EUROBANK
Holdings

EUROBANK ERGASIAS
SERVICES AND HOLDINGS S.A.

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED

31 DECEMBER 2022

Annual Financial Report publication in accordance with the requirements of Law 3556/2007 and Regulation (EU) 2019/815 is fulfilled with the publication of the relevant zip (ESEF) and ixbrl inline viewer files, which are available on the Eurobank Holdings' website: eurobankholdings.gr

The current document, which presents the Annual Financial Report in pdf format, does not fulfil the above requirements for the publication of the Annual Financial Report of Eurobank Holdings.

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Statements of Members of the Board of Directors
(according to the article 4 par. 2 of the Law 3556/2007)

We declare that to the best of our knowledge:

- the annual financial statements for the year ended 31 December 2022, which have been prepared in accordance with the applicable accounting standards, present fairly the assets, liabilities, equity and annual results of Eurobank Ergasias Services and Holdings S.A. and the companies included in the consolidation, and

- the annual report of the Board of Directors presents fairly the development, the performance and the position of the Eurobank Ergasias Services and Holdings S.A and of the companies included in the consolidation, including the description of the main risks and uncertainties they face.

Athens, 6 April 2023

Georgios P. Zanias	**Fokion C. Karavias**	**Stavros E. Ioannou**
I.D. No AI – 414343	I.D. No AI - 677962	I.D. No AH - 105785
CHAIRMAN OF THE BOARD OF DIRECTORS	CHIEF EXECUTIVE OFFICER	DEPUTY CHIEF EXECUTIVE OFFICER

The directors present their report together with the financial statements for the year ended 31 December 2022.

General information
Eurobank Ergasias Services and Holdings S.A. (the Company or Eurobank Holdings) is a holding company listed on the Athens Exchange, owning 100% of the share capital of Eurobank S.A. (the Bank). Eurobank Holdings and its subsidiaries form a group (Group), consisting mainly of Eurobank Group, that being the Bank and its subsidiaries. The Company's operations principally relate to the strategic planning of the non-performing loans management and the provision of services to the Group entities and third parties.

Financial Results Review and Outlook[1]
In 2022, the economic activity remained strong in Greece and the other countries in which the Group has a substantial presence, despite the negative impact of increased geopolitical volatility, disruption in supply chains and persistent inflationary pressures. In this environment, the Group exceeded its targets in terms of profitability, asset quality and capital strength, expanded its loan portfolio and improved further its liquidity position.

As at 31 December 2022 total assets increased by €3.6bn to €81.5bn (Dec. 2021: €77.9bn) with gross customer loans amounting to €43.5bn (Dec. 2021: €40.8bn) and investment securities reaching €13.3bn (Dec. 2021: €11.3bn). Out of the total loan portfolio, €28.2bn has been originated from Greek operations (Dec. 2021: €26.5bn), €10.4bn from international operations (Dec. 2021: €9.2bn) and €4.9bn refer to senior and mezzanine notes of the Pillar, Cairo and Mexico securitizations (Dec. 2021: €5.1bn). Business (wholesale and small business) loans stood at €25bn (Dec. 2021: €22.4bn) and accounted for 57% of total Group loans, while loans to households reached €13.6bn (Dec. 2021: €13.3bn), of which 75% is the mortgage portfolio and the rest are consumer loans. Group deposits reached €57.2bn (Dec. 2021: €53.2bn) with those from Greek operations increasing by €2.6bn to €39.6bn (Dec. 2021: €37bn), while international operations added €1.5bn totalling €17.7bn (Dec. 2021: €16.2bn). As a result, the (net) loan–to–deposit (L/D) ratio stood at 73.1% for the Group (Dec. 2021: 73.2%) and at 79.5% for Greek operations (Dec. 2021: 80.1%). The funding from the targeted long term refinancing operations of the European Central Bank (ECB)– TLTRO III programme decreased by €2.9bn amounting to €8.8bn as at December 2022 (Dec. 2021: €11.7bn). During the year, in the context of the implementation of its medium-term strategy to meet the Minimum Requirements for Eligible Own Funds and Eligible Liabilities (MREL), the Bank proceeded with the issuance of a preferred senior note of €500m at a coupon of 4.375% and maturity date on 9 March 2025 and the Company completed the issuance of a Tier 2 debt instrument of €300m at a coupon of 10% which matures in December 2032. More recently, in January 2023, the Bank completed the issuance of a €500m senior preferred note at a coupon of 7% which matures in January 2029 (notes 4 and 34 of the consolidated financial statements). The rise in high quality liquid assets of the Group led the respective Liquidity Coverage ratio (LCR) to 173% (31 December 2021: 152%).

Pre-provision Income (PPI) increased to €2,218m or €1,893m excluding the €325m gain on sale of Bank's merchant acquiring business (project "Triangle") (2021: €1,024m or €1,028m excluding the €5m derecognition loss on "Mexico" loans), while core pre-provision income (Core PPI) increased by 30.6% year-on-year to €1.176m (2021: €900m). Net interest income (NII) grew by 17.4% to €1,550m (2021: €1,321m), mainly driven by the higher interest rates, the organic loans growth and the increased income from investment bonds partly offset by higher debt issued and deposits cost. Net interest margin (NIM) stood at 1.94% (2021: 1.84%) with the fourth quarter reaching 2.28%. Fees and commissions expanded by 19.1% to €543m (2021: €456m), of which banking fees and commissions by 25.4% to €449m (2021: €358m), mainly due to the increased fees from network operations, lending activities and credit/debit cards business. Fees and commission accounted for 68bps of total assets (2021: 64bps). Operating expenses increased by 4.7% to €917m (2021: €876m) due to higher costs from international operations amounting to €273m (2021: €234m), partly attributed to the merger of Eurobank a.d. Beograd with Direktna Bank in Serbia, while in Greece slightly increased by 0.3% to €645m (2021: €643m). The cost to income (C/I) ratio for the Group reached 32.6%, excluding the €325m gain on project "Triangle" (2021: 46%), while the international operations C/I ratio stood at 46.1% (2021: 47.5%). Furthermore, the cost to core income[2] ratio for the Group reached 43.8% (2021: 49.3%), while the international operations cost to core income[2] ratio stood at 45.6% (2021: 47.4%).

Trading and other activities recorded net income of €1,042m (2021: €123m income) including a) €550m realised gains from the unwinding of interest rate swaps, following the reassessment of Group's hedging strategies, which are mainly related with the upward movement of the euro interest rate curve in 2022 (notes 9 and 19 of the consolidated financial statements), b) €70m gains from portfolio hedging of interest rate risk (macro hedging) (notes 9 and 19 of the consolidated financial statements), c) €107m gains from short positions in debt instruments entered into in the context of Group's economic hedging strategies (notes 9 and 35 of the consolidated financial statements), d) €325m gain from the completion of project "Triangle" (note 30 of the consolidated financial statements), e) €34m gains from changes in fair value of investment properties, f) €34m gain on sale of 5.1% shareholding in Group's joint venture Grivalia Hospitality S.A. and from the measurement of the retained interest as a financial asset at FVTPL (note 24 of the consolidated financial statements), and g) €76m loss from the recyclement of currency translation losses, previously recognized in other comprehensive income, to income statement due to liquidation of ERB Istanbul Holding A.S. (note 23.1 of the consolidated financial statements).

[1] Definitions of the selected financial ratios and the source of the financial data are provided in the Appendix.
[2] Total operating expenses divided by total core income. International Operations: Operating expenses: €273m, (2021: €234m), Core income: €598m (2021: €493m).

As at 31 December 2022, following the classification of project "Solar" underlying loan portfolio as held for sale (note 20 of the consolidated financial statements) and other initiatives, the Group's NPE stock amounted to €2.3bn (31 December 2021: €2.8bn) driving the NPE ratio to 5.2% (31 December 2021: 6.8%), while the NPE coverage ratio stood at 74.6% (31 December 2021: 69.2%). During the year, the NPE formation was positive by €46m (fourth quarter: €35m positive) (2021: €44m positive). The loan provisions (charge) reached €291m and corresponded to 0.72% of average net loans (2021: €418m excluding the impairment loss of €72m on project "Mexico" which corresponded to 1.11% of average net loans).

Furthermore, the Group recognised in 2022 other impairment losses and provisions amounting to €108m (2021: €52m), which are analysed in a) €21m on investment bonds, including €7m loss attributable to Russian debt exposures b) €15m on real estate properties c) €23m on computer hardware and software and d) €49m for litigations and other operational risk events. In addition, it recorded restructuring costs of €102m (2021: €25m) consisting of a) €60m cost for Voluntary Exit Schemes (VES) and related costs, mainly referring to the scheme that was launched in February 2022 for eligible units in Greece and b) €42m costs mainly related to the merger and the integration thereafter of Eurobank a.d. Beograd with Direktna Banka in Serbia, as well as the Group's transformation project (note 12 of the consolidated financial statements).

Profit or Loss

Overall, in 2022, the profit attributable to shareholders amounted to €1,330m (2021: €328m), as set out in the consolidated income statement. The adjusted net profit, excluding the €230.5m gain (after tax) on project "Triangle" and the €75m restructuring costs (after tax), amounted to €1,174m for the Group (2021: €424m), of which €224m (2021: €148m) was related to international business. After deducting the significant trading gains of €727m (€516m after tax) stated above for 2022 (gains on derivatives and short bond positions), the return on tangible book value grew to 11.4% (2021: 8.2%).

Going forward, the Group, pursues its objectives set out in the business plan for the period 2023-2025, which includes targets for a) loans organic growth, b) the further strengthening of the core profitability (EPS and RoTBV), c) improvement of the asset quality ratios, d) solid organic capital generation adequate to support the business growth, and e) the initiation of dividend distribution in the form of cash dividends and/or share buybacks, subject to regulatory approval, mainly through the following initiatives and actions:

a) Higher NII mainly driven by the positive effect of the interest rates' increase and the sustainable growth in loan volumes and the increase, at a relatively lower pace, of customer deposits,
b) Organic increase of Group's performing loans mainly through business lending,
c) Growth of fee and commission income in a number of fee business segments such as lending, network and assets under management activities, bancassurance, card's issuing and investment property rentals,
d) Initiatives for pursuing further operating efficiency, cost containment of "run the bank" activities, and proceeding with further simplification and digitalisation in Greece and abroad, maintaining the annual increase of the operating expenses at a low to mid-single digit %, considering the inflationary pressures and the "grow the bank" needs,
e) Maintaining low NPE ratios with high coverage levels in all core markets in which the Group has presence, which may be challenged by the higher interest rates and inflationary pressures' impact on households disposable income and corporate profit margins,
f) Strengthening core markets presence and increasing earnings contribution by international activities through organic growth and the exploration of potential market opportunities.
g) Major transformation initiatives introduced in the context of the Group's transformation plan "Eurobank 2030",
h) Support the green transition and financial inclusion through the adoption of the Environment, Social and Governance (ESG) criteria in all Group's activities and processes.

The geopolitical and macroeconomic risks, mainly related with the prolongation of the inflationary wave and the impact of interest rate hikes on both households and businesses, combined with potential political uncertainty in Greece, set a number of challenges to the achievement of the Group's 2023-2025 Business Plan, mainly related with growth potential, lending margins, deposit rates, asset quality and operating costs. The headwinds coming from the geopolitical upheaval and the macroeconomic environment are likely to be mitigated by:
a) The efficient mobilization of the already approved EU funding, mainly through Recovery and Resilience Facility (RRF),
b) The substantial pipeline of new investments,
c) The accumulated liquidity in the economy mainly related with the extensive state support measures of the pandemic period,
d) The decrease of the unemployment rate in 2022 to its lowest level in the last twelve years,
e) The positive developments in the tourism sector and the strong investment inflows,
f) The potential upside, related with the interest rates' increase impact on the profitability of the Group.

(see also further information in the section "Macroeconomic Outlook and Risks")

The Group Management and Board, mindful of the recent banking turmoil across some markets, has done a proactive internal review to re-assure itself of the continued resilience of Eurobank business model to such possible external shocks and is pleased to report that this model is well supported by sound business practices, diversified activities and prudent risk management approaches. The resulting stability of the Group's business operating model and the strength of its financial position is also further well-reflected/ supported by the following significant aspects:

a) an increased level of high-quality liquid assets connected, inter alia, with the resilience of retail deposits and with the debt issued to wholesale markets, leading to an LCR of 173%, well above the regulatory minimum (100%),
b) the wide and diversified deposit mix, displaying a significant deposit base from retail, which accounts for c. 70% of total deposits (Bank level),
c) a well-managed debt securities portfolio, accounting for 16% of total assets mostly invested in EU Sovereign Bonds and on investment grade securities. This portfolio is to a great extent hedged for the interest rate risk,
d) low interest rate risk exposure on its core banking book, since the vast majority of assets are floating rate loans, which bear immaterial interest rate risk and fixed rate loans, with their interest rate risk being hedged to a large extent,
e) the strong capital adequacy, the earnings generation capacity and the high NPE coverage ratio,
f) the MREL ratio, which, at the end of 2022 amounted to 23.1% and, proforma with the €500m senior issuance in January 2023, to 24.3%, exceeding the non-binding January 1st 2024 MREL target of 22.9%,
g) a robust internal risk management and governance framework for effectively monitoring and mitigating risks as well as a high level of Board engagement for the alignment of business model with sound risk management and control functions,
h) the comprehensive regulatory and supervisory EU framework applicable even to small-sized banks.

Capital adequacy

As at 31 December 2022, the Group's Total Regulatory Capital amounted to €8bn (31 Dec 2021: €6.4bn) and accounted for 19.2% (total CAD) of Risk Weighted Assets (RWA) (Dec. 2021: 16.1%), compared to the CAD Overall Capital Requirements (OCR) ratio of 14.39%[3]. Respectively, the Common Equity Tier 1 (CET1) stood at 16% of RWA (Dec. 2021: 13.7%) compared to the CET1 OCR ratio of 9.57%[3]. At the same date, the fully loaded CET 1 ratio (based on the full implementation of the Basel III rules in 2025) would be 15.2% (Dec. 2021: 12.7%). Pro-forma with the completion of project "Solar", the total CAD and CET1 ratios would be 19% and 16% respectively.

In the context of the Group's initiatives for the optimization of its regulatory capital, in December 2022 the Bank proceeded with the execution of the third synthetic risk transfer transaction (project "Wave III") in the form of a financial guarantee, providing credit protection over the mezzanine loss of a portfolio of performing shipping loans amounting to $1.7bn, which resulted in a capital benefit of 40 bps (note 20 of the consolidated financial statements).

As at 31 December 2022, the Bank's MREL ratio at consolidated level stands at 23.07% of RWAs, higher than the interim binding MREL target for 2022 of 18.21% but also than the interim non-binding MREL target from 1 January 2023 of 20.48% (note 4 of the consolidated financial statements). According to the 2022 SREP decision, for the first quarter of 2023, the Group is required to meet a Common Equity Tier 1 Ratio of at least 9.75% and a Total Capital Adequacy Ratio of at least 14.45% (Overall Capital Requirements or OCR) including Combined Buffer Requirement of 3.70%.

Pursuant to the Regulation (EU) No 575/2013 (CRR), the deferred tax assets (DTAs) that rely on future profitability and exceed certain limits shall be deducted in the calculation of the CET1 capital. This deduction should be applied gradually by 2025. The enactment of the article 27A of Law 4172/2013, as in force, provided for the Greek credit institutions that the eligible DTAs are accounted on a) the losses from the Private Sector Involvement (PSI) and the Greek State Debt Buyback Program and b) on the sum of (i) the unamortized part of the crystallized loan losses from write-offs and disposals, (ii) the accounting debt write-offs and (iii) the remaining accumulated provisions and other losses in general due to credit risk recorded up to 30 June 2015 and can be converted into directly enforceable claims (tax credits) against the Greek State, provided that the Bank's after tax accounting result for the period is a loss. This legislative provision enabled the Greek credit institutions, including the Bank, not to deduct the eligible DTAs from CET1 capital but recognise them as a 100% weighted asset, with a positive effect on the capital position. As at 31 December 2022, the Bank's eligible DTAs for conversion to tax credits amounted to € 3,402m (Dec.2021: €3,547m) (note 13 to the consolidated financial statements). A potential change in the regulatory treatment of eligible DTAs as tax credits may have an adverse effect in the Group's capital position.

Climate risk stress test

The Group participated in the ECB supervisory climate risk stress test, which was conducted in the first half of 2022. The 2022 climate risk stress test assessed how well banks are set up to deal with climate-related risks. A total of 104 significant banks participated in the test consisting of three modules, in which banks provided information on their: (i) own climate stress-testing capabilities, (ii) reliance on carbon-emitting sectors, and (iii) performance under different scenarios over several time horizons. The test, which was part of the ECB's wider climate roadmap, was not a capital adequacy exercise but rather a learning one for banks and supervisors alike, aiming at identifying vulnerabilities and best practices and providing guidance to banks for the green transition. In this context, the Group has successfully completed the 2022 climate risk stress test exercise.

[3] The 'Overall capital requirement (OCR)' is the sum of the total SREP capital requirement (TSCR) and the combined capital buffer requirement.

In July 2022, the ECB published the climate risk stress test aggregated results, showing that banks must improve their focus on climate risk. Furthermore, all participating entities, including the Group, received individual feedback and are expected to take action accordingly, in line with the set of good practices for climate-related and environmental risk management that the ECB published in November 2022 along with the good practices for climate stress testing published in December 2022. The results showed that the Group has made significant progress in incorporating a climate risk stress testing framework, with an overall performance in line with the average score of European Banks. The Group continues to work in order to implement its climate risk action plan, to further integrate climate risks into its business strategy and risk management practices and to support its clients towards climate transition and sustainable business growth.

2023 EU – wide stress test
In January 2023, the European Banking Authority (EBA) launched the 2023 EU-wide stress test exercise which is designed to provide valuable input for assessing the resilience of the European banking sector in the current uncertain and changing macroeconomic environment.

This exercise is coordinated by the EBA in cooperation with the ECB and national supervisory authorities and is conducted according to the EBA's methodology. It is carried out on the basis of year-end 2022 figures and assesses the performance of EU banks under a baseline and adverse macroeconomic scenario, covering the period from 2023 to 2025. The baseline scenario for EU countries is based on the projections from the EU national central banks of December 2022. The adverse scenario, although unlikely to unfold, is used to assess the resilience of banks to a hypothetical severe scenario of a significant deterioration in the overall outlook for the economy and financial markets in the next three years. The narrative depicts an adverse scenario related to a hypothetical worsening of geopolitical developments leading to a severe decline in GDP with persistent inflation and high interest rates. In terms of GDP decline, the 2023 adverse scenario is the most severe used in the EU wide stress up to now. Eurobank Holdings Group is participating in the EBA-led stress test.

In parallel, the ECB will conduct its own stress test for a number of medium sized- banks that it supervises directly and that are not included in the EBA-led stress test sample.

The EBA expects to publish the results of the exercise at the end of July 2023. The stress test results will be used to update each bank's Pillar 2 Guidance in the context of the SREP, while qualitative findings on weaknesses in banks' stress testing practices could also affect their Pillar 2 Requirements.

International Activities
The Group has a significant presence in four countries apart from Greece. In Cyprus it offers Corporate Banking, Private Banking, International Business Banking, and Shipping services through a network of 8 business centres. In Luxembourg it provides Private Banking and Corporate Banking services. Additionally, the subsidiary bank in Luxembourg operates a branch in London. In Bulgaria and Serbia, it operates in Retail and Corporate Banking, Wealth Management and Investment Banking through a network of 306 branches and business centres.

In December 2021, the merger of the Bank's subsidiary in Serbia, Eurobank a.d. Beograd ("Eurobank Serbia") with Direktna Banka a.d. Kragujevac ("Direktna") was completed, after all necessary approvals from the competent authorities were obtained and the combined Bank was renamed to Eurobank Direktna a.d. On 2 March 2023, the Bank announced that it has signed binding agreement (share purchase agreement) with AIK Banka a.d. Beograd ("AIK") for the sale of Eurobank Direktna, the Bank's subsidiary in Serbia (the "Transaction"). The Transaction values 100% of Eurobank Direktna at €280m and is consistent with Eurobank's strategy to direct capital to opportunities with more compelling RoTBV and to further enhance its presence in its core markets. The Transaction is expected to contribute ca. 50 bps to Eurobank's CET1 ratio (based on third quarter of 2022 ratio), reflecting the release of related RWAs. It is expected to be completed within year 2023, subject to customary regulatory and other approvals.

On 30 December 2022, the Bank announced the acquisition of a 3.2% holding in Hellenic Bank Public Company Limited ("Hellenic Bank") thus increasing its shareholding to 15.8% in Hellenic Bank. Furthermore, on 1 December 2022, the conclusion of a share purchase agreement ("SPA") with Wargaming Group Limited was announced, according to which the Bank has agreed to acquire an additional 13.41% holding in Hellenic Bank, subject to regulatory approvals. On 4 April 2023, following the receipt of the relevant regulatory approvals, the above acquisition was completed, and the Bank's total holding in Hellenic Bank reached 29.2%. Following that, the investment in Hellenic Bank will be accounted for as a Group's associate in the consolidated financial statements as of the second quarter of 2023. The said investment is aligned with the overall strategy of the Group to further strengthen its presence in its core markets in which retains a strategic interest (further information is provided in note 22 to consolidated financial statements).

Furthermore, the implementation of the new banking system in Cyprus (Temenos) is progressing according to plan. The project is key for the technological transformation of Eurobank Cyprus, which in turn aims to enhance functionality and to improve efficiency thus ensuring the best experience for the customers, in the new digital era.

On 9 December 2022, Eurobank Holdings announced that it had reached an agreement for the acquisition of BNP Paribas Personal Finance Bulgaria (the "Business") by Eurobank's subsidiary in Bulgaria, Eurobank Bulgaria A.D. ("Postbank"). The transaction is in line with the Group's strategy to further strengthen Postbank's position in the Bulgarian retail sector and is expected to burden the Group's regulatory capital ratios by ca. 25 bps, reflecting mainly the increase in the Group's Risk Weighted Assets. The completion of the transaction is subject to approvals by all competent regulatory authorities (further information is provided in note 23.1 to consolidated financial statements).

The positive prospects remain valid despite the war in Ukraine. Although International Operations do not have a direct exposure in these two countries, the deterioration of the key macroeconomic indicators, both at European and global level, will have an impact on the local economies. International Operations solid fundamentals though, allow for absorbing potential shocks and safeguarding their profitability while supporting the local communities.

Risk management
The Group acknowledges that taking risks is an integral part of its operations in order to achieve its business objectives. Therefore, the Group's management sets adequate mechanisms to identify those risks at an early stage and assesses their potential impact on the achievement of these objectives.

Due to the fact that economic, industry, regulatory and operating conditions will continue to change, risk management mechanisms are set in a manner that enable the Group to identify and deal with the risks associated with those changes. The Bank's structure, internal processes and existing control mechanisms ensure both the independence principle and the exercise of sufficient supervision.

The Group's Management considers effective risk management as a top priority, as well as a major competitive advantage, for the organization. As such, the Group has allocated significant resources for upgrading and maintaining its policies, methods and infrastructure up to date, in order to ensure compliance with the requirements of the European Central Bank (ECB) and of the Single Resolution Board (SRB), the guidelines of the European Banking Authority (EBA) and the Basel Committee for Banking Supervision as well as the best international banking practices. The Group implements a well-structured credit approval process, independent credit reviews and effective risk management policies for all material risks it is exposed to, both in Greece and in each country of its international operations. The risk management policies implemented by the Group are reviewed on a regular basis.

The Group Risk and Capital Strategy outlines the Group's overall direction regarding risk and capital management issues, the risk management mission and objectives, risk definitions, risk management principles, risk governance framework, strategic objectives and key management initiatives for the improvement of the risk management framework in place.

Risk culture is a core element of the organisation. Risk management function provides the framework, procedures and guidance to enable all employees to proactively identify, manage and monitor the risks in their own areas and improve the control and co-ordination of risk taking across their business. Ongoing education, communication and awareness takes place via dedicated learning programs, monthly meetings, sharing of best practices and other initiatives. The Group has also a policy in place to address any risks associated with the introduction, significant modifications and periodic monitoring of its products and services.

The maximum amount of risk which the Group is willing to assume in the pursuit of its strategic objectives is articulated via a set of quantitative and qualitative statements for specific risk types, including specific tolerance levels as described in the Group's Risk Appetite Framework. The objectives are to support the Group's business growth, balance a strong capital position with higher returns on equity and to ensure the Group's adherence to regulatory requirements. The Risk appetite, that is clearly communicated throughout the Group determines risk culture and forms the basis on which risk policies and risk limits are established at Group and regional level. Within the context of its Risk Appetite Framework, the Bank has further enhanced the risk identification process and the risk materiality assessment methodology.

The identification and the assessment of all risks is the cornerstone for the effective Risk Management. The Group aiming to ensure a collective view on the risks linked to the execution of its strategy, acknowledges the new developments at an early stage and assesses the potential impact.

In order to strengthen further the existing Operational Risk Framework according to increased regulatory expectations as defined in the: i) EBA Guidelines on Internal Governance (2021) under Directive 2013/36/EU, (ii) BCBS Revisions to the Principles for the Sound Management of Operational Risk (2021), (iii) BCBS Principles for Operational Resilience, and (iv) EBA Guidelines on ICT and security risk management EBA/GL/2019/04, the Group had decided to move towards managing Non-Financial Risks (NFRs) holistically, whereas NFRs include all operational risks as well as specific additional risks such as strategic and reputational risk. NFR management comprises risk identification, assessment, and mitigation while employing independent oversight and an effective risk culture to ensure that business objectives are met within the NFR appetite that is reflected in the Group's Policies and Guidelines.

The Board Risk Committee (BRC) is a committee of the Board of Directors (BoD) and its task is to assist the BoD to ensure that the Group has a well-defined risk and capital strategy in line with its business plan and an adequate and robust risk appetite framework. The BRC assesses the Group's risk profile, monitors compliance with the approved risk appetite and risk tolerance levels and ensures that the Group has developed a risk management framework with appropriate methodologies, modelling tools, data sources as well as sufficient and competent staff to identify, assess, monitor and mitigate risks. Moreover, BRC is conferred with certain approval authorities. The BRC consists of five (5) non-executive directors, meets at least on a monthly basis and reports to the BoD on a quarterly basis and on ad hoc instances if it is needed.

The Management Risk Committee (MRC) is a management committee established by the Chief Executive Officer (CEO) and its main responsibility is to oversee the risk management framework of the Group. As part of its responsibilities, the MRC facilitates reporting to the BRC on the range of risk-related topics under its purview. The MRC supports the Group Chief Risk Officer to identify material risks, to promptly escalate them to the BRC and to ensure that the necessary policies and procedures are in place to prudently manage risks and to comply with regulatory requirements.

In the context of the climate risk stress testing process, the MRC is responsible to review, challenge and agree on the material climate risks identified in the risk identification process as well as the transition scenarios and physical risk events developed in the scenario design process. Further to MRC's clearance, appropriate management actions are proposed to the Executive Board Committee ("ExBo") and consequently to the BRC for review, challenge and approval.

The Group's Risk Management General Division which is headed by the Group Chief Risk Officer (GCRO), operates independently from the business units and is responsible for the identification, assessment, monitoring, measurement and management of the risks that the Group is exposed to. It comprises of the Group Credit General Division (GCGD), the Group Credit Control Sector (GCCS), the Group Credit Risk Capital Adequacy Control Sector (GCRCACS), the Group Market and Counterparty Risk Sector (GMCRS), the Group Operational Risk Sector (GORS), the Group Model Validation and Governance Sector (GMVGS), the Group Risk Management Strategy Planning and Operations Division (GRMSPO), the Supervisory Relations and Resolution Planning Sector (SRRPS), the Group Climate Risk Division (GCRD) and the Risk Analytics Division (RAD).

As part of its overall system of internal controls, Eurobank Ergasias Services and Holdings S.A. has engaged in a Service Level Agreement (SLA) with Eurobank S.A. (the banking subsidiary of the Group) in order to receive supporting and advisory services in all areas of risk management undertaken by the Group.

The most important types of risk that are addressed by the risk management functions of the Group are:

Credit Risk

Credit risk is the risk that a counterparty will be unable to fulfill its payment obligations in full when due. Credit risk is also related with country risk and settlement risk. Credit risk arises principally from the wholesale and retail lending activities of the Group, as well as from credit enhancements provided, such as financial guarantees and letters of credit. The Group is also exposed to credit risk arising from other activities such as investments in debt securities, trading, capital markets and settlement activities. Taking into account that credit risk is the primary risk the Group is exposed to, it is very closely managed and monitored by specialised risk units, reporting to the GCRO.

The credit review and approval processes are centralized both in Greece and in the International operations following the "four-eyes" principle and specific guidelines stipulated in the Credit Policy Manual and the Risk Appetite Framework. The segregation of duties ensures independence among executives responsible for the customer relationship, the approval process and the loan disbursement, as well as monitoring of the loan during its lifecycle. The credit approval process in Corporate Banking is centralized through the establishment of Credit Committees with escalating Credit Approval Levels, which assess and limit to the extent possible the corporate credit risk. Rating models are used in order to calculate the credit rating of corporate customers, reflecting the underlying credit risk. The most significant ones are the MRA (Moody's Risk Analyst) applied for companies - mostly- with industrial and commercial activity and the slotting rating models, used for specialised lending portfolios (shipping, real estate and project finance) with ring fenced transactions. Credit risk assessment is performed by Group Credit General Division (GCGD), which assesses the credit requests submitted by the Business Units, a procedure including the evaluation of the operational and financial profile of the customer, the validation of the borrower's rating and the identification of potential risk factors for the Bank.

The credit review and approval processes for loans to Small Businesses (turnover up to €5m) are also centralised following specific guidelines and applying the 'four-eyes' principle. The assessment is primarily based on the analysis of the borrower's operational characteristics and financial position. The same applies for Individual Banking (consumer and mortgage loans), where the credit risk assessment is based on criteria related to the characteristics of the retail portfolio, such as the financial position of the borrower, the payment behaviour, the existence of real estate property and the type and quality of securities.

The ongoing monitoring of the portfolio quality and of any deviations that may arise, lead to an immediate adjustment of the credit policy and procedures, when deemed necessary. The quality of the Group's loan portfolios (business, consumer and mortgage in Greece and abroad) is monitored and assessed by the Group Credit Control Sector (GCCS) via field, desktop and thematic reviews in order to timely identify emerging risks, vulnerabilities, compliance to credit policies and consistency in underwriting. Furthermore, the GCCS assumes oversight and supervisory responsibilities for proper operation of corporate rating and impairment models. Moreover, GCCS regularly reviews the adequacy of provisions of all loan portfolios. Finally, the sector formulates Group's credit policies while at the same time it monitors regulatory developments proposing relevant policy updates when necessary. GCCS operates independently from all the business units of the Bank and reports directly to the GCRO.

The measurement, monitoring and periodic reporting of the Group's exposure to counterparty risk (issuer risk and market driven counterparty risk), which is the risk of loss due to the customer's failure to meet its contractual obligations in the context of treasury positions, such as debt securities, derivatives, repos, reverse repos, interbank placings, etc. are performed by the Group Market and Counterparty Risk Sector (GMCRS). The Group sets limits on the level of counterparty risk that are based mainly on the counterparty's credit rating, as provided by international rating agencies, the product type and the maturity of the transaction (e.g. control limits on net open derivative positions by both amount and term, sovereign bonds exposure, corporate securities, asset backed securities, etc.). GMCRS maintains and updates the limits' monitoring systems and ensures the correctness and compliance of all financial institutions limits with the Bank's policies as approved by the Group's relevant bodies. The utilization of the abovementioned limits, any excess of them, as well as the aggregate exposure per Group's entity, counterparty and product type are monitored by GMCRS on a daily basis. The Group from 2021 applies the new regulatory framework for the counterparty risk from derivatives (SA-CCR).

Market Risk

The Group has exposure to market risk, which is the risk of potential financial loss due to an adverse change in market variables. Changes in interest rates, foreign exchange rates, credit spreads, equity prices and other relevant factors, such as the implied volatilities, can affect the Group's income or the fair value of its financial instruments. The market risks, the Group is exposed to, are monitored, controlled and estimated by GMCRS. GMCRS is responsible for the measurement, monitoring, control and reporting of the exposure on market risks including the Interest Rate Risk in the Banking Book (IRRBB) of the Group. The GMCRS reports to the GCRO. The exposures and the utilisation of the limits are reported to the Board Risk Committee.

Market risk in Greece and International Subsidiaries is managed and monitored mainly using Value at Risk (VaR) methodology, Sensitivity and stress test analysis. VaR is a methodology used in measuring financial risk by estimating the potential negative change in the market value of a portfolio at a given confidence level and over a specified time horizon. The VaR that the Group measures is an estimate based upon a 99% confidence level and a holding period of 1 day and the methodology used for the calculation is Monte Carlo simulation (full re-pricing of the positions is performed). Since VaR constitutes an integral part of the Group's market risk control regime, VaR limits have been established for all portfolios (trading and investment) measured at fair value and actual exposure is reviewed daily by management. However, the use of this approach does not prevent losses outside of these limits in the event of extraordinary market movements. For that reason the Group uses additional monitoring metrics such as: Stressed VaR, Expected Shortfall and Stress Tests. Finally, the Group has the required systems and procedures for the application of the new regulatory framework for market risk (FRTB) according to the regulatory plan.

Interest Rate Risk in the Banking Book (IRRBB)

The IRRBB is defined as the current and the prospective risk of a negative impact to the institution's economic value of equity, or to the institution's net interest income, taking market value changes into account as appropriate, which arise from adverse movements in interest rates affecting interest rate sensitive instruments, including gap risk, basis risk and option risk.

GMCRS is the unit responsible for the monitoring, control, reporting and estimation of IRRBB on a group level. Both the Economic Value of Equity (EVE) and NII sensitivity to a number of stresses on interest rates are estimated on a periodic basis and are compared with the approved by BRC limits. The Group is now using the recently established Asset and Liability Management (ALM) tool for a significant part of the analysis on a solo level. The plan is to further increase the use of the ALM tool for any analysis related to IRRBB on a group level. The policy for the management of IRRBB as approved by BRC and BoD provides a clear description of the methodologies, governance, limits that are used for the management of IRRBB.

Liquidity Risk

The Group is exposed on a daily basis to liquidity risk due to deposits withdrawals, maturity of medium or long term notes, maturity of secured or unsecured funding (interbank repos and money market takings), collateral revaluation as a result of market movements, loan draw-downs and forfeiture of guarantees. The Board Risk Committee sets liquidity limits to ensure that sufficient funds are available to meet such contingencies. The Group monitors on a continuous basis the level of liquidity risk using regulatory and internal metrics and methodologies (LCR, NSFR, buffer analysis, cash flow analysis, short-term and medium-term stress test etc.).

BRC role is to approve all strategic liquidity risk management decisions and monitor the quantitative and qualitative aspects of liquidity risk. Group Assets and Liabilities Committee (G-ALCO) has the mandate to form and implement the liquidity policies and guidelines in conformity with Group's risk appetite, and to review at least monthly the overall liquidity position of the Group. Group Treasury is responsible for the implementation of the Group's liquidity strategy, the daily management of the Group's liquidity and for the preparation and monitoring of the Group's liquidity budget, while GMCRS is responsible for measuring, control, monitoring and reporting the liquidity of the Group.

Operational Risk

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk, but excludes strategic and reputational risk. Operational risk is embedded in every business activity undertaken by the Group. The primary aim of operational risk management is to ensure the integrity of the Group's operations and its reputation by mitigating its impact. To manage operational risk more efficiently, the Group operates an Operational Risk Management Framework, which defines its approach to identifying, assessing, monitoring and reporting operational risks.

Governance responsibility for operational risk management stems from the Board of Directors (BoD), through the Executive Board and Senior Management, and passes down to the Heads and staff of every business unit. The BoD establishes the mechanisms used by the Group to manage operational risk, by setting the tone and expectations at top management and delegating relevant responsibility. The Board Risk Committee and the Audit Committee monitor the operational risk level and profile, including the level of operational losses, their frequency and severity.

The Heads of each Business Unit (the risk owners) are primarily responsible for the day-today management of operational risk and the adherence to relevant controls. To this end, every business unit:

a) Identifies, evaluates and monitors its operational risks, and implements risk mitigation controls and techniques,
b) Assesses the efficiency of control mechanisms,
c) Reports all relevant issues,
d) Has access and uses the methods and tools introduced by the Group Operational Risk Sector, to facilitate in identifying, evaluating and monitoring operational risks.

Each Business Unit has appointed an Operational Risk Partner (OpRisk Partner) or an Operational Risk Management Unit (ORMU) depending on the size of the business unit who is responsible for coordinating the internal operational risk management efforts of the business unit. OpRisk Partners and ORMUs form the link between Line 1 and Line 2 of the Three Lines of Defense Model for all operational risk matters. In addition, OpRisk Partners also exist at Units that are part of Line 2 and Line 3 to ensure the appropriate operational risk oversight in those functions.

Group Operational Risk Sector (GORS) has been positioned as an overlaying framework coordinator for all Non-Financial Risks (NFRs). The GORS overlaying responsibilities aim to harmonize Two Lines of Defense (2LoD) activities across the Group and to holistically ensure the effective, consistent application of the NFR Framework. 2LoD Units maintain their responsibilities for specific Risk Theme(s) owned. NFR management comprises risk identification, assessment, and mitigation while employing independent oversight and an effective risk culture to ensure that business objectives are met within the NFR appetite that is reflected in the Group's Policies and Guidelines. The update and implementation of the NFR Management Framework is in progress.

Climate related risk

The Group has recognized climate change as a material risk and based on supervisory guidelines, is adapting its policies and methodologies for identifying and monitoring the relevant risks.

Specifically, climate risk is the risk deriving from potential loss or negative impact to the Group, including loss/damage to physical assets, disruption of business or system failures, from the adverse effects of climate change and natural disasters.

Climate-related and environmental risks are commonly understood to include the following risks:

a) Physical risk, which refers to the financial impact of a changing climate, including more frequent extreme weather events and gradual changes in climate, as well as of environmental degradation, such as air, water and land pollution, water stress, biodiversity loss and deforestation,
b) Transition risk, which refers to an institution's financial loss that can result, directly or indirectly, from the process of adjustment towards a lower-carbon and more environmentally sustainable economy.

The Group is adopting a strategic approach towards sustainability, climate change risk identification and risk management, signifying the great importance that is given in the risks and opportunities arising from the transitioning to a low-carbon and more circular economy. In this context, the Bank is in the process of finalizing its Financed Impact Strategy, which will focus on:

a) Clients' engagement and awareness to adapt their business so as to address climate change challenges,
b) Actions for supporting customers in their transition efforts towards a more ESG-friendly economic environment,
c) Enablers and tools such as frameworks and products to underpin Sustainable Financing,
d) The risk assessment of climate-related material exposures.

In line with good practices identified by the ECB, the Financed Impact Strategy of the Bank will focus on sustainable financing targets / commitments. In particular, the Bank identified total portfolio and sectoral targets with regards to financing the green transition of its clients. To facilitate the classification of sustainable/green financing opportunities in a structural manner, the Bank has developed its Sustainable Finance Framework (SFF). Through its SFF, the Bank classifies sustainable lending solutions offered to its customers, specifying the applied classification approach and the activities defined as eligible to access sustainable financing (eligible green and social assets). Similar initiatives for the establishment of SFF framework is under way in the subsidiaries.

Furthermore, the Group has updated its governance structure by introducing and defining the roles and responsibilities in relation to climate related and environmental (CR&E) risks, embedding regulatory guidelines and market practices.

The CR&E Risk Governance involves various key stakeholders (i.e. Business functions, Units, and Committees). The Group applies a model of defined roles and responsibilities regarding the management of CR&E risks across the 3 Lines of Defense.

The Group Climate Risk Division (GCRD) has the overall responsibility for overseeing, monitoring, and managing CR&E risks. Specifically, the GCRD operates as Project office responsible for the implementation of the Climate related and Environmental risks roadmap, with a coordinating and supervisory role on all related project streams to ensure alignment with the Bank's business strategy and the regulatory authorities' expectations. In this context, GCRD ensures the implementation of environmental and sustainability initiatives (frameworks, policies, procedures and products) and compliance with existing and upcoming sustainability-related regulations, under an ongoing bank-wide program, in alignment with the supervisory agreed roadmap, which is accelerated where possible. Also, GCRD is responsible for the co-ordination with Business and Risk Units, the preparation and submission for approval of the Financed Impact Strategy, as well as monitors its implementation. Furthermore, the GCRD leads the 2nd Line of Defense independent sustainable lending re-assessment process. Specifically, in the context of implementing the approved Sustainable Finance Framework (SFF), the Division is responsible to assess the sustainability features of new loans and products according to the criteria set within the SFF. Further information on ESG risk is provided in the Consolidated Pillar 3 Report on the Company's website.

The Group applies the elements of the Three Lines of Defense Model for the management of all types of risk. The Three Lines of Defense Model enhances risk management and control by clarifying roles and responsibilities within the organization. Under the oversight and direction of the Management Body, the responsibilities of each of these lines of defense are:
Line 1 - Own and manage risk and controls. The front line business and operations are accountable for this responsibility as they own the rewards and are the primary risk generators,
Line 2 - Monitor risk and controls in support of Executive Management, providing oversight, challenge, advice and group-wide direction. These mainly include the Risk and Compliance Units,
Line 3 - Provide independent assurance to the Board and Executive Management concerning the effectiveness of risk and control management. This refers to Internal Audit.

Further information on the Group's financial risk management objectives and policies, including the policy for hedging each major type of transaction for which hedge accounting is used is set out in the notes 2, 5 and 19 to the consolidated financial statements for the year ended 31 December 2022.

Non Performing Exposures (NPE) management

The Group, following the strategic partnership with doValue S.p.A. and the transition to the new operating model for the management of NPE, realizes the NPE Strategy Plan through its implementation by doValue Greece for the assigned portfolio and the securitization transactions.

<u>Troubled Assets Committee</u>

The Troubled Assets Committee (TAC) is established according to the regulatory provisions and its main purpose is to act as an independent body, closely monitoring the Bank's troubled assets portfolio and the execution of its NPE Management Strategy.

<u>Remedial and Servicing Strategy (RSS)</u>

Remedial Servicing & Strategy Sector (RSS) has the mandate to devise the NPE reduction plan and closely monitor the overall performance of the NPE portfolio as well as the relationship of the Bank with doValue Greece. Furthermore, following Bank's commitments against the significant risk transfer (SRT) monitoring regulatory requirements pertaining to Bank's concluded transactions, RSS has a pivotal role in ensuring that relevant process is performed smoothly and in a timely manner and that any shortcomings are appropriately resolved, while providing any required clarifications or additional material required by the regulatory authorities. The Head of RSS reports to the General Manager of Group Strategy.

In this context, RSS has been assigned inter alia with the following responsibilities:

a) Develop and actively monitor the NPE targets and reduction plan,
b) Set the strategic principles, priorities, policy framework and KPIs under which doValue Greece is servicing the portfolio,
c) Closely monitor the execution of the approved strategies, as well as all contractual provisions under the relevant contractual agreements for Eurobank's portfolio assigned to doValue Greece including the securitized portfolio of ERB Recovery DAC,
d) Monitoring of the performance of the senior notes of the securitizations in collaboration with Group Risk so as to ensure compliance to significant risk transfer (SRT) and to the Hellenic Asset Protection Scheme (HAPS),
e) Budget and monitor the Bank's expenses and revenues associated with the assigned portfolio,
f) Cooperate closely with doValue Greece on a daily basis in achieving the Group's objectives,
g) Maintain supervisory dialogue.

NPE Management Strategy and Operational targets
In line with the regulatory framework and Single Supervisory Mechanism's (SSM) requirements for Non-Performing Exposures' (NPE) management, in March 2023, the Group submitted its NPE Management Strategy for 2023-2025, along with the annual NPE stock targets at both Bank and Group level. The plan envisages the decrease of the Group's NPE ratio at 5.2% at the end of 2023 and at 4.5% in 2025.

In the context of its NPE management strategy, the Group has initiated, jointly with the other Greek systemic banks, an NPE securitization transaction of a wholesale portfolio consisting of common borrower exposures (project 'Solar'). The Group targets to the prudential and accounting derecognition of the underlying corporate loan portfolio from its balance sheet by achieving a Significant Risk Transfer (SRT) and including 'Solar' securitization under the Hellenic Asset Protection Scheme (HAPS), with the senior note of the securitization becoming entitled to the Greek State's guarantee. In parallel, the Management along with the other participating banks have initiated actions towards the disposal of the majority stake of the mezzanine and junior notes to be issued in the context of the above-mentioned securitization (note 20 to the consolidated financial statements).

Macroeconomic Outlook and Risks
2022 was marked by the war in Ukraine, which gave rise to a global –but predominantly European– energy crisis, added to the mounting inflationary pressures, and led to widespread economic uncertainty and increased volatility in the global economy and financial markets. Nevertheless, the post-pandemic recovery continued for a second consecutive year in Greece, with its GDP growth overperforming that of most of its EU peers. According to the Hellenic Statistical Authority (ELSTAT) provisional data, the Greek economy expanded by 5.9% on an annual basis in 2022 driven by strong increases in household consumption, fixed investment, and exports of services, with the European Commission (EC) estimating the full-year 2022 growth rate at 5.5% and 1.2% in 2023 in its winter economic forecast (February 2023). The inflation rate, as measured by the change in the 12-month average Harmonized Index of Consumer Prices (HICP), increased to 9.3% in 2022 according to ELSTAT, primarily as a result of supply-side shocks (including the hikes in energy, food and other raw material prices, the continued disruptions in the supply chain and the rising nominal wages), alongside the steep post-pandemic recovery of domestic and external demand. The EC expects that the inflation rate will decline to 4.5% in 2023, and further de-escalate to 2.4% in 2024. Moreover, provisional ELSTAT data shows that the average monthly unemployment in 2022 decreased to 12.4%, from 14.8% in 2021, while the Organisation for Economic Co-operation and Development (OECD) in its latest report (January 2023) expects unemployment to decline to 11.5% in 2023.

A significant boost to growth in Greece and in other countries of presence is expected from European Union (EU) funding, mainly under the Next Generation EU (NGEU) instrument and the Multiannual Financial Framework (MFF) 2021–2027, EU's long-term budget. Greece shall receive EU funds of more than €30.5bn (€17.8bn in grants and €12.7bn in loans) up to 2026 from NGEU's Recovery and Resilience Facility (RRF) to finance projects and initiatives laid down in its National Recovery and Resilience Plan (NRRP) titled "Greece 2.0". The NRRP estimates that the aforementioned amount will be supplemented by an additional €26.5bn of private funds. A pre-financing of €4bn was disbursed in August 2021, and the first two regular payments of €3.6bn each in April 2022 and January 2023 respectively. Greece has been also allocated about €40bn through MFF 2021–2027, out of which close to €21bn will fund investments and initiatives under its new Partnership Agreement for the Development Framework (ESPA 2021–2027).

On the monetary policy front, although net bond purchases under the temporary Pandemic Emergency Purchase Programme (PEPP) ended in March 2022, as scheduled, the ECB will continue to reinvest principal from maturing securities at least until the end of 2024, including purchases of Greek Government Bonds (GGBs) over and above rollovers of redemptions. As of 31 January 2023, ECB net purchases of GGBs under PEPP amounted to €37.8bn. Furthermore, the Governing Council of the ECB, in line with its strong commitment to its price stability mandate, has proceeded with six rounds of interest rate hikes (in July, September, October, December 2022, February and in March 2023), raising the three key ECB interest rates by 350 basis points in aggregate. Moreover, it approved a new instrument (the "Transmission Protection Instrument" – TPI) aimed at preventing fragmentation in the sovereign bonds market. Finally, following the expiration of the special terms and conditions applying to the TLTRO III (Targeted Longer-Term Refinancing Operations) on 23 June 2022, the ECB will keep assessing how targeted lending operations are contributing to its monetary policy stance.

On the fiscal front, the general government balance was to post a primary deficit of 1.6% of GDP in 2022 according to the 2023 Budget (latest outlook point to a primary deficit of ca. 1% of GDP or even lower), and a primary surplus of 0.7% of GDP in 2023 (2021: deficit of 5%). The deviation from the primary surplus target of 3.5% of GDP in 2022 shall not be considered a violation of the country's commitments under the Enhanced Surveillance (ES) framework, as in March 2020 the EC activated the so-called general escape clause, which allows for non-permanent deviations from the agreed fiscal paths of the member-states due to the extraordinary health and economic distress caused by the pandemic. The EC has proposed that the clause should be extended through 2023 and be deactivated in 2024. Greece exited the ES regime in August 2022, following the successful completion of the fourteenth and final quarterly review (May 2022). The total benefit between 2018 and 2023 exceeds €6.1bn (disbursements of €5.1bn and interest reductions of €1bn). The gross public debt-to-GDP ratio is expected to decline to 168.9% and 159.3% in 2022 and 2023 respectively (2021: 194.5%) owing to the robust economic recovery and the effect of the sharp price level increase on nominal GDP. The above forecasts may change in case of potential adverse international developments that could affect energy and other goods prices, interest rates, external and domestic demand, and bring about the need for additional fiscal support measures.

Regarding sovereign rating changes in the past 12 months, DBRS Morningstar upgraded the rating of Greece to BB (high) with stable outlook from BB with positive outlook on 18 March 2022. Similarly, Standard & Poor's, on 22 April 2022, and Fitch Ratings, on 27 January 2023, upgraded their rating for Greece to BB+ from BB, changing their outlook to stable. Although Greece's sovereign credit rating remains one notch below the investment grade according to three of the four External Credit Assessment Institutions (ECAIs) accepted by the Eurosystem, the aforementioned upgrades signal that the rating agencies' view on the sustainability of Greece's fiscal position keeps improving despite the uncertain economic environment. In 2022, the Greek State proceeded with the issuance of nine bonds of various maturities (5-year, 10-year, 15-year and 20-year) through the Public Debt Management Agency (PDMA), raising a total of €8.3bn from international financial markets. On 17 January 2023, the PDMA issued a 10-year bond of €3.5bn at a yield of 4.279% and more recently, on 29 March 2023, issued a 5-year bond of €2.5bn at a yield of 3.919%. As of end 2022, the cash reserves of the Greek State stood in excess of €30bn, and as of early February 2023, its sovereign rating was one notch below investment grade by three of the four ECAIs accepted by the Eurosystem (DBRS Morningstar: BB (high); S&P Ratings, Fitch Ratings: BB+).

According to Bank of Greece (BoG) data, the stock of credit to the non-financial private sector stood at €107.1bn at the end of 2022, from €102.6bn at the end of 2021, marking an annual gross increase of 4.4% in spite of a significant deleveraging of non-performing exposures through the "Hercules II" scheme. Adjusted for write-offs, reclassifications and foreign exchange fluctuations, domestic credit to the non-financial sector increased by 6.2% in 2022. On the other side of the ledger, domestic non-financial private sector deposits amounted to €185.1bn at the end of 2022 from €175.5bn at the end of 2021, increasing by 5.5%. This significant annual growth follows the sharp increase in nominal GDP and the effect of the government's energy crisis support measures. Provisional BoG data shows that residential real estate prices increased by 10.2% in the first nine months of 2022, and commercial real estate prices increased by 2.4% in the first half of 2022 compared to their end-2021 levels.

