,488	3,750	3,190
European Virgin Fund	21.05	790	183	724	7,251
Teamnet International	8.33	5,599	-	5,599	-
Natfood	37.98	-	-	-	-
EOS Hellenic Renaissance Fund	2.01	690	858	544	762
At fair value through other comprehensive income		19,902	15,474	20,813	24,986
Equity investments at fair value		**19,902**	**15,474**	**20,813**	**25,777**

The valuation of such investments, which are unlisted, has been estimated using the most recent management accounts or the latest audited accounts as of 30 June 2022, as Management considers that these provide the best available estimate of the investments' fair value. The techniques applied to perform these valuations include equity calculations based on EBITDA and market data.

On disposal or exit of an equity investment for those at fair value through other comprehensive income, the cumulative gain or loss is realized with a corresponding reversal of the unrealized gain or loss that was recorded prior to the exit from that investment, and is not recycled to the income statement.

As of 30 June 2022 the Bank has few equity investments where it holds slightly more than 20 per cent of the investee share capital, but does not exert significant influence, hence the investments are not accounted for as an investment in an associate under IAS 28.

16. OTHER ASSETS

Other assets are analyzed as follows:

Presented in EUR (000)	At 30 June 2022	At 31 December 2021
Advances and prepaid expenses	2,922	3,508
Accrued interest on derivatives*	7,953	9,486
Other prepayments	-	187
Other financial assets	4,655	4,930
Guarantee deposits	93	70
Other assets	**15,623**	**18,181**

* For a better presentation, the Bank reclassified derivatives accruals (Asset and Liability) which now appear separately in caption "Accrued interest on derivatives" and "Accrued Interest and Deferrals on Derivatives". These reclassifications was applied retrospectively. However, considering that the total equity of the Bank remains unchanged and the reclassifications were done for the purpose of better analysis of the Balance Sheet items, it was not considered necessary to present a restated balance sheet at the beginning of the comparative period.

17. PROPERTY AND EQUIPMENT

Property and equipment were a total amount of EUR 3,836 thousand with accumulated depreciation of EUR 3,513 thousand and net book value of EUR 323 thousand.

18. INTANGIBLE ASSETS

Intangible assets comprising computer software were a total amount of EUR 5,042 thousand with accumulated amortization of EUR 4,770 thousand and net book value of EUR 272 thousand.

19. BORROWINGS

Borrowing facilities and bond issues debt evidenced by certificates, arranged as at the financial position date, are analyzed below. In addition to medium- or long-term borrowings and bond issuance, the Bank utilizes short-term financing in the form of ECP issuance or borrowings from commercial banks for cash management purposes.

	At 30 June 2022		At 31 December 2021	
Presented in EUR (000)	Amount used	Amount arranged	Amount Used	Amount arranged
Borrowed by				
Amounts borrowed	1,966,889	2,060,796	2,263,465	2,360,389
Accrued interest payable	7,360	-	10,936	-
Total	**1,974,249**	**2,060,796**	**2,274,401**	**2,360,389**
Denomination by				
Euro	384,513	478,420	440,525	537,449
United States dollar	883,299	883,299	994,362	994,362
Swiss franc	351,591	351,591	339,004	339,004
Other	347,486	347,486	489,574	489,574
Accrued interest payable	7,360	-	10,936	-
Total	**1,974,249**	**2,060,796**	**2,274,401**	**2,360,389**
Maturity by				
Short-term, within one year	287,659	287,659	364,302	364,302
Long-term, over one year	1,679,230	1,773,137	1,899,163	1,996,087
Accrued interest payable	7,360	-	10,936	-
Total	**1,974,249**	**2,060,796**	**2,274,401**	**2,360,389**

The interest rate on borrowings falls within a range of Euribor or USD Libor of plus 0 to 230 basis points. There is no collateral against the above borrowed funds.

20. OTHER LIABILITIES

Other liabilities is analyzed as follows:

Presented in EUR (000)	At 30 June 2022	At 31 December 2021
Social insurance fund (EFKA) contributions	1	2
Accrued interest on derivatives*	14,311	2,227
Pension plan obligation	7,684	8,684
Suppliers and other accrued expenses	810	1,512
Other	59	59
Other liabilities	**22,865**	**12,484**

* For a better presentation, the Bank reclassified derivatives accruals (Asset and Liability) which now appear separately in caption "Accrued interest on derivatives" and "Accrued Interest and Deferrals on Derivatives". These reclassifications was applied retrospectively. However, considering that the total equity of the Bank remains unchanged and the reclassifications were done for the purpose of better analysis of the Balance Sheet items, it was not considered necessary to present a restated balance sheet at the beginning of the comparative period.

21. SHARE CAPITAL

The share capital is analyzed as follows:

Presented in EUR (000)	At 30 June 2022	At 31 December 2021
Authorized share capital	3,450,000	3,450,000
Less: unallocated share capital*	(1,161,500)	(1,161,500)
Subscribed share capital	2,288,500	2,288,500
Less: shares not yet called	(1,601,950)	(1,601,950)
Paid-in share capital	**686,550**	**686,550**

* Shares available to new or existing Member States.

22. RESERVES

Total reserves are EUR 64,914 thousand and are analyzed as general reserve of EUR 122,488 thousand, other comprehensive income reserve of EUR (44,426) thousand and other reserve of EUR (13,148) thousand. The Bank's general reserve is maintained for meeting any unforeseeable risks or contingencies. The other reserve primarily is the movement in the remeasurements of the Bank's defined benefit pension scheme and cash flow hedging instruments.

23. EMPLOYEE BENEFITS

Under the defined benefit scheme the net liability at the end of the period was EUR 7,684 thousand (2021: EUR 8,684 thousand) and the amount included in personnel expenses for the period was EUR 1,030 thousand (30 June 2021: EUR 1,238 thousand).

Under the defined contribution scheme the amount included in personnel expenses for the period was EUR 598 thousand (30 June 2021: EUR 545 thousand), and under the Greek state social insurance fund was EUR 3 thousand (30 June 2021: EUR 6 thousand).

24. RELATED PARTIES

The Bank has the following related parties.

Key Management Personnel

Key management personnel comprise: the President, Vice Presidents and Secretary General. They are entitled to a staff compensation package that includes a salary, medical insurance cover, participation in the Bank's retirement schemes and are eligible to receive other short-term benefits which can include a bonus. Key management personnel may receive post-employment benefits, other long-term benefits and termination benefits, but do not receive any share-based payments.

The amounts paid to key management personnel during the period were EUR 818 thousand (2021: EUR 644 thousand), of which comprises salary and employee benefits of EUR 707 thousand (2021: EUR 539 thousand) and post-employment benefits of EUR 111 thousand (2021: EUR 105 thousand).

The members of the BoD are not personnel of the Bank and do not receive any fixed term salaries nor any staff benefits. The governments of the Member States are not related parties.

25. EVENTS AFTER THE REPORTING PERIOD

There are no events after the reporting period that would require disclosure to these financial statements.