In 2022, the geopolitical turmoil caused by the war in Ukraine has resulted in the deterioration of the macroeconomic outlook in Central, Eastern and Southeastern Europe (CESEE) countries. However, the economic downturn in CESEE region has not been that sharp as formerly anticipated, given the resilience the regional economies have demonstrated towards the war fallout. Looking ahead, the main risks continue to stem from the lingering geopolitical upheaval and the inflationary outlook. Prospects over inflation in the region for 2023 have broadly improved on the back of energy prices de-escalation. In this context, regional Central Banks have embarked since mid-2021 to tightening monetary cycles by increasing the key policy rates throughout 2022 and with some of those not having terminated yet the restrictive policy.

In tandem with the entire CESEE region, the Bulgarian economy expanded by 3.4% in 2022 (2021: 7.6%), based on data from the National Statistical Institute of Bulgaria, supported by strong growth in exports and by wage and social transfer increases that compensated for increasing consumer prices, while inflation averaged at 15.3% in 2022 (2021: 3.3%). According to EC's winter economic forecasts (February 2023), real GDP is expected to grow by 1.4% in 2023 and 2.5% in 2024 mainly due to the implementation of the Recovery and Resilience Plan which is considered as the main factor behind the expected rebound of investment growth, while the HICP is expected at 7.8% in 2023.

In Cyprus, according to the EC's winter economic forecasts (February 2023) the real GDP growth is forecasted at 5.8% in 2022 and 1.6% in 2023 (2021: 6.6%) mainly based on stronger household consumption underpinned by government measures to compensate for high energy prices, and higher exports of services, mainly in tourism and transport, which were the main growth drivers in the previous three quarters. Despite the negative effects from the war in Ukraine, the tourism revenues expanded by 63.2% year on year during the period January-November 2022, thus the role of the tourism sector was dominant for economic growth in 2022. Respectively, the Consumer Price Index (CPI) is estimated at 8.1% in 2022 and 4% in 2023 (2021: 2.3%) mainly due to a deceleration in energy and commodity prices. Implementation of the Recovery and Resilience Plan and much stronger activity in the Tourism sector in 2022 are expected to boost investments in 2023.

Regarding the outlook for the next 12 months the major macroeconomic risks and uncertainties in Greece and our region are as follows: (a) the ongoing Russia - Ukraine war and its ramifications on regional and global stability and security, as well as the European and Greek economy, (b) a potential prolongation of the ongoing inflationary wave and its impact on economic growth, employment, public finances, household budgets, firms' production costs, external trade and banks' asset quality, as well as any potential social and/or political ramifications these may entail, (c) the ongoing and potential upcoming central bank interest rate hikes worldwide, and in the euro area in particular, that may exert upwards pressures on sovereign and private borrowing costs, especially those of highly indebted borrowers, deter investments, increase volatility in the financial markets and lead economies to slow down or even a temporary recession, (d) the recent banking sector turmoil to continue and expand in the euro area, affecting customers' confidence, with a potential impact on assets under management levels and on liquidity, (e) the impact of a potential curtailment or discontinuation of the government energy support measures on growth, employment and the servicing of household and corporate debt, (f) the persistently large current account deficits and the prospect of them becoming once again a structural feature of the country's growth model, (g) the absorption capacity of the NGEU and MFF funds and the attraction of new investments in the country, (h) the effective and timely implementation of the reform agenda required to meet the RRF milestones and targets and to boost productivity, competitiveness, and resilience, (i) a delay in the implementation of planned reforms, projects and the budget's fiscal agenda due to the possibility of the 2023 national elections resulting in an inability or delay to form a government with solid Parliament majority, (j) the geopolitical developments in the near region, (k) the evolution of the pandemic and the probability of emergence of new Covid-19 variants that could further impact economic growth, fiscal balances and international trade by prolonging the disruptions in the global supply chain, and (l) the exacerbation of natural disasters due to the climate change and their effect on GDP, employment, fiscal balance and sustainable development in the long run.

Materialization of the above risks would have potentially adverse effects on the fiscal planning of the Greek government, as it could decelerate the pace of expected growth and on the liquidity, asset quality, solvency and profitability of the Greek banking sector. In this context, the Group holds non-significant exposure in Russian or Ukrainian assets and in the banks that have recently faced solvency or liquidity difficulties, is continuously monitoring the developments on the macroeconomic, financial and geopolitical fronts as well as the evolution of its asset quality and liquidity KPIs and has increased its level of readiness, so as to accommodate decisions, initiatives and policies to protect its capital and liquidity standing as well as the fulfilment, to the maximum possible degree, of its strategic and business goals in accordance with the business plan for 2023–2025.

Share Capital
As at 31 December 2022:
a) The total share capital of Eurobank Holdings amounted to €816,349,051.76 divided into 3,710,677,508 common voting shares of nominal value of €0.22 each. All shares are registered, listed on the Athens Stock Exchange and incorporate all the rights and obligations set by the Greek legislation,
b) The number of Eurobank Holdings shares held by the Group's subsidiaries in the ordinary course of their business was 260,036 (31 December 2021: 784,540) (note 37 to the consolidated financial statements),
c) The percentage of the ordinary voting shares of Eurobank Holdings held by the Hellenic Financial Stability Fund (HFSF) amounted to 1.40%.

On 21 July 2022, the Annual General Meeting (AGM) of the shareholders of Eurobank Holdings approved, among others, the offsetting of a) the total of the account "Corporate law Reserves" amounting to €6,919.3m and b) part of the account "Share Premium" amounting to €6,894.4m with accumulated losses of equivalent value amounting to €13,813.7m, included in the account "Retained earnings/(losses)". The above offsetting, which was approved by the competent supervisory authorities in October 2022, does not affect the Company's own and regulatory capital.

By decision of the Board of Directors dated 30.08.2022, the share capital increased by €333,444.32, through the issue of 1,515,656 new shares of a nominal value of €0.22 each. This increase was effected through the exercise of stock options granted to key executives of the Group at the price of €0.23 per share. The total issue price of the above shares, amounting to €348,600.88, was fully paid up in cash. The total difference above par (before directly attributable expenses), which amounts to €15,156.66, was credited into the "Share premium" account.

<u>Share options</u>
The Annual General Meeting of the shareholders of Eurobank Holdings held on 28 July 2020 approved the establishment of a five-year shares award plan, starting from 2021, in the form of share options rights by issuing new shares with a corresponding share capital increase, in accordance with the provisions of article 113 of law 4548/2018, awarded to executives and personnel of Eurobank Holdings and its affiliated companies according to article 32 of law 4308/2014. The maximum number of rights that can be approved was set at 55,637,000 rights, each of which would correspond to one new share. The exercise price of each new share would be equal to € 0.23. The Annual General Meeting authorized the Board of Directors of Eurobank Holdings to define the eligible staff and determine the remaining terms and conditions of the plan.

The options are exercisable in portions, annually during a period from one to five years. Each portion may be exercised wholly or partly and converted into shares at the employees' option, provided they remain employed by the Group until the first available exercise date. The share options also comply with the restrictions regarding remuneration of Law 3864/2010, as each time in force.

In this context, the BoD approved the final terms and the implementation of the 2nd series of the plan and 11,654,117 share options were awarded to executives and personnel of the Group in December 2022 at an exercise price of € 0.23. Further information is provided in note 39 to consolidated financial statements.

Dividends
Pursuant to the provisions of the Company Law 4548/2018, companies are required to pay dividends of at least 35% of after-tax profit, after necessary deductions for the formation of the statutory reserve and other credit balances in the income statement that do not arise from realized earnings.

For the financial year 2022, Eurobank Holdings has no profits and therefore will not distribute minimum dividend. Furthermore, in 2023 the Group has announced that the amount earmarked for dividend distribution will be used in an optimal way to bid for the 1.4% HFSF stake through a share buyback scheme.

Major Shareholders
Based on the most recent notifications that Eurobank Holdings has received from shareholders controlling 5 per cent or more of Eurobank Holdings' voting rights, such significant shareholders are the following:
a) "Fairfax Financial Holdings Limited", controlling 32.99% of Eurobank Holdings' total number of voting rights, corresponding to 1,224,002,259 voting rights of Eurobank Holdings' ordinary shares. Excluding the 52,080,673 voting rights held by the HFSF, the aforementioned percentage is formed to 33.46% (the reporting date for the aforementioned is on 14 July 2021, while the percentage calculation is based on the new total company's listed shares that are tradeable on the Athens Stock Exchange, following the last share capital increase due to the exercise of stock option rights),

b) "The Capital Group Companies, Inc", controlling 5.06% of Eurobank Holdings' total number of voting rights, corresponding to 187,812,291 voting rights of Eurobank Holdings' ordinary shares. Excluding the 52,080,673 voting rights held by the HFSF, the aforementioned percentage is formed to 5.13% (the reporting date for the aforementioned is on 1 December 2020, while the percentage calculation is based on the new total company's listed shares that are tradeable on the Athens Stock Exchange, following the last share capital increase due to the exercise of stock option rights),
c) The "Helikon Investments Limited", controlling 5.01% of Eurobank Holdings' total number of voting rights, corresponding to 185,957,220 voting rights of Eurobank Holdings' ordinary shares. Excluding the 52,080,673 voting rights held by the HFSF, the aforementioned percentage is formed to 5.08% (the reporting date for the aforementioned is on 25 January 2023).

Finally, reflecting the HFSF's status as a shareholder of Eurobank Holdings (it currently owns 1.4% of Eurobank Holdings' shares, which corresponds to 52,080,673 ordinary shares with voting rights out of total 3,710,677,508 ordinary shares with voting rights issued by Eurobank Holdings), and following the completion of the demerger of Eurobank Ergasias S.A., Eurobank Holdings, Eurobank and the HFSF are parties to a Tripartite Relationship Framework Agreement (TRFA) signed on 23 March 2020 and amended on 3 February 2022. The TRFA allows the HFSF to enforce against Eurobank all the rights which it had against the former Eurobank Ergasias S.A. under an earlier Relationship Framework Agreement (RFA) between it and Eurobank Ergasias S.A.

Accordingly, the TRFA, among other matters, specifies the way HFSF's rights, as derived from the provisions of Law 3864/2010 ("HFSF Law"), were to be implemented, in particular on issues relating to the corporate governance of Eurobank Holdings and the Bank and the implementation of the Bank's NPEs management framework. However, the HFSF Law has been recently amended by the Law 4941/2022 (Government Gazzette A'113/16.06.2022) and a number of provisions of the TRFA either do not arise from the HFSF Law or directly contradict with it, therefore the TRFA has become out of date. In particular, under the current HFSF Law as amended by Law 4941/2022, the HFSF no longer has the right to carry out evaluations of Eurobank Holdings and the Bank's corporate governance framework or the right to establish evaluation criteria for their Board members. In addition, the HFSF representative no longer has the right to convene a General Assembly or to approve the CFO or to veto any resolution of the Board which may jeopardise depositors' interests or materially affect liquidity, solvency or, in general, the prudent and orderly operation of Eurobank Holdings and the Bank. Moreover, the facilitation of the management of the Bank's NPEs has also been removed from the remit of the HFSF which has been modified in such a way as to explicitly and visibly envisage the effective disposal of the shares it owns in Eurobank Holdings, based on a divestment strategy, with a specific time horizon until 31 December 2025. However, under the current HFSF Law, the HFSF has the right to appoint one Director to the Board and this representative has the right to veto any Board resolutions relating to corporate changes that can significantly affect HFSF's participation to Eurobank Holdings share capital (anti-dilution protection). Regarding the right of the HFSF's representative to veto any Board resolution related to dividend distributions or the remuneration policy and proposed bonuses to Board members and General Managers or their deputies, the current HFSF Law provides that this is applicable to credit institutions whose ratio of non-performing loans to total loans exceeds 10%. Moreover, the representative of the HFSF has the right to request Eurobank Holdings or the Bank's Board to be convened or any Board meeting to be adjourned for up to 3 business days.

Board of Directors
The Board of Directors (BoD) was elected by the Annual General Meeting (AGM) of the Shareholders held on 23 July 2021 for a three years term of office that will expire on 23 July 2024, prolonged until the end of the period the AGM for the year 2024 will take place.

The BoD of Eurobank Holdings is set out in note 47 to the consolidated financial statements. Personal details of the Directors are available on the website of Eurobank Holdings (www.eurobankholdings.gr).

Sundry information required under Law 3556/2007 (article 4, par.7)
By derogation of the ordinary shares held by HFSF which carry special rights and restrictions under the legislation in force and the TRFA signed between Eurobank Holdings, the Bank and the HFSF on 23 March 2020, according to the Articles of Association:
a) there are no restrictions on the transfer of the Eurobank Holdings' shares,
b) there are no shares with special controlling or voting rights,
c) there are no restrictions on voting rights,
d) the rules related to the appointment and replacement of directors as well as to the amendment of the Articles of Association are in accordance with the provisions of company law.

The Eurobank Holdings is not aware of any shareholders' agreements resulting in restrictions in the transfer of its shares or in the exercise of the shares' voting rights. There are no significant agreements that enter into force, are amended or expire if there is change in the control of the Eurobank Holdings following a public offer. There are no agreements between the Eurobank Holdings and the Directors or the staff for compensation in the event of departure as a result of a public offer.

Information required under Law 4548/2018 (article 97, par.1 (b))
According to article 97 par. 1 (b) of Law 4548/2018 the BoD members owe to disclose in a timely and adequate manner to the other members of the BoD their own interests, which may arise from the company's transactions, which fall within their duties, as well as any conflict of their interests with those of the company or its related companies. In such case and in line with the provisions of article 97 par 3 of the same law, the member of the

BoD is not entitled to vote on issues in which there is a conflict of interest with his own company or persons with whom he is a related party. In these cases, decisions are taken by the other BoD members.

For 2022, the following issues were noted in which there was a conflict of interest with Eurobank Holdings:

For the purposes of decisions related to the conclusion of a Share Purchase Agreement (SPA) as well as of an Amended and Restated Shareholders' Agreement (SHA) related to the Bank's participation in the company "Grivalia Hospitality S.A" (Grivalia Hospitality or GH) between the Bank and 1) the companies "DEBT INVESTMENT OPPORTUNITIES III DESIGNATED ACTIVITY COMPANY" (DOF III) and "DEBT INVESTMENT OPPORTUNITIES IV DESIGNATED ACTIVITY COMPANY" (DOF IV) (controlled by M&G), 2) the company under the corporate name "GRIVALIA MANAGEMENT COMPANY SOCIETE ANONYME" (GRIVALIA), which is a related party to both the Bank within the meaning of paragraph 2 (b) of article 99 of Greek Law 4548/2018 and Eurobank Holdings within the meaning of paragraph 2 (a) of article 99 of Greek Law 4548/2018, since the Vice Chairman of the Board of Directors of Eurobank Holdings and the Bank Mr. Georgios Chryssikos holds the majority (68%) of the shares of GRIVALIA and is an executive member of the board of directors of GRIVALIA and 3) the company under the corporate name "Eurolife FFH Life Insurance Single Member Société Anonyme" (Eurolife), which is a related party of Eurobank Holdings within the meaning of paragraph 2 (a) of article 99 of Greek Law 4548/2018, as a related party of Eurobank Holdings according to IAS 24, the BoD's approval was granted based on a fairness opinion report provided by a certified auditor in accordance with article 101 of Law 4548/2018, while all the necessary disclosure procedures were adhered to as provided for in articles 100 par. 3 and 101 par. 2 and 3 of Law 4548/2018. Furthermore, for the same issue, a) the Vice Chairman of the BoD Mr. Chryssikos also Vice Chairman and Chief Executive Officer of GRIVALIA holding 68% of its share capital and b) the member of the BoD Mr. Martin also Vice Chairman of Strategic Investments at Fairfax (a company that holds the 33.47% of the shares of Eurobank Holdings), which controls Eurolife's parent company "Eurolife FFH Insurance Group Holdings Société Anonyme" and indirectly Eurolife itself were note entitled to vote according to the provisions of par. 3 of Art. 97 of the Company Law 4548/2018 due to conflict of interest.

For the purposes of decisions related to the conclusion of a Share Purchase Agreement (SPA), which pertains to the participation of "Eurobank S.A." (Eurobank or Bank) in the company "Grivalia Hospitality S.A." (Grivalia Hospitality or GH) between the Bank and "Eurolife FFH Life Insurance Single Member Société Anonyme" (Eurolife), which is a related party of the parent company of the Bank, "Eurobank Ergasias Services and Holdings S.A." (Eurobank Holdings), within the meaning of paragraph 2 (a) of article 99 of Greek Law 4548/2018, according to IAS 24, the BoD's approval was granted based on a fairness opinion report provided by a certified auditor in accordance with article 101 of Law 4548/2018, while all the necessary disclosure procedures were adhered to as provided for in articles 100 par. 3 and 101 par. 2 and 3 of Law 4548/2018. Furthermore, for the same issue, the BoD member Mr. Martin also is Vice Chairman of Strategic Investments at Fairfax, which holds 32.99% of the shares of Eurobank Holdings, and also controls Eurolife's parent company, "Eurolife FFH Insurance Group Holdings Société Anonyme", and indirectly Eurolife itself, was not entitled to vote according to the provisions of par. 3 of Art. 97 of the Company Law 4548/2018 due to conflict of interest.

For the purposes of decisions relating to the Stock Options plan (1st series exercise and 2nd series implementation) approved by the Annual General Meeting of Shareholders in July 2021, the CEO Mr. F. Karavias and the Deputy CEOs Messrs. S. Ioannou, K. Vassiliou and A. Athanasopoulos were not entitled to vote, according to the provisions of par. 3 of art. 97 of the Law 4548/2018, due to conflict of interests.

External Auditors

The Eurobank Holdings' Shareholders Annual General Meeting held on 21 July 2022 approved the appointment of KPMG, as statutory auditor for the financial statements (separate and consolidated) for the year ending 31 December 2022.

During 2022, the Audit Committee reviewed KPMG's independence and effectiveness, along with its annual audit plan. In addition, the Audit Committee ensured on a quarterly basis that a) the non-audit services assigned to KPMG, have been reviewed and approved as required and b) there is a proper balance between the audit and non-audit fees paid to KPMG, in accordance with the relevant provisions of the Group's Policy on External Auditors' Independence (note 46 of the consolidated financial statements).

NON-FINANCIAL INFORMATION

Business model

The Eurobank Holdings Group (the Group) offers a wide range of financial products and services in retail and business banking and has a significant international presence in four countries outside Greece (see further information in the section "International Activities"). It is among the leading providers of banking services and credit to large corporates, SMEs, small businesses, professionals and households, concentrating its efforts on financing the growth cycle of the Greek economy and the other countries of presence, including an instrumental participation in Recovery and Resilience Facility (RRF) funds. In addition, the Group has a strategic focus in fee-generating activities, such as asset management, private banking, equity brokerage, treasury sales, investment banking, factoring, real estate, trade finance and bancassurance.

The Group has a diversified (through business line, geography and customer) and resilient business model, which is based on three revenue streams i.e. the Greek banking operations, the international activities and the real estate business. Its strategy aims at optimizing its financial performance, maintaining a strong capital and liquidity base, rewarding its shareholders as well as contributing to the economy and society in a holistic manner. The Group continues to implement the Transformation Program “Eurobank 2030”, which is a material enabler in achieving the bank’s strategic objectives and enhancing its competitive position, as it focuses on business growth, sustained operational resilience, constantly improving operational efficiencies and, ultimately, ensuring increased customer value and satisfaction. In tandem, the Bank is investing in the People – Technology – Sustainability three-fold, by combining cutting edge technology and the expertise of its highly trained staff, using best practices to contribute to the effort for sustainable development for all.

Its operating model evolves around the following key pillars:

a) Financing landmark projects and investments of large and medium size businesses, mainly through investments based on ESG criteria,
b) Fully supporting SMEs, in combination with the major funding potential available through European and/or Greek programmes for small businesses, aiming to boost their competitiveness, gain access to international markets, create jobs and thus distribute the benefits of growth across society,
c) Sustaining a leading position in Retail Banking by offering high quality services and innovative products to distinct client segments leveraging on advanced multi-channel strategies and tailored to customer evolving needs,
d) Developing a people-centred ‘phygital’ model, a hybrid of physical and digital, that combines state-of-the-art technological infrastructure with the Group’s human resources, offering simple, fast, personalised, and secure services.

In conducting its business activities, the Group considers the particular and diverse needs of its stakeholders and focuses on creating value for them. In this context, the Group:

a) designs and offers savings and investment products to its depositors and investors; makes appropriate use of available funds for supporting households and businesses to realise their plans, financing the economies in which it operates,
b) deploys a client-centric orientation with segmental approach and relationship-based management,
c) relies on the skills and expertise of its human resources for the implementation of its business strategy including the improvements of products and services to customers; for this purpose, it enhances staff engagement by strengthening the knowledge and experience of its employees through training and development programmes and providing a safe and productive work environment, where diversity, equity and inclusion are strongly promoted,
d) invests in IT infrastructures and digital transformation to systemically address the evolving technological developments and continuously improve its business and operational model,
e) has established a system of internal controls that is based on international good practice and aims to minimize the possibility of error or financial loss, to protect the interest of shareholders and depositors, as well as to ensure that the requirements of the relevant regulatory authorities are complied with at all times,
f) uses natural resources for its operation, while being committed to minimizing its environmental footprint by adopting environmentally friendly practices and promoting a green economy. Green procurement practices are applied, embedding environmental specifications and guidance for selection of products and suppliers,
g) develops an ongoing dialogue with stakeholders and supports society and local communities. The Group monitors and reviews information related to its stakeholders and their requirements, shaping a specific framework of cooperation and approach to communication in each case.

The corporate governance principles of transparency, credibility, social responsibility and accountability define the framework for the achievement of the Group’s objectives, govern the organization, operations and activities and reflect its values, safeguarding the interests of shareholders and of all other stakeholders. The corporate values of empathy, drive, cooperation, innovation and trust support a strong yet adaptive business culture, which enables the Group to provide top quality services to every client, household or business, to support inclusive growth and to create sustainable prosperity for all the communities it serves.

Impact Materiality Analysis

Materiality analysis is the key process used to define the content of the Annual Report - Business & Sustainability and is conducted through stakeholder engagement (including an electronic survey targeted at internal and external stakeholders). Adopting the new methodology of the GRI Standards (2021), the Bank has proceeded with the identification, assessment, prioritization and validation of the positive and negative effects that the Bank creates or may create on the environment, society and the economy.

An integral part of the Bank’s approach towards Sustainable Development is the fostering of strong relationships, cooperation and mutual benefit with all stakeholders affected directly or indirectly by its activities. In this context, the Bank promotes two-way communication and develops an ongoing dialogue with stakeholders.

The overall Bank’s Materiality Analysis methodology, the validated Material Topics, Sustainability Indicators per the GRI Standards and information regarding initiatives across the ESG spectrum along with ESG data submitted by the Group’s subsidiaries are included in the Annual Report 2022 – Business & Sustainability, which is published on www.eurobankholdings.gr.

Group's approach towards sustainable development
The Group is constantly committed to investing in sustainable development and to consistently designing its actions to improve its environmental performance, social responsibility and corporate governance. Its strategic objective is to adapt its business and operation in a way that addresses climate change challenges, to accommodate social needs within its banking business model, and to safeguard prudent governance for itself and its counterparties, in accordance with supervisory initiatives and following international standards/ best practices.

Committed to actively contributing to the achievement of the United Nations Sustainable Development Goals (SDGs) and the 2030 Agenda goals, the Bank is a signatory of the UN Global Compact since 2008. According to the commitment to the UNEP FI Principles for Responsible Banking (PRB) since 2019, in line with the SDGs and the Paris Agreement on Climate Change, the Bank issued its 2nd Progress Report which was incorporated in the Annual Report 2021 – Business & Sustainability. According to UNEP FI individual feedback report on the 2nd PRB Progress Report, Bank's strengths were highlighted (Impact analysis, Sustainable finance and green bond frameworks, employee training and integrated reporting) and the way forward for full implementation of the Principles for Responsible Banking was set through the identification of the two areas the Bank has the most significant impacts, performance measurement and pertinent target setting.

<u>A dedicated Group-wide programme to address the requirements of the ESG ecosystem</u>
The Group launched an initiative, namely "Program Field", with an aim to implement its sustainability strategy, integrate climate risks, fulfil its UNEP FI signatory commitments as well as to ensure readiness to comply with upcoming sustainability-related regulations (i.e. "EU Green Deal", ECB Guide on climate-related and environmental risks, EU Taxonomy Regulation, etc.). Through this initiative, the Group has identified, assessed and implements climate-related and environmental (CR&E) risk action plans within the three Lines of Defence.

<u>Group ESG Strategy</u>
The Bank is finalizing its Strategy both in terms of its financing and other products, and in terms of its internal environment and how it is organised and operates.

The ESG Strategy will include targets and commitments classified in two key dimensions:
A. Operational Impact Strategy: targets related to the ESG operational footprint of the Bank
B. Financed Impact Strategy: targets and commitments related to financed impact resulting from lending and investing activities to specific sectors and clients.

A. Operational Impact Strategy
The Bank's Operational Impact Strategy will focus on three strategic axes:
- Environmental impact (operational net zero, paperless banking, circular economy),
- Social and business impact (sustainable procurement, socio-economic effect, transparency),
- Employer impact (diversity and inclusion, wellbeing culture, innovative environment).

B. Financed Impact Strategy
The Bank's Financed Impact Strategy will focus on:
- Clients' engagement and awareness to adapt their business so as to address climate change challenges,
- Actions for supporting customers in their transition efforts towards a more ESG-friendly economic environment,
- Enablers and tools such as frameworks and products to underpin Sustainable Financing,
- The risk assessment of climate-related material exposures.

The ESG Strategy, through a set of actions with measurable targets, indicates the Group's vision in the short, medium and long term in relation to the environment, its social footprint, with focus on its people, and the ESG impact in the market and its portfolio.

<u>Progress against targets for 2022</u>
The Group is committed to specific ESG Financed Impact targets which include both quantitative and qualitative elements. More specifically, the relevant targets for 2022 for the Bank included the following:

1. The operationalization of the Sustainable Finance Framework (SFF) in terms of policies, procedures, and processes.
2. The expansion of data collection capabilities for climate risk related data.
3. The increase of penetration of ESG products.
4. The assurance that at least 20% of the annual gross new corporate disbursements are green / environmentally sustainable.

Based on actual performance the Bank has successfully managed to accomplish all 2022 Impact targets, as follows:

1. Operationalized the SFF. In particular:
    a) Has developed a web-based SFF Assessment Tool for the Corporate Portfolio, to underpin the classification and evaluation of sustainable/ green financing opportunities in a structural manner. The SFF Assessment Tool automates the process of assessing the Bank's financings against the criteria defined in the SFF,
    b) Has completed the roll-out of the SFF as part of its loan origination process, while the SFF is currently being localized to international subsidiaries,
    c) Is assessing a series of new proposed Retail SFF-aligned products, also taking into account upcoming Greek Government Initiatives (ongoing / recurring initiatives),
    d) Is examining (ongoing / recurring initiatives) solutions for converting other climate mitigation products into SFF-eligible products.

2. Enhanced its capabilities for the collection of climate risk data

The Bank is continuously enhancing its capabilities for the collection of climate-related and environmental risk data, through integration of additional information requirements in the credit process as well as cooperation with third party data providers.

3. Increased ESG product offerings and designed additional SFF-aligned products

The Bank received the Silver Awards for Sustainable Financing for Tourism in the Green Awards 2022 and going forward, it aims to develop additional ESG dedicated products for the Retail portfolio.

4. Achieved its target for over 20% of the annual gross new corporate disbursements to be classified as green/ environmentally sustainable.

More specifically, as regards Sustainable Financing Targets in the Corporate Portfolio, for 2022, new green SFF-aligned disbursements in the Corporate Investment Banking (CIB) portfolio of the Bank constituted more than 20% of the total disbursements in the CIB portfolio, indicating the Bank's dedication to the support of green transition of its clients' operations. The total outstanding balance of existing green exposures was more than €1,5bn as of 31 December 2022, indicating a year-on-year growth in green financing of over 60%. Specifically, more than €900mn are attributed to Renewable Energy Sources (RES) projects, while over €400mn have been allocated to Sustainability Linked Loans, supporting clients' sustainable transition.

Further information on the Bank's 2023 ESG targets and commitments is provided in the Consolidated Pillar 3 Report on the Company's website.

<u>ESG Governance</u>

The Group has updated its governance structure by introducing and defining the roles and responsibilities in relation to climate related and environmental risks, embedding regulatory guidelines and market practices. The updated governance structure aims to further enhance the effective oversight of climate related and environmental risks at management/ board level, both for transition and physical risks.

The CR&E Risk Governance involves various key stakeholders (i.e., Business functions, Units, and Committees). The Group applies a model of defined roles and responsibilities regarding the management of CR&E risks across the 3 Lines of Defense.

Moreover, the the Bank's BoD has assigned an executive member as the responsible BoD member for climate-related and environmental risks. As part of its duties, the member responsible updates the Board Risk Committee (BRC), in alignment with the BRC Terms of Reference, and the BoDs of Eurobank Holdings and the Bank on climate change and environmental related risks at least on a semi - annual basis.

The Bank has also established the ESG Management Committee, chaired by the BoD member responsible for climate-related and environmental risks. As part of its duties, the Committee, among other:

- Provides strategic direction on ESG initiatives
- Reviews the ESG Strategy prior to approval,
- Integrates the elements of the ESG Strategy into the Bank's business model and operations,
- Regularly measures and analyses the progress of the ESG goals and performance targets
- Ensures the proper implementation of ESG-related Policies and Procedures
- Reviews and approves ESG-related reports and ensures that are in accordance with related standards and guidelines.

<u>ESG Data quality</u>

The Group has established processes and policies to ensure the data quality for data related to both operational and financed impacts.

The ESG Division is responsible for the collection, calculation and review of data related to the operational impact in line with the associated certified management systems (ISO 14001/EMAS, ISO 50001, ISO 14064).

The Group Climate Risk Division is responsible for establishing internal reporting and disclosure processes for the financed impact as well as the oversight of the associated data collection, in line with the Group's data governance framework.

Internal and external ESG awareness and capacity building
The Group is placing great emphasis in building capacity among its employees to be able to support its clients on their sustainability plan and their green transition. To this end, the Bank implements an ESG upskilling plan for its employees as well as launching ESG awareness initiatives for its clients. The internal awareness sessions regarding ESG and CR&E matters cover both members of the management body and other stakeholders across the Bank (e.g. Business Units). Additionally, the Bank has offered trainings to stakeholders from all Three Lines of Defense (i.e., Business Units, Risk Management Units, Internal Audit function) regarding the SFF in order to enhance their understanding of sustainable financing criteria.

ESG ratings
The Bank actively participates in internationally renowned ESG ratings to highlight the continuous improvement in its environmental, social and governance performance, upgrade the relevant disclosures and further enhance investor confidence in its practices. In 2022, the Bank posted improvements compared to 2021 in important ESG ratings such as Sustainalytics (from 15.3 to 12.1, maintaining the "Low Risk" mark), Vigeo Eiris - Moody's (from 38 to 50, improving from "Limited" to "Robust" mark), S&P (from 48 to 50) and Refinitiv (from 69 to 79). Specially with respect to Sustainalytics, the Bank achieved the international "ESG Industry Top Rated" distinction and has been added in the "Sustainalytics' Top-Rated ESG Companies List".

In the context of networking with market for sustainable development issues, the Bank participates in the ESG Coordinating Committee of the Hellenic Bank Association, the Corporate Responsibility Committee of the American-Hellenic Chamber of Commerce and the Greek Network of the UN Global Compact.

Group's implementation of the EU Taxonomy Regulation
The EU Taxonomy (Regulation (EU) 2020/852 of the European Parliament and of the Council) was adopted in 2020 by the European Parliament and represents an important step for the EU to achieve the Paris Agreement climate neutrality goals. It sets out the criteria to establish a common classification system for sustainable economic activities. The EU Taxonomy Regulation determines whether an economic activity is environmentally sustainable and obligates financial and non-financial entities subject to the Non-Financial Reporting Directive (NFRD) to disclose the alignment of their activities. Separate reporting requirements and extensive criteria are established for financial and non-financial undertakings under the Art.8 Delegated Act of EU Taxonomy Regulation.

The key indicator of alignment for credit institutions is the Green Asset Ratio (GAR), which companies will be required to publish starting in 2024. It determines the extent to which activities comply with the criteria of Taxonomy. It is the ratio of a company's taxonomy-aligned assets to covered assets (total assets excluding exposure to sovereigns, central banks and the trading portfolio).

For the years 2021 and 2022, financial undertakings subject to NFRD are required to disclose the proportion of taxonomy-eligible and taxonomy non-eligible activities related to the environmental objectives of climate change adaptation and climate change mitigation. The following four additional environmental objectives are expected to be adopted in 2023:
a) Sustainable use and protection of water and marine resources,
b) Transition to a circular economy,
c) Pollution control and prevention, and
d) Protection and restoration of biodiversity and ecosystems.

The EU is also working on a Social Taxonomy to classify economic activities that significantly contribute to social goals in the EU, as well as an Extended Environmental Taxonomy, that will focus on supporting environmentally sustainable transitions of different categories of economic activities. However, it is more likely that these new taxonomies will not be prioritized in the immediate future.

Integration of Taxonomy in the Group's business strategy, operating model, products and customers
The Group recognizes the significance of the impact of its activities to the society and the environment. It places high importance on the effective integration of sustainability principles and ESG aspects throughout the activities of the organization, the governance model and related commitments. Further information about ESG Governance and the way that the Bank has integrated ESG and Climate risks in its operating model is provided in "ESG Governance" in the section "Group's approach towards sustainable development". Moreover, it is noted that, as part of regulatory expectations, the Bank has fully integrated climate related and environmental risks through the Three Lines of Defense, embedding regulatory guidelines and market practices. The Group Climate Risk Division (GCRD) is working towards the advancement of Program Field, covering the implementation of the Climate Risk Roadmap, implementing the Bank's CR&E risk strategy and ensuring compliance with existing and upcoming sustainability-related regulations. In this context, within 2023, GCRD will monitor the implementation of the Financed impact strategy and definition of the approach and data requirements for portfolio alignment.

The Group strives to invest in sustainable development with the aim of improving its impact on environmental sustainability, social responsibility, and corporate governance. The Bank is gradually integrating ESG practices and aspects within its operations and services and will continue to do so as the ESG elements and requirements evolve. The Bank's Sustainable Investment Framework (SIF) outlines the potential sustainable investment approaches/strategies, the selection of eligible investments and the monitoring frequency of the sustainable portfolio (the sustainable portfolio is part of the Bank's investment portfolio). The Framework specifies the respective criteria that are utilized in the Bank's banking books investment strategy, along with the selection process of eligible sustainable investments.

Committed to being transparent about its ESG approach and to ensure that the decision-making is in line with environmental protection and sustainability, the Group developed its Sustainable Finance Framework (SFF) in accordance with internationally recognized industry guidelines and principles. Indicatively, such guidelines are: a) International Capital Market Association (ICMA) and Loan Market Association (LMA) principles and b) The EU Taxonomy Climate Delegated Act.

Through its SFF, the Group classifies sustainable lending solutions offered to its customers, specifying the applied classification approach and the activities defined as eligible to access sustainable financing (eligible green and social assets). The SFF scope encompasses a wide range of sustainable lending products covering both Wholesale and Retail banking portfolios. Moreover, the Bank has established and published the Green Bond Framework. The framework was prepared in accordance with global best practices and standards and considers EU Taxonomy eligibility criteria to classify potential investments as green. Furthermore, the Green Bond Framework has undergone a Second Party Opinion (process and a positive letter has been issued).

The Group aims to further align the SFF with the EU Taxonomy requirements, that will underpin the identification of exposures aligned with the EU Taxonomy, the calculation of Green Asset Ratio (GAR) and supplementary key performance indicators. GAR constitutes the key indicator of alignment for credit Institutions under the EU Taxonomy Regulation. The latter will be disclosed with reference date of 31 December 2023 in line with the Pillar III timeframe.

Aiming to integrate the SFF into its core operations, the Bank has developed governance structures and functions as well as a digital tool (Sustainable Finance Framework assessment tool) that facilitate the day-to-day implementation of the SFF.

The SFF assessment tool automates the process of assessing the financings against the criteria defined in the SFF and incorporates both the internal criteria defined by the Bank (and verified by an independent third party), as well as the assessment steps and criteria defined by the EU Taxonomy regulation. Through the SFF assessment tool, users categorize financing to the applicable eligible activity and are guided through the assessment steps which involve substantiating alignment with the criteria of each step, including Taxonomy alignment assessment (Technical Screening Criteria, Do Not Significant Harm criteria, Minimum Social Safeguards).

Central element of the Bank's ESG strategy and the SFF is to support the net zero transition of its clients. To this end, the Bank achieved its 2022 goal, with greater than 20% of its annual gross new corporate disbursements being classified as Green/ Environmentally sustainable. Further information is provided in "Financed Impact Strategy" in the section "Group's approach towards sustainable development".

Going forward, the Bank's key priorities include the development of a strong and realistic roadmap towards net zero transition and the increasing client support towards climate transition and sustainable financing. The Bank also aims to disclose its financed impact targets at portfolio and sectoral level and further integrate climate risk regulatory requirements into its business strategy and risk management framework.

<u>Disclosures relating to Article 8 of the Taxonomy Regulation for 2022</u>

The Group, upon reviewing its business activities, to align Taxonomy reporting with its core activities, provides the key performance indicators (KPIs) and other disclosure requirements related to its dominant financial undertakings as laid down in Article 10 of the Art. 8 Delegated Act. For financial undertakings/groups, according to the abovementioned article, the transitional rules for the period from 1 January 2022 until 31 December 2023 are limited to the reporting of the extent to which their customers and counterparties' activities are Taxonomy-eligible as well as information on assets that cannot be assessed under the Taxonomy Regulation.

The Group as a financial institution is required to use clients' concrete eligibility information in order to disclose their own taxonomy eligible ratio. In the case of corporate clients, credit institutions are only allowed to use actual information that has been disclosed by clients reporting under the Non-Financial Reporting Directive (NFRD). Last year, such reported information was not yet available. However, NFRD companies have now published their eligibility percentages for 2021 based on their revenues, capital expenditure and operational expenditure. Companies may disclose additional information on a voluntary basis. The Group has opted to voluntarily disclose additional information under 'EU Taxonomy voluntary disclosures'. Voluntary reporting under the Taxonomy Regulation can enable non-financial and financial entities to provide more explanation of their activities.

The preparation of mandatory reporting of Taxonomy eligibility as well as the aforementioned voluntary disclosures which are presented below, are based on the consolidation for the Group, in accordance with the supervisory reporting of institutions according to the Commission Implementing Regulation (EU) 2021/451 (FINREP).

Specifically, data of the Group's internal systems is used for reporting the assets while Taxonomy eligibility KPIs of NFRD counterparties are collected based on the latest published annual reports. The identification of companies subject to NFRD and companies not subject to NFRD has been carried based on internal customer segmentation data used for FINREP purposes.

Lastly, it is noted that the Complementary Delegated Act, which entails economic activities related to the nuclear and gas industries, was adopted by the European Commission in 2022 and entered into force on 1 January 2023. Consequently, the Group's assessment of the eligibility of assets for the financial year 2022 is based on the latest available eligibility KPIs and these KPIs do not include activities under the Complementary Delegated Act mentioned above.

The data as of 31 December 2022 have been prepared based on a best effort basis to adhere to the applicable regulations and will evolve in the future as further information becomes available from counterparties and new regulatory developments. During 2022, the Group continued its work on implementing the EU taxonomy requirements and further enhancing its reporting methodology. Information about the Group's processes to ensure data quality is provided in "ESG data quality" in the section "Group's approach towards sustainable development".

The reported KPIs are included in the table below:

	31 December 2022	
Assets	**Amount (in € million)**	**% of total assets[2]**
1. Taxonomy-eligible assets[1]	11,937	14.36%
2. Taxonomy non-eligible assets	62,138	74.76%
of which corporate exposures to non-NFRD counterparties	*30,719*	*36.96%*
of which derivatives, hedge accounting	*1,022*	*1.23%*
of which on-demand interbank loans	*30*	*0.04%*
3. Assets to central governments, central banks, supranational issuers	8,912	10.72%
4. Trading portfolio	134	0.16%
Total assets (1+2+3+4)[2]	**83,121**	**100%**
Impairment for debt instruments at amortized cost and other adjustments according to EU Taxonomy methodology	(1,661)	
Total assets according to the Consolidated balance sheet as at 31/12/2022	**81,460**	

[1] The Taxonomy-eligible assets of the Group using only the Turnover KPI of the non-financial counterparties subject to NFRD amount to €11,637m, that is the 14% of the total assets and the Taxonomy non-eligible assets amount to €62,437m, that is the 75% of the total assets.
[2] The total assets in the KPIs above are presented at their gross amounts (except for collateral obtained by taking possession included in Taxonomy eligible and non-eligible assets, which is presented in carrying amount), according to EU Taxonomy methodology.

Clarification of Taxonomy-related KPIs
The Taxonomy-eligible assets presented in the table above include the reported eligibility for exposures to non-financial companies subject to NFRD based on the average of the Turnover and capital expenditure (CapEx) KPI published by the counterparties, while the percentage based on their turnover is included in the footnote. The Taxonomy KPI operating expenses (OpEx) is not used for assessing taxonomy-eligible activities. For financial undertakings subject to NFRD, the Group's exposures have been weighted to the counterparty's proportion of Taxonomy-eligible assets. Furthermore, no distinction between general purpose loans and specific purpose loans is made.

In order to determine which companies are subject to the NFRD and calculate the taxonomy eligible KPIs, an assessment is carried out in order to determine that all of the following criteria are met: a) if the country of incorporation of the counterparty is in the EU, and b) whether the enterprise is either a listed company, a credit institution, or an insurance company, and c) whether the entity's net revenue exceeds €40m or its total assets exceed €20m and d) the counterparty has over 500 employees. Financial and non-financial undertakings that do not meet the aforementioned requirements are identified as non-NFRD.

Undertakings that are not required to report under the EU Taxonomy regulation (non-NFRD) are not included in the calculation of eligible assets since estimations in mandatory reporting are not allowed. Therefore, assets on the Group's balance sheet to non-NFRD undertakings are not assessed for taxonomy eligibility.

In accordance with the instructions set out in Annex V of Delegated Regulation, the exposures to be included in the numerator encompass banking book exposures in gross carrying amounts in respect of NFRD-relevant counterparties and households. Regarding household exposures, ownership of immovable property and vehicles is considered as a Taxonomy-eligible economic activity. For this reason, loans to households collateralized by residential immovable property, vehicle loans and repossessed real estate collaterals are assessed as Taxonomy-eligible, whereas any other type of household exposures are currently not considered to be taxonomy eligible.

Assets of non-NFRD counterparties, derivatives, hedge accounting and on-demand interbank loans are not included in the calculation of Taxonomy-eligible assets and presented separately in the share of Taxonomy non-eligible assets. The mandatory metrics are based on the denominator total assets.

EU Taxonomy voluntary disclosures
Along with mandatory disclosures, the Group implemented increased information with a breakdown of Taxonomy eligible and non-eligible assets on a voluntary basis. The purpose is to enhance transparency, provide additional information of the metrics and present the eligibility proportion of its assets.

	31 December 2022		
Assets	**Amount (in € million)**	**% of total covered assets[1]**	**% of total assets[1]**
1. Taxonomy-eligible assets[2]	11,937	16.11%	14.36%
of which exposures to households	*10,545*	*14.24%*	*12.69%*
of which corporate exposures to undertakings under the NFRD	*827*	*1.12%*	*0.99%*
of which collateral obtained by taking possession: residential and commercial immovable properties	*565*	*0.76%*	*0.68%*
2. Taxonomy non-eligible assets	*62,138*	*83.89%*	*74.76%*
of which exposures to households	*3,100*	*4.18%*	*3.73%*
of which corporate exposures to undertakings under the NFRD	*3,963*	*5.35%*	*4.77%*
of which exposures to regional governments or local authorities	*25*	*0.03%*	*0.03%*
of which corporate exposures to non-NFRD counterparties	*30,719*	*41.47%*	*36.96%*
of which derivatives and hedge accounting	*1,022*	*1.38%*	*1.23%*
of which on-demand interbank loans	*30*	*0.04%*	*0.04%*
of which other assets	*23,279*	*31.43%*	*28.01%*
Total covered assets[1]	**74,075**	***100%***	***89.12%***
3. Assets to central governments, central banks, supranational issuers	8,912		*10.72%*
4. Trading portfolio	134		*0.16%*
Total assets[1]	**83,121**		***100%***
Impairment for debt instruments at amortized cost and other adjustments according to EU Taxonomy methodology	(1,661)		
Total assets according to the Consolidated balance sheet as at 31/12/2022	**81,460**		

[1] The total assets and total covered assets in the KPIs above are presented at their gross amounts (except from collateral obtained by taking possession, which is presented in carrying amount), according to EU Taxonomy methodology.
[2] In terms of eligible assets, a breakdown of the Group's activities shows that 12.69% stem from lending to households (vehicle loans and lending with collateral in real estate which are Taxonomy-eligible in their entirety), while lending to undertakings subject to NFRD represents 0.99% and repossessed collaterals represent 0.68%.

The voluntary metrics are based both on the denominator total assets and total covered assets. Total covered assets amount to €74,075m, excluding exposures to sovereigns and the trading portfolio. The share of taxonomy-eligible assets to total assets is 14.36% while the share of taxonomy-eligible assets to total covered assets rises to 16.11%.

Protection of environment
The Group is committed to minimizing its environmental footprint and to promoting a green economy. In this context, the Bank implements an Environmental Policy, an Energy Management Policy and a Water Management Policy, towards the protection of the environment in all aspects of its operations. In the context of implementing these policies, the Group applies certified management systems, in accordance with International Standards, such as a Quality Management System (ISO 9001), an Environmental Management System (ISO 14001, EMAS) and an Energy Management System (ISO 50001). Furthermore, the Bank, has established sustainability practices in procurement, in order to select, where possible, environmentally and socially responsible goods and suppliers. The implementation of these management systems is supported by relevant e-learning training programs. Additionally, for the integration of the Environmental and Social (E&S) issues into its business model, the Group implements an Environmental & Social Management System (ESMS) in accordance, among others, with the requirements and expectations of institutional investors, shareholders and other stakeholders. The environmental performance, with respect to the improvement of the operational

environmental footprint, is monitored through specific environmental indicators in order to identify any deviations and take corrective actions and is included in the Annual Report – Business & Sustainability and the Environmental Report (as per EMAS Regulation). Both reports are assured by independent parties and are available on the Group's and the Bank's websites (www.eurobankholdings.gr and www.eurobank.gr respectively).

Environmental performance data are monitored at Group level (specifically for energy, water and waste). However, the related Management Systems (ISO 14001/EMAS, ISO 50001 and ISO 14064) and corresponding certification scopes apply only at Bank level and therefore environmental performance is assured and reported only at Bank level. In this context, the Bank has implemented an integrated action plan to reduce paper consumption and fully digitize its operations. As a result of these efforts in 2022, the paper supply amounted to 129.9 tons and represented a reduction of 37.94% compared to 2021 (set target for 2022: 196 tons). Also, the corresponding consumption per employee decreased by 36.23% to 20.82 Kg/employee for 2022 from 32.65 Kg/employee in 2021. In addition, the increase in the use of the e-statement service was significant in 2022, as more than 222,000 additional e-Banking users chose e-statements, resulting in the additional savings of 501,000 physical statements. The Bank's financial savings from the discontinuation of physical statements are also substantial, amounting to €30m since the service became available. The Bank has established a Water Management Policy with the aim of responsibly managing the use of water resources and efforts for savings. In 2022, the water consumption amounted to 54,460m^3, which represents a decrease of 12.62% compared to 2021 (62,322 m^3).

The Group is actively involved in a series of International and European initiatives for environmental protection and Sustainable Development, such as the EU Eco-Management and Audit Scheme (EMAS) and the Mastercard's Priceless Planet Coalition global initiative. 2022 was a year of significant distinctions for the Bank in terms of Energy Management with a Gold Award at the "Facility Management Awards" and a Silver Award at the "Environmental Awards", while at the "Hellenic Responsible Business Awards" and in the "Green Buildings / Built Environment" category it was granted with the Gold Award.

Energy and Emissions Management

The importance of Climate Change makes energy consumption monitoring one of the most important environmental priorities of the Bank. The Bank implements a certified Energy Management System (EMS) in accordance with the ISO 50001 standard, with the purpose of responsible energy management in all the Bank's facilities (it concerns all the Bank's Administration Buildings / Branches and covers 100% of its operations), which aims to minimize energy cost, the environmental impact of harmful greenhouse gas emissions, as well as the depletion of fossil fuels. In accordance with the applicable legislative requirements (Greek Climate Law 4936/2022) and international best practices, the Bank was certified according to the International Standard ISO 14064 for the quantification and reporting of greenhouse gas emissions (Category 1-7), with the aim of the reduction of greenhouse gas emissions and its environmental footprint. The Bank also maintains the corresponding matching in line with the methodology of the "GHG Protocol Corporate Accounting and Reporting Standard" (Scope 1, 2 & 3).

Direct Green House Gases (GHG) Emissions (Scope 1) result from the Bank's consumption of natural gas and heating oil to heat buildings and the use of fuel for the Bank's own vehicles for transportation within the Attica region. It also includes the data on fluorinated gases (F-gases) released by the air conditioning installations and automatic fire extinguishing systems of the Bank (fugitive emissions). Also, in 2022, the greenhouse gas emissions from the use of leased company cars by the Bank's employees were included.

Regarding electric energy use (indirect emissions - Scope 2), the Bank calculates its emissions using both the location-based and market-based methods, using national annual CO_2 emission conversion factors. The Bank, demonstrating a long-term commitment to environmental and energy management, displayed remarkable reflexes, during the current unprecedented energy crisis. Specifically, in September 2022, it announced a specific set of measures to further save energy with large-scale actions, but also initiatives concerning the daily energy behaviour of employees.

In this context, in 2022 the total electricity consumption was at 38,314 MWh decreased by 7.44% compared to 2021, while the indirect greenhouse gas emissions (scope 2) in carbon equivalents was at 12,824 tCO^2e decreased by 20.69%, compared to 2021 (16,169 tCO_2e). Furthermore, in 2022, the total energy consumption (all energy sources) was decreased by 7.4% compared to 2021 and respectively the total greenhouse gas emissions (Scope 1 & 2) were decreased by 14.1%. This performance exceeded the environmental management targets set for 2022 of 4% reduction in electricity and indirect greenhouse gas emissions (scope 2) compared to 2021. The Bank, since the beginning of the Energy Management System implementation in 2014, has reduced electricity and greenhouse gas emissions by 42.4% and 73.2% respectively. The Bank is further intensifying the effort to reduce electricity consumption with the aim of further 10% saving, cumulative for the years 2022 – 2023.

For 2022, 97.90% of total electricity consumed was sourced by Renewable Energy Sources (RES), certified through "Guarantees of Origin", while the same process will continue for 2023. Compared to 2021, this indicator was improved by 0.5%. The Bank monitors the energy intensity ratio, which expresses the absolute energy consumption of the Bank for all its operational revenue and at the same time, assists energy performance monitoring in relation to its scale of activities. In 2022, the energy intensity ratio was at 15.26MWh/€m reduced by 48.62% compared to 2021 (29.71 MWh/€m). Accordingly, the carbon intensity index (GHG, scope 1 & 2) for 2022 is of value 5.66tCO_2e/m€ and displays a decrease of 49.75% compared to 2021 (11.26 tCO_2e/m€).

Regarding scope 3 emissions, the Bank is currently finalizing calculations related to financed emissions, business travel, employees' commuting and waste generated. The respective scope 3 figures will be disclosed as part of the Annual Report 2022 - Business & Sustainability. Moreover, enhanced disclosures regarding financed emissions (i.e. emissions intensity and emissions per sector) will be disclosed in the Bank's Climate Report 2022.

Finally, the Bank has certified 18 buildings with the green building certification methods of "Leadership in Energy and Environmental Design - LEED" and "Building Research Establishment Environmental Assessment Method – BREEAM", thus demonstrating the Bank's excellent working environment. Within 2022, the N. Ionia building complex was also certified, where the Data Center building received LEED Gold certification, while the rest of the building complex LEED Silver.

Supply Chain

The Bank has established and implements a Procurement Policy which defines the general principles and rules governing the procurement of goods and services. Through its implementation, the transparency, objectivity and integrity of the execution of procurement are ensured, while at the same time, compliance of suppliers with the applicable local, national and international legislative and regulatory requirements is secured through appropriate mechanisms, as a condition of starting and maintaining a professional relationship with them. In addition, the establishment of an Outsourcing Policy ensures the efficient monitoring of third party relationships under their associated risks.

The Bank operates with a centralized and upgraded model for the administration of procurement requests for goods and services and the management of contracts which facilitates approval flows, while achieving efficiency in the execution of purchases based on the principle of the final lowest bidder, as well as in the finalization of new assignments or renewals and contracts. In addition, aiming at the minimization of its environmental footprint and efficiency, the Bank uses an electronic invoicing system, in cooperation with specific suppliers while at the same time, for the supply of some types of goods and services, e-auctions are held.

Group Procurement Sector evaluates the Bank's suppliers based on qualitative and quantitative criteria, aiming at the assessment of risks such as for the quality of services, financial status/business continuity of the supplier and its legal/regulatory compliance. Specifically, on an annual basis it measures and weighs all the key financial data from the balance sheets of the suppliers, while complementing the evaluation with qualitative data, like ISO certifications, through specific targeted questionnaires to qualified evaluators from various business units of the Bank together with Group Procurement evaluators. In the end, a weighted objective score is obtained for each supplier that reveals the continuation of the cooperation between the Bank and the supplier. Furthermore, for reasons of transparency and safeguarding the Group's interests, the Bank adheres to the Due Diligence procedure for the integration of a new supplier into the Bank. Based on the above procedure, the new entrant supplier is required, among other prerequisites, to provide published financial statements and all the necessary financial data over a period of three years, information on the legal form of the company, its beneficial owners and legal representatives, as well as regulatory certifications it holds.

On an annual basis, the Bank carries out an assessment for IT suppliers, consulting, technical and construction services, as well as for other goods and services, maintaining for quality reasons, specific indicators that measure the degree of dependence of suppliers and the Bank on the relationship between them in terms of the total turnover of each party. In addition, the Procurement Committee that has been established, ensures the observance and safeguarding of the procedures in line with the Bank' procurement policy, both in relation to the necessity of the procurement and for the containment of operating costs, together with the approval of the tender results presented. In addition, in the context of implementing Sustainable Procurement, ESG criteria have been established for the tendering processes of non-IT goods, in accordance with the provisions of a the tendering procedure. Factors related to the impact of a product/ service/ project on Environment and Society, as well as Governance issues of the company/supplier, are taken into consideration. As such, contribution to the protection of environment, green development and local society are considered to have a positive effect.

Furthermore, regarding governance factors, certifications are requested from suppliers (e.g. ISO 9001, 14001, 50001), if any, as well as disclosures in relation to their operational footprint, ESG Ratings results and Sustainability Report. In alignment with the applied procedure, these criteria are embedded in a specified section on tenders' Requests of Proposals (RFP)/ Requests of Quotation (RFQ), and are considered during the technical evaluation conducted.

The overall objective is to select, where possible, environmentally and socially responsible goods from suppliers that are aligned with those principles. Procurement processes are part of the Bank's certified Management Systems in accordance with the international standards ISO 9001, ISO 14001 and ISO 50001. The Bank mainly works with suppliers who operate and are registered or have an office in Greece, promoting and supporting the local economy.

Employee Engagement

Group's employees constitute its greatest asset as far as development and sustainability are concerned. Starting from its recruitment process, the Group aims to establish a long-term and mutually beneficial relationship with every employee. As of 31 December 2022, the Group employed 11,328 (Dec.2021: 11,935) employees of which 5,060 (Dec.2021: 5,275) abroad.

To ensure equal and fair opportunities to all employees, the Group follows several guidelines surrounding Compensation & Benefits, Recruitment, People & Talent Development, Performance Management, Kniship and Health & Safety, Learning, Engagement & Communication. In 2022, the Bank launched three new policies on C-Level Succession Planning, Diversity, Equity & Inclusion and Workplace anti-Violence &anti-Harassment. The Group respects human rights, equal opportunities and diversity vis à vis clients, suppliers and employees, while the Group's objective is to recruit and retain its employees regardless of race, religion, age, gender, sexual orientation or disability. The Group strives to ensure that its workforce reflects the communities in which it operates and the international profile of the organization. The Group recognizes that diversity is a key component of a responsible business strategy in support of its international operations. Related matters mentioned above are also addressed in the 2020 Code of Conduct & Ethics for the Group.

The Group is constantly revising its compensation and benefits policies, taking into account market trends, and aiming to create a competitive offering that will attract, engage and retain its employees, while at the same time complies to all regulatory and legal requirements. As a result, the basic principles of the compensation and benefits framework which ensure alignment between individual objectives and the Group's business strategy, as well as the long-term value creation for the shareholders, are the following:

a) Ensure gender-neutral compensation policies.
b) Safeguard that total reward is sufficient for retaining and attracting executives with high skill and expertise.
c) Ensure internal equity between Business Units.
d) Avoid taking excessive risks, including direct and indirect sustainability risk.
e) Link compensation with long-term performance.

Furthermore, the Bank has set up the Eurobank Group's Occupational Pension Fund, seeking to provide long-term support to all its employees, while committing to strong ESG standards. The establishment of the Occupational Pension Fund (OPF), acting as an additional pillar of a modern Retirement Scheme, allows all Eurobank Group employees to participate on a voluntary basis. Following a written agreement between the employees and the employer, the OPF is set up as a Private Legal Entity to work in tandem and complement the mandatory Public Pension System.

<u>Internal Job Market (IJM)/ Internal Mobility</u>

The Bank focuses on deploying its existing workforce to meet internal staffing needs, according to their qualifications. In this context, the Bank actively promotes equal opportunities for all employees to fully participate in IJM, regardless of role, level and general division. In 2022, 66 Job openings were published in Internal Job Market, 353 internal candidates applied and 40% of job vacancies in Greece were filled internally.

<u>Learning</u>

Building and strengthening professional expertise with updated skills and capabilities, as well as providing modern learning curriculums and methodologies constitute a major priority for the transformation strategy of the Group. The Group's leading Learning Management System offers enhanced self-service capabilities to all employees that boost learner engagement, while redefining and upgrading the knowledge and skills needed in the workplace (reskilling & upskilling). The size of investment in learning for 2022 is reflected briefly in the following indicators:

a) The total number of learning participations reached 369,027, on Group level,
b) The total number of training hours exceeded 790,000 (530,000 hours for employees working in Greece),
c) Over 97% of the learning activity regarding employees working in Greece takes place online or through virtual classrooms.

Upskilling, capitalizing on technology and learning certifications constitute the axes of the strategic learning framework of the Group. More specifically:

a) LinkedIn Learning Solutions: The strategic partnership with LinkedIn Learning allows all Group employees in Greece to access the platform's online learning courses and highlights the Group's actual commitment to addressing current needs of the current era and helping its people further develop their skills. In addition, The Group has extended its partnerships with other internationally recognized learning platforms such as Interskill, Skillsoft, Microsoft LxPand and Pluralsight, offering thousands of courses on cutting-edge technologies.
b) Digital Accelerator: In 2021-2022 the Group implemented an innovative program, in accordance with the European Digital Competence Framework, (DigComp) aiming to upgrade the digital skills of all its employees.
c) Leadership skills: The Group's Top Management and the Heads of the Group's subsidiaries get the latest information from the world of business while, through a series of monthly executive master classes, they get the opportunity to connect and communicate online about the latest trends in strategic leadership transformation. Moreover, the "Remote Work Bootcamp", a blended learning experience to support Managers of the Organization in the new "phygital" era was launched.
d) Anti- money laundering (AML) Virtual Workshops: in collaboration with ICA (Internal Compliance Association), highly practical and interactive workshops, addressing more than 1,200 managers in Retail, Corporate and Private Banking Networks, as well as all AML related central units.
e) "PROSPER – Class of 2022": a customized talent development program aiming to equip our talent pools with future-proof leadership skills and state of the art knowledge and experiences in numerous fields such as ESG, Innovation and Strategy.
f) ESG Thinking: a 3-module digital learning program with the aim to increase awareness on all ESG related matters, as well as familiarize all employees on the Group's strategic priorities around the ESG agenda.

g) Role-specific certification of knowledge and skills: The Group supports its employees acquire all the professional and regulatory certifications required by their role within the organization, offering web-based courses and virtual classes to help them prepare for their certification exams.

To fully meet employees' and the Group's learning needs, the Group implements policies and procedures certified according to the ISO 9001 standard. At the same time and since 2015 the Bank holds, the ACCA Approved Employer (Professional Development Stream) distinction, documenting the high learning standards provided to its employees. Aimed at empowering employees on more demanding roles and enhance leadership capabilities, the Group Human Resources Division designs and implements specialized programs, such as Development & Succession planning, Talent Development & Management, Career Development & Planning, Knowledge & Experience Sharing (mentoring & reverse mentoring).

<u>Talent Management Programme</u>
In 2022 the Bank continued the implementation of the bank-wide Talent Management Programme, aiming at the identification, development, retention and effectively utilization of a robust talent pipeline. A Talent Management policy is being designed and will launch in 2023 to set out the guidelines and process of Talent Management within the Bank and to ensure the talent retention and utilization.

<u>Performance Management</u>
Performance Management in the Group has a transparent, consistent and effective framework concerning continuous improvement of the employees and aligning with the strategic objectives and values of the Group. Its framework translates the Group's strategy into tangible quantitative business goals ("what") for all employees and supports a common culture by driving the Group's organizational capabilities and qualitative competencies ("how") throughout the organization. Performance Management is grounded on two main systems, implemented in Greece & Cyprus. Along with Axiopoio which is the main Performance Management system, the Performance Feedback for Senior Management was launched in 2022 in SAP SuccessFactors, which is based on the 360° Feedback methodology. Both systems have a developmental focus and continuous feedback on their core.

<u>Career Development</u>
Career Development is of great importance for the Group. In this context, in 2022 the Group utilized the Development Plans, giving value to a wide range of functionalities like Learning and Career Development. On that basis, employees can design their personal Development and Improvement Plan being supported by their manager, and through relevant training and development activities, to further develop their skills and behaviors, bolstering their profile to match either their current role or a different one in the future.

<u>C-Level Succession Planning</u>
The Bank's C-Level Succession Planning framework is assessed annually following a structured and comprehensive process, according to the guidelines of the Bank's Nomination and Corporate Governance Committee and the BoD of the Bank. In 2022, the C-Level Succession Planning Policy was launched.

<u>Diversity, Equity & Inclusion</u>
In 2022, the Bank implemented the Women in Banking (WiB) - Leadership Acceleration Program with the aim to empower talented women in the Bank to showcase their unique qualities as leaders and actively participate in shaping a more people-centric culture and inclusive leadership. The program has a 6-month duration, offering valuable knowledge, experiences and skills through mentoring women with successful career paths in the Bank, as well as through interactive learning programs.

WiB Season 1 success was marked by 3 Awards: 1 Gold Award in Women Empowerment Awards, 1 Silver Award in the "Effective Use of Coaching-Mentoring" category in HR Awards and 1 Bronze Award in Gender Equality Awards powered by the Diversity Charter in Greece.

In 2022, the Bank was included in the Bloomberg Gender Equality Index (GEI). This distinction reflects the Bank's commitment to support responsible development without discrimination and its commitment in the application of Diversity, Equity & Inclusion criteria and more generally of ESG in all aspects of the Group's operations.

<u>Improving Employee Experience</u>
The Group, through the investment in the SAP SuccessFactors upgrades the working environment and expands the possibilities of cooperation. As part of the project, the basic technological infrastructure has been enriched with modern applications related to the acquisition of "talent" (talent acquisition) and performance appraisal. The applications of the SAP SuccessFactors platform improve the daily communication in the Group, increase the degree of autonomy and mobility of the users, while managers can monitor and manage their teams. More particularly, the functions are available both from the office space and "smart" devices and the users, among others:

a) Have access, wherever they are, to their personal profiles and contact details of their colleagues,
b) Register and manage with self-service process, license requests and change of personal data,
c) Have access to learning and training planning for themselves and their teams, can attend online courses and connect to online libraries that are available (Learning Management System),
d) Have access to a modern evaluation and continuous feedback application.

Strengthening Dialogue & Information
Employees are systematically kept informed on a series of issues of interest and/ or corporate issues through a variety of means including print, interpersonal and online ways. The Group, through its Intranet Portal named "Connected", provides timely corporate and work-related information to all its employees in Greece. Through intranet, employees can access information on social issues, on physical or virtual visits of the management team, on corporate functions, on interviews given by the Group's management to printed and digital media etc. In 2022 Connected acquired a new interface, in order to meet the needs of the modern era. For the dissemination of the strategy and the two-way communication between the Group's Management and the employees, the program "Breakfasts with the Management" was deployed through digital means with the participation of employees from all Units. In addition, the initiative "Executive Meetings" took place with an extended participation from members of the management team. At the same time, the top management conducted a number of "Virtual Visits" to regional markets throughout Greece, an initiative that started during the pandemic crisis and continues all along, with the aim to strengthen an "open line" of communication with Network employees across Greece, facilitating the exchange of views and the discussion of challenges and opportunities.

Remote Working
In 2022, the Group introduced the new Hybrid Work Model becoming the first banking group in Greece to launch a combination of working at home and working at the office (work @ home | work on premises), on a regular basis, for its staff. Responding to a new, modern, social and labor market reality and capitalizing on the successful experience from deploying remote working at a large scale during the pandemic, the Group announced its new, innovative, remote working policy. The new initiative aims at ensuring its employees' personal life balance while reducing the Group's environmental footprint by limiting transportation of employees and energy consumption.

Recognition and Reward Policy
As part of its Employee Recognition and Reward policy, the Group in 2022 implemented the "Transformation Challenge Box", to enable all employees offer their ideas, proposals, and solutions for all aspects of banking operations, and make their own contribution to the transformation of the Group. The top-3 among a total of 408 original ideas were selected after an internal vote of the employees, as well as a discussion and a vote by the Transformation Operating Committee members. In addition, recognizing long-term loyalty, the Group awards its employees after 15 and 25 years of service. In the last 20 years, the Group has recognized and rewarded over 3,162 secondary and higher education students, through the "Awarding Excellence" initiative. Through this program, the Group is investing in the younger generation and is recognizing the children of employees that have outperformed at their school. The program also covers all Group employees that have undergone and topped in postgraduate degrees during their tenure in the organization. The Group traditionally designs and implements initiatives that support the employees and their families. In 2022, the Group offered 12-month gift vouchers to more than 2,000 children of employees. In a spirit of giving back to our community, the Group has established and supports the "Team Up" initiative. This is an employee volunteerism program that has been up and running since 2018. Until the end of 2022, nearly 900 employees have joined the program (22% higher than 2021). In 2022 11 events have taken place and 705 employees offered more than 3,250 hours of volunteering services.

Support at work - HR4U
The call center "HR4U" supports the employees of the Bank and responds daily at each employee's request, taking all the necessary actions for their best service. In 2022, more than 39,000 requests were seen to HR4U. Topics include a wide range of questions about benefits and programs, as well as urgent needs.

Labour Unions
The Group respects employees' constitutional right to membership in Labour Unions. Six such Unions are currently active within the Bank, representing 86.4% of the staff, i.e. 5,258 employees. The most multitudinous of these Unions is recognized as the official representative Union in labour negotiations with the Bank's Management. All employees of the Bank are employed full-time and covered by collective labour agreements (industry-wide and enterprise-level), while labour relations are regulated by the current laws and the Bank's Statute of Internal Service. Furthermore, the Bank's Management cooperates with the labour unions and supports the scheduled working meetings to strengthen the dialogue and to monitor the developments in the working environment.

Corporate Social Responsibility
Driven by its sense of responsibility and commitment to giving back to society, the Group has made corporate responsibility one of the foundations of its strategic planning, which is directly linked to the UN Sustainable Development Goals (SDGs). Through its corporate responsibility strategy, and responding to the needs of today's ever-changing environment, the Group aims to actively contribute to improving the economy and society where it operates, by adopting responsible practices that promote transparency and business ethics.

The Bank has a solid framework of procedures for the implementation of its Corporate Social Responsibility (CSR) strategy, aiming at maximizing the value created by CSR initiatives and shielding the Organization from the possibility of corruption, conflict of interest and money laundering. The annual Corporate Social Responsibility action plan is approved, as part of the Marketing & Corporate Communication budget formulation process, by the Communication Committee (COMCOM) in which the CEO, the deputy CEOs and the Group General Manager of Marketing & Corporate Communication participate. Finally, all expenses related to sponsorships, donations and other Corporate Social Responsibility actions are subject to approval levels depending on the amount but also the criticality and importance for the Bank and their recipients.

Corporate social responsibility is based on the following pillars:

Education
Education is a key pillar of the Bank's corporate responsibility strategy. In this context, in 2003 the Bank launched Moving Education Forward, according to which awards are provided to high-school graduates across Greece who achieve top marks in the annual national university entrance exams. In the last 20 years it has been running, a total of 21,536 students have been awarded, many of whom have gained recognition in the economic, academic and scientific life of Greece. The Bank awarded 975 top graduates during the 2021-2022 school year.

Supporting the Society
Moving Family Forward is a corporate social responsibility initiative, aiming to address the country's demographic challenge, by providing young families with incentives for taking the decision to have children. It focuses on the eastern borders of Greece - Prefecture of Evros, North Aegean islands and the Dodecanesee and includes collaborations with non-governmental organisations (NGOs) for supporting future and young parents, offering banking products with favourable terms for customers in those areas and a number of actions for setting the demographic challenge higher in the agenda of public dialogue.

The Bank has announced that it will contribute directly and significantly to the long-term initiatives to protect Greek forests from fires and restore the country's natural wealth, which is currently threatened by the new global reality of climate change. In this context, after the devastating wildfires in the summer of 2021 and along with several notable NGOs, The Bank restored the greater area of ancient Olympia by planting trees in the affected forest area. Moreover, the Bank has once more responded to the ever-increasing needs of the National Health System by renovating the Special Respiratory Infections Unit of the Sotiria Thoracic Diseases Hospital of Athens.

In 2022 the Bank supported 50 NGOs and institutions operating across Greece, which mainly support children and vulnerable social groups, with the amount of €280,000. In addition, it has been steadily supporting the important work of the PNOE – Friends of Children's Intensive Care non-profit association, helping it meet its objective, which is to create and equip paediatric Intensive Care Units (ICUs) and to support children hospitalised in ICUs and their parents. In particular, in 2000 the Bank launched the EuroLine card and has since been donating 0.20% of the total value of transactions carried out by EuroLine cardholders to this cause.

Access to financial services for all /Financial inclusion
As part of the EaSI programme for employment and social innovation, the Bank has been working with the Action Finance Initiative (AFI), providing micro-credit facilities (up to €12,500 per individual) to support the long-term unemployed, vulnerable social groups and businesspeople with limited access to bank loans. This way, it offers them the opportunity to create their own job (self-employment) or establish small businesses resulting in the creation of new jobs. In 2022, through the AFI, 107 entities have been provided with credit facilities amounting in total to € 1.22m, with favourable terms, which are guaranteed by the EIF.

Digital literacy and inclusion
The Bank has launched the "Eurobank Digital Academy for Business", a resource hub on digital skills for Greek companies that treat technology as a key enabler, and digital transformation as a growth strategy and a competitive edge. Since 2019, 19 events have been held with 1,685 participations, of which 3 events with 1,023 participants in 2022. In addition, the Bank has created a dedicated hotline for digitally illiterate elder groups who wish to access its digital channels.

Supporting entrepreneurship and innovation
The Bank actively contributes to economic growth and recognises the importance of entrepreneurship as a major lever for the expansion of the Greek economy. It focuses on supporting the extroversion of Greek businesses and encouraging new business initiatives. In this context, the Bank has launched Exportgate, an international trade portal that promotes the business networking of Greek and Cypriot companies worldwide.

In a strategic partnership with Banco Santander for Global Trade, the Bank has joined the "Trade Club Alliance", the first Global Digital Business Interconnection Network, supported by 13 international banking groups. Using artificial intelligence and other technologies, the network connects more than 22,700 businesses in more than 60 countries. All participating banks follow audits to ensure network integrity.

In 2016 the Bank, in partnership with Grant Thornton, established the Growth Awards to award business excellence as a growth lever of the Greek economy. To date, the 6 Growth Awards ceremonies have awarded 38 of the most robust Greek enterprises.

In the area of innovative youth entrepreneurship, the Bank has established the egg-enter•grow•go initiative, a comprehensive business incubation and acceleration programme, in partnership with Corallia. Since 2013 the egg has been continuously helping the Greek startup community to improve its competitiveness within a challenging global market, under 3 main pillars extroversion, financing and business networking. It has been playing a crucial role in shaping the Greek startup scene, boosting innovative entrepreneurship through the egg Start-Up (incubator) and egg Scale-Up (accelerator) platforms. In particular, its business and social footprint includes, among other:

a) More than €12m has been invested in the egg accelerator by the Bank, €3.2m which has been provided by the Bank as financing to 49 egg startups, and €43.4m in equity funding, which has been drawn by 65 businesses,
b) 310 startups which have been created through the egg, 171 startups which have become businesses, 92 of which with a combined turnover of €12m. Specifically, during 2022, 35 startups have been created through the egg and 21 startups have become businesses.

The Corporate Social Responsibility actions are described in the Annual Report 2022 – Business & Sustainability, which is published on www.eurobankholdings.gr.

Actions against corruption and bribery incidents
The Group is committed to pursuing the fundamental values of integrity, transparency and accountability. It is also committed to safeguarding its reputation and client base.

The Group follows best business practices, having accepted and integrated in its culture the ten principles of the UN Global Compact. The 10th principle on Anti-Corruption states that "Businesses should work against corruption in all its forms, including extortion and bribery". The Group has adopted a zero tolerance approach against all types of fraud, including bribery. In accordance with the relevant legislation, the Group prohibits bribery in any form either direct or indirect (through a third party). The principle of zero tolerance applies to all staff and prohibits all forms of bribery, whether active or passive, direct or indirect and is also reflected in contractual documents adopted when entering into relationships with third parties, either natural or legal. The principle of zero tolerance also applies to clients of the Group, as the Organisation for Economic Co-operation and Development (OECD) anti-bribery convention is followed.

In this context, the Group has adopted the following policies and procedures to govern the treatment of bribery and corruption cases encountered:
a) Code of Conduct and Ethics,
b) Anti-Bribery & Corruption Policy (policy statement is posted on the Group's website),
c) Policy for Reporting Unethical Conduct,
d) Management of Sponsorships and Donations.

Recognizing that any involvement in cases of bribery not only constitutes a crime, but also reflects adversely on its reputation and client base, the Group takes the following measures aimed at limiting its exposure to bribery:
a) Setting out a clear approach to deal with the risk of bribery,
b) Establishing a robust system of internal controls that does not tolerate bribery and corruption,
c) Establishing mechanisms for monitoring potential incidents of bribery,
d) Providing confidential reporting mechanisms and encouraging their use by both staff and third parties by providing protection to individuals who report in good faith,
e) Providing ongoing training and briefing to staff on the prevention and identification of bribery and corruption incidents.

Group Compliance is responsible for issuing policies and procedures to combat bribery and corruption cases. Each unit of the Bank is responsible for complying with the existing policies. The Internal Conduct & Ethics Division of Group Compliance carries out risk assessment exercises on anti-bribery and anti-corruption issues and performs specialized monitoring exercises for potential violations. The Forensic Audit Division of Internal Audit investigates all cases of suspected internal fraud / corruption.

Actions against Money Laundering (ML) and Terrorist Financing (TF)
Money Laundering (ML) and Terrorist Financing (TF) activities are threats against the integrity and stability of the international financial system that may cause significant economic losses and reputational damages for the Group. The Group has responsibility towards its customers, shareholders and authorities to conduct business in a lawful and ethical way.

Based on the implementation of the Anti-money laundering/ combating the financing of terrorism and Sanctions Policy (the Policy) the Group aims at achieving the following objectives:
a) Maintaining its integrity, credibility and reputation,
b) Implementing internationally accepted best practices,
c) Implementing and complying with all the legal and regulatory requirements that govern its operations,
d) Ensuring that its business, channels, products and services are not used, intentionally or unintentionally, to facilitate ML and/or TF,
e) Ensuring that sanctions measures and controls assist in applying effectively applicable regulation,
f) Ensuring that adequate processes, systems and controls are in place, up to date and fit for purpose, in order to detect, prevent and deter any activities related to ML/ TF and Sanctions violations.

The requirements set forth in the Policy apply to the Group, including all its staff, all its functions and units, as well as third parties who are given access to Group's information and premises.

The Group's AML/CFT and Sanctions Control Framework has two main components:
a) AML/CFT and Sanctions Program and
b) Governance and Control Framework.

The Group's AML/CFT and Sanctions Control Framework includes policies, guidelines for conducting business activity consistent with legal and regulatory requirements and the AML Compliance Risk Appetite. AML/CFT and Sanctions Governance Structure, determines Roles and Responsibilities that are allocated among the Three Lines of Defense, including the role and responsibilities of the Money Laundering Reporting Officer (MLRO) and Group MLRO, together with ongoing training necessary to support effective execution of their roles and responsibilities.

Related party transactions
In January 2022, an occupational insurance fund ("Institution for occupational retirement provision-occupational insurance fund Eurobank's Group personnel" henceforth "the Fund") was established as a not-for-profit legal entity under Law 4680/2020, for the benefit of the employees of the Company, the Bank and certain other Greek entities of the Group, which constitute the sponsoring employers of the Fund. Accordingly, in line with IAS 24 Related Parties, the Fund is considered to be related party to the Group.

As at 31 December 2022, the Group's outstanding balances of the transactions and the relating net income / expense for 2022 with (a) the key management personnel (KMP) and the entities controlled or jointly controlled by KMP are: compensation €8.8m, receivables €5.7m, liabilities €24m, guarantees received €0.01m, net expense €17.1m, of which €1.9m expense relating with equity settled share based payments, (b) the Fairfax group (excluding Eurolife FFH Insurance Group Holdings S.A., which is also a Group's associate) are: receivables €73.8m, liabilities €116.3m, guarantees issued €2m, net income €8.3m, (c) the associates and joint ventures are: receivables €87.2m, liabilities €209.3m, net expense €66.7m (d) the Fund are: liabilities €1m.

At the same date, the Company's outstanding balances of the transactions and the relating net income / expense for 2022 with (a) KMP are: compensation €0.2m that is referring mainly to KMP services provided by Eurobank S.A. in accordance with the relevant agreement, (b) the Fairfax group refer to receivables and operating income of €0.4m related to financial consulting services, (c) the subsidiaries are: receivables €1,334m, liabilities €0.6m and net income €63.9m and (d) the Group's associate Eurolife FFH Insurance Group Holdings S.A. are: operating income of €0.1m.

All transactions with related parties are entered into the normal course of business and are conducted on an arm's length basis. Further information is provided in the note 45 to the consolidated financial statements and note 19 to the financial statements of the Company.

Corporate Governance Statement
In compliance with the art. 17 of the Law 4706/2020 for the listed companies (effective from 18 July 2021 onwards), which stipulates that listed companies should adopt and implement a corporate governance code, prepared by a recognized and reputable body, and following a relevant resolution of the Board of Directors of Eurobank Holdings on 29 September 2021, Eurobank Holdings has adopted and implements the Hellenic Corporate Governance Code (Code). The Code has been posted on Eurobank Holdings' website (www.eurobankholdings.gr).

The Corporate Governance Statement for the year 2022, attached herewith, is an integral part of the Directors' Report, and outlines how the principles stipulated by the Code were applied, during 2022, to Eurobank Holdings and to Eurobank S.A. (100% subsidiary of Eurobank Holdings).

Georgios Zanias	Fokion Karavias
Chairman	Chief Executive Officer

6 April 2023

APPENDIX[4]

Definition of Alternative Performance Measures (APMs) in accordance with European Securities and Markets Authority (ESMA) guidelines, which are included in the Report of Directors/Financial Statements:

a) **Loans to Deposits ratio:** Loans and advances to customers at amortised cost divided by due to customers at the end of the reported period,
b) **Pre-Provision Income (PPI):** Profit from operations before impairments, provisions and restructuring costs as disclosed in the financial statements for the reported period,
c) **Core income:** The total of net interest income, net banking fee and commission income and income from non banking services,
d) **Core Pre-provision Income (Core PPI):** The core income minus the operating expenses of the reported period,
e) **Net Interest Margin (NIM):** The net interest income of the reported period, annualised and divided by the average balance of continued operations' total assets (the arithmetic average of total assets, excluding those related to discontinued operations', at the end of the reported period, at the end of interim quarters and at the end of the previous period),
f) **Fees and commissions:** The total of net banking fee and commission income and income from non banking services of the reported period,
g) **Fees and commissions over assets ratio:** The Fees and commissions of the reported period divided by the average balance of continued operations' total assets (the arithmetic average of total assets, excluding those related to discontinued operations', at the end of the reported period, at the end of interim quarters and at the end of the previous period),
h) **Income from trading and other activities**: The total of net trading income, gains less losses from investment securities and other income/ (expenses) of the reported period,
i) **Cost to Income ratio:** Total operating expenses divided by total operating income,
j) **Adjusted net profit:** Net profit/loss from continuing operations after deducting restructuring costs, goodwill impairment, gains/losses related to the transformation plan and income tax adjustments,
k) **Non-performing exposures (NPE):** Non Performing Exposures (in compliance with EBA Guidelines) are the Group's material exposures which are more than 90 days past-due or for which the debtor 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 the number of days past due. The NPE, as reported herein, refer to the gross loans at amortised cost except for those that have been classified as held for sale,
l) **NPE ratio:** NPE divided by gross loans and advances to customers at amortised cost at the end of the reported period,
m) **NPE formation:** Net increase/decrease of NPE in the reported period excluding the impact of write offs, sales and other movements,
n) **NPE Coverage ratio:** Impairment allowance for loans and advances to customers and impairment allowance for credit related commitments (off balance sheet items), divided by NPE at the end of the reported period,
o) **Provisions (charge) to average net loans ratio (Cost of Risk):** Impairment losses relating to loans and advances charged in the reported period, annualised and divided by the average balance of loans and advances to customers at amortised cost (the arithmetic average of loans and advances to customers at amortised cost, including those that have been classified as held for sale, at the end of the reported period, at the end of interim quarters and at the end of the previous period),
p) **Return on tangible book value (RoTBV):** Adjusted net profit divided by average tangible book value. Tangible book value is the total equity excluding preference shares, preferred securities and non controlling interests minus intangible assets,

Definition of capital and other selected ratios in accordance with the regulatory framework, which are included in the Report of Directors/Financial Statements:

a) **Total Capital Adequacy ratio:** Total regulatory capital as defined by Regulation (EU) No 575/2013 as in force, based on the transitional rules for the reported period, divided by total Risk Weighted Assets (RWA). The RWA are the Group's assets and off-balance-sheet exposures, weighted according to risk factors based on Regulation (EU) No 575/2013, taking into account credit, market and operational risk,
b) **Common Equity Tier 1 (CET1):** Common Equity Tier I regulatory capital as defined by Regulation (EU) No 575/2013 as in force, based on the transitional rules for the reported period, divided by total RWA,
c) **Fully loaded Common Equity Tier I (CET1):** Common Equity Tier I regulatory capital as defined by Regulation No 575/2013 as in force, without the application of the relevant transitional rules, divided by total RWA,
d) **Liquidity Coverage Ratio (LCR):** The total amount of high quality liquid assets divided by the net liquidity outflows for a 30-day stress period.

[4] Following the significant reduction of the Group's NPE, the APM "Texas ratio" is no longer used as an assets quality metric.

e) **Minimum Requirements for Eligible Own Funds and Eligible Liabilities (MREL) ratio:** The sum of i) total regulatory capital (at Eurobank S.A. consolidated level) as defined by Regulation (EU) No 575/2013 as in force, based on the transitional rules for the reported period and ii) liabilities issued by Eurobank S.A. that meet the MREL-eligibility criteria set out in Regulation (EU) No 575/2013 as in force, divided by RWA.

The following table presents the components of the calculation of the above APMs, which are derived from the Company's consolidated financial statements for the year ended 31 December 2022 and for the year ended 31 December 2021:

Components of Alternative Performance Measures

€ million	**FY 2022**	**FY 2021**
Net Interest Income [(1)]	1,550	1,321
Fees and commissions	543	456
Total Operating income [(2)]	3,135	1,900
Total Operating income, excluding the gain on project "Triangle"[(2)]	2,811	1,904
Total Operating expenses [(3)]	(917)	(876)
Pre-provision income (PPI)[(1)]	2,218	1,024
Pre-provision income (PPI), excluding the gain on project "Triangle"	1,893	1,028
Core Pre-provision income (Core PPI)	1,176	900
Net profit/(loss) from continued operations[(1)]	1,330	327
Gain on project "Triangle" (before tax)	325	-
Gain on project "Triangle" (after tax)	231	-
Restructuring costs, after tax	(75)	(19)
Impairment loss on project "Mexico"	-	(72)
Derecognition gain/(loss) on "Mexico" loans, after tax	-	(5)
Adjusted net profit	1,174	424
Impairment losses relating to loans and advances	(291)	(490)
Impairment losses for loans, excluding the loss on project "Mexico"	(291)	(418)
NPE formation [(6)]	46	44
Non performing exposures (NPE)	2,257	2,775
Due to customers	57,239	53,168
Gross Loans and advances to customers at amortized cost	43,450	40,815
Impairment allowance for loans and advances to customers	(1,626)	(1,872)
Impairment allowance for credit related commitments	(57)	(48)
Due to customers (Greek operations)	39,575	37,016
Gross Loans and advances to customers at amortized cost (Greek operations)	32,812	31,259
Impairment allowance for loans and advances to customers (Greek operations)	(1,332)	(1,606)
Common Equity Tier 1 (CET1)	6,715	5,436
Average balance of continued operations' total assets	80,030	71,677
Average balance of loans and advances to customers at amortized cost [(4)]	40,388	37,826
Average balance of tangible book value [(5)]	5,790	5,139

[(1)] *4Q2022 NIM: Net interest income of the fourth quarter 2022 (€470m), annualised, divided by the average balance of continued operations' total assets (€82,449m). The average balance of continued operations' total assets, has been calculated as the arithmetic average of their balances at the end of the reporting period (31 December 2022: €81,460m) and at the end of interim quarter (30 September 2022: €83,438m).*
[(2)] *International Operations: Operating income: €592m (2021: €492m). Greek operations: Operating income: €2,219m, excluding the gain on project "Triangle" of €325m (2021: €1,412m, excluding the derecognition loss on "Mexico" loans of €5m).*
[(3)] *International Operations: Operating expenses: €273m (2021: €234m). Greek operations: Operating expenses: €645m (2021: €643m).*
[(4)] *The average balance of loans and advances to customers measured at amortized cost, has been calculated as the arithmetic average of their balances at the end of the reporting period (31 December 2022: €41,824m), at the end of interim quarters (30 September 2022: €41,390m, 30 June 2022: €40,513m and 31 March 2022: €39,269m), and at the end of the previous period (31 December 2021 €38,943m).*
[(5)] *The average balance of tangible book value, has been calculated as the arithmetic average of the total equity minus the intangible assets and non controlling interests at the end of the reporting period (31 December 2022: €6,326m), at the end of interim quarters (30 September 2022: €6,038m, 30 June 2022: €5,934m and 31 March 2022: €5,380m) and at the end of the previous period (31 December 2021: €5,270m).*
[(6)] *NPEs formation has been calculated as the decrease of NPE in 2022 (€517m), after deducting the impact of write-offs €292m, sales €275m and other movements (€4m).*

€ = Euro m = million bn = billion

Source of financial Information

The Directors' Report includes financial data and measures as derived from the Company's consolidated financial statements for the year ended 31 December 2022 and for the year ended 31 December 2021, which have been prepared in accordance with International Financial Reporting Standards (IFRS). In addition, it includes information as derived from internal information systems, consistent with the Group's accounting policies, such as the selected financial information for the Group's two main reportable segments a) Greek Operations, which incorporate the business activities originated from the Company, the Bank and the Greek subsidiaries and b) International Operations, which incorporate the business activities originated from the banks and the local subsidiaries operating in Bulgaria, Serbia, Cyprus and Luxembourg (as described at the relevant section on page 4).

CORPORATE GOVERNANCE STATEMENT 2022

1. Adoption of the Hellenic Corporate Governance Code

In compliance with art. 17 of L.4706/2020 for the listed companies (effective from 18.7.2021 onwards), which stipulates that listed companies should adopt and implement a corporate governance code, prepared by a recognized and reputable body, Eurobank Ergasias Services and Holdings S.A. (Company, Eurobank Holdings, Holdings or HoldCo) has adopted and implements the Hellenic Corporate Governance Code (the Code).

The Code is available on Eurobank Holdings' website (https://www.eurobankholdings.gr/en/corporate-governance/corporate-governance-principles/).

Given that the Eurobank Holdings Group (the Group) consists mainly of Eurobank S.A. (Eurobank or Bank) and its subsidiaries (the Eurobank or Bank Group), the present Corporate Governance Statement outlines how the principles stipulated by the Code were applied to both Eurobank Holdings and Eurobank during 2022.

2. Board of Directors[5]

2.1 General

The HoldCo/Bank are managed by their respective Boards of Directors (Board or BoD), which are collectively responsible for their long-term success. The Boards exercise their responsibilities in accordance with the Greek legislation, international best practices and the HoldCo's and the Bank's contractual obligations to the Hellenic Financial Stability Fund (HFSF) under the Tripartite Relationship Framework Agreement (TRFA) signed between the HoldCo, the Bank and the HFSF, as well as with its Articles of Association and the shareholders' General Meeting's legitimate decisions.

The Board's role is to provide entrepreneurial leadership to the Group within a framework of prudent and effective controls which enables risk to be assessed and managed. The Board sets the Group's strategic goals, ensures that the necessary financial and human resources are in place for the Group to pursuit its purpose and reviews management performance. The Board sets the Group's values and standards and ensures that its obligations to its shareholders and others are understood and met. All Directors must act in what they consider to be the best interests of the Group, consistent with their statutory duties.

2.2 Composition of the Board

The members of the Board are elected by the HoldCo's and Eurobank's General Meeting, which determines the exact number of the directors and their term of office, within the limits of the law and of the HoldCo's and Eurobank's Articles of Association and also designates the independent non-executive directors.

The current Boards, as of the date of approval of the here-in Statement, consist of thirteen (13) Directors of whom, four (4) executives, three (3) non-executives, five (5) independent non-executives and one (1) representative of the HFSF, who has been appointed (as non-executive Director) in accordance with relevant legal requirements, as outlined below:

		Eurobank Holdings		Eurobank	
		First appointment	End of Term	First appointment	End of Term
Georgios P. Zanias	Chairperson, Non-Executive Director	Mar. 2019	2024	Mar. 2020	2024
Georgios K. Chryssikos	Vice-Chairperson, Non-Executive Director	Jun. 2014	2024	Mar. 2020	2024
Fokion C. Karavias	Chief Executive Officer	Jun. 2014	2024	Mar. 2020	2024
Stavros E. Ioannou	Deputy Chief Executive Officer	Apr. 2015	2024	Mar. 2020	2024
Konstantinos V. Vassiliou	Deputy Chief Executive Officer	July 2018	2024	Mar. 2020	2024
Andreas D. Athanassopoulos	Deputy Chief Executive Officer	Dec. 2020	2024	Dec. 2020	2024
Bradley Paul L. Martin	Non-Executive Director	Jun. 2014	2024	Mar. 2020	2024
Rajeev K. L. Kakar	Non-Executive Independent Director	July 2018	2024	Mar. 2020	2024
Jawaid A. Mirza	Non-Executive Independent Director	Jun. 2016	2024	Mar. 2020	2024
Alice K. Gregoriadi	Non-Executive Independent Director	Apr. 2020	2024	Apr. 2020	2024
Irene Rouvitha Panou	Non-Executive Independent Director	Apr. 2020	2024	Apr. 2020	2024
Cinzia V. Basile	Non-Executive Independent Director	Dec. 2020	2024	Dec. 2020	2024
Efthymia P. Deli	Non-Executive Director, HFSF Representative	Jan. 2021	2024	Jan. 2021	2024

[5] Information regarding the Board's composition is also included in relevant note of the consolidated accounts of HoldCo and Eurobank respectively

The short CVs of the HoldCo and Eurobank Board members as summarized below are evidence that the Boards' composition reflects the knowledge, skills and experience required for the execution of their duties, in accordance with the Board Nomination Policy and the HoldCo's/Bank's business model and strategy.

It is also noted that the directorships of the HoldCo and Eurobank Board members as at 31.12.2022, are outlined in Section 2.7, "Directorships of Board members".

Georgios Zanias Chairperson, Non-Executive Director Year of birth: 1955 Nationality: Hellenic Number of shares in Eurobank Holdings: -	George P. Zanias joined Eurobank as the Chairman of the Board of Directors in 2019. He is also a Professor of Economics at the Athens University of Economics and Business and a Member of the Boards of the American-Greek Chamber of Commerce and of IOBE. In the past, Mr Zanias has served as the Minister of Finance (2012), Chairman of the Board of Directors of the National Bank of Greece (2012-2015), Chairman of the Board of the Hellenic Banking Association (2012-2015), Member of the Board of the European Banking Federation (2012-2015), Member of the Intitute International d' Etudes Bancaires (2012-2015 and 2019-today), Chairman of the Council of Economic Advisors at the Ministry of Finance (2009-2012), General Secretary of the Ministry of Economy and Finance (2001-2004), Chairman and Scientific Director of the National Economic Institute (KEPE) (1998-2001). He has also served as a Director on the Boards of Hellenic Exchanges (2000-2001), the Public Debt Management Office (PDMA) (2009-2012), General Bank (1997-1998), CHIPITA SA (2015-2019), the European Financial Stability Mechanism (EFSF/ESM) (2010-2012). Also: Member of the Board of Governors of the Black Sea Trade and Development Bank (2003-2004), Alternate Governor of the Board of Governors of EBRD (2002-2004), Member of the European Securities Committee (2001-2002), Member of the Monetary Policy Committee of the Bank of Greece (May-July 2012), Chairman of the Board of Directors of Piraeus Real Estate SA and Picar SA (2017-2019), Vice Chairman of the Board of ETVA Industrial Zone SA (2018-2019). He holds a Doctorate from Oxford University, an M.Sc. for the University of Reading and a B.Sc. from the Athens University of Economics and Business.
George Chryssikos Vice Chairman, Non-Executive Director of the BoD Membership in Board Committees: <u>Remuneration Committee</u> – Member Year of birth: 1972 Nationality: Hellenic Number of shares in Eurobank Holdings: 2.880.000	Mr. Chryssikos is the Founder and Managing Partner of Grivalia Management Company SA and also serves as Chairman & CEO of Grivalia Hospitality. In the past, Mr. Chryssikos had also the following significant posts: Non-Executive Director of the BoD, MYTILINEOS (2017-2019), Member of the BoD, Praktiker Hellas (2014-2019), Member of the BoD and General Secretary, British Hellenic Chamber of Commerce (2014-2017), CEO, Executive Director of the BoD and Chairman of the Investment Committee, Grivalia Properties REIC (2013-2019), Non-Executive Director of the BoD, Lamda Hellix (2013-2017), General Manager, Executive Director of the BoD and Chairman of the Investment Committee, Grivalia Properties REIC (2008), Investment Manager and Member of the Investment Committee, Grivalia Properties REIC (2006). He holds an MBA in Corporate Finance & Strategy from the Columbia Business School, USA, an MSc in Engineering & Construction Management from UC Berkeley, USA, as well as a MEng in Civil Engineering from the National Technical University of Athens.
Fokion Karavias Chief Executive Officer (CEO) Year of birth: 1964 Nationality: Hellenic Number of shares in Eurobank Holdings: 7.569	Mr. Karavias joined Eurobank in 1997 and served, inter alia, as Senior General Manager, Group Corporate & Investment Banking, Capital Markets & Wealth Management (2014-2015) and Executive Committee Member (2014-2015), General Manager and Executive Committee Member (2005-2013), Deputy General Manager and Treasurer (2002-2005), Head of fixed income and derivative product trading (1997). In the past, Mr. Karavias had also the following significant posts: Treasurer of Telesis Investment Bank (2000), Head of fixed income products and derivatives in Greece of Citibank, Athens (1994) and has also worked in the Market Risk Management Division of JPMorgan NY (1991). He holds a PhD in Chemical Engineering from the University of Pennsylvania, Philadelphia, USA and an MA in Chemical Engineering from the same university, as well as a Diploma in Chemical Engineering from the National Technical University of Athens. He has published articles on topics related to his academic research.

Stavros Ioannou Deputy Chief Executive Officer (CEO), Group Chief Operating Officer (COO) & International Activities Membership in Board Committees: Board Digital and Transformation Committee - Member Year of birth: 1961 Nationality: Hellenic Number of shares in Eurobank Holdings: 1.528	Mr. Ioannou holds several other posts in the Eurobank Group as member of the BoD of Eurobank Direktna AD, Serbia (since November 2010), Eurobank Bulgaria AD (since October 2015), Vice-Chairman in Eurobank Cyprus Ltd (since November 2022) and is also the Chairman of the BoD, BE-Business Exchanges SA (since January 2014). He has also been appointed as the responsible BoD member of Eurobank Holdings and Eurobank for climate-related and environmental risks and for the outsourcing function He is currently Non-Executive Board member of Grivalia Management Company S.A. (since September 2019). In the past, Mr. Ioannou had also the following significant posts: Chairman of the Executive Committee in the Hellenic Banking Association (2020-2022) where he had been member since 2013, Vice Chairman at Cardlink SA (2013-2015), Member of the BoD in Millennium Bank, responsible for Retail, Private Banking and Business Banking (2003), Head at Barclays Bank PLC, responsible for Retail Banking, Private Banking and Operations (1990-1997). He holds an MA in Banking and Finance from the University of Wales, UK and a Bachelor Degree in Business Administration from the University of Piraeus.
Kostas Vassiliou Deputy Chief Executive Officer (CEO), Head of Corporate & Investment Banking Year of birth: 1972 Nationality: Hellenic Number of shares in Eurobank Holdings: -	Mr. Vassiliou holds several other posts in the Eurobank Group as Chairman of the BoD of Eurobank Factors Single Member SA (since December 2018), Member of the BoD of Eurobank Equities Single Member SA (since March 2015). He also serves as Vice-Chairman of the BoD of Eurolife FFH Insurance Group Holdings SA (since January 2021), Eurolife FFH Life Insurance SA (since December 2020) and Eurolife FFH General Insurance SA (since December 2020). In the past, Mr. Vassiliou had also the following significant posts: Country Manager for Greece, Cyprus and the Balkans, Mitsubishi UFJ Financial Group, London (2000-2005) and Senior Relationship Manager, Mitsubishi UFJ Financial Group, London (1998-2000). He holds an MBA from Boston University, USA and a BA in Business Administration from the Athens University of Economics and Business.
Andreas Athanasopoulos Deputy Chief Executive Officer, Group Chief Transformation Officer, Digital & Retail Membership in Board Committees: Board Digital and Transformation Committee - Member Year of birth: 1966 Nationality: Hellenic Number of shares in Eurobank Holdings: -	In the past, Mr. Athanassopoulos had the following significant posts: Group Chief Customer Officer & CEO Financial services, Dixons Carphone, UK (2018-2020), CEO and Vice President, Dixons Carphone, Greece (Kotsovolos) (2013-2018), General Manager Retail Banking, National Bank of Greece (2008-2013), Chairman of NBG Asset Management (2011-2013), Deputy General Manager Small Business Banking, Eurobank (Greece & New Europe) (2003-2008), Consumer Credit Director, Piraeus Bank (Greece) (2000-2003). He holds a Postdoc on Decision Sciences from the London Business School, UK, a PhD in Industrial and Business Studies from the University of Warwick, UK, an MSc in Statistics and Operational Research from the University of Essex, UK, a BSc in Applied Mathematics from the University of Patras, Greece. He has also served as a Professor in Financial Services of the Athens Graduate School of Business (ALBA) (1997-2001) and a Senior Lecturer of the Warwick Business School, UK (1992-1996) and has published 35 scholarly reviewed papers in top rated academic journals.
Alice Gregoriadi Independent Non-Executive Director Membership in Board Committees: Board Risk Committee – Member Remuneration Committee – Member Board Digital and Transformation Committee – Chairwoman Year of birth: 1968 Nationality: Hellenic Number of shares in Eurobank Holdings: -	In the past, Mrs. Gregoriadi had also the following significant posts: Hellenic Corporation of Assets & Participations (HCAP), Greece, Non-Executive Board member, Audit Committee member, Corporate Governance and Nominations Committee member (February 2017 – February 2021), JPMorgan, London, UK, various posts as Managing Director (February 2010 – May 2015), IBOS Board Director (April 2010 – August 2014), ABN Amro Bank, Amsterdam, Netherlands & London, UK, various posts as Managing / Executive Director (November 2001 – December 2009), Citibank NA, London, UK, various Senior Executive Director posts (February 1994 – August 2001), Clearing House Automated Payments System (CHAPS), UK, Board Director (June 1997 – July 2000). She holds an MBA from the Manchester Business School, UK (1991-1993), including an MBA international exchange program from the E.J.Cox School of Management, Texas, USA – (1992), an Executive Certification on Blockchain for business from University College London (2019), an Executive Certification on eCommerce from the Darden School of Business, Virginia University, USA (2000) and a BSc in Business Administration from the The American College, Athens, (1987-1990).

Rajeev Kakar Independent Non-Executive Director Membership in Board Committees: Audit Committee – Member Board Risk Committee – Chairman Nomination & Corporate Governance Committee – Member Board Digital and Transformation Committee – Vice Chairman Year of birth: 1963 Nationality: Indian Number of shares in Eurobank Holdings: -	Mr. Kakar is a senior international banker with 35 years of financial services experience, and currently also serves as a board member of several Financial Institutions- including Commercial International Bank (Egypt), Gulf International Bank Group Board (Bahrain), Gulf International Bank (Saudi Arabia), UTI Asset Management Company Ltd. (India), and is also a Global Advisory Board member at the University of Chicago's Booth School of Business. In the past Mr. Kakar has also served as board member on several international financial institutions/bank boards - eg., as Board Member of Visa International CEEMEA (United Kingdom 2004-2006), Chairman of the BoD, Fullerton Securities & Wealth Advisors (New Delhi, India 2008-2017), board Member of Fullerton India Credit Company (India 2009-2017), Member of the Board of Commissioners, Adira Dinamika Multi Finance Tbk, subsidiary of Bank Danamon (Indonesia 2010-2013), etc. Between 2006-2018, Mr. Kakar served as the Global Co-Founder of Fullerton Financial Holdings (Singapore) - a wholly owned subsidiary of Temasek Holdings, Singapore. In this role, he also concurrently served as Fullerton's Global CEO of Consumer Banking, Regional CEO for Central Europe, Middle East and Africa, and also as the Founder, Managing Director and CEO of Dunia Finance (Fullerton's UAE subsidiary). Prior to 2016, he was at Citibank for 20 years working across various countries and held various senior management positions, including, his most recent Citibank assignment where he served as the Regional CEO & Division Executive for Citibank-Turkey, Middle East and Africa until Jan 2006. Mr. Kakar holds an MBA, Finance & Marketing from the Indian Institute of Management, Ahmedabad (India) and a Bachelor of Technology, Mechanical Engineering from the Indian Institute of Technology (India).
Bradley Paul Martin Non-Executive Director Membership in Board Committees: Board Risk Committee – Member Nomination & Corporate Governance Committee – Vice Chairman Year of birth: 1959 Nationality: Canadian Number of shares in Eurobank Holdings: 122.500	Mr. Martin also serves as a Vice Chairman in Strategic Investments of the Fairfax Financial Holdings, where he has been a senior executive since 1998. In the past Mr. Martin has also served as: Member of the BoD, Bank of Ireland (2013-2017), Chief Operating Officer (COO), Fairfax Financial Holdings (2006-2012) and Partner, Torys LLP law firm (before 1998). He holds a BA from Harvard University, USA and an LLB from the University of Toronto, Canada.
Jawaid Mirza Independent Non-Executive Director Membership in Board Committees: Audit Committee – Chairman Nomination & Corporate Governance Committee – Member Board Digital and Transformation Committee – Member Remuneration Committee – Vice Chairman Year of birth: 1958 Nationality: Canadian Number of shares in Eurobank Holdings: -	Mr Mirza is a strong proponent and practitioner of international corporate governance and brings with him over 35 years of diversified experience and a solid track record in all facets of financial and risk management, technology, mergers and acquisitions, business turnarounds and operation management. In the past, Mr Mirza was also the lead Director with Commercial International Bank of Egypt, as well as Independent Non-Executive Director with South Africa Bank of Athens (Johannesburg). He also served Commercial Bank of Egypt (CIB) as Managing Director & CEO of Consumer Banking and Group COO. Over the years, Mr Mirza has worked with global institutions like Citibank and ABN AMRO Bank Ltd where he held several senior positions as CFO European Region, Managing Director and Chief Operating Officer for Global Private Banking, Asset Management and New Growth Markets, Chief Financial Officer for Asian region including Australia/New Zealand and Middle East. Mr Mirza led several due diligences for acquiring banks in Europe, Asia, and Latin America. Mr Mirza was also a member of the Top Executive Group (TEG) of ABN AMRO Bank as well as member of the Group Finance and Group COO Board. Mr Mirza also serves as Non-Executive Independent Director of AGT Food & Ingredients (Canada), IDRF (Canada). Mr Mirza holds various business management courses from reputable institutions like Queens Business school, Wharton Business school, Stanford Graduate School of Business and is also a member of the Institute of Corporate Directors, Canada.

Irene Rouvitha Panou Independent Non-Executive Director Membership in Board Committees: Nomination & Corporate Governance Committee – Chairwoman Audit Committee – Vice Chairwoman Year of birth: 1958 Nationality: Cypriot Number of shares in Eurobank Holdings: -	Mrs. Rouvitha Panou is Trustee of UK-based Stelios Philanthropic Foundation (since May 2022) and Member of the Advisory Council of The School of Economics and Management at the University of Cyprus (since May 2020). In the past, she had the following significant posts: Chair of the Board of Cyta (Cyprus' leading integrated electronic communications provider) for two consecutive tenures (July 2016-July 2021), Chair of the Pensions & Grants Fund of the Personnel of Cyta (January 2019-July 2021), Board member of The Cyprus Employers and Industrialists Federation (May 2020-July 2021) and of Vassiliko cement public company in Cyprus, where she was Member of the Board Audit Committee (February 2012-October 2014), Independent Non-Executive Director of Alpha Bank Group subsidiaries (Alpha Bank Romania, Alpha Bank Cyprus, Alpha Leasing in Greece), where she was Chair/Member of the Board Audit, Risk and Remuneration Committees (November 2014-April 2020). She was Chair of the Board of The Cyprus Development Bank following the Bank's privatisation (September 2008-April 2014). She worked at Laiki Group (HSBC associate bank) (October 1991-November 2006) where she was, among others, Group General Manager (January 2000-November 2006) and Managing Director of Laiki Bank Hellas SA (April 2002-November 2006), also serving as Director on the Boards of Laiki Group and its subsidiaries in Greece and Australia. She held senior positions in the field of management and financial services consulting based in Boston, USA (June 1994-September 1991). She graduated from the London School of Economics, UK (B.Sc. Economics, Metcalfe Scholar) and continued with postgraduate studies at University of Cambridge, UK (M.Phil. Economics) and the Massachusetts Institute of Technology, USA (Master of Science in Management, Fulbright Scholar).
Cinzia Basile Independent Non-Executive Director Membership in Board Committees: Board Risk Committee – Vice Chairwoman Remuneration Committee – Chairwoman Year of birth: 1971 Nationality: Italian Number of shares in Eurobank Holdings: -	In the past, Mrs. Basile had also the following significant posts: she set up and ran Credit Suisse AG's Investment Bank multi-asset investment management business (Custom Markets) in the UK, Ireland and Luxembourg, Non-Executive Member of the BoD and Chair of the Operating and Risk Committee of Credit Suisse Custom Markets, a sponsored management company of Credit Suisse located Luxembourg (August 2011 – August 2017), Non-Executive Member of the BoD and Chair of the Operating of Custom Markets plc and Custom Markets QIAF, sponsored management companies of Credit Suisse located in Ireland (August 2011 – August 2017), Non-Executive Member of the BoD and Chair of the Operating and Risk Committee of Custom Markets QIAF a subsidiary of Credit Suisse located in Ireland (August 2011 – August 2017). She holds a Juris Doctor Degree from the University of Rome "La Sapienza", Italy and she was awarded a Thesis Scholarship (derivative instruments), London School of Economics, UK.
Efthymia Deli Non-Executive Director, Representative of the Hellenic Financial Stability Fund under Law 3864/2010 Membership in Board Committees: Audit Committee – Member Board Risk Committee – Member Remuneration Committee – Member Nomination & Corporate Governance Committee – Member Board Digital and Transformation Committee – Member Year of birth: 1969 Nationality: Greek Number of shares in Eurobank Holdings: -	In the past, Mrs. Deli had also the following significant posts: Project Management Office, New Hellenic Postbank (merged with Eurobank Ergasias) (January 2014 – August 2015), Deputy General Manager at Hellenic Postbank (February 2012 – December 2013), Interim Chief Executive Officer (CEO) at T Bank (former Aspis Bank) (July 2011 – December 2011), Deputy General Manager at Hellenic Postbank (March 2008 – July 2011), Director, Strategic Analysis Division, (Marfin) Egnatia Bank (September 2004 – March 2008), Director, Customer Relationship Management Division, Egnatia Bank (May 2002 – September 2004), Senior Advisor to the Management, Strategic Planning and Economic Research Division, National Bank of Greece (1999 – March 2002). She holds a MSc in Analysis, Design and Management Information Systems (MIS) from the London School of Economics and Political Science (LSE), UK and a BSc in Statistics from the Athens University of Economics and Business.

The short CV of the Secretary to the BoD is the following:

Ioannis Chadolias Secretary to the BoD, Head of Group Company Secretariat Sector Secretary to the following Board Committees: Remuneration Committee Nomination & Corporate Governance Committee Board Digital and Transformation Committee Year of birth: 1970 Nationality: Hellenic Number of shares: 8.216	Mr. Chadolias is responsible to provide effective company secretarial support to the Board and Board Committees of Eurobank and Eurobank Holdings as well as to their most important Executive Committees, and to safeguard the integrity of the corporate governance framework of these companies. Mr. Chadolias has served within Eurobank Group as Deputy Company Secretary (September 2016 – January 2021), Head of Group Corporate Governance Division (September 2009 – August 2016) and Subsidiaries Control and Compliance Manager (December 2006 – September 2009). He holds a Master of Science (MSc) in Project Analysis, Finance and Investment from the University of York (United Kingdom), a Bachelor Degree in Economics from the Economic University of Athens (Greece) and several professional qualifications.

There are no restrictions in the re-election and cessation of Directors in the HoldCo's and Eurobank's Articles of Association. In all cases of members whose membership has lapsed, the Board is entitled to continue the management and representation of the HoldCo and Eurobank, without being obliged to replace the lapsed members, provided that the number of the remaining members exceeds half of the number of the members prior to the event that led to the lapse of their membership and, in any case, is not less than three (3).

According to the HoldCo's and Eurobank's Articles of Association, in compliance with Law 4548/2018, the Board may consist of three (3) to fifteen (15) members, while, under the TRFA, this range has been specifically set to be between seven (7) and fifteen (15) members (including the representative of the HFSF). In addition, according to the TRFA, (a) the number of the Board's members must always be odd, (b) the majority of the directors must be non-executive members with at least half of the non-executive members (rounded to the nearest integer) and in any case not less than three (3) (excluding the representative of the HFSF), being independent non-executive members, in accordance with the provisions of Law 4706/2020 on corporate governance, the European Commission Recommendation 2005/162/EC and the Joint ESMA and EBA Guidelines on the "Assessment of the suitability of members of the management body and key function holders" (EBA/GL/2021/06) and (c) the Board should include at least two (2) executive members. For 2022, the NomCo at its meetings held on 24.5.2022 and 14.12.2022 reviewed the independence criteria set out above and concluded that the five Independent Non-Executive Members continue to meet the relevant independence criteria. For any differentiations from TRFA's provisions the HFSF's prior consent should be received. Furthermore, according to the HFSF corporate governance review criteria developed as per the relevant provisions of Law 3864/2010, the target size of the Board should be up to thirteen (13) members.

2.3 HFSF and Tripartite Relationship Framework Agreement (TRFA)

The first economic adjustment programme for Greece required the establishment of the HFSF, funded by the Greek government out of the resources made available by the IMF and the EU, to ensure adequate capitalisation of the Greek banking system. The HFSF was established in July 2010 and its duration, originally set until 30 June 2017, was repeatedly extended until 31 December 2025.

In Eurobank's case, the support provided to it by the HFSF was through the issuance of new ordinary shares covered entirely by the HFSF with the contribution of bonds issued by the EFSF and owned by the HFSF, as resolved by the Eurobank's Extraordinary General meeting on 30 April 2013.

Reflecting the HFSF's status as a shareholder of Eurobank Holdings (it currently owns 1.4% of Eurobank Holdings' shares), and following the completion of the demerger, Eurobank Holdings, the Bank and the HFSF are parties to a Tripartite Relationship Framework Agreement (TRFA) signed on 23 March 2020 and amended on 3 February 2022. The TRFA allows the HFSF to enforce against the Bank all the rights which it had against the former Eurobank Ergasias S.A. under an earlier Relationship Framework Agreement (RFA) between it and Eurobank Ergasias S.A.

Accordingly, the TRFA, among other matters, specifies the way HFSF's rights, as derived from the provisions of Law 3864/2010 ("HFSF Law"), were to be implemented, in particular on issues relating to the corporate governance of Eurobank Holdings and the Bank and the implementation of the Bank's NPEs management framework.

However, the HFSF Law has been amended by the Law 4941/2022 (Government Gazette A'113/16.06.2022) and a number of provisions of the TRFA either do not arise from the HFSF Law or directly contradict with it, therefore the TRFA has become out of date.

In particular, under the current HFSF Law as amended by Law 4941/2022, the HFSF no longer has the right to carry out evaluations of Eurobank Holdings and the Bank's corporate governance framework or the right to establish evaluation criteria for their Board members. In addition, the HFSF representative no longer has the right to convene a General Assembly or to approve the CFO or to veto any resolution of the Board which may jeopardise depositors' interests or materially affect liquidity, solvency or, in general, the prudent and orderly operation of Eurobank Holdings and the Bank. Moreover, the facilitation of the management of the Bank's NPEs has also been removed from the remit of the HFSF which has been modified in such a way as to explicitly and visibly envisage the effective disposal of the shares it owns in Eurobank Holdings, based on a divestment strategy, with a specific time horizon until 31 December 2025.

However, under the current HFSF Law, the HFSF has the right to appoint one Director to the Board and this representative has the right to veto any Board resolutions relating to corporate changes that can significantly affect HFSF's participation to Eurobank Holdings share capital (anti-dilution protection). Regarding the right of the HFSF's representative to veto any Board resolution related to dividend distributions or the remuneration policy and proposed bonuses to Board members and General Managers or their deputies, the current HFSF Law provides that this is applicable to credit institutions whose ratio of non-performing loans to total loans exceeds 10%. It is noted that in Eurobank's case, this ratio stands at 5.6% (Source: Press Release of Financial Results for the Nine Months of 2022).

Moreover, the representative of the HFSF has the right to request Eurobank Holdings or the Bank's Board to be convened or any Board meeting to be adjourned for up to 3 business days.

2.4 Division of responsibilities

There is a clear division of responsibilities at the head of the HoldCo and the Bank between the proper operation of the Board, attributed to the Chairperson, and the day-to-day management and control of the HoldCo's and the Bank's business, attributed to the Chief Executive Officer (CEO) and the Deputy CEOs. The roles of Chairperson and CEO are not exercised by the same person.

Chairperson
The Chairperson of the HoldCo's/Bank's Board is a Non-Executive Director and does not serve as Chairperson of either the Risk or Audit Committees. The Chairperson, who is elected unanimously by all the Board members (including the Independent Non-Executives) as per the L. 4548/2018 and the Articles of Association, chairs the Board and is responsible for the overall effective and efficient operation and organization of its meetings.

The Chairperson is responsible to:

- organize and coordinate the work of the Board
- set the Board's agenda and ensure that adequate time is available for discussion of all agenda items, in particular strategic issues
- promote a culture of open-mindedness and constructive dialogue
- facilitate and promote the establishment of good and constructive relationships between the members of the Board and the effective contribution of all non-executive members
- ensure that the Directors receive accurate, timely and clear information and that their developmental needs are met, with the view of enhancing the effectiveness of the Board as a team
- ensure continuous and clear communication with the representatives of the Ministry of Finance, the BoG, the HFSF and of other public authorities
- ensure that the Board as a whole has a satisfactory understanding of the views of the shareholders
- ensure effective communication with all shareholders as well as the fair and equitable treatment of their interests and the development of constructive dialogue with them in order to understand their positions
- work closely with the CEO and Corporate Secretary to prepare the BoD and to fully inform its members

The Board has also elected a Vice-Chairperson. The Vice-Chairperson who is a Non-executive Director, supports the Chair and acts as a liaison between the Chair and the members of the Board.

It is noted that the Board has not appointed a Senior Independent Director.

CEO
The HoldCo's/Bank's CEO is accountable for and manages strategy development and implementation in line with the vision of the Group. He is responsible for leading the organisation to the achievement of its objectives.

Executive Directors
The HoldCo/Bank's Executive Directors (i.e. the HoldCo's/Bank's CEO and Deputy CEOs) have responsibilities for the day-to-day management and control of the Group and the implementation of its strategy defined by the Board. In addition, the HoldCo's/Bank's Executive Directors are responsible to a) consult regularly with the non-Executive Directors on the appropriateness of the implemented strategy, b) to provide updates to the Board (in collaboration with the other senior managers of the HoldCo/Bank) regarding the market and any other developments that affect the HoldCo/Bank and c) inform the Board without delay in writing, either jointly or separately, by submitting a report with their estimates and proposals, of situations of crises or risks that are expected to influence the financial situation of the HoldCo/Bank.

The HoldCo's/Bank's CEO and Deputy CEOs exercise their responsibilities as these are defined in the HoldCo's and Bank's Internal Governance Control Manuals (IGCMs) which are approved by the respective HoldCo's/Bank's Board. The HoldCo and Bank IGCMs which meet the legal and regulatory requirements on corporate governance issues, describe the overall framework by which Eurobank Holdings and Bank are directed and controlled.

Non-Executive Directors
The non-Executive Directors are responsible for the overall promotion and safeguarding of the HoldCo's and the Bank's interests. In addition, the non-Executive Directors monitor and examine the strategy and its implementation, as well as the achievement of the objectives, ensure effective supervision of the executive members, including monitoring and control of their performance, examine and express opinions on the proposals submitted by the Executive Directors on the basis of existing information and approve, revise and oversee the implementation of the remuneration policy at Group level.

The non-Executive Directors may request, in accordance with HoldCo's/Bank's established, internal procedures, to contact the executives of the company's senior management through regular presentations by the heads of departments and services.

The non-Executive Directors meet at least annually, or exceptionally when judged appropriate without the presence of executive members in order to discuss the performance of the latter. At these meetings the non-Executive Directors do not act as a de facto body or a committee of the Board. In 2022, the HoldCo's/Bank's non-Executive Directors had scheduled to meet twice, on 30.06.2022 and 15.12.2022, however the meeting on 15.12.2022 took place on 26.01.2023 due to the tight schedule of the quarterly Board and Board Committees' meetings in December 2022.

The HoldCo and the Bank encourage the non-executive Directors to take care of their information regarding all the issues that the respective Board deals with.

The Independent non-Executive Directors have the duty, to submit, each one of them or jointly, to the Annual or Extraordinary General Meeting of Shareholders, their own reports other than those of the Board.

2.5 Operation of the Board

The way that the Board operates, including the manner in which it meets and takes decisions and the procedures it follows, taking into account the relevant provisions of the HoldCo's/Bank's Articles of Association and the mandatory legal provisions, is described in the HoldCo's/Bank's IGCM, which is approved by the respective HoldCo's/Bank's Board and is drawn up in compliance with legal and regulatory requirements on corporate governance issues.

Board Meetings
The Board meets regularly every quarter and on an ad hoc basis, whenever the law or the HoldCo's and the Bank's needs necessitate it. For each calendar year and within the 3rd Quarter of the preceding year, the Board adopts an annual calendar of Board and Board Committees meetings and an annual action plan, which is revised according to the developments and needs, in order to ensure the correct, complete and timely fulfilment of its tasks, as well as the examination of all matters on which it takes decisions. All updates / amendments in the adopted annual calendar of Board and Board Committees are promptly communicated to Board and Board Committees' members so that they make the necessary planning.

The Board meetings take place given at least two (2) business days' notice or at least five (5) business days' notice, if a specific meeting is held outside the HoldCo/Bank's registered office, as per Company Law 4548/2018 provisions. The invitation must also mention with clarity the agenda subjects, otherwise a decision is taken only when all members of the Board are present or represented and nobody objects to the convocation of the meeting and to the taking of decisions. Submissions to the Board are normally circulated together with the agenda.

In addition, according to the TRFA provisions the Board informs the HFSF Representative and the Observer on the activities and the decisions of the Board and to that end it shall notify to them the agenda together with the relevant supporting material at least three (3) business days prior to the Board meeting, otherwise, unless an emergency case unforeseeable by the HoldCo/Bank exists, the HFSF Representative is entitled to request a postponement of the Board meeting which shall be resumed the earliest after three (3) business days, provided that the aforementioned documents are provided to him/her on time. In case where an item on the agenda requires, as per TRFA provisions, the prior HFSF consent, the HoldCo/Bank should not submit it for approval to the Board before HFSF consent is granted, unless otherwise agreed between the HoldCo/Bank and the HFSF. For urgent matters, the Board may approve matters subject to subsequent HFSF consent.

Dissemination of Information
The Board utilises technological tools with the necessary security specifications for real-time information and facilitates the connection and information of members.

The CEO and senior management shall ensure that any information necessary for the performance of the duties of the members of the Board is available to them at any time.

Quorum in the Board Meetings
The Board is considered to be in quorum and meets validly when at least half plus one of its members are present or represented. The number of the present or represented members is not allowed to be less than three (3). For defining the quorum any resulting fraction is omitted. Decisions of the Board are taken by absolute majority of the Directors that are present or represented. In case of parity of votes, the vote of the Chairperson of the Board does not prevail.

Board Decisions and Minutes
Decisions are taken following discussions which exhaust the agenda items to the satisfaction of all members present. Board meetings minutes are kept by the Company Secretary of the Board, are approved at subsequent Board meetings and signed by all members present. Finally, the drawing up and signing of minutes by all the members of the Board or their representatives is equal to a decision of the Board, even if no meeting has preceded.

Company Secretary
The HoldCo's/Bank's Board is supported by a competent, qualified and experienced Company Secretary in order to comply with internal procedures and policies, relevant laws and regulations and to operate effectively and efficiently. The HoldCo's/Bank's Company Secretary is a senior management officer who is appointed and dismissed by the Board on the proposal of the Chair.

The Company Secretary is the head of the Group Company Secretariat which is a sector of the Bank. Among others, the Company Secretary is responsible, in consultation with the Chair, for ensuring immediate, clear and complete information of the Board and Board Committees, the inclusion of new members, the organisation of General Meetings of Shareholders, the facilitation of communication of shareholders with the Board and the facilitation of communication of the Board with senior management.

In addition, the Company Secretary is responsible for advising the Board through the Chairperson on all governance matters and ensuring that the Board procedures are complied with.

All members should have access to the advice and services of the Company Secretary, who is responsible to facilitate their induction and assist them with their professional development.

2.6 Attendance of Board members in the Board and Board Committees

In accordance with HoldCo's and Bank's Board and Board Committees' Attendance Policy, the Board members are expected to attend all Board and Board Committees' meetings to which they are appointed.

It is accepted, though, that the Board members may be unable to attend some meetings due to conflicts with other commitments or other unforeseen circumstances. In this context, a mandatory minimum attendance of not less than 85% for each member should be achieved every calendar year. Individual meetings up to 15% can be missed only if a valid excuse is provided.

In addition, according to L. 4706/2020, in case of unjustified absence of a Board member in at least two (2) consecutive meetings of the Board, this member shall be considered as resigned. This resignation is established by a decision of the Board, which replaces the member, in accordance with the procedure provided by the Law.

During 2022 the average Directors' of HoldCo and Eurobank Board attendance was as follows:

Company	Meetings		Average ratio of Directors' attendance	
	2022	2021	2022	2021
HoldCo	20	19	99.6%	99.6%
Bank	21	20	98%	99%

During 2022, at individual level, the attendance of all the Directors to the Board, stood above the 85% threshold. Moreover, in all the cases of missed Board attendances in the period, representation proxies have been provided, leading to an overall attendance (physical and under representation) of 100%.

In particular, the Directors' attendance rates at the Board meetings in 2022 were the following:

	Eurobank Holdings Board			Eurobank Board		
	Eligible to attend	Attended in person (# and %)		Eligible to attend	Attended in person (# and %)	
Georgios Zanias, *Chairperson, Non-Executive Director*	20	20	100%	21	21	100%
Georgios Chryssikos, *Vice-Chairperson, Non-Executive Director*	20	20	100%	21	21	100%
Fokion Karavias, *Chief Executive Officer*[1]	20	20	100%	21	19	90%
Stavros Ioannou, *Deputy Chief Executive Officer*	20	20	100%	21	21	100%
Konstantinos Vassiliou, *Deputy Chief Executive Officer*	20	20	100%	21	21	100%
Andreas Athanassopoulos, *Deputy Chief Executive Officer*	20	20	100%	21	21	100%
Bradley Paul Martin, *Non-Executive Director*	20	20	100%	21	21	100%
Rajeev Kakar, *Non-Executive Independent Director*[2]	20	19	95%	21	19	90%
Jawaid Mirza, *Non-Executive Independent Director*	20	20	100%	21	21	100%
Alice Gregoriadi, *Non-Executive Independent Director*	20	20	100%	21	21	100%
Irene Rouvitha Panou, *Non-Executive Independent Director*[1]	20	20	100%	21	20	95%
Cinzia Basile, *Non-Executive Independent Director*	20	20	100%	21	21	100%
Efthymia Deli, *Non-Executive Director, HFSF Representative*	20	20	100%	21	21	100%

[1] Mr. Fokion Karavias and Mrs. Irene Rouvitha Panou provided representation proxies for the missed meetings in Eurobank
[2] Mr. Rajeev Kakar provided representation proxies for the missed meetings in Eurobank Holdings and Eurobank

The average Director's attendance rates to HoldCo's and Eurobank's Board Committees, along with the individual attendance rates per Board Committee are presented separately, under the subsection of the present Corporate Governance Statement, referring to the Board Committees.

2.7 Directorships of Board members

The directorships of the Board members (including significant non-executive commitments to companies and non-profit organisations) are notified before their appointment to the Nomination & Corporate Governance Committee (NomCo) Chairperson and/or the NomCo in accordance with the HoldCo and Bank External Engagements Policy. In parallel, the Board members notify changes regarding their directorships to the Bank Group Company Secretariat as soon as they occur.

The number of directorships which may be held by the Board members at the same time comply with the provisions of art. 83 of the Law 4261/2014 (Law), according to which the Directors shall not hold more than one (1) of the following combinations of directorships at the same time: a) one (1) executive directorship with two (2) non-executive directorships; and b) four (4) non-executive directorships. This restriction is not applied to directorships within the Group. Bank of Greece (BoG) as the competent authority may allow Board members to hold one (1) additional non-executive directorship.

In addition, it is noted that directorships in organizations, which do not pursue predominantly commercial objectives, do not count for regulatory purposes.

In the context of Board's overall effectiveness assessment through which the NomCo assesses annually the knowledge, skills, experience and contribution of individual Board members and of the Board collectively and reports to the Board accordingly, the Board members' directorships were also reviewed. The relevant review revealed that all Board members are compliant with the Law's provisions.

<u>HoldCo and Eurobank Board Members' Directorships (including Directorships within Eurobank Group) as at 31.12.2022</u>

Georgios Zanias – *Chairperson, Non-Executive Director*
Foundation for Economic and Industrial Research (IOBE) – *Board Member*[1]

Georgios Chryssikos – *Vice-Chairperson, Non-Executive Director*
Grivalia Management Company S.A. – *Vice Chairman, Non-Executive Director*
Grivalia Hospitality S.A. – *Chairman of the BoD, Chief Executive Officer*

Fokion Karavias – *Chief Executive Officer*
Hellenic Bank Association (HBA) – *BoD Member*[1]

Stavros Ioannou – *Deputy Chief Executive Officer*
Grivalia Management Company S.A. – *Non-Executive Director*
Be-Business Exchanges S.A. of Business Exchanges Networks and Accounting and Tax Services – *Chairman*
Eurobank Direktna a.d. Beograd – *Non-Executive Director*[2]
Eurobank Cyprus Ltd – *Non-Executive Director*[2]
Eurobank Bulgaria AD – *Non-Executive Director, Supervisory Board*[2]

Konstantinos Vassiliou – *Deputy Chief Executive Officer*
Hellenic Exchanges – Athens Stock Exchange S.A. – *Non-Executive Director*
Marketing Greece S.A. – *Non-Executive Director*[1]
Eurolife FFH General Insurance Single Member S.A – *Vice Chairman, Non-Executive Director*[3]
Eurolife FFH Life Insurance Single Member S.A. – *Vice Chairman, Non-Executive Director*[3]
Eurolife FFH Insurance Group Holdings S.A. – *Vice Chairman, Non-Executive Director*[3]
Eurobank Equities Investment Firm Single Member S.A. – *Non-Executive Director*[2]
Eurobank Factors Single Member S.A. – *Chairman*[2]

Andreas Athanassopoulos – *Deputy Chief Executive Officer*
Praktiker Hellas Trading Single Member S.A – *BoD Member*
Worldline Merchant Acquiring Greece S.A – *Vice Chairman, Non-Executive Director*

Bradley Paul Martin – *Non-Executive Director*
Blue Ant Media Inc.- *Non-Executive Director*
Resolute Forest Products Ltd – *Non-Executive Director*
AGT Food and Ingredients Inc – *Non-Executive Director*

Rajeev Kakar – *Non-Executive Independent Director*
Gulf International Bank, Bahrain – *Non-Executive Director*[4]
Gulf International Bank, Kingdom of Saudi Arabia – *Non-Executive Director*[4]
Commercial International Bank (CIB) – *Non-Executive Director*
UTI Asset Management Co. Ltd (UTIAMC) – *Non-Executive Director*

Jawaid Mirza – *Non-Executive Independent Director*
AGT Food and Ingredients Inc – *Non-Executive Director*

Alice Gregoriadi – *Non-Executive Independent Director*
Hellenic Blockchain Hub – *Non-Executive Director*[1]

Cinzia Basile – *Non-Executive Independent Director*
Creditis Servizi Finanziari S.p.A. – *Non-Executive Director*[6]
Brent Shrine Credit Union (trading name My Community Bank) – *Non-Executive Chair of the Board*[1]
Zenith Service S.p.A. – *Non-Executive Director*
Nikko Europe Asset Management – *Non-Executive Director*[5]
Nikko AM Global Umbrella Fund – *Non-Executive Director*[5]
Fincentro Finance S.p.A. – *Non-Executive Director* [6]

Irene Rouvitha Panou – *Non-Executive Independent Director*
Stelios Philanthropic Foundation – *Member of the Board of Trustees*[1]

Efthymia P. Deli – *Non-Executive Director, HFSF Representative*
None

[1] Organization that does not pursue predominantly commercial objectives

[2] Company that belongs to Eurobank Group and along with directorships in HoldCo, Eurobank and the other companies of the Group is considered as 1 (one) directorship for each Board member

[3] Company that belongs to Eurolife FFH Group and along with directorships in the other companies of that group, is considered as 1 (one) directorship for each Board member

[4] Company that belongs to Gulf International Bank Group and along with directorships in the other companies of that group, is considered as 1 (one) directorship for each Board member

[5] Company that belongs to Nikko Asset Management Group and along with directorships in the other companies of that group, is considered as 1 (one) directorship for each Board member

[6] Company that belongs to Columbus HoldCo S.a.r.l Group and along with directorships in the other companies of that group, is considered as 1 (one) directorship for each Board member

2.8 Conflicts of interest

The Group, based on the "Conflicts of Interest Policy", which is approved by HoldCo's and Eurobank's BoD, has adopted a series of policies, procedures, systems and controls for identifying, preventing and managing situations that give, or may give, rise to actual, potential or perceived conflicts of interest arising from the business activities of the Group.

To avoid situations of conflict of duties, the Group has procedures which segregate executive and non-executive responsibilities of the members of the Board, including the division of the responsibilities of the Chairperson of the Board with the executive responsibilities of the CEO. More specifically, by adopting appropriate procedures, effective segregation of duties is ensured, so as to avoid cases of incompatible roles, conflicts of interest between the members of the Board of Directors, Management and Executives and between the Group, its transacting parties and/or the malicious use of inside information or assets.

The Group should be able to identify whether an actual or potential conflict of interest exists to an extent that would impede the Board members' ability to perform their duties independently and objectively (independence of mind) and, if so, to assess its materiality in order to be able to proceed with mitigating measures.

The Board members:

- must comply with the high standards and principles of professional ethics in the performance of their duties, apply the principles of the "Conflicts of Interest Policy" and refrain from any activity or conduct that is inconsistent with it.
- must ensure they act with independence of mind i.e. be able to make their own sound, objective and independent decisions and judgments.
- according to article 97 par. 1 of Company Law 4548/2018, are prohibited from pursuing personal interests that run counter to the interests of Holdings (or the Group) and must timely and adequately disclose to the other members of the Board of Directors any personal/own interests that may arise from Holdings' transactions which fall within their line of responsibility, as well as any other potential, perceived or actual conflict of interests that may exist between Holdings or its affiliated undertakings (under article 32 of Law 4308/2014) and themselves. Furthermore, they have to disclose to the other members of the Board, any conflicts of interest between Holdings and their associated parties under article 99 par. 2 of the Company Law 4548/2018. Adequate disclosure on behalf of the Board members, as per the above, is considered one that includes a description of both the transaction and their own interests.
- must ensure the privacy and the confidentiality of non-publicly available information and refrain from behaviors that would constitute market abuse and conflict of interest.

In line with this framework, Board members are required to disclose, on an ongoing basis, any engagements, directorships or interests they hold with any legal entities outside the Group and to provide the Group with any information (on a "best of their knowledge" basis) that may be required. Board members are required to disclose any issue which, taking into consideration the Board's agendas, may create a conflict of interest.

Board Members are committed to inform the Group, on an ongoing basis during their tenure, for any new facts that may affect the initial assessment of the conflict of interest and independence of mind criterion.

All actual or potential conflicts of interest at the Board level should be adequately communicated, discussed, documented, decided on and duly managed/mitigated by the Group. A member of the Board should abstain from voting on any matter where the member has an identified conflict of interest.

2.9 Remuneration

Eurobank Holdings has established a Board of Directors' Remuneration Policy (Remuneration Policy) in line with related requirements of Law 4548/2018 (the Law) (latest version of the Policy approved by the AGM on 21.7.2022). The Remuneration Policy has been created to satisfy the pertinent terms of the Law (articles 109, 110, 111, 112 and 114) and it also complies with relevant stipulations of the TRFA.

The Remuneration Policy describes the key components and considerations of the remuneration framework for the members of the Board and its objective is to safeguard that remuneration is reasonable, gender neutral and sufficient to retain and attract directors with appropriate skills and experience to develop and implement the Eurobank Holdings' business strategy and ensure its long-term interests and sustainability, while avoiding excessive risk taking. This is achieved through the continuous monitoring of market trends and best practices on domestic and global levels and the setting of the remuneration framework which defines the salary structure and ranges, in order to attract and retain talented individuals accordingly. External, independently produced benchmarking analysis of the remuneration of the employees of the financial and the banking sector in Greece, is used in establishing the Policy, as well as the remuneration framework of the members of the Board.

In addition, regarding the Remuneration Policy, it is noted that:

- The process of its development is characterised by objectivity and transparency.
- The Board members exercise independent judgment and discretion when approving and recommending to the General Meeting its approval and generally when approving any remuneration, taking into account both individual performance and the performance of the company.

Eurobank Holdings produces, for each financial year, a Remuneration Report concerning the remuneration and other financial benefits paid to each Executive and Non-Executive Directors of the Board during the reporting financial year, in line with the requirements of Article 112 of the Law. The Eurobank Holdings Remuneration Report for 2021 (https://www.eurobankholdings.gr/-/media/holding/omilos/grafeio-tupou/etairikes-anakoinoseis/2022/etairiki-anakoinosi-30-06-21/ekthesi-apodoxon-2021-eng.pdf) has been approved by the Annual General Meeting on 21.7.2022 and for reasons of transparency and efficient information, presents clearly the additional remuneration of the Board members participating in committees.
The remuneration of the executive Directors, as well as the senior management of the company, are related to the size of the company, the extent of their responsibilities, the corporate strategy, the company's objectives and their realisation, with the ultimate goal of avoiding excessive risk-taking including with respect to direct or indirect sustainability risks and creating long-term value in the company.

In addition, regarding the remuneration of the executive Directors, it is noted that:

- The Stock Options that are provided to them are completely matured after four (4) years from the date of granting.
- They have not received bonus during 2022, therefore there was no need for the Board to examine the refund of all or part of the bonus awarded to them, due to breach of contractual terms or incorrect financial statements.

Due to same composition of the Board of the Eurobank Holdings with the Board of its subsidiary Eurobank and since the Directors are paid solely by one of the two, that being the Bank, any reference to the remuneration and /or the benefits payable to the Directors of Eurobank Holdings, applies to the relevant remuneration they receive as Directors of the Bank.
The 2022 Board and key management remuneration disclosure is included in note 45 of the consolidated accounts of Eurobank Holdings and in compliance with the provisions of the Company Law 4548/2018 and in order to ensure adequate transparency to the market of the remuneration structures and the associated risks, is uploaded at website www.eurobankholdings.gr.

2.10 Board Role and Responsibilities

The principal duties and responsibilities of the HoldCo / Bank's Board are to:

- review, guide and approve the strategy (including the revision of opportunities and risks related to the strategy), major plans of action, risk policy, business and restructuring plans, set performance objectives, monitor performance, oversee and approve major capital expenditures, acquisitions, divestitures and formation of new entities including creation of special purpose vehicles
- ensure the existence of the necessary financial and human resources, as well as the existence of an internal control system
- approve the annual budget and monitor its implementation on a quarterly basis
- approve the three-years business plan and monitor its implementation
- review and approve at least annually the risk strategy and risk appetite and ensure that it is consistent with the overall business strategy, capital plan, funding plan, restructuring plan and budget
- receive and discuss at least on a quarterly basis comprehensive risk reports covering all the main risks and providing an overview of the key changes in the risk profile versus risk targets and risk appetite
- develop and deliver the objectives in the agreed restructuring plan under the HFSF Law and for taking any action necessary to that effect
- provide oversight to senior management
- along with the strategic orientation, approve corporate governance practices and corporate values and monitor their effectiveness and compliance with them, making changes as needed
- along with senior management, set the standard that shape the corporate culture (which is in line with values and strategic planning) and use tools and techniques for the integration of the desired culture into the systems, policies, procedures, practices and behaviors at all levels.
- approve the risk and capital strategy and regularly monitor that the CEO and the Executive Board pursue its implementation effectively
- approve the organization chart and any amendments
- approve Board and Board Committees related policies and other policies, as required by legal or regulatory requirements or internal processes
- ensure that rigorous and robust processes are in place to monitor organizational compliance with the agreed strategy and risk appetite and with all applicable laws and regulations
- select, compensate, monitor and when necessary, replace key executives and oversee succession planning
- align key executive and board remuneration with the longer-term interests of Group and its shareholders
- ensure a formal and transparent board nomination and election process
- monitor, manage and approve where required potential conflicts of interest of management, board members and shareholders, including misuse of corporate assets and abuse in related party transactions
- ensure the integrity of accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control and compliance with the law and relevant standards

- review and monitor on a regular basis the Non-Performing Loans (NPL) and Non-Performing Exposures (NPE) performance against set targets
- oversee the process of disclosure and communications
- determine the appropriate level of remuneration of the Board and Board Committees' members, both at Company and Group level, pending final ratification by the respective General Assemblies
- bind and monitor the executive administration on matters relating to new technologies and environmental issues
- identify the stakeholders that are important, in accordance with its characteristics and strategy and ensure that mechanisms are in place for the knowledge and understanding of their interests and the way they interact with Group strategy and also monitor their effectiveness
- where necessary for the achievement of the objectives and in accordance with the strategy, ensure the timely and open dialogue with stakeholders and the usage of different channels of communication for each group of stakeholders, with a view to flexibility and facilitation of understanding of the interests of both parties

2.11 Main issues the Board dealt with during 2022

In 2022, the HoldCo's/Bank's Board has reviewed the corporate strategy, the main risks to the business and the system of internal controls.

In more detail, in discharging its responsibilities for 2022 the main issues Holdco's/Bank's BoDs dealt with related to:

Eurobank Holdings

a) Governance:

- approval of the establishment of two Board Committees, namely the Remuneration Committee and the Board Risk Committee and approval of their Terms of Reference.
- approval of the Board Committees' composition
- approval of revised Terms of Reference of the Nomination and Corporate Governance Committee and the Audit Committee.
- preparation and convocation of the Shareholders General Meeting
- annual evaluation of the Board and the Board Committees
- review of the attendance of Directors to the Board and Board Committees
- CEO's performance evaluation for 2021 and approval of his financial and non-financial objectives for 2022
- approval of the Board of Directors Diversity Policy, the External Engagements Policy, the CEO Succession Planning Policy, the Board and Board Committees Evaluation Policy, the Board and Board Committees attendance Policy, the Group Compliance Policy, the Group Governance Policy, the C-Suite Succession Planning Policy, the Senior Management Selection and Appointment Policy, the Dividend Distribution Policy and the Conflicts of Interest Policy
- approval and further submission to the Annual General Meeting for approval, of the Board Nomination Policy
- approval by the Non-Executive Directors of the Board of the Remuneration Policy
- approval and further submission to the Annual General Meeting for approval, of the 'Board and Board Committees' fees for Non-Executive Directors, the Remuneration Policy for the Directors and the Remuneration Report for the financial year 2021
- information on the on the tax treatment of the Board and Board Committees' Fees
- approval of the 2022 stock option plan implementation
- approval by the Non-Executive Directors of a New Voluntary Exit Scheme (VES)
- approval by the Non-Executive Directors of a New Variable Remuneration Scheme
- update on Senior Executives succession plan
- approval of HoldCo's Internal Governance Control Manual

Bank

a) Governance:

- approval of the Board Committees' composition
- approval of revised Terms of Reference of the Nomination and Corporate Governance Committee, Remuneration Committee, Audit Committee and Board Digital and Transformation Committee
- preparation and convocation of the Shareholders General Meetings
- annual evaluation of the Board and Board Committees and the Strategic Planning Committee's self-assessment for 2021
- review of the attendance of Directors to the Board and Board Committees
- CEO's performance evaluation for 2021 and approval of his financial and non-financial objectives for 2022
- approval of the Board Nomination Policy, the Directors Diversity Policy, the External Engagements Policy, the CEO Succession Planning Policy, the Board and Board Committees Evaluation Policy, the Board and Board Committees attendance Policy, the Group Compliance Policy, the Group Governance Policy, the C-Suite Succession Planning Policy, the Senior Management Selection and Appointment Policy, the Dividend Distribution Policy ,the Conflicts of Interest Policy and the AML/CFT and Sanctions Policy
- approval by the Non-Executive Directors of the Board of the Remuneration Policy
- approval and further submission to the Annual General Meeting for approval, of the Board and Board Committees' fees for Non-Executive Directors
- information on the on the tax treatment of the Board and Board Committees' Fees
- update on the implementation of the Group Subsidiary Board Remuneration Policy through the Group during 2021
- approval by the Non-Executive Directors of a New Voluntary Exit Scheme (VES)
- approval by the Non-Executive Directors of a New Variable Remuneration Scheme
- update on Senior Executives succession plan
- approval of the revised Eurobank Group Organizational Chart
- regular update on Board Committees' matters
- update on Company Secretary's Report 2022
- approval of Board and Board Committees calendar for 2023
- various remuneration issues, including issues of the international subsidiaries (performance related

- approval of the revised HoldCo Group Organizational Chart
- regular update on Board Committees' matters
- update on Company Secretary's Report 2022
- approval of Board and Board Committees calendar for 2023,
- various remuneration issues
- approval (by the Non-Executive Directors of the Board) of the proposal concerning the annual contributions to Eurobank's Group Occupational Fund
- approval and further submission to the Annual General Meeting for approval, of the appointment of the auditors for the financial Year 2022.
- approval of the Corporate Governance Action Plan of recommendations derived from various reviews, including the Supervisory Review and Evaluation Process (SREP) 2021 and the BoD and BoD Committees Self-Assessment 2021.
- discussion on the Preliminary Supervisory Review and Evaluation Process (SREP) assessment of 2022 and updates for the relevant decisions
- update on the new HFSF Law and its effect on the Internal Governance Framework and Directors' eligibility criteria
- approval of the assignment to the Bank of the support of the outsourcing function of the Eurobank Holdings.

b) Environmental, Social & Governance (ESG) issues:
- update on the Group's position on ESG matters
- Program Field II Update
- update by the responsible BoD member for climate-related and environmental risks
- discussion on the Climate Risk Stress Test results 2022, including the Thematic Review.

c) Strategic issues including Corporate and other actions:
- discussion of various strategy issues
- approval of the sale of stake in Grivalia Hospitality (related parties' transactions)
- approval of the share capital increase following the exercise of stock option rights (stock options) and amendment of article 5 of the Articles of Association of the Company according to article 113 par. 3 of l. 4548/2018.

d) Capital adequacy:
- approval of the 2022 Internal Capital & Liquidity Adequacy Statements (CAS & LAS) in the context of the Internal Capital & Liquidity Adequacy Assessment Process (ICAAP & ILAAP 2022).
- approval of additional Baseline and Adverse Capital Scenarios in the context of the Internal Capital Adequacy Assessment Process (ICAAP) 2022, due to the ongoing geopolitical crisis and potential adjustment to Capital Adequacy Statements (CAS)
- approval of ad-hoc data collection on financial and macroeconomic projections

variable remuneration, remuneration adjustments etc)

- approval (by the Non-Executive Directors of the Board) of the proposal concerning the annual contributions to Eurobank's Group Occupational Fund
- approval and further submission to the Annual General Meeting for approval, of the appointment of the auditors for the financial Year 2022
- approval of the Corporate Governance Action Plan of recommendations derived from various reviews, including the Supervisory Review and Evaluation Process (SREP) 2021 and the BoD and BoD Committees Self-Assessment 2021
- update on the new HFSF Law and its effect on the Internal Governance Framework and Directors' eligibility criteria
- approval of the undertaking by the Bank of the support of the outsourcing function of the Eurobank Holdings
- update from its international banking subsidiaries.
- approval of credit facilities to related parties.

b) Environmental, Social & Governance (ESG) issues:
- update on Eurobank's position on ESG matters
- Program Field II Update
- update by the responsible BoD member for climate-related and environmental risks
- discussion on the Climate Risk Stress Test results 2022, including the Thematic Review.

c) Strategic issues including Corporate and other actions:
- discussion of various strategy issues
- approval of the sale of stake in Grivalia Hospitality (related parties' transactions)
- approval of the merger of the Bank with "HELLENIC POST CREDIT SOCIETE ANONYME" (POSTCREDIT)
- approval of the merger of the Bank with "CLOUD HELLAS SINGLE MEMBER KTIMATIKI S.A." by way of its absorption by the Bank
- approval of the merger of the Bank with "STANDARD REAL ESTATE SOCIETE ANONYME" by way of its absorption by the Bank
- approval of the sale of real estate portfolio (Project Mart)
- approval of the hive down of the Merchant Acquiring Sector of the Bank (Project Triangle)
- approval of the acquisition of BNP Paribas Personal Finance S.A. (BNPP) branch in Bulgaria (Project Echos)

d) Capital adequacy:
- approval of the 2022 Internal Capital & Liquidity Adequacy Statements (CAS & LAS) in the context of the Internal Capital & Liquidity Adequacy Assessment Process (ICAAP & ILAAP 2022)
- approval of additional Baseline and Adverse Capital Scenarios in the context of the Internal Capital Adequacy Assessment Process (ICAAP) 2022, due to the ongoing geopolitical crisis and potential adjustment to Capital Adequacy Statements (CAS)
- approval of ad-hoc data collection on financial and macroeconomic projections
- approval of securitizations of the Bank's receivables from portfolios of business and other loans.

e) Business monitoring:
- approval of the 2021 annual financial statements and the 2022 interim financial statements
- approval of the Annual Budget 2023 and the 3-Years Business Plan for the period 2023-2025
- discussion of 2022 performance versus budget
- discussion of business developments and liquidity.

f) Risk Management and Internal Control:
- briefing on the assessment on Internal Audit Group and Group Compliance annual regulatory reports
- update on significant internal audit and compliance issues
- update on significant legal issue
- approval of the Risk Appetite Framework, Group Risk and Capital Strategy and Risk Appetite Statements
- approval of Risk Identification and Materiality Assessment (RIMA) framework and reports
- approval for the Reversion to Standardised Approach for the Risk Weighted Assets calculation
- approval of the consolidated Pillar 3 Reports (capital and risk management disclosures) for 2021, 3M2022, 6M2022 and 9M2022
- regular briefing on Board Risk and Audit Committees' matters
- update on significant risk issues, including the Group Chief Risk Officer's Annual Report for the year 2021
- update on the 2021 Annual Activity Report of the Audit Committee before submission to the Annual General Meeting
- approval of new or revised policies as per the legal and regulatory framework and internal processes
- approval of the 2022 Group Recovery Plan
- updates for the Russian-Ukraine crisis and sanctions.

g) Transformation Project:
- received regular updates on the transformation project, including the Group Compliance Target Operating Model.

e) Business monitoring:
- approval of the 2021 annual consolidated financial statements and the 2022 interim consolidated financial statements
- approval of the Annual Budget 2023 and the 3-Years Business Plan for the period 2023-2025
- approval of the Group's NPE Targets for the period 2022-2024 and the NPE management Strategy
- update on significant subsidiaries activities and strategic priorities
- discussion of 2022 performance versus budget
- review of business developments and liquidity.

f) Risk Management and Internal Control:
- briefing on the assessment on Internal Audit Group and Group Compliance annual regulatory reports
- update on significant internal audit issues
- update on significant compliance issues, including AML end-to-end project status update
- update on significant legal issue
- approval of the Risk Appetite Framework, the Group Risk and Capital Strategy and Risk Appetite Statements
- approval of for the Reversion to Standardised Approach for the Risk Weighted Assets calculation
- approval of the consolidated Pillar 3 Report (capital and risk management disclosures) for 2021
- update on credit and NPE related issues through various reports
- regular briefing on Board Risk and Audit Committees' matters
- update on significant risk issues, including the Group Chief Risk Officer's Annual Report for the year 2021
- update on the 2021 Annual Activity Report of the Audit Committee before submission to the Annual General Meeting
- approval of new or revised policies as per the legal and regulatory framework and internal processes.
- updates for the Russian-Ukraine crisis and sanctions

g) Transformation Project:
- received regular updates on the transformation project, including the Group Compliance Target Operating Model.

Board Strategy Day

Apart from the annual meeting on Eurobank's annual budget and its 3-year business plan, a strategy meeting, outside the formal confines of the BoD (no formal minutes are kept), also takes place (on an annual basis), so as the BoD members to have ample time for discussion and deliberation on the top strategic initiatives that are relevant to Eurobank's growth and its standing among its peers (the Board Strategy Day).

The Board Strategy Day took place on 30.09.2022 and focused on Transformation and deep dives on key transformation streams.

2.12 Board and Board Committees overall effectiveness assessment

Board and Board Committees Evaluation conducted internally

In accordance with the HoldCo/Bank Board and Board Committees Evaluation policy (Evaluation Policy), the HoldCo/Bank Nomination and Corporate Governance Committee (NomCo) has the overall responsibility to assess the structure, size, composition and performance of the Board and the Board Committees and make recommendations to the Board with regard to any changes deemed necessary. Therefore, it is NomCo's responsibility to design and coordinate the self-evaluation of the Board's and the Board Committees' effectiveness (Internal Evaluation).

The Internal Evaluation is based on a self-evaluation questionnaire. The content of the questionnaire and the evaluation process can be designed and managed by the Chair of the NomCo. Alternatively, the NomCo may assign this task to a member of the Bank's personnel (for example the Group Company Secretary) and/or to an external consultant.

In this context, the 2022 Internal Evaluation was carried out using the Board self-assessment questionnaires as primary input. The input includes the anonymized responses of Board members to the questionnaires, delivered through Diligent's secure web-based platform (Questionnaires module). In accordance with the Evaluation Policy, these questionnaires cover the following areas:

- Board's performance in setting and monitoring strategy (including the business plan)
- Board's performance in overseeing, engaging with, evaluating, incentivizing and retaining key management personnel
- Board's performance in overseeing risk management and internal control
- adequacy of the Board's profile and composition
- adequacy of Board dynamics and functioning
- role and performance of the Board Chairperson
- adequacy of Board secretarial support
- effectiveness of Board Committees

Regarding the evaluation of the HoldCo/Bank Board Committees, it is noted that the Board members responded to the questions of the Board self-assessment questionnaires assigned to the particular Board Committee(s), they are members.

The results of the Internal Evaluation revealed that the HoldCo/Bank Boards continued to function effectively in 2022 as in 2021.

In particular, in the Strategy area, the Board overall has a positive impression with respect to the improving role of the Board on strategy, including the time devoted for the review and approval of the business plan and budget and the frequency of the updates provided by Management on performance against strategic objectives and budgetary targets.

Referring to the relationship with Management, the Board has a positive view regarding the adequacy of senior management performance against performance targets, including the frequency of the reporting it receives by Management at Board level.

On the strategic HR issues and remuneration front, the Board considers that the remuneration has improved over the past years.

Regarding risk governance and internal control, the overall impression is that the Board has a comprehensive picture of the Bank's risk profile, exercises an adequate oversight of risk management and adequately discusses Eurobank's risk appetite framework and risk appetite statements before final approval. Also, the Board is satisfied that Eurobank Group has appropriate policies and resources to identify, assess, monitor and mitigate financial and non-financial risk.

Regarding the board profile and composition, the Board's collective knowledge, skills, experience and tenure levels are perceived to be generally adequate by the Directors and the Board is considered to have adequate size and structure which allows productive discussions. Additionally, the Board has diverse profiles that ensure productive exchange of views and opinions that ensure effective oversight.

Regarding the Board functioning and dynamics, the Board meets an adequate number of times and the Board members generally come to the meetings prepared. Also, there is good planning of the Board's annual agenda, ensuring coverage of all responsibilities. The Board discussions appear to show strong and constructive challenge. Members acknowledged that the number of items on the agenda is satisfactory and permits meaningful discussions.

For the role of the Board Chairman, the Board's view is that it clearly reflects the leadership needs of the Board.

For the Board's secretarial support, the Board considers that it is effective in its role and continues to support the Board and the Board Committees adequately and timely. The Board also considers that in general it receives the Board packs in advance of meetings allowing adequate time for review, whereas the quality of the documents submitted by Management to the Board is generally perceived as very good. As regards to the Board's minutes, these are considered to be of good quality.

Finally, the evaluation highlighted that further enhancements could be pursued, among others, in the areas of risk governance and internal control (through further analysis of the non-financial risks).

As regards the main conclusions of the Internal Evaluation of the Board Committees, it is noted that they have been included in the relevant sections where the Board Committees' functioning and operation is presented.

Assessment of the knowledge, skills and experience (KSE) of the Board collectively as well as the KSE and contribution of individual Board members.

The NomCo has also the responsibility to assess the knowledge, skills and experience (KSE) of the Board collectively as well as the KSE and contribution of individual Board members and to report to the Board accordingly.

Individual Evaluations

The individual evaluations (i.e. the assessment of the Board Chairperson, the assessment of NEDs and the assessment of the Executive Directors) take into account the status of the member (executive, non-executive, independent), the participation in committees, the undertaking of specific responsibilities / projects, the time devoted, the behavior and the use of knowledge and experience.

A. Assessment of the Board Chairperson

The Board Chair's evaluation is part of the Internal Evaluation (mentioned above) and is conducted by all other Board members via the Questionnaire for the self-evaluation of the Board's and the Board Committees' effectiveness.

The HoldCo/Bank Board Chair's evaluation in 2022 remained very strong (similarly to the respective evaluation in 2021).

B. Assessment of the Non-Executive Directors' (NEDs), excluding the Chairperson, contribution to the Board

The Board Chair is responsible to conduct the assessment of the NEDs' contribution to the Board and present the results to the NomCo.

The assessment of the NEDs' contribution to the Board is performed in the following discrete steps:

- The NomCo approves the NEDs self-evaluation questionnaire.
- The questionnaire is distributed to the NEDs. Responses are strictly confidential and can only be sent to the Board Chair and/or those expressly mandated to assist in the task by him/her
- The Board Chair holds confidential one-on-one interviews with each NED, using the individual NEDs self-evaluation Questionnaire as an input.
- The Board Chair presents an overall report on his findings to the NomCo.
- The Board Chair's views on NEDs performance and contribution of knowledge, skills and experience are presented and discussed at the NomCo also during the process of developing the NomCo's proposals for discussing the (re)appointment / succession planning of individual Board members.

In accordance with the procedure described above, the 2022 annual assessment of the NEDs' contribution to the HoldCo/Bank Board was directed by the Board Chair with the use of an individual self-evaluation questionnaire consisted of 10 questions aiming to identify the strengths and areas for improvement of individual Directors across the following 5 areas:

- Contribution to overall Board profile skillset
- Board participation and quality of contributions to Board deliberations
- Punctuality and attendance
- Team Spirit and demeanor
- Independent Thinking and Constructive Challenge

The 2022 annual assessment of the NEDs' contribution to the HoldCo/Bank Board demonstrated that the NEDs adequately meet expectations for effectively accomplishing their role as Directors of the HoldCo/Bank.

C. Executive Directors' Performance Evaluation
The Executive Directors' Performance Evaluation (i.e CEO and Deputy CEOs) is conducted through a separate process, involving the CEO and the Nomination and the Remuneration Committees, annually, on the basis of the qualitative and quantitative Key Performance Indicators, as these are approved every year by the Non-Executive Directors.

Regarding the Evaluation of the CEO, in accordance with the TRFA, the Remuneration Committee proposes to the Non-Executive Directors of the HoldCo's/Bank's BoD for their approval the Key Performance Indicators (KPIs) relevant to the remuneration of the Bank's CEO and evaluate the CEO's performance in light of these KPIs. The results of the evaluation are communicated to the Chief Executive and taken into account in determining his remuneration.

Collective Suitability Assessment
During 2022, further to the aforementioned evaluation of the Board of Directors, an assessment of the Board's collective suitability in terms of knowledge, skills and experience based on the Joint ESMA/EBA Guidelines on "the assessment of the suitability of members of the management body and key function holders" (EBA/GL/2021/06) was conducted with the support of the NomCo.

In particular, the assessment examined whether the Board of Directors is collectively suitable to understand (i) the business model, strategy and risks, and (ii) matters of Governance, Risk Management, Compliance, Audit, Management, Strategy & Decision making, and concluded that the Board is collectively suitable to understand the aforementioned areas. Within the positive assessment, the evaluation also highlighted that the Board's collective suitability could take benefit through continued improvement of the present skillset in the areas, among others, of audit, risk management, technology and digitization.

2.13 Directors' Induction and Continuous Professional Development Process

All new Board members receive a full and formal Induction Program whose main objectives are to (a) communicate HoldCo/Bank's vision and culture, (b) communicate practical procedural duties, (c) reduce the time taken for them to become productive in their duties, d) assimilate them as welcomed members of the Board, e) become familiar with the HoldCo/Bank's organizational structure and f) give them an understanding of HoldCo/Bank's business and strategy and the markets in which it operates, a link with the HoldCo/Bank's people and an understanding of its main relationships. Also, the new Board members, upon their appointment receive a Manual of Obligations towards Supervisory Authorities and the HoldCo/Bank, aiming to inform them on their main obligations under the local regulations and the Board's procedures, while meetings and presentations are arranged with the HoldCo/Bank's Key Executives, in order for the new Directors to acquire a real overview of the HoldCo/Bank.

Furthermore, given that the HoldCo/Bank acknowledges the need to provide resources for developing and refreshing the knowledge and skills of the Directors, during 2022 and in the framework of its Continuous Professional Development program, all the Board members a) received formal training on Blockchain & Central Bank Digital Currency in Financial Services, on Artificial Intelligence in Financial Services, on Anti-Money Laundering (AML) regulatory developments and on Risk Appetite Framework (RAF) Communication, b) received regular updates, including reports and presentations, from senior management regarding the operations and strategic targets of business units and c) were updated on a regular basis on risk, audit, compliance, financial, human resources, legal and regulatory issues, and d) received regular and ad-hoc research and economic bulletins prepared by Eurobank's Economic Analysis and Financial Markets Research Division.

3. Board Committees

The Boards of HoldCo/Bank are assisted in carrying out their duties by Board Committees to whom they delegate some of their responsibilities. In addition, the Boards approve their terms of reference, receive regular and ad hoc reports from them and assess their performance as per the provisions of the Board and Board Committees Evaluation Policy.

According to the TRFA, the HFSF appoints its Representative as well as its Observer (who has no voting rights in the Board's Committees) or replaces them with a written request addressed to the Chairperson of the Board and their appointment is completed immediately from the receipt by the HoldCo's/Bank's BoD of the HSFS's written request and no further procedures are required. Pursuant to the TRFA, the HFSF Representative has the right to participate in, request the convocation of, and include items on the agendas of the Audit Committee, Board Risk Committee, Remuneration Committee and Nomination and Corporate Governance Committee.

According to the TRFA provisions, the members of the Audit, Board Risk, Remuneration and Nomination and Corporate Governance Committees should be at least three (3) and should not exceed 40% (rounded to the nearest integer) of the total number of Board members, excluding the representative of the HFSF. The Committees' Chairpersons should be independent non-executive members. The Committees' members should be non-executives with the majority of them, excluding the representative of the HFSF, independent non-executives, except for the Audit and Board Risk Committees where 75% and 1/3, respectively, of their members (excluding the representative of the HFSF and rounded to the nearest integer) should be independent non-executives. For any deviations from the TRFA provisions, the prior consent of HFSF should be received.

3.1 Audit Committee[6]

The primary function of the Audit Committee (AC) is to assist the Board in discharging its oversight responsibilities primarily relating to:

- the review of the adequacy of the Internal Control and Risk Management systems and the compliance with rules and regulations monitoring process,
- the review of the financial reporting process and satisfaction as to the integrity of the HoldCO's Financial Statements,
- the External Auditors' selection, performance and independence,
- the effectiveness and performance of the Internal Audit and of the Compliance function.

In addition, in the context of AC's responsibility to safeguard External Auditors' independence, the AC ensures that the nature of non-audit services, prior to their being undertaken by the External Auditors, has been reviewed and approved as required and that there is proper balance between audit and non-audit work in accordance with Group's / Bank's policy on External Auditors' Independence.

AC Membership/Composition

The HoldCo/Bank's Audit Committees are Committees consisted exclusively by Board members and their compositions have been approved by the General Meetings of the Shareholders (as per the legal framework), following the recommendation of the NomCos to the Boards. The tenure of the Committee members coincides with the tenure of the HoldCo/Bank's Boards, with the option to renew their appointment, but in any case, the service in the Committees should not be more than nine (9) years in total. The Chairperson of the Committees is appointed by the members of the Committees, while the Committee's members may also appoint a Vice Chairperson. The HFSF appointed an Observer in the Audit Committees, in line with the requirements of the TRFA.

All AC members have sufficient knowledge in the field of HoldCo/Bank's activities and the necessary skills and experience to carry out their duties and meet the requirement of established knowledge and experience in auditing and/or accounting.
The Audit Committees consist of four (4) non-executive Directors, three (3) of whom are independent, including the Chairperson. One (1) of the Audit Committee members is the HFSF Representative. In particular, the HoldCo/Bank's AC composition is outlined below:

AC Chairperson:	Jawaid Mirza, *Non-Executive Independent Director of the Board*
AC Vice-Chairperson:	Irene Rouvitha Panou, *Non-executive Independent Director of the Board*
AC Members:	Rajeev Kakar, *Non-Executive Independent Director of the Board*
	Efthymia Deli, *Non-executive Director of the Board, HFSF Representative*

It is noted that in line with the provisions of article 44 of law 4449/2017, as amended and currently in force, and further to the decision of the HoldCo/Bank's Annual General Meetings of Shareholders as of 21.07.2022 regarding the recomposition of the Audit Committees and more specifically regarding their type, composition and term of office; and the BoDs' decision of 30.6.2022 and 21.07.2022 regarding the membership of the ACs, following relevant recommendations by the NomCos of 28.06.2022, the ACs decided on their constitution and on the appointment of their Chairman. Compared to the previous ACs' composition and following the recomposition of the ACs on 21.72022, the ACs' members were decreased from six (6) to four (4) since Mr. Bradley Paul Martin and Ms. Cinzia Basile ceased to be members of the Committee.

AC Meetings

The HoldCo/Bank's Audit Committees meet at least eight (8) times per year or more frequently, as circumstances require, report on their activities to the HoldCo/Bank's Boards on a quarterly basis and submit the minutes of their meetings and the annual Activity Reports (before their submission to the HoldCo/Bank Shareholders' Annual General Meeting) to the HoldCo/Bank's Boards.

[6] HoldCo/Bank's Audit Committees' Terms of Reference may be found at the HoldCo/Bank websites (www.eurobankholdings.gr & www.eurobank.gr).

Quorum in the AC Meetings
The Audit Committee's meeting is in quorum and meets validly when half of its members plus one are present or represented, provided that at least three (3), including the Chairperson or the Vice Chairperson, are present. Each member of the Committee may validly represent only one of the other Committee members. Representation in the Committee may not be entrusted to persons other than the members thereof.

AC Decisions
The Audit Committee resolutions are validly taken by an absolute majority of the members who are present and represented. In case of a tie of votes, the Chairperson and in case of his/her absence the Vice Chairperson has the casting vote. The Board is informed whenever a decision of the Audit Committee is not reached unanimously.

Attendance to the AC Meetings
During 2022 the attendance details for the Audit Committee were as follows:

Company	Meetings		Average ratio of Directors' attendance	
	2022	2021	2022	2021
HoldCo	14	11	100%	95%
Bank	14	12	100%	95%

It is noted that in 2022, all Directors provided representation proxies for each missed meeting in HoldCo/Bank AC, leading their overall attendance rate (physical and under representation) at 100% in HoldCo/Bank AC.

AC Secretary and Minutes
The Audit Committee appoints its Secretary, who reports to the Group Company Secretariat and cooperates with the Chairperson of the Committee. The Secretary is responsible to minute the proceedings and decisions of all Audit Committees' meetings, including the names of those present and in attendance and the action plans and follow ups for assignments, as well as for the issuance of extracts. Decisions, actions and follow ups are disseminated to the responsible parties, as required.

AC Terms of Reference (ToR)
The Audit Committee's ToR are reviewed every two (2) years and revised if necessary, unless significant changes necessitate earlier revision. The ToR are approved by the Board.

AC's Performance Evaluation
AC's performance is evaluated annually according to the provisions of the Board and Board Committees Evaluation Policy. According to AC's self-evaluation, the AC members are satisfied with the Committee's effectiveness and leadership. They believe that the AC uses its time effectively and there is a good planning and scheduling of the meetings. The Chairperson of the AC is well prepared for the meetings and helps the Committee to effectively navigate through its agenda, encouraging critical discussion and ensuring that every member can freely express her/his views. The members are also well prepared and there is high level of participation on all important discussions, showing an adequate level of challenge. The evaluation also highlighted that the retention of qualified and experienced staff in the areas of audit and compliance is of strategic importance and should remain an area of focus, while the further enhancement of the audit staff's skillset in specialties of the modern digital era such as Artificial Intelligence (AI) design, algorithm testing and digitalization should be actively pursued.

AC's Activity in 2022
For 2022, AC has amongst others:

Eurobank Holdings

- proposed to the BoD for approval the AC Terms of Reference
- reviewed and discussed reports with information relating mainly to the Internal Audit and Compliance issues, including quarterly reports from Internal Audit and Compliance functions
- ensured that an annual evaluation of the System of Internal Controls for the year 2021 has been performed and documented by Internal Audit. The Audit Committee has prepared its own assessment report on Internal Audit's evaluation. The reports were further submitted to the Board and the BoG in line with the BoG Act 2577/2006
- reviewed the annual Compliance Sector's reports over compliance activities for the year 2021 and prepared its own assessment report thereon. The reports were further submitted to the Board and the BoG, in line with the BoG Governors Act 2577/2006
- reviewed, approved and further submitted to the BoD for approval the revised Conflict of Interest Policy and the revised Compliance Policy
- reviewed, approved and further submitted to the BoD for information the revised Insider Dealing Guideline and the revised Market Abuse Policy
- reviewed and approved the MiFID II Product Governance Policy and the Policy for Reporting Unethical Conduct
- discussed with Management, Internal Audit and External Auditors issues relating to the financial results,

Bank

- proposed to the BoD for approval the AC Terms of Reference
- reviewed and discussed reports with information relating to the System of Internal Controls, including quarterly reports from Internal Audit Group, Compliance, Operational Risk Sector, Clients Relations Office, etc.
- ensured that an annual evaluation of the System of Internal Controls has been performed, by the Internal Audit Group for the year 2021. Results are documented in the latter's report of the System of Internal Controls. The Audit Committee has prepared its own assessment report on Internal Audit Group's evaluation. The reports were further submitted to the Board and the BoG in line with the BoG Act 2577/2006
- approved the revised Group Compliance Mandate
- focused particularly on the AML function and received regular updates on the AML issues
- discussed the revised Compliance Risk Assessment Methodology
- discussed and further submitted to the BoD for information the Anti-Money Laundering (AML) Business Risk Assessment
- reviewed the annual Group Compliance Sector's reports over AML and compliance activities of the Bank for the year 2021 and prepared its own assessment report thereon. The reports were further submitted to the Board and the BoG, in line with the BoG Governors Act 2577/2006

- reviewed and cleared the financial statements and other financial reports and trading updates prior to their release
- discussed with Management the implementation of corrective actions to recommendations made by Internal and External Auditors and Regulatory Authorities
- assessed the effectiveness of the External Auditors, their objectivity and independence, discussed results with Management and Internal Audit and communicated final results to the Board and to the External Auditors
- approved the remuneration of External Auditors
- proposed to the Board and the Annual General Meeting of Shareholders for approval the appointment of the External Auditors for the financial year 2022
- monitored, in line with the External Auditor's Independence Policy, the non-audit services provided by the External Auditor in 2022,
- assessed the performance of the Internal Auditor,
- approved the annual Plans of Internal Audit and Compliance and monitored their progress
- received updates on the progress of the Annual Budget
- in accordance with the provisions of Law 2533/1997, the Audit Committee reviewed reports on substantial stock transactions of the HoldCo's Directors and General Managers which meet the criteria set in Law 2533/1997 and notified the Board
- approved and notified the Board for further submission to the Annual General Meeting, the annual AC Activity Report for 2021.

- reviewed, approved and further submitted to the BoD for approval the revised Group AML/CFT and Sanctions Policy, the revised Compliance Policy and the revised Conflict of Interest Policy
- reviewed, approved and further submitted to the BoD for information the revised Insider Dealing Guideline and the revised Market Abuse Policy
- reviewed and approved the revised Order Execution Policy, the revised MiFID II Product Governance Policy, the revised Policy for Reporting Unethical Conduct, the revised Safekeeping Policy, the revised MiFID II Customer Categorization Policy, the revised Appropriateness Assessment Policy and the revised Suitability Assessment Policy
- discussed with Management, Internal Audit and External Auditors issues relating to the financial results,
- reviewed and cleared the consolidated financial statements
- discussed with Management the implementation of corrective actions to recommendations made by Internal and External Auditors and Regulatory Authorities
- discussed with the Audit Committee Chairpersons of Eurobank Serbia, Eurobank Bulgaria, Eurobank Cyprus and Eurobank Private Bank Luxembourg the key audit issues of the International Subsidiaries
- discussed with Management and External Auditors the oversight, the potential risks and the proposed mitigating actions of the merger of Eurobank Serbia with Direktna
- assessed the effectiveness of the External Auditors, their objectivity and independence, discussed results with Management and Internal Audit and communicated final results to the Board and to the External Auditors
- approved the remuneration of External Auditors
- proposed to the Board and the Annual General Meeting of Shareholders for approval the appointment of the External Auditors for the financial year 2022
- monitored, in line with the External Auditor's Independence Policy, the non-audit services provided by the External Auditor in 2022
- assessed the performance of the Head of Internal Audit and the Head of Group Compliance Sector
- approved the annual Plans of Internal Audit Group and of Group Compliance and monitored their progress
- monitored the memberships and the modus operandi of the Audit Committees of the subsidiaries, as required, and reviewed their Activity Reports
- in accordance with the provisions of Law 2533/1997, the Audit Committee reviewed reports on substantial stock transactions of the Bank's Directors and General Managers which meet the criteria set in Law 2533/1997 and notified the Board
- approved and notified the Board for further submission to the Annual General Meeting, the annual AC Activity Report for 2021.

It is noted that in accordance with the Law 4449/2017 as in force, the HoldCo/Bank ACs submit an annual activity report to their Shareholders' Annual General Meeting on the issues dealt with by the ACs during the previous year, also including a description of the sustainability policy followed by each entity.
The 2022 HoldCo/Bank AC Activity Reports which are also part of the 2022 HoldCo/Bank Annual Financial Reports, refer to the AC activity during 2022, the issues addressed and the sustainability policy.

3.2 Board Risk Committee[7]

The purpose of the HoldC/Bank's Board Risk Committee (BRC) is to assist the Board in the following risk-related issues:

- to advise and support BoD regarding the monitoring of overall actual and future risk appetite and strategy, taking into account all types of risks to ensure that they are in line with the business strategy, objectives, corporate culture and values of the institution
- to provide BoD with recommendations on necessary adjustments to the risk strategy
- to assist BoD in overseeing the implementation of risk strategy and the corresponding limits set

[7] HoldCo/Bank's BRCs' Terms of Reference may be found at the HoldCo/Bank websites (www.eurobankholdings.gr & www.eurobank.gr).

- to oversee the implementation of the strategies for capital and liquidity management as well as for all other relevant risks, such as credit and market risks as well as non-financial risks such as operational, reputational conduct legal, cyber, outsourcing climate and environmental, in order to assess their adequacy against the approved risk appetite and strategy
- to oversee the progress made to enhance resolvability in accordance with the requirements of the Resolution Authorities *(for Bank BRC only)*
- to review a number of possible scenarios, including stressed scenarios, to assess how the risk profile would react to external and internal events
- to oversee the alignment between all material financial products and services offered to clients and the business model and risk strategy. The BRC should assess the risks associated with the offered financial products and services and take into account the alignment between the prices assigned to and the profits gained from those products and services *(for Bank BRC only)*
- to provide advice on the appointment of external consultants that BoD may decide to engage for advice or support
- to assess the recommendations of internal or external auditors and follow up on the appropriate implementation of measures taken
- to ensure that an appropriate risk management framework has been developed which is embedded in the decision-making process (e.g. new products and services introduction, risk adjusted pricing, internal risk models, risk adjusted performance measures and capital allocation)
- to define the risk management principles and ensure that there are the appropriate methodologies, modeling tools, data sources and sufficient and competent staff to identify, assess, monitor and mitigate risks, and
- to set, approve and oversee the implementation of the institution's risk culture, core values and expectations regarding credit risk

BRC Membership/Composition
The BRC members are appointed by the BoD, following the recommendation of the NomCo, in accordance with the legal and regulatory framework where applicable. The Chairperson qualifies as independent member with a solid experience in commercial banking and preferably risk and/or Non-Performing Exposures management and is familiar with the Greek and international regulatory framework. The appointment of the Chairperson and the Vice-Chairperson shall go through the NomCo's proposal process and approved by the Board. The tenure of the BRC members coincides with the tenure of the Bank's Board, with the option to renew their appointment, but in any case, the service in the BRC should not be more than nine (9) years in total. HFSF appointed an Observer in the BRC, in line with the requirements of the TRFA.

The BRC consists of five (5) non-executive Directors, three (3) of whom are independent, including the Chairperson and the Vice-Chairperson. One (1) of the BRC members is the HFSF Representative. In particular, the BRC composition is outlined below:

BRC Chairperson:	Rajeev Kakar, *Non-Executive Independent Director of the Board*
BRC Vice-Chairperson:	Cinzia Basile, *Non-executive Independent Director of the Board*
Members:	Bradley Paul Martin, *Non-Executive Director of the Board*
	Alice Gregoriadi, *Non-Executive Independent Director of the Board*
	Efthymia Deli, *Non-executive Director of the Board, HFSF Representative*

It is noted that during 2022 and following NomCos' recommendations for the recomposition of the HoldCo/Bank's BoDs Committees, the HoldCo/Bank's BoDs decided on 21.7.2022, Mr. Jawaid Mirza to cease to be member of the BRCs.

BRC Meetings
The BRC meets at least on a monthly basis and the Chairperson updates the BoD members on the material matters covered by the Committee during the previous period (if any) at the quarterly meetings of the BoD.
Apart from the BRC members, the Audit Committee's members may also attend BRC sessions when common issues are discussed (i.e. on operational risk matters, on IT security and cyber risks). The Chairperson of the BRC may also invite to the meetings other executives of the Group or external advisors or experts, as deemed appropriate.

Quorum in the BRC Meetings
Quorum requires the majority of members (half plus one) to be present or represented, provided that no less than three (3) Committee members, including the Chairperson or the Vice Chairperson, are present. Each member of the Committee may validly represent only one of the other Committee members. Representation in the Committee may not be entrusted to persons other than the members thereof. In determining the number of members for the quorum, fractions, if any, will not be counted.

BRC Decisions
The BRC resolutions require a majority vote of the members who are present or represented. In case of a tie, the Chairperson and in case of his/her absence the Vice Chairperson has the casting vote. In case of non-unanimous decisions, the views of the minority are also minuted. The Board is informed of the BRC's minutes.

Attendance to the BRC Meetings
During 2022, attendance details for the Board Risk Committee were as follows,

Company	Meetings		Average ratio of Directors' attendance	
	2022	2021	2022	2021
HoldCo *(since 31.3.2022)*	10	n/a	95%	n/a
Bank	14	14	97%	99%

The Directors' individual attendance rates at the BRC meetings in 2022 were the following:

	Eurobank Holdings' BRC			Eurobank BRC		
	Eligible to attend	Attended in person (# and %)		Eligible to attend	Attended in person (# and %)	
Rajeev Kakar, *BRC Chairperson*	10	9	90%	14	13	93%
Cinzia Basile, *BRC Vice-Chairperson*	10	9	90%	14	13	93%
Bradley Paul Martin, *BRC member*	10	9	90%	14	14	100%
Jawaid Mirza, *BRC member until 21.7.2022*	6	6	100%	9	9	100%
Alice Gregoriadi, *BRC member*	10	10	100%	14	14	100%
Efthymia Deli, *BRC member*	10	10	100%	14	14	100%

It is noted that Mr. Rajeev Kakar, Ms. Cinzia Basile and Mr. Bradley Paul L. Martin provided representation proxies for all missed meeting in HoldCo/Bank's BRCs, leading their overall attendance rates (physical and under representation) at 100% in BRC.

BRC Secretary and Minutes
The BRC appoints its Secretary, who reports to the Group Company Secretariat and cooperates with the Chairperson of the Committee and the Group Chief Risk Officer ("GCRO"). The Secretary is responsible to minute the proceedings and resolutions of all BRC meetings, including the names of those present and in attendance and the action plans and follow ups for assignments, as well as for issuance of extracts. Decisions, actions and follow ups are disseminated to the Bank's responsible Units, as required.

BRC Terms of Reference (ToR)
BRC's ToR are reviewed at least every two (2) years and revised, if necessary, unless significant changes in the role, responsibilities, organization and/or regulatory requirements necessitate earlier revision. The ToR are approved by the Board.

BRC's Performance Evaluation
BRC's performance is evaluated annually according to the provisions of the Board and Board Committees Evaluation Policy. According to BRC's self-evaluation, the BRC members are satisfied with the Committee's effectiveness and leadership. They believe that the BRC uses its time effectively and there is a good planning and scheduling of the meetings. The Chairperson of the BRC is well prepared for the meetings and helps the Committee to effectively navigate through its agenda, encouraging critical discussion and ensuring that every member can freely express her/his views. The members are also well prepared and there is high level of participation on all important discussions, showing an adequate level of challenge. The evaluation also highlighted that BRC's planning and scheduling of meetings should continue to focus on prioritizing the most important risk issues.

BRC's Activity in 2022

For 2022, the BRC has, amongst others:

Eurobank Holdings

- monitored the Group's overall actual and future risk appetite and strategy, taking into account all types of risks to ensure that they are in line with the business strategy, objectives, corporate culture and values of the Group
- approved, among others, the following regulatory and other reports, including risk policies and frameworks:
  - Internal Capital & Liquidity Adequacy Assessment processes ICAAP/ILAAP
  - Capital Adequacy Statements, Liquidity Adequacy Statements
  - Risk Identification and Materiality Process (RIMA) Report
  - Group Recovery Plan
- approved the GCRO Annual Report
- approved the Group Risk and Capital Strategy and Risk Appetite Framework as well as Risk Appetite Statements incl. RAS dashboard

Bank

- monitored Eurobank's overall actual and future risk appetite and strategy, taking into account all types of risks to ensure that they are in line with the business strategy, objectives, corporate culture and values of the institution
- monitored qualitative and quantitative aspects of credit, market, liquidity and operational risks,
- reviewed Information and Communication Technology (ICT) Risk and Security (incl. Cyber Security), Physical Security and Fraud detection
- reviewed General Data Protection Regulation (GDPR) and Payment Services Directive 2 (PSD2) status
- approved, among others, the following regulatory and other reports, including risk policies and frameworks
  - Single Resolution Board's (SRB's) Working Priorities and Eurobank's Resolvability Work Programme (Bail in playbook, etc.)
  - Minimum Requirement for Own Funds and Eligible Liabilities (MREL) Issuance plan & Targets
  - Non-performing Exposures (NPE) Reduction Plan 2022-2024: Summary report, impairments and key risk metrics
  - EBA Dashboard
- reviewed and/or approved:
  - Climate Stress Test 2022 and Framework
  - External 3rd Party Benchmarking of the Risk Management Function
  - Early Warning System
  - Risk Parameters monitoring
  - Outsourcing reports incl. OSI regarding IT Outsourcing
  - OSI – Internal Ratings Based (IRB) for Loss given Default (LGD) Retail models
  - New SRT NPE Securitisations
  - ALM tool governance framework guideline
- approved several policies incl. market risk, counterparty risk, liquidity, credit, collection etc.

3.3 Remuneration Committee[8]

The HoldCo/Bank's Boards have delegated to the respective RemCos the responsibilities (a) to provide specialized and independent advice for matters relating to remuneration policy and its implementation at HoldCo/Bank Group level and for the incentives created while managing risks, capital and liquidity, (b) to safeguard the proper exercise of its duties and responsibilities, the efficient alignment of the personnel's remuneration with the risks the HoldCo/Bank undertakes and manages and the required alignment between the HoldCo/Bank and the Group, and (c) to approve or propose for approval all exposures of Key Management Personnel[9] and their relatives (spouses, children, siblings). The Non-Executive Directors of HoldCo/Bank have the responsibility to approve and periodically review HoldCo/Bank's remuneration policy and oversee its implementation both at Bank and Group level.

The implementation of the HoldCo/Bank remuneration policy is in line with the provisions of Laws 3864/2010, 4261/2014 and Bank of Greece Governor's Act 2650/2012.

The HoldCo/Bank RemCo is also responsible to:

- determine the remuneration system for the members of the Board of Directors and the senior executives and to make a relevant recommendation on them to the Board of Directors, which decides on them or to make recommendations to the General Meeting, where required.
- propose to the Non-Executive Directors of the HoldCo/Bank's BoD for their approval the goals and objectives relevant to the HoldCo/Bank's CEO remuneration and evaluate his/her performance in light of these goals and objectives.
- guide and monitor the external remuneration consultant (if hired) and ensure that it receives appropriate reporting from him/her. In addition, HoldCo/Bank RemCo ensures that the external consultant is referred in the HoldCo/Bank's annual report of the year hired and/or completed his/her work, together with a statement of any possible relationship between him/her and the HoldCo/Bank or with members of the HoldCo/Bank's Board individually.

[8] HoldCo/Bank's Remuneration Committees' Terms of Reference may be found at the HoldCo/Bank websites (www.eurobankholdings.gr & www.eurobank.gr).
[9] Key Management Personnel includes: Bank's Executive and Non-Executive BoD members, Executive Board (ExBo) members, General Managers non-members of the ExBo and the Heads of Group Internal Audit, Group Compliance, Group Risk Management.

RemCo Membership/Composition
The RemCo members are appointed by the Board. One (1) of the RemCo members is the HFSF Representative, while the HFSF appointed an Observer in the RemCo, in line with the requirements of the TRFA.

In the event that the Chairperson of the Bank's Board is a member of the RemCo, she/he cannot participate in the determination of his/her remuneration.

The tenure of the RemCo members coincides with the tenure of the HoldCo/Bank's Board, with the option to renew their appointment, but in any case, the service in RemCos should not be more than nine (9) years in total.

The RemCos consists of five (5) non- executive Directors four (4) of whom are independent Directors, including the Chairperson and the Vice-Chairperson. In particular, the HoldCo/Bank RemCo composition is outlined below:

RemCo Chairperson:	Cinzia Basile, *Non-executive Independent Director of the Board*
RemCo Vice-Chairperson:	Jawaid Mirza, *Non-Executive Independent Director of the Board*
Members:	George Chryssikos, *Non-Executive Director of the Board*
	Alice Gregoriadi, *Non-Executive Independent Director of the Board*
	Efthymia Deli, *Non-executive Director of the Board, HFSF Representative*

It is noted that during 2022 and following NomCo's recommendations, the HoldCo/Bank's BoDs on 21.7.2022 decided the following amendments on RemCos' composition:

a) Mr. Jawaid Mirza was appointed RemCos' Vice-Chairperson in replacement of Mr. Rajeev Kakar who ceased to be member of the RemCos.
b) Mr. George Chryssikos was appointed RemCos' member, and
c) Mr. Bradley Paul Martin and Ms. Irene Rouvitha Panou ceased to be members of the RemCos.

RemCo meetings
HoldCo/Bank's RemCo meets at least twice a year and minutes are kept.

Quorum in RemCo meetings
HoldCo/Bank's RemCo is in quorum and meets validly when half of its members plus one (1) are present or represented (fractions, if any, are not counted), provided that no less than three (3) members, including the Chairperson or the Vice Chairperson are present. Each member of RemCo may validly represent only one of the other RemCo members. Representation in RemCo may not be entrusted to persons other than the members thereof.

RemCo Decisions
RemCo's resolutions are validly taken by an absolute majority of the members who are present or represented. In case of a tie, the Chairperson and in case of his/her absence the Vice Chairperson of RemCo shall have the casting vote. In case of non-unanimous decisions, the views of the minority should also be minuted. The Board shall be informed whenever a decision of the Committee is not reached unanimously.

Attendance to the RemCo meetings
During 2022 the attendance details for the Remuneration Committees were as follows:

Company	Meetings		Average ratio of Directors' attendance	
	2022	2021	2022	2021
HoldCo	6	n/a	100%	n/a
Bank	8	8	100%	100%

RemCo Secretary and Minutes
RemCo appoints its Secretary, who reports to the Group Company Secretariat and cooperates with the Chairperson of RemCo and the Group Human Resources Deputy General Manager. The Secretary is responsible to minute the proceedings and resolutions of all RemCo's meetings, including the names of those present and in attendance and the action plans and follow ups for assignments, as well as for issuance of extracts. Decisions, actions and follow ups are disseminated to the Bank's responsible Units, as required.

RemCo Terms of Reference (ToR)
RemCo's ToR are reviewed at least every two (2) years and revised, if necessary, unless significant changes in the role, responsibilities, organization and/or regulatory requirements necessitate earlier revision. The ToR are approved by the Board.

RemCo's Performance Evaluation
RemCo's performance is evaluated annually according to the provisions of the Board and Board Committees Evaluation Policy. According to RemCo's self-evaluation, the RemCo members are satisfied with the Committee's effectiveness and leadership. They believe that the RemCo uses its time effectively and there is a good planning and scheduling of the meetings. The Chairperson of the RemCo is well prepared for the meetings and helps the Committee to effectively navigate through its agenda, encouraging critical discussion and ensuring that every member can freely express her/his views. The members are also well prepared and there is high level of participation on all important discussions, showing an adequate level of challenge. The evaluation also highlighted that while the level of remuneration has improved, it should remain an area of focus and should be regularly assessed against relevant local and international benchmarking.

RemCos' Activity in 2022

For 2022, RemCo has amongst others:

Eurobank Holdings

- reviewed and proposed to the Non-Executive Directors for approval the Remuneration Policy of the HoldCo
- approved the Identification Process of Material Risk Takers (as part of the Remuneration Policy)
- discussed the remuneration policy implementation at Group level
- discussed the Remuneration Policy Review – Follow up (for the Year 2020), conducted by the Internal Audit Group
- proposed to the Board for approval the Board and Board Committees' Fees for Non-Executive Directors of the HoldCo
- was informed on the tax treatment of the Board and Board Committees' Fees
- proposed to the Board for approval the Remuneration Report for the financial year 2021
- proposed to the Non-Executive Directors of the Bank for approval the CEO's Performance Evaluation for 2021 & CEO's Financial and Non-Financial objectives for 2022
- approved the Remuneration Disclosures for 2021
- reviewed and proposed to the BoD for approval the Board and Board Committees' attendance policy
- proposed to the Board for approval the Non-Executive Directors' remuneration for 2023 onwards (subject to AGM approval)
- proposed to the Non-Executive Directors for approval a New Variable Remuneration Scheme
- proposed to the BoD for approval the 2022 Stock Option Plan Implementation
- proposed to the Non-Executive Directors for approval a borrowing request of a member of a Key Management Personnel
- reviewed and proposed to the Non-Executive Directors for approval a proposal concerning the annual contributions to Eurobank's Group Occupational Fund.

Bank

- proposed to the BoD for approval the revised RemCo Terms of Reference
- reviewed and proposed to the Non-Executive Directors for approval the Remuneration Policy of the Bank
- approved the Identification Process of Material Risk Takers (as part of the Remuneration Policy)
- discussed the remuneration policy implementation at Bank and Bank Group level
- discussed the Remuneration Policy Review – Follow up (for the Year 2020), conducted by the Internal Audit Group
- proposed to the Board for approval the Board and Board Committees' Fees for Non-Executive Directors of the Bank
- was informed on the tax treatment of the Board and Board Committees' Fees
- proposed to the Board for approval the Non-Executive Directors' remuneration for 2023 onwards (subject to AGM approval)
- approved the remuneration framework and remuneration increase of Senior Managers of Eurobank Cyprus
- proposed to the Non-Executive Directors of the Bank for approval the CEO's Performance Evaluation for 2021 & CEO's Financial and Non-Financial objectives for 2022
- proposed to the BoD for approval the Board and Board Committees' attendance policy
- reviewed the implementation of the Board and Board Committees' attendance policy,
- discussed and further submitted to the Board for information the implementation of the Group Subsidiary Board Remuneration Policy through the Group during 2021
- approved the Remuneration Disclosures for 2021
- proposed to the Non-Executive Directors for approval a New Voluntary Exit Scheme (VES)
- proposed to the Non-Executive Directors for approval a New Variable Remuneration Scheme
- depending on the case, approved or proposed to the Non-Executive Directors for approval various remuneration issues of the international subsidiaries (remuneration framework, performance related variable remuneration, remuneration adjustments etc)
- proposed to the Non-Executive Directors for approval a borrowing request of a member of a Key Management Personnel
- received and reviewed the annual updates of the RemCo Chairpersons of Group's banking subsidiaries
- approved the appointment of RemCo Chairperson in Eurobank Bulgaria
- reviewed and proposed to the Non-Executive Directors for approval a proposal concerning the annual contributions to Eurobank's Group Occupational Fund.

3.4 Nomination and Corporate Governance Committee[10]

Eurobank Holdings and the Bank's Boards have delegated to the NomCos the responsibilities (a) to lead the process for Board and Board Committees appointments, including the identification, nomination and recommendation of candidates for appointment to the Board, (b) to consider matters related to the Board's adequacy, efficiency and effectiveness and (c) review the Group's corporate governance policies, procedures and arrangements. The Committees were renamed Nomination and Corporate Governance Committees in order to accurately reflect their expanded purpose.

The NomCo, in carrying out its duties, is accountable to the Board.

In particular, among others, the NomCo is responsible:

- At least annually and in accordance with Board and Board Committees Evaluation Policy, to assess the structure, size, composition and performance of the BoD and make recommendations to the BoD with regard to the need for its renewal and/or any other changes it considers appropriate

[10] HoldCo/Bank's NomCos' Terms of Reference may be found at the HoldCo/Bank websites (www.eurobankholdings.gr & www.eurobank.gr)

- At least annually and in accordance with Board and Board Committees Evaluation Policy, to assess the knowledge, skills, experience and contribution of individual Board members and of the Board collectively and report to the BoD accordingly
- In the context of Board and Board Committees Evaluation Policy implementation, to determine the evaluation parameters based on best practices and ensure the effectiveness of the evaluation of the Board, the individual evaluation of Non-Executive Directors, including the Chair, the succession plan of the Chief Executive and the members of the Board, the targeted composition of the Board of Directors in relation to the strategy and Board Nomination Policy
- To play a leading role in the nomination process and the design of the succession plan for the members of the Board and senior management
- To review at least once every two years and recommend for the approval of the BoD the BoD Nomination Policy
- To ensure that the nomination process, as this is defined in the BoD Nomination Policy, is clearly defined and applied in a transparent manner and in a way that ensures its effectiveness
- To ensure that there is adequate, step-wise succession planning for Board members so as to maintain an appropriate level of continuity and organizational memory at Board level, especially when dealing with sudden or unexpected absences or departures of Board members
- To monitor the Board succession planning in order to ensure the smooth succession of the members of the Board with their gradual replacement in order to avoid the lack of management
- To ensure that the succession framework takes into account the findings of the evaluation of the Board in order to achieve the necessary changes in composition or skills and to maximise the effectiveness and collective suitability of the Board
- To review at least annually and always before the initiation of the CEO succession process the qualifications required for the position of the CEO, to ensure that there is a viable pool of internal and external candidates and also to ensure that the CEO is involved in all the areas of CEO Succession Plan, including the assessment of the nominees for his/her position, as he deems appropriate
- To ensure that the CEO is involved in the succession planning process of the senior executives at the level of the CEO minus one, including the assessment of nominees for the said positions

As far as NomCos of subsidiaries are concerned, neither the HoldCo NomCo nor the Eurobank NomCo replace them. However, the Eurobank NomCo has the overall responsibility to oversee that the NomCos of subsidiaries comply with its standards, modus operandi and governance framework.

NomCo Membership/Composition
NomCo members are appointed by the Board. The tenure of NomCo members coincides with the tenure of the Board, with the option to renew their appointment, but in any case, the service in NomCo should not be more that nine (9) years in total.

The BoD Chairman is a member of NomCo, while one (1) of the NomCo members is the HFSF Representative. The HFSF appointed an Observer in the NomCo, in line with the requirements of the TRFA.
The NomCo as of the date of approval of the here-in Statement, consists of five (5) non-executive Directors, three (3) of whom are independent Directors, including the Chairperson who may not serve as the Chairperson of the Remuneration Committee. The NomCo composition is outlined below:

NomCo Chairperson:	Irene Rouvitha Panou, *Non-Executive Independent Director of the Board*
NomCo Vice-Chairperson:	Bradley Paul L. Martin, *Non-Executive Director of the Board*
Members:	Jawaid Mirza, *Non-Executive Independent Director of the Board*
	Rajeev Kakar, *Non-Executive Independent Director of the Board*
	Efthymia Deli, *Non-Executive Director of the Board, HFSF Representative*

It is noted that during 2022 and following NomCos' recommendations, the HoldCo/Bank's BoDs on 21.7.2022 decided the following amendments on NomCos' composition:

a) Mr. Jawaid Mirza was appointed NomCos' member and
b) Mr. Georgios Zanias and Ms. Alice Gregoriadi ceased to be members of the NomCos.

NomCo Meetings
NomCo meets at least twice a year and minutes are kept.

Quorum in the NomCo Meetings
NomCo is in quorum and meets validly when half of its members plus one (1) are present or represented (fractions, if any, are not counted), provided that no less than three (3) members, including the Chairperson or the Vice Chairperson are present. Each member of NomCo may validly represent only one of the other NomCo members. Representation in the NomCo may not be entrusted to persons other than the members thereof.

NomCo Decisions
NomCo's resolutions are validly taken by an absolute majority of the members who are present or represented. In case of a tie, the Chairperson and in case of his/her absence the Vice Chairperson of NomCo shall have the casting vote. In case of non-unanimous decisions, the views of the minority should also be minuted. The Board shall be informed whenever a decision of the Committee is not reached unanimously.

Attendance to the NomCo meetings
During 2022 the attendance details for the NomCo were as follows:

Company	Meetings		Average ratio of Directors' attendance	
	2022	2021	2022	2021
HoldCo	6	7	97%	98%
Bank	7	7	98%	98%

The Directors' individual attendance rates at the NomCo meetings in 2022 were the following:

	Eurobank Holdings NomCo			Eurobank NomCo		
	Eligible to attend	Attended in person (# and %)		Eligible to attend	Attended in person (# and %)	
Irene Rouvitha Panou, *NomCo Chairperson*	6	6	100%	7	7	100%
Bradley Paul Martin, *NomCo Vice-Chairperson*	6	5	83%	7	6	86%
Rajeev Kakar, *NomCo member since 21.7.2022*	2	2	100%	2	2	100%
Georgios Zanias, *NomCo member until 21.7.2022*	4	4	100%	5	5	100%
Jawaid Mirza, *NomCo member*	6	6	100%	7	7	100%
Alice Gregoriadi, *NomCo member since 23.7.2021*	4	4	100%	5	5	100%
Efthymia Deli, *NomCo member*	6	6	100%	7	7	100%

It is noted that Mr. Bradley Paul Martin provided representation proxies for each missed meeting in HoldCo/Bank NomCo, leading his overall attendance rate (physical and under representation) at 100% in HoldCo/Bank NomCo.

NomCo Secretary and Minutes
NomCo appoints its Secretary, who reports to the Group Company Secretariat and cooperates with the Chairperson of NomCo. The Secretary is responsible to minute the proceedings and resolutions of all NomCo's meetings, including the names of those present and in attendance and the action plans and follow ups for assignments, as well as for issuance of extracts. Decisions, actions and follow ups are disseminated to the responsible parties, as required.

NomCo Terms of Reference (ToR)
NomCo's ToR are reviewed at least every two (2) years and revised, if necessary, unless significant changes in the role, responsibilities, organization and/or regulatory requirements necessitate earlier revision. The ToR are approved by the Board.

NomCo's Performance Evaluation
NomCo's performance is evaluated annually according to the provisions of the Board and Board Committees Evaluation Policy. According to NomCo's self-evaluation, the NomCo members are satisfied with the Committee's effectiveness and leadership. They believe that the NomCo uses its time effectively and there is a good planning and scheduling of the meetings. The Chairperson of the NomCo is well prepared for the meetings and helps the Committee to effectively navigate through its agenda, encouraging critical discussion and ensuring that every member can freely express her/his views. The members are also well prepared and there is high level of participation on all important discussions, showing an adequate level of challenge. The evaluation also highlighted that the NomCo and the BoD should continue overseeing that strong governance culture is maintained across Eurobank and its subsidiaries.

NomCo's Activity in 2022
For 2022, NomCo has amongst others:

Eurobank Holdings

- Proposed to the BoD for approval the revised NomCo Terms of Reference
- reviewed for further update of the Board, the Board and Board Committees 2021 self-evaluation and the Board's overall effectiveness assessment
- proposed to the Board for approval the new composition of the Board Committees
- reviewed and proposed to the Board for approval the Board of Directors Diversity Policy, the CEO Succession Planning Policy, the External Engagements Policy, the Board and Board Committees Evaluation Policy, the C-Suite Succession Planning Policy, the Senior Management Selection and Appointment Policy, and the Group Governance Policy. In addition, reviewed and proposed to the BoD and AGM for approval the Board Nomination Policy
- reviewed and proposed to the Board for approval the revised Organizational Chart
- proposed to the Board for approval the Internal Governance Control Manual

Bank

- Proposed to the BoD for approval the revised NomCo Terms of Reference
- reviewed for further update of the Board, the Board and Board Committees 2021 self-evaluation and the Board's overall effectiveness assessment and the Strategic Planning Committee's self-assessment for 2021
- proposed to the Board for approval the new composition of the Board Committees
- reviewed and proposed to the Board for approval the Board of Directors Diversity Policy, the CEO Succession Planning Policy, the External Engagements Policy, the Board and Board Committees Evaluation Policy, the C-Suite Succession Planning Policy, the Senior Management Selection and Appointment Policy, the Group Governance Policy and the Board Nomination Policy
- reviewed and proposed to the Board for approval the revised Organizational Chart
- approved the selection of candidates as members of the Board of Directors of Group's significant subsidiaries

- reviewed and updated the Board on Senior Executives succession plan
- approved the external engagements of three (3) Board members
- reviewed the independence of the Independent Non-Executive directors
- reviewed the attendance of Directors to the Board and Board Committees
- reviewed and proposed to the BoD for approval the Corporate Governance Action Plan of recommendations derived from various reviews, including the Supervisory Review and Evaluation Process (SREP) 2021 and the BoD and BoD Committees Self-Assessment 2021.

- approved the NomCo Chairpersons of Eurobank Bulgaria and Eurobank Direktna
- approved the appointment of the Head of Group Digital Banking General Division and the appointment of General Managers
- received and reviewed the annual updates of the NomCo Chairpersons of Group's banking subsidiaries
- reviewed and updated the Board on Senior Executives succession plan
- reviewed the Succession planning of Key Management Personnel (KMP) of significant subsidiaries Eurobank Bulgaria and Eurobank Cyprus
- was updated on the Group Corporate Governance Arrangements Guideline implementation status by Group's banking subsidiaries
- approved the external engagements of three (3) Board Members
- reviewed the independence of the Independent Non-Executive directors
- reviewed the attendance of Directors to the Board and its Committees
- reviewed and proposed to the BoD for approval the Corporate Governance Action Plan of recommendations derived from various reviews, including the Supervisory Review and Evaluation Process (SREP) 2021 and the BoD and BoD Committees Self-Assessment 2021.

Board of Directors Diversity Policy
The Board of Directors Diversity Policy ("Policy") sets out the approach to diversity on the Board and it is in accordance with international best practices and the applicable legal framework[11].

As declared in the Policy, the Board's diversity is one of the factors which, according to the Board Nomination Policy, the Committee shall consider when examining composition and structure of the Board. A diverse Board includes and makes good use of variety in the skills, educational and professional background, geographical provenance (nationality), gender, age and other qualities of Directors.

NomCo members discuss and agree all measurable objectives for achieving diversity on the Board during the review process of the Board profile matrix according to the Board Nomination Policy and for proposing the (re)appointment/succession planning of individual Board members according to the Board and Board Committees Evaluation Policy, taking into consideration the balance of all diversity aspects mentioned in the Policy. At any given time the Board may seek to improve one or more aspects of its diversity and measure progress accordingly.

According to the Policy, NomCo's priority is to ensure that the Board continues to have strong leadership and the right mix of skills to deliver the business strategy. Within this context and in regard to the less represented gender in the Board, NomCo's target is that the percentage of the female gender representation in Board shall be at least 25% calculated on the total Board size (rounded to the nearest integer) in the next three (3) years, with the aim the actual percentage to be maintained above the said minimum target at all times, also considering industry trends and best practices. As of 31.12.2022, the representation of the female gender in the Board stood at 31%.

Senior Management Diversity
The Bank/HoldCo have acknowledged the need to facilitate career growth for women executives, in order to create a pipeline of eligible female professionals that could participate in the Executive Committee and/or Board. For that purpose, the representation of female executives that have been identified during the annual Succession Planning exercise (reviewed and approved at Board level) has been enhanced, ensuring a 42% increase of women successors' participations in the pool, in absolute terms.

In a more long-term perspective, the Bank has launched "Women In Banking" program, a Women Leadership Acceleration Mentoring program, aiming to focus on and support career growth for high potential women that are currently in middle management roles, in order to create the context for their transition to top executive roles in the future.

The Bank's Human Resources General Division is currently in the process of examining further actions for enhancing Senior and/or Senior Management diversity within Bank/HoldCo.

Board Nomination Policy
The HoldCo/Banks' Board Nomination Policy sets out the guidelines and formal process for the identification, selection and nomination of candidates for the Board. The Policy ensures that such appointments are made: (a) in accordance with legal and regulatory requirements; (b) with due regard to the expectations of the major shareholders, (c) in line with the HoldCo's and Bank's contractual obligations with the HFSF and (d) on the basis of individual merit and ability, following a best practice process.

The primary objectives of the Policy are to:

[11] The Board of Directors Diversity Policy may be found at the HoldCo/Bank's website

- Define the general principles which guide the NomCo as it discharges its role across all stages of the nomination process
- Devise the specific criteria and requirements for Board nominees
- Establish a transparent, efficient and fit-for-purpose nomination process
- Ensure that the structure of the Board (including the succession planning) meets high ethical standards, has optimal balance of knowledge, skills and experience and is aligned with the current regulatory requirements

The Board supported by NomCo shall nominate candidates who meet the following nomination criteria:

- *Reputation along with honesty, integrity and trust*
  a) Reputation: Sufficiently good repute, high social esteem and adherence to the reputation, honesty, and integrity criteria of the applicable regulatory framework
  b) Honesty, integrity and trust: Demonstration of the highest standards of ethics, honesty, integrity, fairness, and personal discipline, through personal history, professional track record or other public commitments

- *Knowledge, skills, experience (KSE) and other general suitability requirements*
  a) Understanding of the HoldCo/Bank: Sufficient KSE for the development of a proper understanding of the business, culture, supervisory and regulatory context, product and geographic markets of operations, and stakeholders of the HoldCo and its subsidiaries
  b) Seniority: Several years of experience in a generally recognised position of leadership in the candidate's field of endeavour
  c) Independent mind-set and ability to challenge: Ability of forming and expressing an independent judgement on all matters that reach the Board and candour to challenge proposals and views on these matters by management and other candidates
  d) Collegiality, team skills and leadership: Ability to contribute constructively and productively to Board discussions and decision making along with ability of leading such discussions as chair or vice-chair of specific committees or the Board as a whole
  e) Additional criteria for the nomination of Executive Directors: Proven, through current and previous executive positions, knowledge, skills, experience and character to lead the HoldCo/Bank and its subsidiaries in the achievement of strategic objectives, along with willingness to enter into full time employment with the HoldCo/Bank.

- *Conflicts of interest and independence of mind*
  NomCo examines the personal, professional, financial, political and any other possible interests and affiliations of candidates, ensuring that the candidates do not have actual, potential or perceived conflicts of interest which cannot be prevented, adequately mitigated or managed under the written policies of the HoldCo/Bank, that would impair their ability to represent the interests of all shareholders of the HoldCo/Bank, fulfil their responsibilities as Directors and make sound, objective and independent decisions (act with independence of mind).

  In particular, NomCo shall also examine relevant direct and indirect monetary interests and non-monetary interests, including those arising from affiliations with and membership in other organisations.

- *Time commitment*
  NomCo ensures that all nominees are able to commit the time necessary to effectively discharge their responsibilities as Directors, including regularly attending and participating in meetings of the Board and its Committees.

- *Collective suitability*
  The Collective Suitability Matrix of the Joint ESMA/EBA Guidelines is updated in accordance with the strategic objectives and risk management priorities of the HoldCo/Bank, assisting in identifying the desirable KSE of the members to ensure collective suitability.

Among others, in overseeing the nomination process, the NomCo shall ensure that there is adequate, step-wise succession planning for Board members so as to maintain an appropriate level of continuity and organizational memory at Board level, especially when dealing with sudden or unexpected absences or departures of Board members. In this respect, the NomCo shall:

- Monitor the tenures of Board members and make its nomination proposals in such a manner as to encourage staggered appointments/retirements on the Board, wherever possible. The reappointment of current Board members shall be based on continuing adherence to the criteria established in this Policy
- Ensure that there is an appropriate level of presence of relevant KSEs on the Board, without undue reliance on the expertise of a few Directors
- Review whether there are sufficient Board members who are capable of serving as Board Chair and Committee Chairs, if necessary
- Periodically monitor as required the availability of candidates who could address the Board's succession planning needs
- Take into account the findings of the HoldCo and Bank BoD evaluations in order to achieve the necessary changes in composition or skills and to maximise the effectiveness and collective suitability of the HoldCo and Bank BoD

The Board Nomination Policy is approved by the Board and reviewed at least once every two (2) years by NomCo and revised if necessary, unless material changes, regulatory or other, necessitate earlier revision.

CEO Succession Planning

The HoldCo/Banks' CEO Succession Planning Policy (Policy) which is supplementary to the HoldCo/Bank's Board Nomination Policy and HoldCo/Bank's Board and Board Committees Evaluation Policy, sets out the guidelines and formal process for the identification, selection and nomination of candidates for the succession of the HoldCo/Bank's CEO.

In accordance with the Policy, NomCo defines, in collaboration with the current CEO, the qualifications required for the position of the CEO, ensures that there is a viable pool of candidates who may feet the required profile, reviews at least annually and in any case before the initiation of the CEO succession process the qualifications required for the position of the CEO and the pool of candidates, leads the selection process, and approves a tailored to the CEO induction program, which facilitates the smooth transition.

3.5 Board Digital & Transformation Committee[12]

The Bank's Board Digital & Transformation Committee (BDTC) is a consultative body that reviews proposals and gives its strategic advice and guidance on such proposals related to the Group's digital, innovation, transformation and cybersecurity, in order to contribute in achieving the vision and strategic goals of the Bank. The BDTC, in carrying out its duties, is accountable to the Bank Board.

BDTC Membership / Chairmanship
The BDTC members are appointed by the Board. The tenure of the BDTC members coincides with the tenure of the Bank's Board, with the option to renew their appointment, but in any case the service in BDTC should not be more than twelve (12) years in total. The HFSF appointed an Observer in the BDTC, in line with the requirements of the TRFA.

The BDTC consists of six (6) Directors of whom two (2) executives, three (3) independent non-executives, one (1) non-executive who is also the representative of the HFSF. The BDTC composition is outlined below:

BDTC Chairperson:	Alice Gregoriadi, *Non-Executive Independent Director of the Board*
BDTC Vice-Chairperson:	Rajeev Kakar, *Non-executive Independent Director of the Board*
Members:	Jawaid Mirza*, Non-executive Independent Director of the Board*
	Stavros Ioannou, Executive Director of the Board / Deputy Chief Executive Officer, Group Chief Operating Officer (COO) & International Activities
	Andreas Athanasopoulos, *Executive Director of the Board / Deputy Chief Executive Officer, Group Chief Transformation Officer, Digital & Retail*
	Efthymia P. Deli, *Non-executive Director of the Board, HFSF Representative*

It is noted that during 2022 and following the recommendation of the Bank NomCo, the Bank's BoD on 21.7.2022 decided the following amendments on BDTC's Composition:

- Ms. Alice Gregoriadi, previous BDTC Vice-Chairperson, was appointed BDTC Chairperson, in replacement of Mr. Jawaid Mirza who remained BDTC member.
- Mr. Rajeev Kakar, previous BDTC member, was appointed BDTC Vice-Chairperson.

BDTC Meetings
BDTC meets at least twice a year and as each time required, also considering that the annually held Strategy Away Day is a forum in which relevant digital and transformation strategic matters are also discussed, while minutes are kept for all meetings.

Quorum in BDTC
BDTC is in quorum and meets validly when half of its members plus one (1) are present or represented (fractions, if any, are not counted), provided that no less than three (3) members, including the Chairperson or the Vice Chairperson and one non-executive director are present. At all times, the Chairperson or the Vice Chairperson are present and the total number of non-executive (incl. independent nonexecutive) directors should be the majority of the members present or represented. Each member may validly represent only one of the other BDTC members and representation may not be entrusted to persons other than the Committee members.

BDTC Decisions
BDTC's resolutions are validly taken by an absolute majority of the members who are present or represented. In case of a tie, the Chairperson and in case of his/her absence the Vice Chairperson of BDTC shall have the casting vote. In case of non-unanimous decisions, the views of the minority should also be minuted. The Board shall be informed whenever a decision of the BDTC is not reached unanimously.

BDTC Attendance Rate
During 2022, BDTC held two (2) meetings and the ratio of attendance was 100% (vs. 83% in 2021).

BDTC Secretary and Minutes
BDTC appoints its Secretary, who reports to the Group Company Secretariat and cooperates with the Chairperson of BDTC. The Secretary is responsible to minute the proceedings and resolutions of all BDTC's meetings, including the names of those present and in attendance and the action plans and follow ups for assignments, as well as for issuance of extracts. Decisions, actions and follow ups are disseminated to the Bank's responsible Units, as required.

BDTC Terms of Reference (ToR)
The BDTC ToR are reviewed at least once every two (2) years and revised if necessary, unless significant changes in the role, responsibilities, organization and/or regulatory requirements necessitate earlier revision. The ToR are approved by the Board.

[12] BDTC ToR may be found at the Bank's website (www.eurobank.gr).

BDTC Performance Evaluation
BDTC's performance is evaluated annually according to the provisions of the Board and Board Committees Evaluation Policy. According to BDTC's self-evaluation, the BDTC members are satisfied with the Committee's effectiveness and leadership. They believe that the BDTC uses its time effectively and there is a good planning and scheduling of the meetings. The Chairperson of the BDTC is well prepared for the meetings and helps the Committee to effectively navigate through its agenda, encouraging critical discussion and ensuring that every member can freely express her/his views. The members are also well prepared and there is high level of participation on all important discussions, showing an adequate level of challenge. The evaluation also highlighted that BDTC's planning and scheduling of future meetings could be enhanced further by having more benchmarking and best practices items in the agenda rather than items related to the current state of the Bank.

BDTC's Activity
For 2022 BDTC has discussed mainly the Eurobank 2030 Transformation, including deep dives in various. The Committee reviewed among others the IT strategy to support transformation and the management of risk within the transformation governance and was also update on certain innovation deep dives (like existing collaboration with Fintechs, scanning for new opportunities and program EGG). In addition, for 2022, BDTC proposed to the BoD for approval its revised ToR.

4. Management Committees

Given that there is no relevant regulatory requirement neither a business need, the CEO has not established committees at HoldCo level.

As regards the Bank, the CEO establishes committees to assist him, as required, in discharging his duties and responsibilities. The most important Committees established by the CEO are the Executive Board, the Strategic Planning Committee, the Management Risk Committee, the Group Asset and Liability Committee, the Central Credit Committees (I & II), the Troubled Assets Committee, the Products and Services Committee (PSC) and the Environmental, Social & Governance (ESG) Management Committee.

<u>Executive Board</u>

The Composition of the Executive Board and short biographical details of its members are summarized below:

Fokion Karavias Chief Executive Officer (CEO) Year of birth: 1964 Nationality: Hellenic Number of shares in Eurobank Holdings: 7.569	Mr. Karavias joined Eurobank in 1997 and served, inter alia, as Senior General Manager, Group Corporate & Investment Banking, Capital Markets & Wealth Management (2014-2015) and Executive Committee Member (2014-2015), General Manager and Executive Committee Member (2005-2013), Deputy General Manager and Treasurer (2002-2005), Head of fixed income and derivative product trading (1997). In the past, Mr. Karavias had also the following significant posts: Treasurer of Telesis Investment Bank (2000), Head of fixed income products and derivatives in Greece of Citibank, Athens (1994) and has also worked in the Market Risk Management Division of JPMorgan NY (1991). He holds a PhD in Chemical Engineering from the University of Pennsylvania, Philadelphia, USA and an MA in Chemical Engineering from the same university, as well as a Diploma in Chemical Engineering from the National Technical University of Athens. He has published articles on topics related to his academic research.
Stavros Ioannou Deputy Chief Executive Officer (CEO), Group Chief Operating Officer (COO) & International Activities Membership in Board Committees: Board Digital and Transformation Committee – Member Year of birth: 1961 Nationality: Hellenic Number of shares in Eurobank Holdings: 1.528	Mr. Ioannou holds several other posts in the Eurobank Group as member of the BoD of Eurobank Direktna AD, Serbia (since November 2010), Eurobank Bulgaria AD (since October 2015), Vice-Chairman in Eurobank Cyprus Ltd (since November 2022) and is also the Chairman of the BoD, BE-Business Exchanges SA (since January 2014). He has also been appointed as the responsible BoD member of Eurobank Holdings and Eurobank for climate-related and environmental risks and for the outsourcing function He is currently Non-Executive Board member of Grivalia Management Company S.A. (since September 2019). In the past, Mr. Ioannou had also the following significant posts: Chairman of the Executive Committee in the Hellenic Banking Association (2020-2022) where he had been member since 2013, Vice Chairman at Cardlink SA (2013-2015), Member of the BoD in Millennium Bank, responsible for Retail, Private Banking and Business Banking (2003), Head at Barclays Bank PLC, responsible for Retail Banking, Private Banking and Operations (1990-1997). He holds an MA in Banking and Finance from the University of Wales, UK and a Bachelor Degree in Business Administration from the University of Piraeus.

Kostas Vassiliou Deputy Chief Executive Officer (CEO), Head of Corporate & Investment Banking Year of birth: 1972 Nationality: Hellenic Number of shares in Eurobank Holdings: -	Mr. Vassiliou holds several other posts in the Eurobank Group as Chairman of the BoD of Eurobank Factors Single Member SA (since December 2018), Member of the BoD of Eurobank Equities Single Member SA (since March 2015), Vice-Chairman of the BoD of Eurolife FFH Insurance Group Holdings SA (since January 2021), Eurolife FFH Life Insurance SA (since December 2020) and Eurolife FFH General Insurance SA (since December 2020). In the past, Mr. Vassiliou had also the following significant posts: Country Manager for Greece, Cyprus and the Balkans, Mitsubishi UFJ Financial Group, London (2000-2005) and Senior Relationship Manager, Mitsubishi UFJ Financial Group, London (1998-2000). He holds an MBA from Boston University, USA and a BA in Business Administration from the Athens University of Economics and Business.

Andreas Athanasopoulos Deputy Chief Executive Officer, Group Chief Transformation Officer, Digital & Retail Membership in Board Committees: Board Digital and Transformation Committee - Member Year of birth: 1966 Nationality: Hellenic Number of shares in Eurobank Holdings: -	In the past, Mr. Athanassopoulos had the following significant posts: Group Chief Customer Officer & CEO Financial services, Dixons Carphone, UK (2018-2020), CEO and Vice President, Dixons Carphone, Greece (Kotsovolos) (2013-2018), General Manager Retail Banking, National Bank of Greece (2008-2013), Chairman of NBG Asset Management (2011-2013), Deputy General Manager Small Business Banking, Eurobank (Greece & New Europe) (2003-2008), Consumer Credit Director, Piraeus Bank (Greece) (2000-2003). He holds a Postdoc on Decision Sciences from the London Business School, UK, a PhD in Industrial and Business Studies from the University of Warwick, UK, an MSc in Statistics and Operational Research from the University of Essex, UK, a BSc in Applied Mathematics from the University of Patras, Greece. He has also served as a Professor in Financial Services of the Athens Graduate School of Business (ALBA) (1997-2001) and a Senior Lecturer of the Warwick Business School, UK (1992-1996) and has published 35 scholarly reviewed papers in top rated academic journals.
Christos Adam General Manager, Group Risk Management, Group Chief Risk Officer (Group CRO), Eurobank SA Year of birth: 1958 Nationality: Hellenic Number of shares in Eurobank Holdings: 577	Mr. Adam has served within the Eurobank Group as Deputy General Manager (2005-2013), Head of Group Credit Control Sector (1998-2013) and Senior Account Officer & Senior Manager, Corporate Division (1990-1997). In the past Mr. Adam worked in ANZ Grindlays Greek Branch, he had the position of Account Manager in the Corporate Division. He holds an MBA in Finance from the University of Michigan, Ann Arbor, USA, with full scholarship from the Fulbright Foundation and a Degree in Economics from the School of Economics & Political Sciences, University of Athens.
Thanasis Athanasopoulos General Manager – Head of Group Compliance General Division of Eurobank SA Year of birth: 1973 Nationality: Hellenic Number of shares in Eurobank Holdings: -	In the past, Mr. Athanasopoulos has served as Chief Audit Executive of the Alpha Bank Group and Vice President - Audit & Risk Review of the Mellon Financial Corporation. He holds a BSc, Business Administration from the Athens University of Economics and Business, a MSc, Banking from the University of Reading, a MSc, Economic History from the London School of Economics and he is certified as a Fellow Chartered Accountant of ICAEW and a Certified Director (IDP) by INSEAD.
Iakovos Giannaklis General Manager, Retail Banking, Eurobank SA Year of birth: 1971 Nationality: Hellenic Number of shares in Eurobank Holdings: 1.756	He is also a member of the BoDs in Eurolife FFH Group Holdings, General Insurance and Life insurance. In the past Mr Giannaklis has also served within the Eurobank Group as Member of the BoDs of Eurobank FPS Loans and Credits Claim Management Société Anonyme, Eurobank Household Lending Services SA (2016-2018), Eurobank Asset Management MFMC (2014-2017), Head of Branch Network General Division (2014-2016), Head of Branch Network Commercial Development Sector (2014), Member of the BoD, Eurobank Business Services (2009-2017) and Head of Branch Network Sector (2009-2014). He holds an MBA from the University of Indianapolis, USA and a BA in Business Administration, from the City University of Seattle, USA.
Tasos Ioannidis	In the past Mr. Ioannidis has served as General Manager, Head of Global Markets & Treasury (April 2015 - July 2019), Deputy General Manager,

General Manager Markets & Asset Management, Eurobank SA Year of birth: 1968 Nationality: Hellenic Number of shares in Eurobank Holdings: -	Head of Global Markets & Treasury (October 2013 - March 2015), Deputy General Manager, Group Treasurer (April 2009 - October 2013), Deputy General Manager, Group Head of Trading (March 2007 - April 2009). He has also served as Member of the BoD, Eurobank Asset Management MFMC (May 2015 - September 2017), Chairman of the BoD, Eurobank ERB MFMC, former TT ELTA MFMC (February 2014 - September 2015), Member of the BoD, Global Asset Management SA (June 2006 - December 2009), and Member of the BoD, Portfolio Investment SA (June 2002 - April 2003). He holds a MSc in Shipping, Trade and Finance from Cass Business School, London, UK and a BSc, School of Mechanical Engineering from the National Technical University of Athens.

Apostolos Kazakos General Manager, Group Strategy, Eurobank SA Year of birth: 1972 Nationality: Hellenic Number of shares in Eurobank Holdings: -	Mr. Kazakos has also served as Deputy CEO, Eurobank Equities, the investment banking and brokerage arm of Eurobank Group (May 2010 – August 2013), Assistant General Manager, Head of Group Strategy & Investment Relations, National Bank of Greece (August 2014 – March 2015), General Manager and Head of the Investment Banking, Restructuring & Capital Investment Division, General Bank, Piraeus Group (September 2013 – July 2014), Senior Executive and eventually Head of the Investment Banking Division, Eurobank Equities and Telesis Bank (January 1998 – May 2010). He holds an MSc in International Securities, Investment and Banking, International Securities Market Association (ISMA) from the University of Reading, UK and a Degree in Accounting, Faculty of Administration & Finance from the Technological Educational Institute of Central Macedonia.
Harris Kokologiannis General Manager, Group Finance, Group Chief Financial Officer (Group CFO), Eurobank SA Year of birth: 1967 Nationality: Hellenic Number of shares in Eurobank Holdings: -	Mr. Kokologiannis joined Eurobank in January 2008 as Head of Group Finance and Control until his appointment as Group CFO in July 2013. He has served as Audit Supervisor, Deloitte (Tax, Audit, Management Consultant), Group CFO (Lafarge Cement - Heracles General Cement Company), Director of Finance and Control (L'Oreal Hellas), Group Financial Manager (PLIAS Group). He is a Chartered Accountant in UK, member of the Chartered Institute of Management Accountant (C.I.M.A.), UK. He holds an MBA from the University of Warwick (UK) and a BA in Business Management and Organization from the School of Economics and Business Science (ASOEE).
Michalis Louis Head of International Activities General Division & Group Private Banking Year of birth: 1962 Nationality: Cypriot Number of shares in Eurobank Holdings: 113.958	Mr. Louis also serves as CEO, Eurobank Cyprus Ltd (since 2007), Member of the BoD, Eurobank Private Bank Luxembourg SA, Member of the Supervisory Board (SB) of Eurobank Bulgaria AD and Member of the BoD of Eurobank-Direktna (before the merger of Eurobank Serbia with Direktna on December 2021, he was serving as the BoD Chairman of Eurobank Serbia). He holds a MSc in Corporate Finance & Accounting from the London School of Economics and Political Sciences, UK and a Degree in Accounting from Ealing College, UK.
Natassa Paschali General Manager, Head of Group Human Resources General Division, (Group CHRO), Eurobank SA Year of birth: 1972 Nationality: Greek Number of shares in Eurobank Holdings: -	Mrs. Paschali is the Group Chief Resources Officer (Group CHRO), since June 2018 In the past she has served within the Eurobank Group as Head of People Engagement (January 2017 – June 2018), Head of HR, Eurobank Private Bank Luxembourg SA (parallel assignment), Luxembourg (May 2014 – May 2017), Head of HR Line Management, Wholesale Banking (2008-2016). She holds a MSc in Industrial Relations and Personnel Management from the London School of Economics and Political Science (1995-1996) and a BA in English Language and Literature from the University of Athens, School of Philosophy (1991-1995).

Mrs. Veronique Karalis, Deputy Group Company Secretary, serves as the Secretary of the ExBo.

The ExBo manages the implementation of Group's strategy in line with the Board's guidance. The functioning of ExBo is subject to the provisions of the TRFA. The ExBo is established by the CEO and its members are appointed by the CEO. The ExBo meets on a weekly basis or ad hoc when necessary. Other executives of the Group, depending on the subject to be discussed, may be invited to attend.

The ExBo is in quorum and meets validly when half of its members plus one are present or represented. In determining the number of members for the quorum, fractions, if any, shall not be counted. The ExBo resolutions require a majority vote. The ExBo appoints its Secretary, who reports to the Group Company Secretariat and cooperates with the Chairperson of the Committee. The Secretary is responsible to minute the proceedings and resolutions of all ExBo meetings, including the names of those present and in attendance and the action plans and follow ups for assignments, as well as for issuance of extracts. Decisions, actions and follow ups are disseminated to the Bank's responsible Units, as required. The ExBo Terms of Reference (ToR) are approved by the CEO and revised as appropriate.

The ExBo's key tasks and responsibilities are to:

- manage the implementation of the Group's strategy as developed by the SPC, in line with the BoD's guidance
- draw up the annual budget and the business plan. The SPC reviews the key objectives and the goals contained therein, as well as the major business initiatives, and submits them to the Board for approval
- approve issues concerning the Group's strategic choices (e.g. partnerships, share capital increase, issuing convertibles and/or launching debt issuance programs, mergers, acquisitions or disposals, the formation of joint ventures, creation or dissolution of special purpose vehicles, dividend distribution and all other investments or non-material disinvestments13 by the Group etc.), ensuring these being in line with the approved Group's strategy, if the issue under discussion is less than or equal to €40 million. In case though:
  a) the issue under discussion exceeds € 40 million
  b) a decision of the Board is obligatory by Law or by the Bank's contractual commitments
  c) it is deemed necessary by the SPC, taking into account the complexity and nature of the strategic choices under discussion

  the issues concerning the Group's strategic choices are approved by the Board following a relevant proposal by the SPC (as per its Terms of Reference)
- monitor the performance of each business unit and country against budget and ensure corrective measures are in place wherever required
- decide on all major Group's initiatives aiming at transforming the business and operating model, enhancing the operating efficiency and cost rationalization, improving organizational and business structure
- ensure that adequate systems of internal controls are properly maintained
- review and approve Bank's Policies (other than Credit Policies that are approved by Management Risk Committee and/or Troubled Assets Committee and/or BRC) that are related to its responsibilities and/or are of critical importance to the Bank, including but not limited to those requiring BoD approval as per the TRFA
- review the performance of any Committee and /or individuals to whom it has delegated part of its responsibilities, as approved
- ensure adequacy of Resolution Planning governance, processes and systems
- hire and retain external consulting firms and approve their compensation and terms of engagement in accordance with Bank's policies and procedures
- hire and retain investment banking advisors, and approve their compensation and terms of engagement, in accordance with Bank's policies and procedures, where applicable
- To review the quarterly report of Group Operational Risk Sector (GORS) before submission to the BRC since it entails group wide operational risk issues.

ExBo's performance is evaluated annually according to the provisions of Bank's Management Committees' Policy and its Terms of Reference. For 2022, ExBo performed its first self-evaluation. According to this evaluation, it was determined that its overall performance and all the specific areas of evaluation i.e. the profile and composition, the organization and administration and the key tasks and responsibilities, are strong. Members of ExBo suggested the following areas for improving ExBo's organization and administration: i) number of items in the agenda to be reduced to allow for more meaningful discussions, ii) submissions to be kept short to allow for more Questions & Answers and iii) supporting material to be shared well in advance by business owners in order to allow for better preparation.

Strategic Planning Committee[14]

Until 20.7.2022, the Bank's Strategic Planning Committee (SPC) was operating as a Board Committee, while on 21.7.2022, the Bank's Board revoked its mandate and terms of reference, which ceased to be Board Committee, on the understanding that SPC will be reconstituted by the Bank's CEO as a new Management Committee, with a new composition, mandate and terms of reference approved by the CEO.

The purpose of the SPC is to:
a) assist Management in planning, developing and implementing the Bank Group's Strategy and
b) recommend to the Board certain initiatives in relation to the Bank Group's Strategy.

[13] As specified in the Divestment Policy
[14] Information regarding current composition and short biographical details of its members may be found at the Bank's website (www.eurobank.gr).

The key tasks and responsibilities of the SPC are:

- within the framework of which the Executive Board draws up the annual budget and the business plan, to review the key objectives and goals contained therein and review major business initiatives, before their submission for approval to the Board
- to review, analyze and deliberate issues concerning the Bank Group's strategic choices (e.g. strategic partnerships, share capital increase, issuing convertibles and/or launching debt issuance programs, mergers/demergers, acquisitions or disposals, the formation of joint ventures, creation or dissolution of special purpose vehicles, dividend distribution and all other major investments or disinvestments by the Bank Group etc.), ensuring these being in line with the approved Bank Group's strategy. The SPC shall formulate relevant proposals to the Board, if:
  a) the issue under discussion exceeds € 40 million, while for lower amounts approval will be provided by the Executive Board
  b) a decision of the Board is obligatory by Law or by the Bank's contractual commitments
  c) it is deemed necessary by the SPC, taking into account the complexity and nature of the strategic choices under discussion
- to submit to the Board for approval proposals relating to the strategy and the budget of the Property Portfolio as described in the Service Level Agreement between Eurobank and Grivalia Management Company
- to submit to the Board for approval proposals for the acquisition and disposal of assets other than repossessed assets (as these are defined in the Service Level Agreement between Eurobank and Grivalia Management Company) with book value above € 10 million
- to submit to the Board for approval proposals for the disposal of repossessed assets (as these are defined in the Service Level Agreement between Eurobank and Grivalia Management Company) with gross book value above € 20 million
- to maintain and take all necessary actions on regulatory and internal capital required to cover all types of risks (incl. strategic and reputational risks, as well as other non-quantifiable risks) and to ensure that capital requirements are met at all times
- to review and evaluate all major Bank Group's initiatives aiming at transforming the business and operating model
- to monitor on a regular basis the strategic and the key performance indicators of the Bank Group, including the segmental view
- to review and, as needed, make proposals to the Board on all other issues of strategic importance to the Bank Group

Until 20.7.2022 that the SPC was operating as a Board Committee, its members were appointed by the Board, on the recommendation of its Chairperson, following the proposal by the NomCo. The Committee was chaired by the Chairperson of the Board and in case of absence or impediment of the Chairperson by the Vice-Chairperson of the Board and was composed of the following members with voting rights:

- The Chairperson of the Board
- The Vice-Chairperson of the Board
- The Chief Executive Officer (CEO)
- The Deputy CEOs
- The Group Chief Risk Officer
- The Group Chief Financial Officer

The General Manager Group Strategy participates in the Committee as a permanent attendee with no voting rights.

Following the reconstitution of the SPC as a new Management Committee by the Bank's CEO, the SPC is composed of the following members with voting rights:

- The Chief Executive Officer (CEO)
- The Deputy CEOs
- The Group Chief Risk Officer
- The Group Chief Financial Officer

The Chairman of the Board, the Vice-Chairman of the Board and the General Manager Group Strategy participate in the SPC as a permanent attendees with no voting rights.
The SPC is chaired by the CEO and in case of absence or impediment of the CEO, by the longest serving Deputy CEO in attendance.

Since 21.7.2022, the SPC meets on a weekly basis or ad hoc, when necessary, and keeps minutes of its meetings (until 20.7.2022, SPC met on a biweekly basis and reported to the Board on a quarterly basis and as required).

During 2022, the SPC held forty (40) meetings twenty four (24) as Board Committee and sixteen (16) as Management Committee) and the ratio of attendance was 93% (94% as Board Committee and 92% as a Management Committee).

The SPC is in quorum and meets validly when a) half of its members plus one are present (fractions are excluded from the computation), provided that at least three members are present and b) SPC's Chairperson or the longest serving Deputy CEO in attendance, entitled to chair the Committee, is present.

The resolutions of the SPC require a majority vote. In case of a tie of votes, SPC's Chairperson has the casting vote. If SPC's Chairperson is absent, the longest serving Deputy CEO in attendance, entitled to chair the Committee, has the casting vote.

In the context of providing support to the Chairperson for ensuring the smooth and proper operation of the SPC, the SPC appoints its Secretary who reports to the Group Company Secretariat and cooperates with the Chairperson of the Committee.

The Secretary is responsible to maintain an annual calendar of the scheduled meetings, which may be revisited depending on unforeseen circumstances, following the approval of SPC's Chairperson. In addition, the Secretary is responsible to organize meeting details (including venues), record the attendance of members and other attendees/invitees, ensure that quorum requirements are met, minute the proceedings and resolutions of all Committee meetings, issue true copies/extracts of the SPC's minutes and notify the responsible managers regarding any issue discussed by the SPC and is relevant to them or on which they need to take action.

The SPC Terms of Reference (ToR) are approved by the CEO and revised as appropriate.
SPC's performance is evaluated annually according to the provisions of Bank's Managements Committees' Policy and its Terms of Reference. According to SPC's self-evaluation for 2022, it was determined that its overall performance and all the specific areas of evaluation i.e. the profile and composition, the organization and administration and the key tasks and responsibilities, are strong.

Management Risk Committee[15]

The main responsibility of Management Risk Committee (MRC) is to oversee the risk management framework of the Bank. The MRC ensures that material risks are identified and promptly escalated to the BRC and that the necessary policies and procedures are in place to prudently manage risk and to comply with regulatory requirements.

As part of its responsibility, the MRC, facilitates reporting to the BRC on the range of risk-related topics under its purview.

As part of its mandate, the MRC:
- reviews the Group's risk profile vis-à-vis its declared risk appetite, examines any proposed modifications to the risk appetite,
- reviews and approves the stress testing programme results,

determines appropriate management actions which are discussed and presented to the ExBo for information and submitted to the BRC for approval
The MRC maintains at all times a pro-active approach to Management.

The MRC understands and evaluates risks, addresses escalated issues, provides oversight of the Group's risk management framework – including the implementation of risk policies – and informs the BRC of the Group's risk profile. The Group CRO updates the ExBo on material risks and issues on a periodical basis. Furthermore, the MRC assists the BRC in defining risk management principles and methodologies thereby ensuring that the Group's Risk Management Framework contains processes for identifying, measuring, monitoring, mitigating and reporting the current risk profile against its risk appetite, limits, and performance targets. Specific responsibilities performed by the MRC are described below:

- revises and presents to the BRC for approval the risk strategy and the risk appetite, the risk limits and the measures for monitoring both financial and non-financial risks, in conjunction with the Board's approval of the annual business plan / strategy
- monitors : a) current risk exposures at a Group level, b) company-wide compliance with the risk limits, c) Bank's overall risk assessment processes and d) Bank's capability to identify and manage new risk types as they emerge
- performs risk escalation and remediation by reviewing and reporting on any material breaches of risk limits and the adequacy of proposed specific actions to address them
- reviews the Stress Testing Programme with regards to:
    - its effectiveness and robustness
    - material risks developed in the risk identification process and scenarios developed in the scenario design process
    - key modelling assumptions and the stress testing results before the submission to the BRC
- reviews at least on an annual basis the following reports:
    - the Group ICAAP and ILAAP
    - the Group Recovery Plan

  in compliance with the regulatory requirements and guidelines before final submission to the BRC.
- Regarding the Resolution Planning, the MRC reviews and approves the Bank's rolution planning initiatives to enhance its resolvability material/documents requested by the Resolution Authorities (SRB).

The MRC does not conflict with the GCRO or the Risk Management General Division's responsibilities for Risk governance as prescribed under the Bank of Greece's Governor Act no. 2577/2006. They have responsibility to escalate material risks and issues to the BRC and to update ExBo on material risks and issues on a periodical basis.

The MRC which meets on a monthly basis prior to the BRC meeting or more frequently on an ad-hoc basis, if required, is in quorum and meets validly when half of its members, including the Chairperson or the Vice-Chairperson, plus one are present or represented. Selected attendees can be invited to the MRC meetings, when the topics for discussion fall under their remit or they have the requisite expertise to constructively participate. The finalized minutes are distributed to the BRC, SPC and

[15] Information regarding current composition and short biographical details of its members may be found at the Bank's website (www.eurobank.gr).

ExBo members, as prepared by the committee's secretary and approved by its Chairperson. Abstracts of resolutions reached and actions to be taken are provided to Management, SPC and/or ExBo members, as necessary.

Resolutions of the MRC are decided based on a simple majority and in case of a tie vote, the Chairman or the Vice-Chairman in the case of Chairman's absence, has the casting vote. The opinion of the minority is recorded in the meeting minutes whenever a decision of the MRC is not reached unanimously, and the BRC is informed accordingly.

Changes to the ToR of the MRC are reviewed by the MRC at least every two (2) years and revised if necessary, unless significant changes in the composition, role, responsibilities, organization and / or regulatory requirements necessitate earlier revision and are approved by the CEO. The ToR of MRC are also submitted to the BRC for information purposes.

The MRC's performance is evaluated annually according to the provisions of Bank's Management Committees Policy and its Terms of Reference. For 2022, the Committee performed its first self-evaluation and it was determined that its overall performance and all the specific areas of evaluation i.e. the profile and composition, the organization and administration and the key tasks and responsibilities, are strong. Members suggested the following areas for improving MRC's organization and administration: i) number of items in the agenda to be reduced to allow for more meaningful discussions and ii) more sessions to be scheduled in order to reduce the material submitted for the meetings.

Group Asset and Liability Committee (G-ALCO)[16]

G-ALCO's primary mandate is to i) review, approve, formulate, implement and monitor - as may be appropriate - the Group's a) liquidity and funding strategies and policies, b) interest rate guidelines and interest rate risk policies, c) Group's capital investments, as well as FX exposure and hedging strategy, and d) Group's business initiatives and/or investments that affect the Bank's market and liquidity risk profile, ii) approve at a first stage and recommend to the BRC for final approval the respective country limits (with special attention given for the approval / monitoring of the limits for countries where Eurobank has a local presence) and iii) approve or propose –as the case may be - changes to these policies that conform to the Bank's risk appetite and levels of exposure as determined by the BRC & Management while complying with the framework established by regulatory authorities and/or supervising bodies.

G-ALCO convenes once a month and/or whenever required. Other executives or managers of the Group, depending on the subject to be discussed, may be invited to attend as required.

Required quorum for G-ALCO meetings to be effective is six members. In order to have a quorum the presence of its Chairperson and a minimum of three (3) SPC members is required. Decisions on issues are taken by majority and communicated to the relevant / affected business areas, while meetings are minuted by the Committee's Secretary and distributed to G-ALCO members, the CEO, the Board's Chairman and the Single Supervisory Mechanism (SSM).

G-ALCO's performance is evaluated annually according to the provisions of Management Committees' Policy and its Terms of Reference. According to G-ALCO's self-evaluation for 2022, it was determined that: i) its members' engagement is well appropriate, ii) the G-ALCO continues to function effectively in relation to its mandate and responsibilities, with members engaging in critical discussions during meetings on key risk issues, iii) in light of the increasing complexity and importance of issues arising, the evolution of the regulatory framework and emergence of additional risk considerations, G-ALCO should improve its organizational and operational efficiency with increasing frequency and/or length of meetings as may be required to remain as effective.

Central Credit Committees

Central Credit Committee I

The main objective of Central Credit Committee I (CCCI) is to ensure the objective credit underwriting of relevant exposures of Greek corporate performing and private banking clients, in accordance to the Risk Appetite Framework and the Credit Policy Manual of the Bank and in a way that balances credit risk and return on equity.

The CCCI is chaired by an independent to Business and Risk Professional, convenes at least once a week and all meetings are minuted. Decisions are taken unanimously. If unanimity is not achieved, the credit request is escalated by the Chairperson to the next (higher) approval level requiring a unanimous decision. In case of non-unanimity the final decision lies with the Management Risk Committee (MRC), by majority voting.

The main duty and responsibility of the CCCI is to assess and approve all credit requests for clients in the Greek related corporate performing and private banking portfolio of a total exposure above €50mio and unsecured exposure above €35mio. For total exposure exceeding €75mio and unsecured exposure exceeding €50mio, additional approval by the GCRO is required, while for total exposure exceeding €150mio and unsecured exposure exceeding €100mio, additional approval by the CEO is required. Furthermore, for exposures higher than 10% (or 20% for selected borrowers where no single risk exists) of the Bank's regulatory capital the additional approval of the Management Risk Committee (MRC) is required. Subsequently, the final approval is granted by the Board Risk Committee (BRC).

Central Credit Committee II

The main objective of the Central Credit Committee II (CCCII) is the same as for the CCCI for lower levels of exposure.

The CCCII convenes at least once a week and all meetings are minuted. Decisions are taken unanimously. If unanimity is not achieved, the request is escalated by the Chairperson to the next approval level.

The main duty and responsibility of CCCII is to assess and approve all credit requests for clients in the Greek related corporate performing and private banking portfolio for total exposure from €20mio up to €50mio and unsecured exposure from €10mio up to €35mio and retail exposures for total limits above €3mio.

[16] Information regarding current composition and short biographical details of its members may be found at the Bank's website (www.eurobank.gr).

Central Credit Committees' performance is evaluated annually according to the provisions of Managements Committees' Policy and its Terms of Reference. The Central Credit Committee's self-evaluation for 2022 is currently in progress.

Troubled Assets Committee[17]

The Troubled Assets Committee (TAC) is established according to the regulatory provisions. The main purpose of TAC is to act as an independent oversight body, closely monitoring the Bank's troubled assets portfolio and the execution of its NPE Management Strategy.

The Committee meets at least once per month and/or whenever required if the majority of the members, including the Chairperson, are present. Decisions are taken by majority, are minuted and circulated as appropriate. The Chairman has a casting vote. TAC cooperates with Group Risk Management Division to reach a mutual understanding and develop an appropriate methodology for the evaluation of the risks inherent in the portfolio management. TAC's propositions regarding NPE policy updates are submitted to the Board Risk Committee.
TAC's main responsibilities:

- review internal reports regarding troubled assets management under the regulatory provisions
- approve the available forbearance, resolution and closure solutions by loan sub-portfolio, and monitor their performance through Key Performance Indicators (KPIs)
- define the criteria to assess the sustainability of credit and collateral workout solutions through the design and use of "decision trees"
- approve, monitor and assess pilot modification programmes and
- supervise and provide guidance and know-how to the respective troubled assets units of Eurobank's subsidiaries abroad

TAC conducted a self-evaluation for 2022 in compliance with the provisions of the Management Committees' Policy and its Terms of Reference. The evaluation concluded that the committee operates effectively, in the areas of Profile and Composition, Organization & Administration as well as regarding the Key Tasks and Responsibilities. However, the evaluation also identified that while the overall quality and quantity of information submitted related to the proposals for assessment by the TAC members is adequate, there is room for further enhancement on providing more details on the quantification of the impact of the proposed for approval actions. Such enhancement will benefit TAC members to make more informed decisions.

Products & Services Committee (PSC)[18]

Products & Services Committee (PSC) is responsible for creating and supervising the governance framework for the products and services offered to Eurobank's clients in Greece through the physical and alternative channels, in accordance with the supervisory and regulatory requirements. A governance framework assessing financial and non-financial risks is in place. The PSC approves all new products & services as well as significant modifications in existing ones. The Committee also implements a periodic review of all products and services, according to their risk profile to determine their continuation, modification or discontinuation. The products and services of Remedial & Servicing Sector are excluded and are under the responsibility of TAC (Troubled Assets Committee).

PSC convenes once a month and/or whenever required. Other executives or managers of the Group, depending on the subject to be discussed, may be invited to attend as required.

The PSC is in quorum and meets validly when half of its members plus one are present (fractions are excluded from the computation). For quorum, the Chairperson should be also present.
Decisions require, as a minimum, a majority vote of 50%+1 of the members present in the meeting and are recorded in the meeting's minutes. In case of a tie vote, the Chairperson has the casting vote. All members of the PSC have equal voting rights. In case of no reaching a decision due to disagreement of Members, the issue under discussion is escalated to the Executive Board (ExBo).

Additionally, decisions may be taken by circulation, which is equal to a decision of the Committee, even if no meeting has preceded.

The Committee's performance is evaluated annually according to the provisions of the Management Committees' Policy of the Group and its Terms of Reference. According to the Committee's 2022 self-evaluation, its performance was assessed as very strong, it was determined that the Committee's operation is continuously improving and that it functions very effectively, especially in the areas of leadership and PSC Chairperson's contribution in organizing/coordinating meetings and encouraging critical discussions in meetings.

Environmental, Social & Governance (ESG) Management Committee - ESG ManCo[19]

The primary mandate of the ESG ManCo is to i) provide strategic direction on ESG initiatives, ii) review the ESG Strategy prior to approval, iii) integrate the elements of the ESG strategy into the Bank's business model & operations, iv) approve eligible assets of Green Bond Frameworks, v) regularly measure and analyze the progress of the ESG goals and performance targets, and vi) ensure the proper implementation of ESG related policies and procedures, in accordance with supervisory requirements and voluntary commitments.

ESG ManCo convenes four times a year and/or ad hoc when necessary. Other Bank employees, depending on the subject to be discussed, may be invited as deemed appropriate.

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[17] Information regarding current composition and short biographical details of its members may be found at the Bank's website (www.eurobank.gr).
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Required quorum for ESG ManCo meetings to be effective is seven members. In order to have a quorum, the presence of its Chairperson and a minimum of six (6) members is required. Decisions on issues are taken by majority. In case of a tie vote, the Chairperson has the casting vote. Whenever a decision of the ESG ManCo is not reached unanimously, this is recorded in the minutes along with the opinion of the minority. All meetings and decisions are minuted by the Committee's Secretary and distributed to ESG ManCo members.

The Terms of Reference of the ESG ManCo will be reviewed at least every two (2) years and revised if necessary, unless significant changes in the composition, role, responsibilities, organization and / or regulatory requirements necessitate earlier revision.

ESG ManCo's performance is evaluated annually according to the provisions of the Management Committees Policy and Its Terms of Reference. ESG ManCo's performance has been evaluated for the first time in 2023, for the 2022 performance, and it was revealed that, as the ESG ManCo is new, Business Units should better embrace the Committee and support its efficient and effective operation.

According to the self-evaluation, it was determined that ESG ManCo functions satisfactorily in areas such as reviewing ESG Action Plans and ESG Rating results, runs effectively with respect to Secretary duties and members appreciate the ESG ManCo Chairperson's contribution for encouraging a constructive dialogue in meetings.

The evaluation highlighted the need for improved attendance by some members. Improvements are identified with respect to the extent of the Agenda and the time allowance per item. Members raise the need to improve focus on strategic discussions and allowing time for the appropriate detail, as well as the need in raising further initiatives for ESG training and awareness.

As a way forward for 2023 and following the experience acquired during the first year of the ESG ManCo, it is deemed appropriate to revisit the Terms of Reference of the Committee.

Ethics Co[20]

The task of the Ethics Committee is to ensure that the Bank's Code of Ethics is observed, to interpret and constantly enrich it, as well as to contribute, generally, to the formulation of a code of values with which the behaviour of the officers and personnel of the Bank, as well as that of third persons that regularly collaborate with the Bank, must comply. Adherence to the rules of ethics contributes, on the one hand, to the protection of dignity and personality of the personnel, and on the other hand, to the good reputation and the protection of the interests of the Bank.

The Ethics Committee convenes once a month, if there are issues to be discussed or, exceptionally, more frequently, in case of an emergency, in a place and time that are stated in the agenda. The Ethics Committee may convene either with the physical presence of its members, or by electronic means. The Committee shall act unanimously.

The Ethics Committee's performance is evaluated annually according to the provisions of Management Committees' Policy. Ethics Committee's performance was evaluated for the first time in 2022 and it was determined that it continues to function effectively, especially in the areas of Profile & Composition as well as Organization & Administration. The Ethics Committee encourages critical discussion and a healthy challenging culture.

5. Key Control Functions

As part of its overall system of internal controls, HoldCo/Bank have established a number of dedicated control functions whose main responsibility is to act as independent control mechanisms thus reinforcing the control structure of the HoldCo/Bank. The most important functions and their key responsibilities are described below.

5.1 Internal Audit

Eurobank Holdings
Internal Audit ("IA") is an independent, objective assurance and consulting function designed to add value and improve the operations of Eurobank Holdings. IA has adequate organisation structure and appropriate resources to ensure that it can fulfil its roles and responsibilities.
IA also maintains a quality assurance and improvement programme, which covers all aspects of the IA activities, to ensure the consistent application of the methodology in accordance with the IIA Standards.

In order to safeguard its independence, IA reports functionally to the Audit Committee and administratively to the CEO. The Board has delegated the responsibility for monitoring the activity of the IA to the Audit Committee of the HoldCo. IA is headed by the Chief Internal Auditor (CIA) who is appointed by the Audit Committee. The latter also assesses the CIA's performance.

The mission of IA is to enhance and protect organisational value by providing risk-based and objective assurance, advice and insight. The key assurance and consulting responsibilities of IA are to:

- provide reasonable assurance, in the form of an independent opinion, as to the adequacy and effectiveness of the internal control framework of the HoldCo,
- assist Management on the prevention and detection of fraud or defalcation (unethical practices etc.),
- assist Management in enhancing the system of internal control including improvement of existing policies and procedures,
- follow-up to ascertain that appropriate action is taken on reported audit findings within agreed deadlines,
- participate in HoldCo's projects in an assurance or consulting capacity.

[20] Information regarding current composition and short biographical details of its members may be found at the Bank's website (www.eurobank.gr).

Eurobank
Internal Audit Group ("IAG") is an independent, objective assurance and consulting function designed to add value and improve the operations of Eurobank and its subsidiaries. IAG has adequate organisation structure and appropriate resources to ensure that it can fulfil its roles and responsibilities.

IAG comprises the "Internal Audit Sector", the "Forensic Audit Division", the "International Audit Division" and the "Business Monitoring and Organisational Support Division". IAG also has a Quality Assurance function (QAF), to assess the effectiveness of the Group's internal audit activities and conformance with IIA Standards. QAF operates as Centre of Excellence for Audit Standards & Methodology, acting as an advisor to IAG Management in topics related to quality improvement and methodology.

In order to safeguard its independence, IAG reports functionally to the Audit Committee and administratively to the CEO. The Board has delegated the responsibility for monitoring the activity of the IAG to the Audit Committee of the Bank. IAG is headed by the Group Chief Audit Executive (CAE) who is appointed by the Audit Committee. The latter also assesses the CAE's performance.
The key assurance and consulting responsibilities of IAG are to:

- provide reasonable assurance, in the form of an independent opinion, as to the adequacy and effectiveness of the internal control framework of the Bank and its subsidiaries. In order to form an opinion, IAG establishes and carries out a programme of audit work (based on the risk assessment of the audit universe)
- assist and advise Management on the prevention and detection of fraud or defalcation or unethical practices and undertake such special projects as required
- assist Management in enhancing the system of internal control including improvement of existing policies and procedures
- follow-up to ascertain that appropriate action is taken on reported audit findings within agreed deadlines
- carry out any other specific duties required by the Regulatory Authorities and/or participate in bank wide projects undertaken by the Bank
- participate in Bank projects in an assurance or consulting capacity
- assess the performance of the Group's internal audit functions, which have a direct reporting line to IAG

5.2 Risk Management

Eurobank Holdings
As part of its overall system of internal controls HoldCo has engaged in a Service Level Agreement (SLA) with Eurobank in order to receive supporting and advisory services in all areas of risk management (credit, market, liquidity and operational risks) undertaken by the Group. The most important services provided through the above-mentioned SLA are described below:

- Provision of advice on:
  - Identification, evaluation and monitoring of credit risk
  - Ensuring policy and instructions (strategy and products) recommended by business owners and Servicers are aligned to applicable credit policy manual and regulatory guidelines
  - Standardization of procedures and guidelines
  - Update and maintenance of the risk strategic framework master document
  - Participation in systemic bank consultation committees
  - Review new remedial products and initiatives prior submission to TAC or approval
- Coordination of NPE related regulatory reporting
- Provision of input for SSM submission and 3-year business plan, monthly MIS actual data (including Greek and International subsidiaries)
- Advising on identification, support/advise, recording and evaluation of liquidity risks and financial monitoring
- Advising in the identification, assessment, recording and monitoring of operational risks (e.g. RCSA, events capture, outsourcing etc.)
- Advising in the identification, assessment, recording and monitoring of climate risk

Eurobank
The Group Risk Management General Division, which is headed by the Group Chief Risk Officer (GCRO), is independent from the business units and has full responsibility for monitoring credit, market, liquidity, operational and climate risks undertaken by the Eurobank Group.

It comprises the Group Credit General Division, the Group Credit Control Sector, the Group Credit Risk Capital Adequacy Control Sector, the Group Market & Counterparty Risk Sector, the Group Operational Risk Sector, the Group Model Validation & Governance Sector, the Group Risk Management Strategy Planning & Operations Sector, the Risk Analytics Division, the Group Climate Risk Division and the Supervisory Relations & Resolution Planning Sector[21].

The GCRO serves as a pivotal point for the risk management functions of the Group and he is responsible for developing the Risk Appetite Framework and overseeing and coordinating the development and implementation of adequate risk measurement and management policies in relation to credit, market, liquidity, operational and climate risks.

The GCRO reviews the credit policies prepared by the responsible Risk Units before their submission for final approval to the BRC or to the BoD and oversees their implementation thereafter. The GCRO promptly reports any deviation from the credit policy or potential conflict with the approved risk strategy and risk appetite to the Board Risk Committee.

The GCRO is responsible to provide to the Board Risk Committee, on a monthly basis, adequate information so that the Committee can properly oversee and advise the BoD on the Bank's risk exposures / profile and future risk strategy. Additionally,

[21] The Supervisory Relations & Resolution Planning Sector has a dual reporting line to both the GCRO & the Group Chief Financial Officer

the GCRO oversees compliance with approved Risk Appetite Limits, included in the Risk Appetite Framework (RAF) and reports compliance status as well as any deviations to the Board Risk Committee.

Eurobank has a well-established strategy and clear risk management objectives that has to deliver through core risk management processes and methodologies. At a strategic level, the risk management objectives are to:
- Identify Eurobank's material risks (credit, market/liquidity, operational, climate)
- Ensure that business plan is consistent with Eurobank's risk appetite
- Optimize risk/return decisions by taking them as closely as possible to the business, while establishing strong and independent review
- Ensure that business growth plans are properly supported by effective risk infrastructure
- Manage risk profile to ensure that specific financial deliverables remain possible under a range of adverse business conditions
- Assist senior executives improve the control and co-ordination of risk taking across their businesses
- Cultivate a robust risk culture throughout the Bank, encouraging a positive attitude towards risk management, regulatory compliance and the internal control framework, through strong risk awareness and ownership, where all staff members consider risk management as an integral part of their everyday responsibilities
- Provide the framework, procedures and guidance to enable all employees to manage risk in their own areas across the Business and back-office Units
- Advise and support Eurobank Holdings in risk management according to the agreed Service Level Agreement (SLA) between Eurobank Holdings and Eurobank

Risk Management along with Compliance and other Units are involved in the assessment of all products and services throughout their lifecycle.

The Group applies the elements of the Three Lines of Defense Model for the management of risk. The Three Lines of Defense Model enhances risk management and control by clarifying roles and responsibilities within the organization. Under the oversight and direction of the Management Body, three separate groups within the organization are necessary for effective risk management. The responsibilities of each of these groups or lines of defense are:

Line 1 - Own and manage risk and controls. The front-line business and operations are accountable for this responsibility as they own the rewards and are the primary risk generators.

Line 2 - Monitor risk and controls in support of Executive Management, providing oversight, challenge, advice and group-wide direction. These include the Risk and Compliance Units, among others.

Line 3 - Provide independent assurance to the Board and Executive Management concerning the effectiveness of risk and control management. This refers to Internal Audit.

5.3 Compliance

Eurobank Holdings

Eurobank Holdings Compliance is established with the approval of the Board of Directors and the Audit Committee of Eurobank Holdings. It is a permanent function and independent from Eurobank Holdings' business activities so that conflicts of interests are avoided. In order to safeguard its independence, Eurobank Holdings Compliance reports functionally to the Audit Committee of Eurobank Holdings and for administrative purposes to the CEO. The Audit Committee in consultation with the NomCo, proposes to the Board for approval the appointment, replacement or dismissal of the Head of Eurobank Holdings Compliance. The performance of the Head of Eurobank Holdings Compliance is assessed on an annual basis by the AC. The Head of Compliance attends all AC meetings and submits quarterly and annually reports (per regulatory requirements) summarising Compliance's activity and highlighting the main compliance issues.

Its mission is to promote, within Eurobank Holdings, an organizational culture that encourages ethical conduct, and a commitment to compliance with laws and regulations as well as global governance standards.

The main objective of Eurobank Holdings Compliance is to ensure that Eurobank Holdings has established an adequate system of internal controls that allows it to operate in accordance with the ethical set of values contained in its "Code of Conduct and Ethics" and in compliance with applicable laws, regulations and internal policies. More specifically, for the regulatory topics within its scope of responsibilities, Eurobank Holdings Compliance is mandated to:

- raise compliance awareness in Eurobank Holdings
- provide advice the Board of Directors and Senior Management on Eurobank Holdings compliance with applicable laws, rules and standards and keeping them informed of related developments
- issue, as necessary, policies and other documents, in order to provide guidance to staff on the appropriate implementation of applicable laws, rules and standards as well as to assist the business to develop and implement regulatory compliant policies and procedures
- review new activities and advise on potential compliance risks
- ensure that staff is adequately trained about compliance issues
- provide support and challenge, if required, the business line management regarding the effectiveness of the compliance risk management activities
- monitor whether staff applies effectively the internal processes and procedures aimed at achieving regulatory compliance
- monitor through appropriate procedures staff adherence to internal policies and the "Code of Conduct and Ethics" and identify fraudulent activity
- monitor timely submission of reports to Competent Authorities and report any delays and fines for any alleged breaches of regulations to the AC
- fulfil any statutory responsibilities and liaise with regulators and external bodies on compliance issues

Eurobank
Group Compliance is established with the approval of the Board of Directors and the Audit Committee of Eurobank. It is a permanent function and independent from the Bank's business activities so that conflicts of interests are avoided. In order to safeguard its independence, Group Compliance reports functionally to the Audit Committee of the Bank and for administrative purposes to the CEO. The Audit Committee in consultation with the NomCo proposes to the Board for approval the appointment, replacement or dismissal of the Head of Group Compliance. The performance of the Head of Group Compliance is assessed on an annual basis by the AC. The Head of Group Compliance attends all Audit Committee's meetings and submits quarterly and annual reports (per regulatory requirements) summarising Group Compliance's activity and highlighting the main compliance issues.

Its mission is to promote, within Eurobank and its subsidiaries (Eurobank group), an organizational culture that encourages ethical conduct through integrity and a commitment to compliance with laws and regulations as well as the application of international governance standards.

The main objective of Group Compliance is to ensure that the Eurobank group has established an adequate system of internal controls that allows it to operate in accordance with the ethical set of values contained in its "Code of Conduct and Ethics" and in compliance with applicable laws, regulations and internal policies, as well as international best practices. In brief, for the regulatory topics within its scope of responsibilities, Group Compliance is mandated to:

- raise compliance awareness throughout the Eurobank group
- provide advice to the Board of Directors and Senior Management on compliance with applicable laws, rules and standards and keep them informed of related developments
- issue policies, procedures and other documents such as compliance manuals, internal codes of conduct & ethics and practice guidelines in order to provide guidance to staff on the appropriate implementation of applicable laws, rules and standards as well as to assist the business to develop and implement regulatory compliant policies and procedures
- review new activities and advise on potential compliance risks
- ensure that staff is adequately trained and frequently updated about compliance issues by designing training programs and co-operating with HR for their implementation
- ensure the development of a robust compliance risk identification and assessment framework, provide support and challenge, if required, the business line management regarding the effectiveness of the compliance risk management activities
- coordinate compliance risk management actions performed by other business units
- monitor and test whether staff applies effectively the internal processes and procedures aimed at achieving regulatory compliance and report to the relevant Business Units any potential breaches in order for the latter to proceed with the required improvements
- monitor staff adherence to internal policies and the "Code of Conduct and Ethics" and identify potential breaches or fraudulent activity
- monitor timely submission of reports to Competent Authorities and report any delays and fines for any alleged breaches of regulations to the AC
- fulfil any statutory responsibilities and liaise with regulators and external bodies on compliance issues
- supervise, monitor, coordinate and evaluate the activities of the Compliance Officers of the Bank's local and international subsidiaries in order to ensure compliance with Eurobank group standards

The scope of activities of Group Compliance covers the following core regulatory topics:

- Financial Crime including laws and regulations on Anti Money Laundering (AML) and Countering the Financing of Terrorism (CFT) and legislation aimed at combatting Tax evasion such as FATCA and CRS (tax compliance). The scope includes the provision of timely and accurate responses to requests arising from regulatory and judicial authorities for the lifting of banking secrecy or freezing of assets and co-operation with them. The Eurobank Audit Committee in consultation with the Eurobank NomCo proposes to the Board for approval the appointment, replacement, or dismissal of the Anti-Money Laundering Reporting Officer of Eurobank, who may be the same person as the Head of Group Compliance, and his/her Deputy
- Market Conduct related regulation regarding the provision of investment products and services to clients including laws and regulations on Market Manipulation, Insider Trading, Unlawful disclosure of inside information and other financial crimes
- Internal conduct rules including Conflict of interest regulatory provisions, internal codes of conduct, anti-bribery and anti-corruption legislation and Antitrust and Competition laws and regulations
- Consumer conduct laws and regulations (including, inter alia, dormant accounts legislation, BoG's Code of Conduct for loans, the Payment Services Directive and the Deposit Guarantee scheme)
- Any other topic for which there is a law / regulation assigning a responsibility to the Compliance function, including, inter alia, the high level monitoring of the alignment of the Bank's activities with legal and regulatory requirements concerning personal data protection and corporate governance

6. System of Internal Controls

Principles of Internal Controls
The Group has established a System of Internal Controls that is based on international good practices and COSO terminology and is designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- efficient and effective operations,
- reliability and completeness of financial and management information,
- compliance with applicable laws and regulations.

The key principles underlying the Group's system of internal controls are described below:

- Control Environment: The control environment is the foundation for all components of Internal Control System, providing discipline and structure and influencing the control consciousness of employees. Integrity and high ethical values stem from management's philosophy and operating style and appropriate recruitment and training policies ensure the competence of the Group's people. The Group's organisation structure is suitable for its size and complexity with clearly defined responsibilities and reporting lines and clearly specified delegation of authority.

- Risk Management: the Group acknowledges that taking risks is an integral part of its business. It therefore sets mechanisms to identify those risks and assess their potential impact on the achievement of the Group's objectives. Because economic, industry, regulatory and operating conditions will continue to change, risk management mechanisms in place shall be set (and evolve) in a manner that enables to identify and deal with the specific and new risks associated with changes.

- Control Activities: Internal control activities are documented in the policies and detailed procedures that are designed to ensure that operations are carried out safely and all transactions are recorded accurately in compliance with Management's directives and regulations. They occur throughout the organisation and business processes, at all levels and in all functions. One of the prime organisational measures to ensure control effectiveness in the Group is segregation of duties. Functions that shall be separated include those of approval (limits, limit excesses, specific transactions), dealing, administration (administrative input, settlement, confirmation checks, transaction approval check, documentation check, file keeping, custody) and controlling (reconciliation, limit monitoring, excess approval check, risk management, compliance checks, physical counts).

- Information and Communication: Information must be identified, captured and communicated in a form and timeframe that enables people to carry out their responsibilities. The Group has set effective communication channels to ensure that information is communicated down, across and up within the organisation. Mechanisms are also in place to obtain appropriate external information as well as to communicate effectively with outside parties including regulators, shareholders and customers.

- Monitoring: the Group has established mechanisms for the ongoing monitoring of activities as part of the normal course of operations. These include regular management and supervisory activities and other actions personnel take in performing their duties that assess the performance of internal control systems. There are also independent evaluations of the internal control system by the Internal Audit function, the scope and frequency of which depend primarily on an assessment of risks and the effectiveness of ongoing monitoring procedures. Internal control deficiencies are reported upstream, with serious matters reported to top management, the Audit Committee and the Board. Every three years the efficiency of the internal control system of HoldCo/Bank on a solo and consolidated basis is independently evaluated by a third auditing firm, other than the statutory auditor, as provided for in BoG Governor's Act 2577/2006. The evaluation report, following its assessment/acknowledgement by HoldCo/Bank competent bodies (Audit Committee and BoD) is further submitted to the BoG.

Characteristics of the System of Internal Controls (SIC)
HoldCo and Eurobank have indicative, and not restrictive, the following key characteristics of the SIC:

- Code of Conduct and processes for monitoring its implementation
- Approved organisational chart in full development, for all levels of hierarchy, and with distinction of functions in main and secondary, in which the area of responsibility per sector/department is clearly defined
- Composition and function of the Audit Committee
- Description of strategic planning, process of its development and implementation
- Long-term and short-term action plan per important activity, with a corresponding report and identification of the deviations on a periodic basis, as well as their justification
- Complete and up-to-date Articles of Association which clearly identify and reflect the object of exploitation, work and the main objectives of the economic operator
- Description of tasks of directorates, departments and job descriptions
- Recording of policies and procedures of important operations of the HoldCo/Bank and identification of internal controls
- Processes for compliance with the applicable legal and regulatory framework (Regulatory Compliance).
- Processes for risk assessment and management
- Processes for the integrity and reliability of financial information
- Processes for recruitment, training, delegation, targeting and evaluation of the performance of executives.
- Processes for the security, adequacy and reliability of information systems
- Processes for safeguarding personnel and assets
- Description of reporting lines and communication channels within and outside the organisation
- Mechanism for monitoring and evaluating the efficiency and effectiveness of processes
- Process for periodic evaluation of the adequacy and efficiency of the SIC by an independent auditor
- Policies for the environmental management system and other environmental, social and governance issues (ESG factors)

In the context of the implementation of the above, HoldCo and Eurobank have recorded policies and procedures for the operation of organisational units. The procedures include a clear reference to the internal controls established to address the risks they face and to the person responsible for each procedure and are also assessed in the context of the corporate governance system's assessment.

Evaluation of the System of Internal Controls
The Bank AC, in accordance with the Bank of Greece Governor's Act 2577/9.3.2006 and its Terms of Reference, reviews and evaluates the adequacy of the Internal Control System (ICS) of the Bank, as well as of the Bank Subsidiaries annually, on the basis of the relevant data and information of the Internal Audit Group (IAG) of the Bank, the findings and remarks of external auditors and those of the supervisory authorities. The AC relies on the oversight and reporting mechanisms it has established with the Audit Committees of the Group's Subsidiaries.

Similarly, the HoldCo AC, in accordance with its Terms of Reference, reviews and evaluates the adequacy of the Internal Control System (ICS) of the HoldCo, on the basis of the relevant data and information of the Internal Audit (IA) of the HoldCo, the findings and remarks of external auditors and those of the supervisory authorities.

Independent Evaluation of the HoldCo/Bank System of Internal Controls
In March 2021, PWC presented to the AC members the scope, findings and methodology followed by PwC for the Independent triennial Evaluation of the Holdco/Bank System of Internal Controls (SIC) per BoG Act 2577/9.3.2006 (BoG Act).

Based on the procedures performed and the evidence obtained, there were no indications that the SIC, at the given time of the assessment, was not in compliance in all material aspects of the requirements of BoG Act.

Regarding the 26 observations raised by PwC (25 observations of low risk and 1 observation regarding the model validation of Eurobank Bulgaria of medium risk), Management agreed to take actions.

7. Sustainability

Sustainability Approach
Eurobank recognizes the significance of the impact of its activities in society and the environment. Thus, high importance is placed on the effective integration of Sustainability principles and ESG aspects throughout the activities of the organization, its governance model and related commitments.
Furthermore, Eurobank acknowledges its important role in creating sustainable value for its stakeholders. The approach towards Sustainability focuses on the continued efforts as a financial institution, an employer and a corporate citizen to address environmental and societal challenges. Eurobank develops its approach across the Environmental, Social and Governance spectrum (ESG) and balances objectives in the ESG Strategy, in line with the Bank's corporate Purpose ("Prosperity Needs Pioneers") and across two distinct levels of impact:

- Financed Impact Strategy: Impact resulting from the Bank's lending and investing activities to specific sectors and clients.
- Operational Impact Strategy: Impact arising from the Bank's operational activities and footprint.

Bank has given priority to managing and mitigating any underlying economic, environmental and social risks arising as an integral part of developing products and services, while complying with the applicable regulatory framework.
Furthermore, aiming to balance Purpose and Impact, Bank develops and improves mechanisms in order to identify, measure and communicate impacts, direct and indirect, across the full spectrum of its activities.

Sustainability Policies & Frameworks
Eurobank has taken action towards updating its Sustainability Policy Framework, to outline the approach for adherence to applicable regulatory requirements and voluntary initiatives as well as adopted standards and guidelines, thus enabling a contemporary and continuously updated approach to Sustainability, in line with international best practices. The Sustainability Policy Framework sets the foundation towards integration of ESG into Eurobank's business model and operations.
Focusing on the social aspect of ESG, Eurobank has taken actions that outline its corporate values, principles and commitments by issuing the Human Rights Statement, the Diversity, Equity and Inclusion Policy as well as the Policy against Harassment and Violence in Workplace. This approach outlines zero-tolerance for various types of violation and discrimination as well as for the equal opportunities with fairness and meritocracy and irrespective of gender, nationality, age or other traits throughout the entire employee life cycle (i.e recruitment and selection, learning, performance, talent and career development, reward management).

Moreover, Bank approved and implements its Sustainable Finance Framework (SFF), which supports the identification of sustainable/green financing opportunities (finance the transition of Bank's clients). Bank has also approved and made publicly available its Green Bond Framework. The Framework, which has been externally reviewed by an established second-party opinion provider, facilitates the financing of projects that will deliver environmental benefits to the economy and support Bank's business strategy and vision. Furthermore, Bank approved its Sustainable Investment Framework, which specifies the respective criteria that are utilized in the Bank's banking books investment strategy, along with the selection process of eligible sustainable investments. The above mentioned Frameworks enable Bank to pursue economic growth in line with ESG criteria.

These frameworks are complemented by the Environmental Policy and Energy Management Policy that were issued in the past depicting related commitments and actions towards the protection of the environment and energy efficiency, and updated accordingly, incorporating recent regulatory developments. These policies constitute part of Eurobank's system of internal controls and were supplemented by the newly developed Water Management Policy outlining Bank's approach on an appropriate water management with a focus on continuous improvement of its operational footprint.

Engaging with stakeholders
An integral part of Eurobank's approach to Sustainability is the fostering of strong relationships of trust, loyalty, good cooperation and mutual benefit with all stakeholders affected directly or indirectly by its activities. In this context, Eurobank promotes two-way communication and develops an open dialogue with its stakeholders in order to account for their concerns A more detailed presentation of the cooperation framework, expectations and means of communication is included in the Annual Report 2021 – Business & Sustainability.

Stakeholder consultation is the key process for identifying, prioritizing, validating and reporting on Bank's prioritized ESG impacts / material issues. This process takes place on an annual basis through dedicated communication channels for specific stakeholder groups as well as surveys/questionnaires. Further details regarding the aforementioned process and its results are embedded in the Annual Report 2021 – Business & Sustainability.

In alignment with the latest update of the GRI standards, the Bank shall focus the 2022 Materiality Analysis on impacts/outcomes instead of topics/outputs, prioritizing them for reporting based on their significance (4 step approach), assess both negative and positive impacts, as well as actual and potential impacts. In the context of the new impact identification process, the identification of impacts will take place through diverse internal and external sources, including engaging internal stakeholders with significant role in ESG implementation.

Governance
Bank has approved a governance structure on the process for the allocation of roles and responsibilities with regards to ESG and climate risk management (both for transition risk and physical risk). In that context, a dedicated Group Climate Risk Division has been established supporting the integration of Climate related and Environmental (CR&E) risks into the Bank's risk management framework, with a coordinating and supervisory role on all related project streams to ensure alignment with the Bank's business strategy and the regulatory authorities' expectations. Moreover, the HoldCo/Bank BoD has assigned an executive member as the responsible BoD member for climate-related and environmental risks, ensuring that material ESG issues are taken into account in the decision-making process. As part of his duties, the member responsible updates the Board Risk Committee (BRC) (in alignment with the BRC Terms of Reference) and the Board of Directors of HoldCo and Bank on climate change and environmental related risks at least on a semi - annually basis.

Bank has established the ESG Management Committee, chaired by the BoD member responsible for climate-related and environmental risks. The purpose of the ESG Management Committee, established by the Bank CEO who appoints its members, is to provide strategic direction on ESG initiatives, review the ESG Strategy prior to approval, integrate the elements of the ESG strategy into the Bank's business model and operations, approve eligible assets of Green Bond Frameworks, regularly measure and analyze the progress of the ESG goals and performance targets, ensure the proper implementation of ESG related policies and procedures and to validate the prioritized ESG impacts / Material Issues reported in the Annual Report - Business & Sustainability, in accordance with supervisory requirements and voluntary commitments.
Bank established a dedicated unit called ESG Division, which succeeded the former Group Sustainability / Environmental & Social Affairs Division, with an updated, comprehensive mandate regarding ESG. The Division reports to Deputy CEO, Group COO and International Activities and undertakes a central role in coordinating ESG activities across the Bank. The Head of the ESG Division acts as secretary to the ESG Management Committee.

Reporting and Transparency
HoldCo/Bank issue on an annual basis the Annual Report – Business & Sustainability, which provides stakeholders with a holistic view to its ESG performance and complies with the Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI). Through the Report, Euroban/HoldCo provide full disclosure on sustainability impacts such as environmental performance, energy and emissions, social impact and corporate governance, information regarding the Bank's initiatives, while addressing all material stakeholder interests across the ESG spectrum. The Annual Report - Business & Sustainability is accessible to all interested parties through the corporate website. The sustainability-related disclosures in the report are assured by a competent assurance provider in accordance with the AA1000 Assurance Standard (version 3) and related Principles for inclusivity, materiality, responsiveness and impact, as per the independent auditor's Limited Assurance Report which is disclosed as part of the Annual Report – Business & Sustainability. In addition, the Holdco/Bank reports disclosures as required by the EU Taxonomy (Regulation (EU) 2020/852 of the European Parliament and of the Council). Specifically, upon reviewing its business activities, to align taxonomy reporting with its core activities, provides the key performance indicators (KPIs) and other disclosure requirements related to its dominant financial undertakings as laid down in Article 10 of the Art. 8 Delegated Act. Furthermore, in the context of Pillar III disclosures on ESG risks, Holdco/Bank will disclose ESG risk information with reference date 31/12/2022.
Furthermore, the Bank's environmental and energy management performance, with respect to the improvement of its operational footprint, is monitored through specific indicators and associated targets disclosed also in the Environmental Report (EMAS). This constitutes an environment and energy monitoring and self-improvement tool, in line with commitments, regulated by applicable standards, audited & verified by independent third party. Within the EMAS Report framework, the Bank discloses the Green House Gas emissions record in line with the ISO14064 standard, as verified by external independent party and in line with the provisions of the national Climate Law.
Moreover, Holdco/Bank actively participates in internationally recognized ESG ratings, aiming to continuously improve its environmental, social and governance performance, enhance its related disclosures and further build the trust of the investment community in the Bank.

8. Shareholders' General Meeting

The Shareholders' General Meeting ("General Meeting") is the supreme body of the HoldCo/Bank, convened by the respective Board and entitled to resolve upon any matter concerning the HoldCo/Bank and is the only competent body to resolve on issues described in article 117 of Company Law 4548/2018 (such as amendments to the Articles of Association). All shareholders have the right to participate and vote at the General Meeting either in person or by their legal representatives according to the proposed legal procedure each time in force.

The General Meeting is in quorum and meets validly when the shareholders, present or represented, represent at least 20% (1/5) of the paid-in share capital that corresponds to the shares with voting rights ("share capital"). Resolutions are reached by absolute majority and shall be binding upon absent and dissenting shareholders as well. Exceptionally, with regard to certain significant decisions such as most decisions related to share capital, mergers etc.(para 3, art. 130, Company Law 4548/2018), the General Meeting is in quorum and meets validly when the shareholders, present or represented, represent at least 50.00% (1/2) of the paid-in share capital. Resolutions on the aforementioned issues are reached by two-thirds (2/3) majority. If such quorum is not reached, the General Meeting is convened again in a repeat Meeting where lower quorum is required for all categories of resolutions.

Based on the present 1.4% stake in HoldCo's share capital, the HFSF, under Law 3864/2010 as in force and the TRFA signed between the Bank, the HoldCo and the HFSF, exercises its voting rights in the General Meetings of HoldCo without limitation.

The Annual General Meeting is held every year before the 10th of September. An Extraordinary General Meeting may be convened by the Board when it is deemed appropriate or necessary or when required by law.

The minutes of the General Meeting are signed by the Chairperson and the Secretary of the General Meeting.

Standard minority rights, as described in Company Law 4548/2018, apply.

<u>**Information about the Eurobank Holdings General Meetings**</u>

Requirements for calling and convening the General Meetings
All persons appearing as shareholders of ordinary shares of the HoldCo in the registry of the Dematerialized Securities System (DSS) managed by Hellenic Central Securities Depository S.A. on the Record Date, namely at the start of the fifth day before the General Meeting, have the right to participate and vote in the HoldCo General Meeting. The aforementioned record date is applicable for the Repeat Meeting as well. The shareholders are informed on time about the agenda of each General Meeting and new technologies are used to help them participate.

At least 20 days before the General Meeting date, the shareholders are informed and given access to all necessary information, in compliance with the Greek Law. The Notice of General Meeting includes:

- Date, time and place of the Meeting
- Items on the agenda
- Participation and voting rights with the relevant procedures
- Minority shareholder rights
- Relevant documents available

All resolutions and information about each General Meeting are posted under Investor Relations on the Eurobank Holdings website.

Participation and proxies
Shareholders are assisted to participate in HoldCo General Meetings. All Eurobank Holdings shareholders have the right to participate in person or appoint a proxy. Proxies must be appointed at least 48 hours before the General Meeting date.

To the extent that shareholders' questions on items on the agenda are not answered during General Meeting, HoldCo has a process for submitting the relevant answers.

Annual General Meeting (AGM) of the shareholders
In the Annual General Meeting of the HoldCo's shareholders, held on July 21, 2022, remotely via teleconference in real time, participated shareholders representing 2,768,461,395 shares out of 3,709,161,852 shares, corresponding to 74.64% of the paid up share capital with voting rights on the items of the agenda. In respect of the items on the agenda, as referred to on the invitation dated 30.06.2022, the General Meeting:

1. Approved, with a majority exceeding the minimum required by the law, the Annual and Consolidated Financial Statements for the financial year 2021, as well as the Directors' and Auditors' Reports. Profit sharing.
2. Approved, with a majority exceeding the minimum required by the law, the offsetting "Corporate law Reserves" and "Share Premium", with accumulated losses amounting to €13,813,713,430.07 from the account "Retained earnings/losses".
3. Approved, with a majority exceeding the minimum required by the law, the overall management for the financial year 2021 as well as the discharge of the Auditors for the financial year 2021.
4. Approved, with a majority exceeding the minimum required by the law:
a) the appointment of the firm KPMG Certified Auditors S.A. (KPMG) as statutory auditor for the Annual and Consolidated Financial Statements of the Company for the financial year 2022;
b) KPMG's relevant fees for the audit of the Annual and Consolidated Financial Statements of the Company for the financial year 2022 to amount to €0.2 m; and
c) the amendment of the Tripartite Relationship Framework Agreement between the HFSF, the Company and the Bank, for the incorporation of the provisions of article 28 par. 2 of L. 4701/2020, in order to offer the possibility to

extend the duration of the audit assignment to the same statutory auditor (in this case, KPMG) even after the end of the initial 5 years' engagement (2018-2022) for a period not exceeding a total of 10 years.

5. Approved, with a majority exceeding the minimum required by the law, the remuneration paid during the financial year 2021, as well as the advance payment of remuneration for the financial year of 2022 to the non-executive Board members for the execution of their duties as Board members and as members of the Board Committees.
6. Casted a positive vote on the Remuneration Report for the financial year 2021.
7. Approved, with a majority exceeding the minimum required by the law, the amendment of the Nomination Policy of the Directors of the Board.
8. Approved, with a majority exceeding the minimum required by the law:
   a) The Audit Committee to function as Committee of the Board consisting of members of the Board.
   b) The Audit Committee to consist of 4 non-executive members of the Board of which at least 3 shall be Independent.
   c) The term of office of the members of the Audit Committee that will be appointed by the Board in accordance with article 44, par. 1c of L. 4449/2017, as in force, to coincide with their term of office as members of the Board, i.e. the term of office of the Audit Committee members will expire on 23.07.2024, prolonged until the end of the period the Annual General Meeting for the year 2024 will take place.

All information on the AGM can be found at Eurobank Holding's website:
(https://www.eurobankholdings.gr/el/enimerosi-ependuton/enimerosi-metoxon-eurobank-holdings/genikes-suneleuseis-pages/taktiki-geniki-suneleusi-metoxon-21-07-2022)

<u>Information about the Eurobank General Meetings</u>

The HoldCo, following the demerger, constitutes the Eurobank's sole shareholder, who represents 100% of its share capital. According to article 121 par. 5 of Law 4548/2018, an invitation to convene a general meeting is not required in the event that the meeting is attended or represented by shareholders representing the entire capital and none of them objects to its holding and decision-making. In this context the following general meetings of Eurobank were held.

Annual General Meeting (AGM) of the shareholders
In the Annual General Meeting of Eurobank's shareholders, held on July 21, 2022 in Athens, at "Bodossakis Foundation Building" ("John S. Latsis" Hall), 20 Amalias Avenue, participated the sole shareholder Eurobank Holdings representing 3,683,244,830 shares, corresponding to 100% of the paid up share capital with voting rights on the items of the agenda. In respect of the items on the agenda, the General Meeting:

1. Approved the Annual and Consolidated Financial Statements for the financial year 2021 as well as the Directors' and Auditors' Reports.
2. Approved the overall management for the financial year 2021 and discharge of the Auditors for the financial year 2021.
3. Appointed "KPMG Certified Auditors S.A." as Auditors for the financial year 2022 and b) approved the amendment of the Tripartite Relationship Framework Agreement between the HFSF, the Company and the Bank, for the incorporation of the provisions of article 28 par. 2 of L. 4701/2020, in order to offer the possibility to extend the duration of the audit assignment to the same statutory auditor (in this case, KPMG) even after the end of the initial 5 years' engagement (2018-2022) for a period not exceeding a total of 10 years.
4. Approved the remuneration for the financial year 2021 and of the advance payment of the remuneration for the non-executive Board Directors for the financial year 2022.
5. Approved the recomposition of the Audit Committee.
6. Approved the Annual Activity Report of the Audit Committee for the financial year 2021.

Extraordinary General Meeting of the Shareholders
In the Extraordinary General Meeting of Eurobank's shareholders, held on June 14, 2022 in Athens, at "Bodossakis Foundation Building" ("John S. Latsis" Hall), 20 Amalias Avenue, participated the sole shareholder Eurobank Holdings representing 3,683,244,830 shares, corresponding to 100% of the paid up share capital with voting rights on the items of the agenda. In respect of the sole item on the agenda, the General Meeting resolved on the:

Approval of the hive-down of the merchant acquiring sector of the Bank by way of its absorption by CARDLINK ONE and the Draft Demerger Deed – Granting of authorisations.

9. Other information required by Directive 2004/25/EU

- **Holders of securities with special control rights**

The HFSF's participation interest in the HoldCo's share capital, through the ordinary shares it possesses, confers to HFSF the rights according to the legislation in force and the TRFA that has been signed between the HoldCo, the Bank and the HFSF.

- **Treasury Shares**

The Shareholders' General Meeting can authorize the Board, under article 49 of Company Law 4548/2018, to implement a program of acquisition of treasury shares. However, according to paragraph 1 of Article 16C of Law 3864/2010, during the period of the participation of the HFSF in the share capital of the HoldCo, HoldCo is not permitted to purchase treasury shares without the approval of the HFSF (note 37 of the consolidated accounts).

For other information required by Directive 2004/25/EU regarding the: a) Major shareholdings, b) Authority to issue new shares, and c) Restrictions of voting rights, please refer to the relevant sections of the Directors' Report.

APPENDIX AUDIT COMMITTEE ACTIVITY REPORT FOR THE YEAR 2022

Purpose

1. In accordance with the Law 4449/2017 as amended, the Audit Committee (AC) of Eurobank Ergasias Services and Holdings S.A. (Eurobank Holdings or HoldCo or Company) should submit an annual report to the Shareholders' Annual General Meeting on the issues dealt with by the AC during the previous year, also including therein a description of the sustainability policy followed by the entity.
2. The current 2022 AC Activity Report of Eurobank Holdings which is also part of the 2022 Annual Financial Report, refers to the AC activity during 2022 and the issues addressed. In addition, it describes Eurobank Holdings' sustainability policy.
3. No deviations from the AC's Terms of Reference (ToR) have been identified.

AC Composition / Membership

4. In line with the provisions of article 44 of law 4449/2017, as amended and currently in force, and further to the decision of the HoldCo's Annual General Meeting of Shareholders as of 21.07.2022 regarding the recomposition of the AC and more specifically regarding its type, composition and term of office and the BoD's decision of 30.6.2022 and 21.07.2022 regarding the membership of the AC, following relevant recommendation by the Nomination and Corporate Governance Committee of 28.06.2022, the AC decided on 21.07.2022 on its constitution and on the appointment of its Chairman. Compared to the previous AC composition, Mr. Bradley Paul Martin and Ms. Cinzia Basile ceased to be members of the Committee.
5. Following the above, the AC consist exclusively of BoD members, four (4) in total, all of which are non-executive, of whom the three (3) are independent according to the provisions of article 9 of L. 4706/2020, including the AC Chairman among the independent members, as follows: **1. Jawaid Mirza (Chairman of the Audit Committee, independent non-executive BoD member), 2. Irene Rouvitha-Panou (Vice-Chairwoman of the Audit Committee, independent non-executive BoD member), 3. Rajeev Kakar (independent non-executive BoD member), and 4. Efthymia Deli (Representative of the Hellenic Financial Stability Fund (HFSF) - non-executive BoD member).**
6. All AC members have sufficient knowledge in the field of HoldCo activities and the necessary skills and experience to carry out their duties and meet the requirement of established knowledge and experience in auditing and/or accounting.
7. Information regarding current AC composition and short biographical details of its members may be found at the HoldCo's website (www.eurobankholdings.gr).

Meetings Held During the Period & Attendance

8. During 2022, the Audit Committee held fourteen (14) meetings vs eleven (11) in 2021.
9. The average ratio of attendance at the meetings by the AC members stood at 100% (2021: 95%). It is noted that in 2021, for the cases of missed in person attendances, representation proxies have been provided, leading to an overall attendance of 100%.
10. Due to the covid-19 pandemic, only two (2) quarterly meetings were attended in person and the rest were held via conference calls. This practice is allowed by the AC ToR and is consistent across all HoldCo's BoD Committees.
11. The submissions for the AC meetings have become available to all BoD members through the Diligent platform.
12. The BoD Chair has regularly attended the AC meetings. In addition, all meetings were attended by the Internal Audit (IA), while the General Manager of Group Compliance was attending the meetings depending on the subject under discussion.
13. The External Auditor of 2022 financial statements (i.e. KPMG) has been invited and attended meetings as required.
14. The AC Chair updated the Board members, at the quarterly meetings of the Board, on the material matters covered during the AC meetings.

Highlights of Issues of Importance during 2022

Internal Controls System and Risk Management

15. The AC, in accordance with its Terms of Reference, reviews the adequacy of the Internal Control and Risk Management systems and the compliance with rules and regulations of the monitoring process.
16. Throughout the year 2022:
    - the AC Members received update by IA and Compliance, covering matters of the System of Internal Controls, Risk Management and Compliance with rules and regulations.
    - significant weaknesses in internal controls and the progress of actions taken to address them, were presented in the Internal Audit Activity Report and several pending issues (including External Auditors' Management Letter) were discussed with Management and the AC ensured that the time plans and deadlines will be followed up.
    - the AC acknowledged the annual Internal Audit Evaluation Report of the System of Internal Controls, a requirement of the Bank of Greece Act 2577/9.3.2006. The said report along with the AC's own assessment of the evaluation was further submitted to the BoD and subsequently to BoG in June 2022.
    - In accordance with the provisions of Law 2533/1997, the AC reviewed reports on substantial stock transactions performed by the Company's Directors and General Managers in listed securities and notified the Board.

Internal Audit (IA)

17. The Internal Audit (IA) function of HoldCo is independent (Internal Audit has a functional reporting line to the AC and a dotted reporting line for administrative matters to the CEO), adequately organized, has unrestricted access to any pertinent information and operates efficiently and effectively in compliance with the Standards of the Institute of Internal Auditors.
18. During 2022, the AC:
    - received confirmation from the Chief Internal Auditor (CIA) regarding IA's independence for 2021.
    - discussed the performance of the IA Annual Plan for 2021.
    - approved and further submitted to the BoD for information the IA Annual Plan for 2023.
    - monitored the progress of the IA Audit Plan for 2022 through the Activity Reports.
    - at the Quarterly AC meetings, discussed the key highlights of the IA Activity Reports (including the follow-up of the external auditors' Management Letter points).
    - Carried out the assessment of the Chief Internal Auditors' performance for 2021.

Compliance

19. The Compliance of HoldCo is a permanent and independent function (the Head of Compliance reports functionally to the AC and for administrative purposes to the CEO of Holdings) adequately organized, has unrestricted access to any pertinent information and operates efficiently and effectively.
20. During 2022, the AC:
    - approved and further submitted to the BoD for information the 2023 Compliance Annual Plan.
    - at the Quarterly AC meetings, discussed the key highlights of the Compliance Activity Reports.
    - approved and proposed to the BoD for information the revised Insider Dealing Guideline and the revised Market Abuse Policy and approved and proposed to the BoD for approval the revised Compliance Policy and the revised Conflicts of Interest Policy. In addition, the AC approved the revised MiFID II Product Governance Policy and the revised Policy for Reporting Illegal or Unethical Conduct.
    - In line with the BoG requirements, received the Annual Group Compliance Report as per BoG Act 2577/9.3.2006 (including MiFID report) for acknowledgement. The said report along with the AC's assessment was further submitted to the BoD and subsequently to the BoG in June 2022.

Financial reporting

21. The AC, in accordance with its Terms of Reference, monitors the financial reporting process and submits recommendations and proposals to ensure its integrity. In addition, it supervises and assesses whether the internal controls related to financial reporting are adequate and effective and that these controls are adjusted to reflect any major changes in the risk profile of Holdings.

22. During the AC meetings in 2022:

    - the AC, among others, reviewed and approved the quarterly results, semi-annual and annual Accounts and Financial Statements, Annual General Meeting (AGM) matters and matters of the External auditors. In addition, the AC reviewed and proposed to the BoD for approval the Consolidated Pillar III report.

    - Group Finance made presentations on issues such as accounting policies, critical accounting estimates, significant one-off items impacting the Financial Statements, major variations between periods, important disclosures, significant issues with tax authorities, as well as Group Control issues.

    - IA performed a high level review of material submitted to the AC for the clearance of the financial results and reported significant items to the AC Chairman for his attention.

    - With regards to the monitoring of the Actual vs Budget Report, the AC received quarterly updates by Group Finance which were subsequently presented to the BoD.

External Auditors

23. The AC, in accordance with its Terms of Reference, is responsible for the selection, performance and independence of the External Auditors, KPMG. In addition, the AC reviews the scope of audit work and audit approach and assesses the process for identifying and responding to key audit and internal control risks.

24. During the AC meetings in 2022:

    - KPMG presented its 2022 Audit Plan to the AC. The AC has also, in line with its ToR, reviewed the Engagement letter for the 2022 Statutory Audit of the Company.

    - KPMG presented and discussed with the AC members a summary of audit work done, major findings, including a summary of unadjusted differences, and other issues of importance.

25. The AC has received the 2021 KPMG Management Letter (ML) and has discussed the issues raised with KPMG and Management.

26. The annual assessment of the External Auditors for the 2021 audit was discussed by the AC members and Management. At the same AC meeting, the AC decided to propose to the BoD for approval and subsequent recommendation to the Annual General Meeting of shareholders for approval, the reappointment of KPMG as statutory auditors for the standalone and consolidated Financial Statements of Eurobank Holdings for the financial year of 2022.

27. The AC has discussed and approved the Global Group Audit and assurance Fees of 2022.

28. The AC has received the External Auditors' Independence Letter, while it monitored the independence of the External Auditors through the Auditors independence monitoring tool submitted quarterly by Group Finance, depicting the value of non-audit services provided as compared to the limits set by the Group External Auditor's Independence Policy. In line with the Group External Auditor's Independence Policy, the AC in 2022 reviewed all non-audit services nclding the audit assurance related work re Fairfax Financial Holdings (FFH) annual requirement on the reconciliation of IFRS consolidated Total Equity and Profit & Loss to U.S. GAAP, for the year ending 31.12.2021, ensuring that the independence limits are complied with.The AC met with the External Auditors (with and without Management present) to discuss all of the above, in addition to any significant changes required to the External Auditors' audit plan. Also, the AC reviewed the External Auditor's Report and the Report on Key Audit Issues.

AC's Evaluation

29. The AC's performance is evaluated annually according to the provisions of HoldCo's Board and Board Committees Evaluation Policy. According to the AC's 2022 self-evaluation, the AC members are satisfied with the Committee's effectiveness and leadership. The Committee uses its time effectively and there is a good planning and scheduling of the meetings. The Chairman is well prepared for Committee's meetings and helps the Committee to effectively navigate through its agenda, encouraging critical discussion and ensuring that every Committee member can freely express her/his views

Other AC Matters

30. In 2022, the AC reviewed and proposed to the BoD for approval its Terms of Reference.

31. The AC has approved and notified the Board for further submission to the Annual General Meeting, the annual Activity Report for 2021.

Sustainability Overview

32. The Group is constantly committed to investing in sustainable development and to consistently designing its actions to improve its impact on environmental sustainability, social responsibility and corporate governance. Its strategic objective is to adapt its business and operation in a way that addresses climate change challenges, to accommodate social needs within its banking business model, and to safeguard prudent governance for itself and its counterparties, in accordance with supervisory initiatives and following international standards/ best practices.

33. Committed to actively contributing to the achievement of the United Nations Sustainable Development Goals (SDGs) and the 2030 Agenda goals, Eurobank is a signatory of the UN Global Compact since 2008. According to the commitment to the UNEP FI Principles for Responsible Banking (PRB) since 2019, in line with the SDGs and the Paris Agreement on Climate Change, Eurobank issued its 2nd Progress Report which was incorporated in the www.eurobank.gr.

34. Eurobank has established its Sustainability Policy Framework, to outline the approach for adherence to applicable regulatory requirements and voluntary initiatives as well as adopted standards and guidelines, thus enabling a contemporary and continuously updated approach to Sustainability in line with international best practice. The Sustainability Policy Framework sets the foundation towards integration of ESG into Eurobank's business model and operations.

35. The Sustainability Policy Framework is available on Eurobank Holdings website www.eurobankholdings.gr.

36. Eurobank is finalizing its Strategy both in terms of its financing and other products, and in terms of its internal environment and how it is organized and operates. ESG Strategy integration has two distinct pillars of impact: Financed and Operational. Key drivers are the compliance with the regulatory guidelines and expectations, including the ECB's Guide on climate-related and environmental risks and the ECB's good practices for climate-related and environmental risk management.

37. In 2022, the project of designing ESG Operational Impact Strategy has been concluded. It is directed on environmental impact (operational net zero, paperless banking, circular economy), employer impact (diversity and inclusion, wellbeing, innovative environment), and social and business impact (sustainable procurement, socio-economic effect, transparency). The Operational Impact Strategy, through a set of actions with measurable targets, indicates the Bank's vision for the current and forthcoming decade in relation to environment, its social footprint, with focus on its people, and the ESG impact in the market.

38. The Financed Impact Strategy, applicable to all lending portfolios, leverages on the identified ESG and climate related opportunities and by assessing relevant risks aims to mitigate ESG & climate related risks for the Group's portfolios.

39. The Financed Impact Strategy is also directed on clients' engagement and awareness to adapt their business in a way to address climate change challenges, actions for supporting customers in their transition efforts towards a more ESG-friendly economic environment, enablers and tools such as frameworks and products to underpin Sustainable Financing, as well as on climate-related material exposures.

40. Climate Risk – The Group has recognized climate change as a material risk and based on its supervisory guidelines, is adapting its policies and methodologies for identifying and monitoring the relevant risks.

41. Adopting a strategic approach for the management of risks and the identification of opportunities in relation to sustainability and climate change, the Bank follows, and accelerates where possible, a detailed roadmap prioritizing actions for the effective management of climate-related & environmental (CR&E) risk in alignment with the supervisory expectations included at the ECB Guide on Climate-Related and Environmental Risks. Also, the IA is informed and follows up the Climate Risk Roadmap, which has been agreed with the supervisor. The respective developments are considered in IA risk-based audit approach. With regard to the banking activity of HoldCo (i.e. Eurobank S.A. or the Bank), the Internal Audit Group of the Bank issued in 2022 two consulting reports in the area (Climate Risk Stress Test 2022 and a Guide on ESG Reporting).

42. The Group has approved a governance structure on the process for the allocation of roles and responsibilities with regards to ESG and climate risk management (both for transition risk and physical risk) within the 3 Lines of Defense. Moreover, the HoldCo/Bank BoD has assigned an executive member as the responsible BoD member for climate-related and environmental risks. The same member chairs the Eurobank ESG Management Committee, established by the Eurobank CEO.As part of his duties, the member responsible updates the Board Risk Committee (BRC) (in alignment with the BRC Terms of Reference) and the Board of Directors of HoldCo and Bank on climate change and environmental related risks.

43. Committed to being transparent about its ESG approach and to ensure that the decision-making is in line with environmental protection and sustainability, the Group developed and implements its Sustainable Finance Framework in accordance with international recognized industry guidelines and principles. Eurobank has also established and published its Green Bond Framework, to support issuance of Green Bonds. Furthermore, Eurobank approved its Sustainable Investment Framework, which is applicable to the Bank's banking book bond portfolio.

Jawaid Mirza

AC Chairman

Athens, March 2023

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Independent Auditors' Report

To the Shareholders of
Eurobank Ergasias Services and Holdings S.A.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of Eurobank Ergasias Services and Holdings S.A. (the "Company") which comprise the Consolidated Balance Sheet as at 31 December 2022, the Consolidated Statements of Income, Comprehensive Income, Changes in Equity and Cash Flow for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying Consolidated Financial Statements present fairly, in all material respects, the consolidated financial position of Eurobank Ergasias Services and Holdings S.A. and its subsidiaries (the "Group") as at 31 December 2022 and its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA), as incorporated in Greek legislation. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants, as incorporated in Greek legislation, and the ethical requirements that are relevant to the audit of the consolidated financial statements in Greece, and we have fulfilled our other ethical responsibilities in accordance with the requirements of the applicable legislation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KPMG

Key Audit Matters

Key audit matters are those matters, that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period.

These matters and the relevant significant assessed risks of material misstatement were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment allowance on loans and advances at amortised cost including off-balance sheet elements

See Notes 2.2.13, 3.1 and 20 and 21 to the Consolidated Financial Statements.

Total estimated credit losses as of 31 December 2022 amounted to EUR 1 626 million (2021: EUR 1 872 million).

The key audit matter	How the matter was addressed in our audit
The estimation of expected credit losses ("ECL") on loans and advances at amortised cost involves significant judgment and estimates. The key areas where we identified greater levels of management judgement and therefore increased levels of audit focus in the Group's estimation of ECL are: • Significant Increase in Credit Risk ("SICR") – The identification of qualitative indicators for identifying a significant increase in credit risk for staging classification is highly judgmental taking also into account the current macroeconomic and geopolitical uncertainty. • Model estimations – Inherently judgmental modelling and assumptions are used to estimate ECL which involves determining Probabilities of Default ("PD"), Loss Given Default ("LGD"), and Exposures at Default ("EAD"). ECL may be inappropriate if certain models or underlying assumptions do not accurately predict defaults or recoveries over time or fail to reflect the credit risk of loans and advances to customers. As a result, certain IFRS 9 models and model assumptions are the key drivers of complexity and subjectivity	Our audit procedures included, among others: Controls testing: We tested relevant manual, general IT and automated controls over key systems used in the ECL process. Main aspects of our controls testing involved evaluating the design and testing the operating effectiveness of the key controls over the: • Completeness and accuracy of the key inputs into the IFRS 9 impairment models. • Application of the staging criteria. • Model validation. • Authorisation and calculation of management adjustments. Test of details: Key aspects of our testing included, among others: • We performed substantive procedures on a sample basis in order to assess the SICR assessment for corporate and retail portfolios. • We assessed the appropriateness of management adjustments to the model driven ECL results, by considering the assumptions, reviewing calculations and data used and inspecting the governance around these adjustments.

in the Group's calculation of the ECL estimate. • Management adjustments – Adjustments to the model-driven ECL results are raised by management to address any known limitations or emerging trends as well as risks not captured by models. These adjustments are inherently uncertain and significant management judgement is involved especially in relation to current macroeconomic and geopolitical uncertainty. • Macroeconomic Forward Looking Information scenarios – IFRS 9 requires the Group to measure ECL on an unbiased forward-looking basis reflecting a range of future economic conditions. Significant management judgement is applied in determining the forward-looking economic scenarios used, the probability weightings associated with the scenarios and the complexity of models used to derive the probability weightings applied to them especially when considering the current uncertain economic environment. • Individually assessed loans –The estimation of future cash flows, valuation of collateral and probability weighting of scenarios constitute assumptions with high estimation uncertainty. Disclosures in the Consolidated Financial Statements. The disclosures regarding the Group's application of IFRS 9 are key to explaining the significant judgements and material inputs to the IFRS 9 ECL results as well as to provide transparency of the credit risk exposures of the Group.	• We assessed the reasonableness and appropriateness of the macroeconomic variables' forecasts, scenarios, weights, and models applied. Our testing included benchmarking against external sources. • We performed substantive procedures to assess the completeness and accuracy of critical data input used in the ECL models. • We reperformed ECL calculations for lending exposures in all stages, with the support of our financial risk specialists and on a sample basis, where appropriate. • We performed substantive procedures to assess the reasonableness of significant assumptions used in the measurement of impairment of individually assessed credit impaired exposures, including valuation of collaterals where we have used the expertise of real estate valuation specialists as well as assumptions used for estimating future discounted cash flows. Our financial risk specialists assisted with the: • Assessment of the Group's impairment methodologies for compliance with IFRS 9. • Evaluation of the risk parameter models used as well as reperforming the calculation of certain risk parameters. • Assessment of available validation reports on risk parameters. • Assessment of the methodological coherence and mathematical accuracy of management adjustments, where needed. Assessing disclosures: We evaluated the adequacy and appropriateness of the disclosures in the Consolidated Financial Statements that address the uncertainty which exists when determining the ECL. In addition, we assessed whether the disclosure of the key judgements and assumptions were sufficiently clear and explanatory.

Recognition of deferred tax assets

See Note 2.2.16, 3.5 and 13 to the Consolidated Financial Statements.

Total deferred tax assets as of 31 December 2022 amounted to EUR 4 161 million (2021: EUR 4 422 million).

The key audit matter	How the matter was addressed in our audit

The recognition and measurement of deferred tax assets is considered a key audit matter as it depends on estimates of future profitability, which requires significant judgement and includes the risk of management bias. Significant judgement and especially complex assumptions and method, due to inherent uncertainties relate to the following: • The extent that there are probable future taxable profits that will allow the deferred tax asset amount to be recovered in the foreseeable future. • Forecast of future taxable profit, which is mainly impacted by macroeconomic forward looking information. Disclosures in the Consolidated Financial Statements The disclosures regarding the Group's application of the Standards in this area are key to explaining the key judgements surrounding the recoverability of deferred tax assets.	Our audit procedures, included, among others the following: • We assessed the design and implementation of controls relevant to the recognition and recoverability of deferred tax assets including the approval of three-year business plan and monitoring of actual results against budgeted. • We evaluated the appropriateness of the assumptions used by management in the approved three-year business plan by comparing the revenue and growth projections to industry trends and ensuring consistency with strategic plans. We also evaluated; the appropriateness of the assumptions used and the reasonableness of projections for the period that lies beyond the approved three-year business plan. • We assessed the accuracy of forecasted future taxable profits by evaluating the accuracy of management's projections of prior year by comparing them to actual results. • We tested the accuracy of the relevant underlying data of the estimate, including the conversion of future accounting profits to taxable profits. • Our tax specialists assisted to confirm the completeness and accuracy of the relevant tax adjustments that produce the taxable results. Assessing disclosures: We evaluated the adequacy and appropriateness of the disclosures in the Consolidated Financial Statements that address the deferred tax asset recoverability. In addition, we assessed whether the disclosures of the key judgements and assumption were sufficiently clear and explanatory.
Use of IT systems relevant to the financial information	
The key audit matter	**How the matter was addressed in our audit**
The Group's financial reporting processes are dependent to a large extent on information produced by the Group's Information	We have evaluated in collaboration with our IT Audit specialists the general controls over the IT systems,

Technology (IT) systems, and/or automated processes and controls (i.e. calculations, reconciliations) implemented in these systems. The above is a key audit matter as the Group's financial reporting systems rely heavily on complex information systems that process very large number of transactions. These IT systems function based on the operating effectiveness of internal controls in place to assure the completeness and accuracy as well as the security of the information of the Group that produce eventually the financial information to be included in the Consolidated Financial Statements.	databases and applications that support the financial reporting of the Group. For this purpose, we performed procedures as follows: • We evaluated the information security resilience of the Group by evaluating the design of key IT processes and controls over financial reporting. • We evaluated the design of the relevant preventative and detective general IT controls over administration of access to programs and data for the systems in scope of our audit and, we tested the operating effectiveness of these relevant controls. • We evaluated the design of the relevant general IT controls of the Group over program development, program change management and computer operations for the systems in scope of our audit and, we tested the operating effectiveness of these relevant controls.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Board of Directors' Report, for which reference is made in the "Report on Other Legal and Regulatory Requirements" and the Declarations of the Members of the Board of Directors but does not include the Consolidated Financial Statements and our Auditors' Report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and Those Charged with Governance for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Audit Committee of the Company is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs which have been incorporated in Greek legislation will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, which have been incorporated in Greek legislation, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on these consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1 Board of Directors' Report

The Board of Directors is responsible for the preparation of the Board of Directors' Report and the Corporate Governance Statement that is included in this report. Our opinion on the consolidated financial statements does not cover the Board of Directors' Report and we do not express an audit opinion thereon. Our responsibility is to read the Board of Directors' Report and, in doing so, consider whether, based on our consolidated financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work pursuant to the provisions of paragraph 5 of Article 2 of Law 4336/2015 (part B), we note that:

a) The Board of Directors' Report includes a Corporate Governance Statement which provides the information set by Article 152 of L. 4548/2018.
b) In our opinion, the Board of Directors' Report has been prepared in accordance with the applicable legal requirements of Articles 150-151 and 153-154 and of paragraph 1 (cases c and d) of article 152 of L. 4548/2018 and its contents correspond with the accompanying Consolidated Financial Statements for the year ended 31 December 2022.
c) Based on the knowledge acquired during our audit, relating to Eurobank Ergasias Services and Holdings S.A. and its environment, we have not identified any material misstatements in the Board of Directors' Report.

2 Additional Report to the Audit Committee

Our audit opinion on the Consolidated Financial Statements is consistent with the Additional Report to the Audit Committee of the Company dated 7 April 2023, pursuant to the requirements of article 11 of the Regulation 537/2014 of the European Union (EU).

3 Provision of Non-Audit Services

We have not provided to the Group any prohibited non-audit services referred to in article 5 of Regulation (EU) 537/2014.

The permissible non-audit services that we have provided to the Group during the year ended 31 December 2022 are disclosed in Note 46 of the accompanying Consolidated Financial Statements.

4 Appointment of Auditors

We were appointed for the first time as Certified Auditors of the Group based on the decision of the Annual General Shareholders' Meeting dated 10 July 2018. From then onwards our appointment has been renewed uninterruptedly for a total period of five years based on the annual decisions of the General Shareholders' Meeting.

5 Operations Regulation

The Company has an Operations Regulation in accordance with the content provided by the provisions of the article 14 of Law 4706/2020.

6 Assurance Report on the European Single Electronic Reporting Format

We examined the digital files of Eurobank Ergasias Services and Holdings S.A. (the Company or/and Group), which were prepared in accordance with the European Single Electronic Format (ESEF) that is determined by the Commission Delegated Regulation (EU) 2019/815, as in force (the ESEF Regulation) that include the Consolidated Financial Statements of the Group for the year ended as at 31 December 2022 in XHTML format, and also the file XBRL (JEUVK5RWVJEN8W0C9M24-2022-12-31-en.zip) with the appropriate mark-up of the those consolidated financial statements, including of the notes to the Consolidated Financial Statements.

Regulatory framework

The digital files of the European Single Electronic Format are prepared in accordance with the ESEF Regulation, and the 2020/C 379/01 Commission Interpretative Communication issued on 10 November 2020, as required by the L. 3556/2007 and the relevant announcements of the Hellenic Capital Markets Commission and the Athens Stock Exchange (the "ESEF Regulatory Framework").

This Framework includes in summary, among others, the following requirements:

- All the annual financial reports must be prepared in XHTML format.
- With respects to the consolidated financial statements based on International Financial Reporting Standards (IFRS), the financial information that is included in the consolidated balance sheet, consolidated statements of income and comprehensive income, changes in equity and cash flow, as well as in the notes to the consolidated financial statements, must be marked up with XBRL tags, in accordance with the ESEF Taxonomy, as in force. The technical requirements for the ESEF, including the relevant taxonomy, are included in the ESEF Regulatory Technical Standards, including of the notes to the consolidated financial statements.

The requirements as defined in the ESEF Regulatory Framework as in force are appropriate criteria in order to express a reasonable assurance conclusion.

Responsibilities of the Board of Directors and those charged with governance

The Board of Directors is responsible for the preparation and filing of the consolidated financial statements of the Group, for the year ended as at 31 December 2022, in accordance with the requirements determined by the ESEF Regulatory Framework, and for such internal control as the Board of Directors determines is necessary to enable the preparation of digital files that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibilities

Our responsibility is the planning and the execution of this assurance engagement in accordance with the 214/4/11-02-2022 Decision of the Hellenic Accounting and Auditing Standards Oversight Board and the Guidelines for the assurance engagement and report of Certified Auditors on the European Single Electronic Reporting Format (ESEF) of issuers with shares listed in a regulated market in Greece", as these were issued by the Institute of Certified Public Accountants of Greece on 14 February 2022 (the "ESEF Guidelines"), in order to obtain reasonable assurance that the Consolidated Financial Statements of the Group that are prepared by the the Board of Directors of the Company in accordance with the ESEF comply in all material respects with the ESEF Regulatory Framework as in force.

Our work was performed in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants, as it has been incorporated into Greek legislation and we have also fulfilled our independence requirements, in accordance with the L. 4449/2017 and the Regulation (EU) 537/2014.

The assurance work that we carried out refers exclusively to the ESEF Guidelines and was conducted in accordance with the International Standard on Assurance Engagements 3000, "Assurance Engagements other than Audits or Reviews of Historical Financial Information". Reasonable assurance is a high level of assurance but is not a guarantee that such an assurance engagement will always detect a material misstatement regarding non-compliance with the requirements of the ESEF Regulation.

Conclusion

Based on the procedures performed and the evidence obtained, we express the conclusion that the Consolidated Financial Statements of the Group for the year ended as of 31 December 2022 in XHTML format (JEUVK5RWVJEN8W0C9M24-2022-12-31-en.xhtml), and the XBRL file (JEUVK5RWVJEN8W0C9M24-2022-12-31-en.zip) marked up with respects to the Consolidated Financial Statements, including the Notes to the Consolidated Financial Statements, have been prepared, in all material respects, in accordance with the requirements of the ESEF Regulatory Framework.

Athens, 7 April 2023

KPMG Certified Auditors S.A.
AM SOEL 114

Harry Sirounis, Certified Auditor
AM SOEL 19071

Holdings

EUROBANK ERGASIAS
SERVICES AND HOLDINGS S.A.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2022

8 Othonos Str, Athens 105 57, Greece
eurobankholdings.gr, Tel.: (+30) 214 40 61000
General Commercial Registry No: 000223001000

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Notes to the Consolidated Financial Statements

Consolidated Balance Sheet

		31 December	
		2022	2021
	Note	**€ million**	€ million
ASSETS			
Cash and balances with central banks	15	**14,994**	13,515
Due from credit institutions	17	**1,329**	2,510
Securities held for trading	18	**134**	119
Derivative financial instruments	19	**1,185**	1,949
Loans and advances to customers	20	**41,677**	38,967
Investment securities	22	**13,261**	11,316
Investments in associates and joint ventures	24	**173**	267
Property and equipment	26	**775**	815
Investment property	27	**1,410**	1,492
Intangible assets	28	**297**	269
Deferred tax assets	13	**4,161**	4,422
Other assets	29	**1,980**	2,065
Assets of disposal groups classified as held for sale	30	**84**	146
Total assets		**81,460**	77,852
LIABILITIES			
Due to central banks	31	**8,774**	11,663
Due to credit institutions	32	**1,814**	973
Derivative financial instruments	19	**1,661**	2,394
Due to customers	33	**57,239**	53,168
Debt securities in issue	34	**3,552**	2,552
Other liabilities	35	**1,701**	1,358
Liabilities of disposal groups classified as held for sale	30	**1**	109
Total liabilities		**74,742**	72,217
EQUITY			
Share capital	37	**816**	816
Share premium[1]	37	**1,161**	8,056
Reserves and retained earnings[1]	38	**4,646**	(3,333)
Equity attributable to shareholders of the Company		**6,623**	5,539
Non controlling interests	23.2	**95**	96
Total equity		**6,718**	5,635
Total equity and liabilities		**81,460**	77,852

[1] The comparative information has been adjusted due to change in the presentation of treasury shares (note 37). As a result, "Share premium" has increased by € 1 million against an equal decrease of "Reserves and retained earnings".

Notes on pages 6 to 155 form an integral part of these consolidated financial statements.

Consolidated Income Statement

	Note	Year ended 31 December 2022 € million	2021 € million
Interest income		**2,315**	1,842
Interest expense		**(765)**	(521)
Net interest income	6	**1,550**	1,321
Banking fee and commission income		**584**	495
Banking fee and commission expense		**(135)**	(137)
Net banking fee and commission income	7	**449**	358
Income from non banking services	8	**94**	98
Net trading income/(loss)	9	**727**	(8)
Gains less losses from investment securities	9	**(9)**	101
Other income/(expenses)	10	**324**	30
Operating income		**3,135**	1,900
Operating expenses	11	**(917)**	(876)
Profit from operations before impairments, provisions and restructuring costs		**2,218**	1,024
Impairment losses relating to loans and advances to customers	21	**(291)**	(490)
Other impairment losses and provisions	12	**(108)**	(52)
Restructuring costs	12	**(102)**	(25)
Share of results of associates and joint ventures	24	**18**	26
Profit before tax		**1,735**	483
Income tax	13	**(405)**	(156)
Net profit		**1,330**	327
Net profit/(loss) attributable to non controlling interests		**0**	(1)
Net profit attributable to shareholders		**1,330**	328
		€	€
Earnings per share			
-Basic and diluted earnings per share	14	**0.36**	0.09

Notes on pages 6 *to* 155 *form an integral part of these consolidated financial statements.*

Consolidated Statement of Comprehensive Income

	Year ended 31 December			
	2022		2021	
	€ million		€ million	
Net profit		**1,330**		327
Other comprehensive income:				
Items that are or may be reclassified subsequently to profit or loss:				
Cash flow hedges				
- changes in fair value, net of tax	**5**		36	
- transfer to net profit, net of tax	**(5)**	**(0)**	1	37
Debt securities at FVOCI				
- changes in fair value, net of tax (note 22)	**(547)**		(97)	
- transfer to net profit, net of tax (note 22)	**222**	**(325)**	6	(91)
Foreign currency translation				
- foreign operations' translation differences	**1**		(0)	
- transfer to net profit on the liquidation of foreign subsidiary (note 23.1)	**76**	**77**	-	(0)
Associates and joint ventures				
- changes in the share of other comprehensive income, net of tax (note 24)	**(32)**	**(32)**	(3)	(3)
		(280)		(57)
Items that will not be reclassified to profit or loss:				
- Gains/(losses) from equity securities at FVOCI, net of tax		**24**		2
- Actuarial gains/(losses) on post employment benefit obligations, net of tax		**4**		1
		28		3
Other comprehensive income		**(252)**		(54)
Total comprehensive income attributable to:				
- Shareholders		**1,079**		274
- Non controlling interests		**(1)**		(1)
		1,078		273

Notes on pages 6 *to* 155 *form an integral part of these consolidated financial statements*

Consolidated Statement of Changes in Equity

	Share capital € million	Share premium € million	Reserves and retained earnings € million	Non controlling interests € million	Total € million
Balance at 1 January 2021	815	8,055	(3,608)	0	5,262
Reclassification of treasury shares[1]	1	1	(2)	-	-
Net profit/(loss)	-	-	328	(1)	327
Other comprehensive income	-	-	(54)	(0)	(54)
Total comprehensive income for the year ended 31 December 2021	-	-	274	(1)	273
Changes in participating interests in subsidiary undertakings	-	-	1	97	98
Share options plan	-	-	2	-	2
Purchase/sale of treasury shares	-	-	1	-	1
Other	-	-	(1)	-	(1)
	-	-	3	97	100
Balance at 31 December 2021[1]	816	8,056	(3,333)	96	5,635
Balance at 1 January 2022[1]	**816**	**8,056**	**(3,333)**	**96**	**5,635**
Net profit	-	-	1,330	0	**1,330**
Other comprehensive income	-	-	(251)	(1)	**(252)**
Total comprehensive income for the year ended 31 December 2022	**-**	**-**	**1,079**	**(1)**	**1,078**
Offsetting of equity accounts (note 38)	-	(6,895)	6,895	-	**-**
Share options plan (note 39)	0	0	4	-	**4**
Purchase/sale of treasury shares (notes 37 and 38)	-	-	1	-	**1**
	0	**(6,895)**	**6,900**	**-**	**5**
Balance at 31 December 2022	**816**	**1,161**	**4,646**	**95**	**6,718**
	Note 37	Note 37	Note 38		

(1) As of the year ended 31 December 2022 the carrying amount of treasury shares, which was previously deducted from the "Share capital" and "Share premium", is presented within "Reserves and retained earnings". Comparative information has been adjusted accordingly (note 37).

Notes on pages 6 *to* 155 *form an integral part of these consolidated financial statements.*

Consolidated Cash Flow Statement

	Note	Year ended 31 December 2022 € million	2021 € million
Cash flows from operating activities			
Profit before income tax		**1,735**	483
Adjustments for :			
Impairment losses relating to loans and advances to customers	21	**291**	490
Other impairment losses, provisions and restructuring costs	12	**210**	77
Depreciation and amortisation	11	**124**	114
Other (income)/losses on investment securities	16	**(14)**	(76)
Valuation of investment property	10	**(34)**	(30)
Other adjustments	16	**(244)**	(12)
		2,068	1,046
Changes in operating assets and liabilities			
Net (increase)/decrease in cash and balances with central banks		**(169)**	(193)
Net (increase)/decrease in securities held for trading		**0**	(32)
Net (increase)/decrease in due from credit institutions		**1,095**	588
Net (increase)/decrease in loans and advances to customers		**(3,226)**	(1,636)
Net (increase)/decrease in derivative financial instruments		**868**	36
Net (increase)/decrease in other assets		**116**	(22)
Net increase/(decrease) in due to central banks and credit institutions		**(2,048)**	3,125
Net increase/(decrease) in due to customers		**4,068**	5,338
Net increase/(decrease) in other liabilities		**147**	(4)
		851	7,200
Income tax paid		**(45)**	(33)
Net cash from/(used in) operating activities		**2,874**	8,213
Cash flows from investing activities			
Acquisition of fixed and intangible assets	26,27,28	**(169)**	(129)
Proceeds from sale of fixed and intangible assets	26,27	**121**	35
(Purchases)/sales and redemptions of investment securities		**(2,937)**	(2,752)
Acquisition of subsidiaries, net of cash acquired		**-**	121
Acquisition of holdings in associates and joint ventures, participations in capital increases		**-**	(8)
Disposal of subsidiaries and merchant acquiring business, net of cash disposed	23,30	**281**	1
Disposal of holdings in associates and joint ventures	24	**26**	13
Dividends from investment securities, associates and joint ventures	16,24	**21**	21
Net cash from/(used in) investing activities		**(2,657)**	(2,698)
Cash flows from financing activities			
(Repayments)/proceeds from debt securities in issue	16	**1,059**	986
Repayment of lease liabilities	41	**(39)**	(34)
(Purchase)/sale of treasury shares and exercise of share options	37	**1**	1
Net cash from/(used in) financing activities		**1,021**	953
Effect of exchange rate changes on cash and cash equivalents		**1**	0
Net increase in cash and cash equivalents		**1,239**	6,468
Cash and cash equivalents at beginning of year	16	**13,149**	6,681
Cash and cash equivalents at end of year	16	**14,388**	13,149

Notes on pages 6 *to* 155 *form an integral part of these consolidated financial statements.*

1. General information

Eurobank Ergasias Services and Holdings S.A. (the Company or Eurobank Holdings), which is the parent company of Eurobank S.A. (the Bank) and its subsidiaries (the Group), consisting mainly of Eurobank S.A. Group, are active in retail, corporate and private banking, asset management, treasury, capital markets and other services. The Group operates mainly in Greece and in Central and Southeastern Europe. The Company is incorporated in Greece, with its registered office at Othonos Street, Athens 105 57 and its shares are listed on the Athens Stock Exchange.

These consolidated financial statements, which include the Appendix, were approved by the Board of Directors on 6 April 2023. The Independent Auditor's Report of the Financial Statements is included in the section B.I of the Annual Financial Report.

The website address, where the annual financial statements of the consolidated non-listed Company's subsidiaries are uploaded, along with the independent Auditors' reports and the Board of Directors' Reports for these entities is: www.eurobankholdings.gr.

2. Basis of preparation and principal accounting policies

The consolidated financial statements of the Group have been prepared on a going concern basis and in accordance with the principal accounting policies set out below:

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), as endorsed by the European Union (EU), and in particular with those standards and interpretations, issued and effective or issued and early adopted as at the time of preparing these consolidated financial statements.

The consolidated financial statements are prepared under the historical cost basis except for the financial assets measured at fair value through other comprehensive income, financial assets and financial liabilities (including derivative instruments) measured at fair-value-through-profit-or-loss and investment property measured at fair value.

The accounting policies for the preparation of the consolidated financial statements of the Group have been consistently applied to the years 2022 and 2021, after taking into account the amendments in IFRSs as described in section 2.1.1 (a) "New and amended standards adopted by the Group as of 1 January 2022". In addition, where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

The preparation of financial statements in accordance with IFRS requires the use of estimates and judgements that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the consolidated financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and conditions, actual results ultimately may differ from those estimates.

The Group's presentation currency is the Euro (€) being the functional currency of the parent company. Except as indicated, financial information presented in Euro has been rounded to the nearest million. The figures presented in the notes may not sum precisely to the totals provided due to rounding.

Going concern considerations

The annual financial statements have been prepared on a going concern basis, as the Board of the Directors considered as appropriate, taking into consideration the following:

2022 was marked by the war in Ukraine, which gave rise to a global - but predominantly European - energy crisis, added to the mounting inflationary pressures, and led to widespread economic uncertainty and increased volatility in the global economy and financial markets. Nevertheless, the post-pandemic recovery continued for a second consecutive year in Greece, with its GDP growth overperforming that of most of its EU peers. According to the Hellenic Statistical Authority (ELSTAT) provisional data, the Greek economy expanded by 5.9% on an annual basis in 2022, with the European Commission (EC) estimating the full-year 2022 growth rate at 5.5% and 1.2% in 2023 in its winter economic forecast (February 2023). The inflation rate, as measured by the change in the 12-month average Harmonized Index of Consumer Prices (HICP), increased to 9.3% in 2022 according to ELSTAT, primarily as a result of supply-side shocks (including the hikes in energy, food and other raw material prices, the continued disruptions in the supply chain and the rising nominal wages), alongside the steep post-pandemic recovery of domestic and external demand. The EC expects that the inflation rate will decline to 4.5% in 2023, and further de-escalate to 2.4% in 2024. Moreover, provisional ELSTAT data shows that the average monthly unemployment in 2022 decreased to 12.4%, from 14.8% in 2021, while the Organisation for Economic Co-operation and Development (OECD) in its latest report (January 2023) expects unemployment to decline to 11.5% in 2023. On the fiscal front, the general government primary balance was to post a deficit of 1.6% of GDP in 2022 according to the 2023 Budget (latest outlook point to a primary deficit of ca. 1% of GDP or even lower), and a surplus of 0.7% of GDP in 2023 (2021: deficit of 5%). The gross public debt-to-GDP ratio is expected to decline to 168.9% and 159.3% in 2022 and 2023 respectively (2021: 194.5%). The above forecasts may change in case of potential adverse international developments that could affect energy and other goods prices, interest rates, external and domestic demand, and bring about the need for additional fiscal support measures.

The Bulgarian economy expanded by 3.4% in 2022 (2021: 7.6%), based on data from the National Statistical Institute of Bulgaria, while inflation averaged at 15.3% in 2022 (2021: 3.3%). According to the EC's winter economic forecasts (February 2023), the real GDP in Bulgaria is expected to grow by 1.4% in 2023, while the HICP is expected at 7.8% in 2023. Respectively, in Cyprus the real GDP growth is forecasted at 5.8% in 2022 and 1.6% in 2023 (2021: 6.6%), while the CPI is estimated at 8.1% in 2022 and 4% in 2023 (2021: 2.3%).

A significant boost to growth in Greece and in other countries of presence is expected from European Union (EU) funding, mainly under the Next Generation EU (NGEU) instrument and the Multiannual Financial Framework (MFF) 2021–2027, EU's long-term budget. Greece shall receive EU funds of more than € 30.5 billion (€ 17.8 billion in grants and € 12.7 billion in loans) up to 2026 from NGEU's Recovery and Resilience Facility (RRF) to finance projects and initiatives laid down in its National Recovery and Resilience Plan (NRRP) titled "Greece 2.0". A pre-financing of € 4 billion was disbursed in August 2021, and the first two regular payments of € 3.6 billion each in April 2022 and January 2023 respectively. Greece has been also allocated about € 40 billion through MFF 2021-2027. On the monetary policy front, although net bond purchases under the temporary Pandemic Emergency Purchase Programme (PEPP) ended in March 2022, as scheduled, the European Central Bank (ECB) will continue to reinvest principal from maturing securities at least until the end of 2024, including purchases of Greek Government Bonds (GGBs) over and above rollovers of redemptions. Furthermore, the Governing Council of the ECB, in line with its strong commitment to its price stability mandate, has proceeded with six rounds of interest rate hikes (in July, September, October, December 2022, February and in March 2023), raising the three key ECB interest rates by 350 basis points in aggregate. Moreover, it approved a new instrument (the "Transmission Protection Instrument" – TPI) aimed at preventing fragmentation in the sovereign bonds market. Finally, following the expiration of the special terms and conditions applying to the TLTRO III (Targeted Longer-Term Refinancing Operations) on 23 June 2022, the ECB will keep assessing how targeted lending operations are contributing to its monetary policy stance.

In 2022, the Greek State proceeded with the issuance of nine bonds of various maturities (5-year, 10-year, 15-year and 20-year) through the Public Debt Management Agency (PDMA), raising a total of € 8.3 billion from international financial markets. On 17 January 2023, the PDMA issued a 10-year bond of € 3.5 billion at a yield of 4.279% and more recently, on 29 March 2023, issued a 5-year bond of € 2.5 billion at a yield of 3.919%. As of end 2022, the cash reserves of the Greek State stood in excess of € 30 billion, and as of early February 2023, its sovereign rating was one notch below investment grade by three of the four External Credit Assessment Institutions (ECAIs) accepted by the Eurosystem (DBRS Morningstar: BB (high); S&P Ratings, Fitch Ratings: BB+).

Regarding the outlook for the next 12 months the major macroeconomic risks and uncertainties in Greece and our region are as follows: (a) the ongoing Russia - Ukraine war and its ramifications on regional and global stability and security, as well as the European and Greek economy, (b) a potential prolongation of the ongoing inflationary wave and its impact on economic growth, employment, public finances, household budgets, firms' production costs, external trade and banks' asset quality, as well as any potential social and/or political ramifications these may entail, (c) the ongoing and potential upcoming central bank interest rate hikes worldwide, and in the euro area in particular, that may exert upwards pressures on sovereign and private borrowing costs, especially those of highly indebted borrowers, deter investments, increase volatility in the financial markets and lead economies to slow down or even a temporary recession, (d) the recent banking sector turmoil to continue and expand in the euro area, affecting customers' confidence, with a potential impact on assets under management levels and on liquidity, (e) the impact of a potential curtailment or discontinuation of the government energy support measures on growth, employment and the servicing of household and corporate debt, (f) the persistently large current account deficits and the prospect of them becoming once again a structural feature of the country's growth model, (g) the absorption capacity of the NGEU and MFF funds and the attraction of new investments in the country, (h) the effective and timely implementation of the reform agenda required to meet the RRF milestones and targets and to boost productivity, competitiveness, and resilience, (i) a delay in the implementation of planned reforms, projects and the budget's fiscal agenda due to the possibility of the 2023 national elections resulting in an inability or delay to form a government with solid Parliament majority, (j) the geopolitical developments in the near region, (k) the evolution of the pandemic and the probability of emergence of new Covid-19 variants that could further impact economic growth, fiscal balances and international trade by prolonging the disruptions in the global supply chain, and (l) the exacerbation of natural disasters due to the climate change and their effect on GDP, employment, fiscal balance and sustainable development in the long run.

Materialization of the above risks, would have potentially adverse effects on the fiscal planning of the Greek government, as it could decelerate the pace of expected growth and on the liquidity, asset quality, solvency and profitability of the Greek banking sector. The Group Management and Board, mindful of the recent banking turmoil across some markets, has done a proactive internal review to re-assure itself of the continued resilience of Eurobank business model to such possible external shocks and is pleased to report that this model is well supported by sound business practices, diversified activities and prudent risk management approaches. The resulting stability of the Group's business operating model is also further well-reflected by, among others, its financial position and performance as analysed below. In this context, the Group is continuously monitoring the developments on the macroeconomic, financial and geopolitical fronts as well as the evolution of its asset quality and liquidity KPIs and has increased its level of readiness, so as to accommodate decisions, initiatives and policies to protect its capital and liquidity standing as well as the fulfilment, to the maximum possible degree, of its strategic and business goals in accordance with the business plan for 2023–2025.

For the year ended 31 December 2022, the net profit attributable to shareholders amounted to € 1,330 million (2021: € 328 million), of which € 212 million (2021: € 143 million) was related to the international operations. The adjusted net profit, excluding the € 230.5 million gain (after tax) on sale of Bank's merchant acquiring business and the € 75 million restructuring costs (after tax), amounted to € 1,174 million (2021: € 424 million). As at 31 December 2022, the Group's Total Adequacy Ratio (total CAD) and Common Equity Tier 1 (CET1) ratios stood at 19.2% (31 December 2021: 16.1%) and 16% (31 December 2021: 13.7%) respectively (note 4). In January 2023, the European Banking Authority (EBA) launched the 2023 EU-wide stress test exercise which is designed to provide valuable input for assessing the resilience of the European banking sector, including the 4 Greek systemic banks, in the current uncertain and changing macroeconomic environment, covering the period of 2023-2025. The EBA expects to publish the results of the exercise at the end of July 2023 (note 4).

With regards to asset quality, the Group's NPE formation was positive by € 46 million during the year (fourth quarter 2022: € 35 million positive), (31 December 2021: € 44 million positive). At 31 December 2022 the Group's NPE stock, following the classification of project "Solar" underlying loan portfolio as held for sale and other initiatives, amounted to € 2.3 billion (31 December 2021: € 2.8 billion), driving the NPE ratio to 5.2% (31 December 2021: 6.8%), while the NPE coverage ratio stood at 74.6% (31 December 2021: 69.2%).The debt securities portfolio, which is to a large extent hedged for the interest rate risk, accounts for 16% of total assets mostly invested in EU Sovereign Bonds and on investment grade securities. The Group holds non-significant exposure in Russian or Ukrainian assets and in the banks affected by the recent banking turmoil.

In terms of liquidity, as at 31 December 2022, the Group deposits increased to € 57.2 billion (31 December 2021: € 53.2 billion), leading the Group's (net) loans to deposits (L/D) ratio to 73.1% (31 December 2021: 73.2%), while the funding from the targeted long term refinancing operations of the European Central Bank – TLTRO III programme decreased by € 2.9 billion amounting to € 8.8 billion (31 December 2021: € 11.7 billion) (note 31). During the year, the Bank proceeded with the issuance of a preferred senior note of € 500 million and the Company completed the issuance of a Tier 2 instrument of € 300 million. More recently, in January 2023, the Bank successfully completed the issue of a € 500 million senior preferred note (note 34). As at 31 December 2022, the Bank's MREL ratio at consolidated level stands at 23.07% of RWAs, higher than the interim binding MREL target for 2022 of 18.21% but also than the interim non-binding MREL target from 1 January 2023 of 20.48%. The rise in high quality liquid assets of the Group led the respective Liquidity Coverage ratio (LCR) to 173% (31 December 2021: 152%). In the context of the 2022 ILAAP (Internal Liquidity Adequacy Assessment Process), the liquidity stress tests results indicated that the Bank has adequate liquidity buffer to cover the potential outflows that could occur in all scenarios both in the short term (1 month horizon) and in the medium term (1 year horizon). Information on the interest rate and liquidity risk exposures of the Group is included in notes 5.2.2 and 5.2.3.

Going concern assessment

The Board of Directors, acknowledging the geopolitical, macroeconomic and financial risks to the economy and the banking system and taking into account the above factors relating to (a) the idiosyncratic growth opportunities in Greece and the region for this and the next years, also underpinned by the mobilisation of the already approved EU funding mainly through the RRF, and (b) the Group's pre-provision income generating capacity, asset quality, capital adequacy and liquidity position, has been satisfied that the financial statements of the Group can be prepared on a going concern basis.

2.1.1 New and amended standards and interpretations

(a) New and amended standards adopted by the Group as of 1 January 2022

The following amendments to standards as issued by the IASB and endorsed by the EU, apply as of 1 January 2022:

IFRS 3, Amendments, Reference to the Conceptual Framework

The amendments to IFRS 3 "Business Combinations" updated a reference to the current version of Conceptual Framework while added a requirement that, for obligations within the scope of IAS 37 "Provisions, Contingent Liabilities and Contingent Assets", an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. In addition, for a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy exists at the acquisition date.

Moreover, the issued amendments added a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition in a business combination at the acquisition date.

The adoption of the amendments had no impact on the consolidated financial statements.

Annual improvement to IFRSs 2018-2020 cycle: IFRS1, IFRS9 and IFRS 16

The improvements introduce changes to several standards. The amendments that are relevant to the Group's activities are set out below:

The amendment to IFRS 1 "First-time Adoption of International Financial Reporting Standards" provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result, the amendment allows entities that have elected to measure their assets and liabilities at carrying amounts recorded in their parent's books to also measure any cumulative translation differences using the amounts reported in the parent's consolidated financial statements. This amendment also applies to associates and joint ventures that have taken the same IFRS 1 exemption.

The amendment to IFRS 9 "Financial Instruments" clarifies which fees should be included in the 10% test for derecognition of financial liabilities. The fees to be included in the assessment are only those paid or received between the borrower (entity) and the lender, including fees paid or received by either the borrower or lender on the other's behalf. The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment.

The amendment to IFRS 16 "Leases" removes the illustration of the reimbursement of leasehold improvements, in order to avoid any potential confusion about the treatment of lease incentives.

The adoption of the amendments had no impact on the consolidated financial statements.

IAS 37, Amendments, Onerous Contracts – Costs of Fulfilling a Contract

The amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' clarify which costs to include in determining the cost of fulfilling a contract when assessing whether a contract is onerous. In particular, the direct costs of fulfilling a contract include both the incremental costs and an allocation of other costs directly related to fulfilling contracts' activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The adoption of the amendments had no impact on the consolidated financial statements

(b) New and amended standards not yet adopted by the Group

A number of new standards and amendments to existing standards are effective after 2022, as they have not yet been endorsed by the EU or have not been early applied by the Group. Those that may be relevant to the Group are set out below:

IFRS 17, Insurance Contracts (effective 1 January 2023)

IFRS 17, which supersedes IFRS 4 "Insurance Contracts" provides a comprehensive and consistent accounting model for insurance contracts. It applies to all types of insurance contracts as well as certain guarantees and financial insurance with discretionary participating features. Financial guarantee contracts are allowed to be within the scope of IFRS 17, if the entity has previously asserted that it regarded them as insurance contracts.

According to IFRS 17 core general model, groups of insurance contracts which are managed together and are subject to similar risks, are measured based on building blocks of discounted, probability-weighted estimates of future cash flows, a risk adjustment and a contractual service margin ("CSM") representing the unearned profit of the contracts. Under the model, estimates are remeasured at each reporting period. A simplified measurement approach may be used if it is expected that doing so a reasonable approximation of the general model is produced, or if the contracts are of short duration.

Revenue is allocated to periods in proportion to the value of expected coverage and other services that the insurer provides during the period, claims are presented when incurred and any investment components i.e. amounts repaid to policyholders even if the insured event does not occur, are not included in revenue and claims. Insurance services results are presented separately from the insurance finance income or expense.

In June 2020, the IASB issued Amendments to IFRS 17 to assist entities in its implementation. The amendments aim to assist entities to transition in order to implement the standard more easily, while they deferred the effective date, so that entities would be required to apply IFRS 17 for annual periods beginning on or after 1 January 2023.

In December 2021, the IASB issued a narrow-scope amendment to the transition requirements of IFRS 17 for entities that first apply IFRS 17 and IFRS 9 at the same time.

The Group has not issued contracts within the scope of IFRS 17; therefore, the standard is not expected to impact the consolidated financial statements, other than through the Group's share of the results of its associate ''Eurolife FFH Insurance Group Holdings S.A.'' ("Eurolife").

In particular, as at 31 December 2022, the Group's share of the expected impact from Eurolife's transition to IFRS 17 is estimated to an increase in equity of ca. € 15 million, net of tax.

IAS 8, Amendments, Definition of Accounting Estimates (effective 1 January 2023)

The amendments in IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" introduced the definition of accounting estimates and include other amendments to IAS 8 which are intended to help entities distinguish changes in accounting estimates from changes in accounting policies.

The amendments clarify (a) how accounting policies and accounting estimates relate to each other by (i) explaining that accounting estimates are used in applying accounting policies and (ii) making the definition of accounting policies clearer and concise and, (b) that selecting an estimation or valuation technique and choosing the inputs to be used constitutes making an accounting estimate.

The adoption of the amendments is not expected to impact the consolidated financial statements.

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (effective 1 January 2023)

IASB issued amendments to IAS 1 "Presentation of Financial Statements" that require entities to disclose their material accounting policies rather than their significant accounting policies.

According to IASB, accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

Furthermore, the amendments clarify how an entity can identify material accounting policy information, while provide examples of when accounting policy information is likely to be material. The amendments to IAS 1 also clarify that immaterial accounting policy information need not be disclosed. However, if it is disclosed, it should not obscure material accounting policy information. To support these amendments the Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2 Making Materiality Judgements to accounting policy disclosures, in order to support the amendments to IAS 1.

The adoption of the amendments is not expected to impact the consolidated financial statements.

IAS 1, Amendments, Classification of Liabilities as Current or Non-Current (effective 1 January 2024, not yet endorsed by EU)

The amendments, published in January 2020, affect only the presentation of liabilities in the balance sheet and provide clarifications over the definition of the right to defer the settlement of a liability, while they make clear that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. In addition, it is clarified that the assessment for liabilities classification made at the end of the reporting period is not affected by the expectations about whether an entity will exercise its right to defer settlement of a liability. The Board also clarified that when classifying liabilities as current or non-current, an entity can ignore only those conversion options that are recognised as equity.

In October 2022, the IASB issued *Non-current Liabilities with Covenants (Amendments to IAS 1)* with respect to the classification (as current or non-current), presentation and disclosures of liabilities for which an entity's right to defer settlement for at least 12 months is subject to the entity complying with conditions after the reporting period. The amendments to IAS 1 specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the amendments require a company to disclose information about these covenants in the notes to the financial statements.

The adoption of the amendments is not expected to impact the consolidated financial statements.

IAS 12, Amendments, Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective 1 January 2023)

The amendments clarify that the exemption on initial recognition set out in IAS 12 'Income Taxes' does not apply for transactions such as leases and decommissioning obligations that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. Accordingly, for such transactions an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12. The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented.

The adoption of the amendments is not expected to impact the consolidated financial statements.

IFRS 16, Amendment, Lease Liability in a Sale and Leaseback (effective 1 January 2024, not yet endorsed by EU)

The amendment requires a seller-lessee to subsequently measure lease liabilities arising in a sale and leaseback transaction in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. Any gains and losses relating to the full or partial termination of a lease continue to be recognised when they occur. The amendment does not change the accounting for leases unrelated to sale and leaseback transactions.

The adoption of the amendment is not expected to impact the consolidated financial statements.

2.2 Principal accounting policies

2.2.1 Consolidation

(i) Subsidiaries

Subsidiaries are all entities controlled by the Group. The Group controls an entity when it is exposed, or has rights to, variable returns from its involvement with the entity, and has the ability to affect those returns through its power over the entity. The Group consolidates an entity only when all the above three elements of control are present.

Power is considered to exist when the Group's existing rights give it the current ability to direct the relevant activities of the entity, i.e. the activities that significantly affect the entity's returns, and the Group has the practical ability to exercise those rights. Power over the entity may arise from voting rights granted by equity instruments such as shares or, in other cases, may result from contractual arrangements.

Where voting rights are relevant, the Group is deemed to have control where it holds, directly or indirectly, more than half of the voting rights over an entity, unless there is evidence that another investor has the practical ability to unilaterally direct the relevant activities.

The Group may have power, even when it holds less than a majority of the voting rights of the entity, through a contractual arrangement with other vote holders, rights arising from other contractual arrangements, substantive potential voting rights, ownership of the largest block of voting rights in a situation where the remaining rights are widely dispersed ('de facto power'), or a combination of the above. In assessing whether the Group has de facto power, it considers all relevant facts and circumstances including the relative size of the Group's holding of voting rights and dispersions of holdings of other vote holders to determine whether the Group has the practical ability to direct the relevant activities.

The Group is exposed or has rights to variable returns from its involvement with an entity when these returns have the potential to vary as a result of the entity's performance.

In assessing whether the Group has the ability to use its power to affect the amount of returns from its involvement with an entity, the Group determines whether in exercising its decision-making rights, it is acting as an agent or as a principal. The Group acts as an agent when it is engaged to act on behalf and for the benefit of another party, and as a result does not control an entity. Therefore, in such cases, the Group does not consolidate the entity. In making the above assessment, the Group considers the scope of its decision-making authority over the entity, the rights held by other parties, the remuneration to which the Group is entitled from its involvement, and its exposure to variability of returns from other interests in that entity.

The Group has interests in certain entities which are structured so that voting rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual rights. In determining whether the Group has control over such structured entities, it considers the following factors:

- The purpose and design of the entity;
- Whether the Group has certain rights that give it the ability to direct the relevant activities of the entity unilaterally, as a result of existing contractual arrangements that give it the power to govern the entity and direct its activities;
- In case another entity is granted decision making rights, the Group assesses whether this entity acts as an agent of the Group or another investor;
- The existence of any special relationships with the entity; and
- The extent of the Group's exposure to variability of returns from its involvement with the entity, including its exposure in the most subordinated securitized notes issued by the entity as well as subordinated loans or other credit enhancements that may be granted to the entity, and if the Group has the power to affect such variability.

Information about the Group's structured entities is set out in note 25.

The Group reassesses whether it controls an entity if facts and circumstances indicate that there are changes to one or more elements of control. This includes circumstances in which the rights held by the Group and intended to be protective in nature become substantive upon a breach of a covenant or default on payments in a borrowing arrangement, and lead to the Group having power over the investee.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

In determining the proportion of profit or loss and changes in equity allocated to the Group and non-controlling interests, the Group takes into account current ownership interests, also including in-substance current ownership interests, after considering the eventual exercise of any potential voting rights and other derivatives that currently give the Group access to the returns associated with an ownership interest.

Changes in the Group's ownership interest in subsidiaries that do not result in a loss of control are recorded as equity transactions. Any difference between the consideration and the share of the new net assets acquired is recorded directly in equity. Gains or losses arising from disposals of ownership interests that do not result in a loss of control by the Group are also recorded directly in equity. For disposals of ownership interests that result in a loss of control, the Group derecognizes the assets and liabilities of the subsidiary and any related non-controlling interest and other components of equity and recognizes gains and losses in the income statement. When the Group ceases to have control, any retained interest in the former subsidiary is re-measured to its fair value, with any changes in the carrying amount recognized in the income statement. The Group considers the eventual exercise of any potential voting rights and other derivatives and whether they currently give the Group access to the returns associated with a retained ownership interest, in determining whether that ownership interest should be derecognised or not.

Intercompany transactions, balances and intragroup gains on transactions between Group entities are eliminated; intragroup losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred.

(ii) Business combinations

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The consideration transferred for an acquisition is measured at the fair value of the assets given, equity instruments issued or exchanged and liabilities undertaken at the date of acquisition, including the fair value of assets or liabilities resulting from a contingent consideration arrangement. Acquisition related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date irrespective of the extent of any non-controlling interest. Any previously held interest in the acquiree is remeasured to fair value at the acquisition date with any gain or loss recognized in the income statement. The Group recognizes on an acquisition-by-acquisition basis any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets of the subsidiary acquired, is recorded as goodwill. If this is less than the fair value of the net assets of the acquiree, the difference is recognized directly in the income statement.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which it occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted retrospectively during the measurement period to reflect the new information obtained about the facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. The measurement period adjustments, as mentioned above, affect accordingly the amount of goodwill that was initially recognized, while the measurement period cannot exceed one year from the acquisition date.

Commitments to purchase non-controlling interests through derivative financial instruments with the non-controlling interests, as part of a business combination are accounted for as a financial liability, with no non-controlling interest recognized for reporting purposes. The financial liability is measured at fair value, using valuation techniques based on best estimates available to management. Any difference between the fair value of the financial liability upon initial recognition and the nominal non-controlling interest's share of net assets is recognized as part of goodwill. Subsequent revisions to the valuation of the derivatives are recognized in the income statement.

For acquisitions of subsidiaries not meeting the definition of a business, the Group allocates the consideration to the individual identifiable assets and liabilities based on their relative fair values at the date of acquisition. Such transactions or events do not give rise to goodwill.

Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies of the Group.

A listing of the Bank's subsidiaries is set out in note 23.

(iii) Business combinations involving entities under common control

Pursuant to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors', since business combinations between entities under common control are excluded from the scope of IFRS 3 'Business Combinations', such transactions are accounted for in the Group's financial statements by using the pooling of interests method (also known as merger accounting), with reference to the most recent pronouncements of other standard-setting bodies that use a similar conceptual framework and comply with the IFRS general principles, as well as accepted industry practices.

Under the pooling of interests method, the Group incorporates the assets and liabilities of the acquiree at their pre-combination carrying amounts from the highest level of common control, without any fair value adjustments. Any difference between the cost of the transaction and the carrying amount of the net assets acquired is recorded in Group's equity.

The Group accounts for the cost of such business combinations at the fair value of the consideration given, being the amount of cash or shares issued or if that cannot be reliably measured, the consideration received.

Formation of a new Group entity to effect a business combination

Common control transactions that involve the formation of a new Group entity to effect a business combination by bringing together two or more previously uncombined businesses under the new Group entity are also accounted for by using the pooling of interests method.

Other common control transactions that involve the acquisition of a single existing Group entity or a single group of businesses by a new entity formed for this purpose are accounted for as capital reorganizations, on the basis that there is no business combination and no substantive economic change in the Group. Under a capital reorganization, the acquiring entity incorporates the assets and liabilities of the acquired entity at their carrying amounts, as presented in the books of that acquired entity, rather than those from the highest level of common control. Any difference between the cost of the transaction and the carrying amount of the net assets acquired is recognized in the equity of the new entity. Capital reorganization transactions do not have any impact on the Group's consolidated financial statements.

(iv) Associates

Investments in associates are accounted for using the equity method of accounting in the consolidated financial statements. These are undertakings over which the Group exercises significant influence but which are not controlled.

Equity accounting involves recognizing in the income statement the Group's share of the associate's profit or loss for the year. The Group's interest in the associate is carried on the balance sheet at an amount that reflects its share of the net assets of the associate and any goodwill identified on acquisition net of any accumulated impairment losses. If the Group's share of losses of an associate equals or exceeds its interest in the associate, the Group discontinues recognizing its share of further losses, unless it has incurred obligations or made payments on behalf of the associate. Where necessary the accounting policies used by the associates have been changed to ensure consistency with the policies of the Group.

When the Group obtains or ceases to have significant influence, any previously held or retained interest in the entity is remeasured to its fair value, with any change in the carrying amount recognized in the income statement, except in cases where an investment in associate becomes an investment in a joint venture where no remeasurement of the interest retained is performed and use of the equity method continues to apply.

(v) Joint arrangements

A joint arrangement is an arrangement under which the Group has joint control with one or more parties. Joint control is the contractually agreed sharing of control and exists only when decisions about relevant activities require the unanimous consent of the parties sharing control. Investments in joint arrangements are classified as either joint ventures whereby the parties who share control have rights to the net assets of the arrangement or joint operations where two or more parties have rights to the assets and obligations for the liabilities of the arrangement.

The Group evaluates the contractual terms of joint arrangements to determine whether a joint arrangement is a joint operation or a joint venture. All joint arrangements in which the Group has an interest are joint ventures.

As investments in associates, the Group's interest in joint ventures is accounted for by using the equity method of accounting. Therefore, the accounting policy described in note 2.2.1 (iv) applies also for joint ventures. Where necessary the accounting policies used by the joint ventures have been changed to ensure consistency with the policies of the Group.

When the Group ceases to have joint control over an entity, it discontinues the use of the equity method. Any retained interest in the entity is remeasured to its fair value, with any change in the carrying amount recognized in the income statement, except in cases where an investment in a joint venture becomes an investment in an associate, where no remeasurement of the interest retained is performed and use of the equity method continues to apply.

A listing of the Group's associates and joint ventures is set out in note 24.

2.2.2 Foreign currencies

(i) Translation of foreign subsidiaries

Assets and liabilities of foreign subsidiaries are translated into the Group's presentation currency at the exchange rates prevailing at each reporting date whereas income and expenses are translated at the average exchange rates for the period reported. Exchange differences arising from the translation of the net investment in a foreign subsidiary, including exchange differences of monetary items receivable or payable to the foreign subsidiary for which settlement is neither planned nor likely to occur that form part of the net investment in the foreign subsidiaries, are recognized in other comprehensive income.

Exchange differences from the Group's foreign subsidiaries are released to the income statement on the disposal of the foreign subsidiary while for monetary items that form part of the net investment in the foreign subsidiary, on repayment or when settlement is expected to occur.

(ii) Transactions in foreign currency

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in the income statement.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rates prevailing at each reporting date and exchange differences are recognized in the income statement, except when deferred in equity as qualifying cash flow or net investment hedges.

Non-monetary assets and liabilities are translated into the functional currency at the exchange rates prevailing at initial recognition, except for non-monetary items denominated in foreign currencies that are measured at fair value which are translated at the rate of exchange at the date the fair value is determined. The exchange differences relating to these items are treated as part of the change in fair value and are recognized in the income statement or recorded directly in equity depending on the classification of the non-monetary item.

2.2.3 Derivative financial instruments and hedging

Derivative financial instruments that mainly include foreign exchange contracts, forward currency agreements, currency and interest rate options (both written and purchased), as well as currency and interest rate swaps are initially recognized in the balance sheet at fair value, on the date on which the derivative contracts are entered into, and subsequently are re-measured at their fair value. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

Fair values of derivatives are determined based on quoted market prices, including recent market transactions, or by using other valuation techniques, as appropriate. The principles for the fair value measurement of financial instruments, including derivative financial instruments, are described in notes 3.2 and 5.3.

Embedded derivatives

Embedded derivatives are components of hybrid contracts that also include non-derivative hosts with the effect that some of the cash flows of the combined instruments vary in a way similar to stand-alone derivatives.

Financial assets that contain embedded derivatives are recognised in the balance sheet in their entirety in the appropriate classification category, following the instruments' assessment of their contractual cash flows and their business model as described in note 2.2.9.

On the other hand, derivatives embedded in financial liabilities, are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contract and the host contract is not carried at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognized in the income statement.

The use of derivative financial instruments is inherent in the Group's activities and aims principally at managing risks effectively.

Accordingly, the Group, as part of its risk management strategy, may enter into transactions with external counterparties to hedge partially or fully interest rate, foreign currency, equity and other exposures that are generated from its activities.

The objectives of hedging with derivative financial instruments include:

- Reduce interest rate exposure that is in excess of the Group's interest rate limits;
- Manage efficiently interest rate risk by hedging the changes to movements of the benchmark interest rates represented by the prevailing reference rates;
- Reduce variability arising from the fair value changes of derivatives embedded in financial assets;
- Manage future variable cash flows;
- Reduce foreign currency risk or inflation risk;
- Reduce variability in the Group's equity arising from translating a foreign net investment at different exchange rates.

Hedge accounting

The Group has elected, as a policy choice permitted under IFRS 9, to continue to apply hedge accounting in accordance with IAS 39, until the project of accounting of macro hedging activities is completed by the IASB.

For hedge accounting purposes, the Group forms a hedging relationship between a hedging instrument or group of hedging instruments and a related item or group of items to be hedged. A hedging instrument is a designated derivative or group of derivatives, or a designated non-derivative financial asset or financial liability whose fair value or cash flows are expected to offset changes in the fair value or cash flows of a designated hedged item or group of items. Specifically, the Group designates certain derivatives as: (a) hedges of the exposure to changes in fair value of recognized assets or liabilities on a single or portfolio basis or unrecognized firm commitments (fair value hedging), (b) hedges of the exposure to variability in cash flows of recognized assets or liabilities or highly probable forecasted transactions (cash flow hedging) or, (c) hedges of the exposure to variability in the value of a net investment in a foreign operation which is associated with the translation of the investment's net assets in the Group's functional currency (net investment hedging).

In order to apply hedge accounting, specified criteria should be met. Accordingly, at the inception of the hedge accounting relationship, the Group documents the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions, together with the method that will be used to assess the effectiveness of the hedging relationship. The Group also documents its assessment, both at inception of the hedge and on an ongoing basis, of whether the derivatives that are used in the hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items and whether the actual results of each hedge are within a range of 80-125%. If a relationship does not meet the abovementioned hedge effectiveness criteria, the Group discontinues hedge accounting prospectively. Similarly, if the hedging derivative expires or is sold, terminated or exercised, or the hedge designation is revoked, then hedge accounting is discontinued prospectively. In addition, the Group uses other derivatives, not designated in qualifying hedge relationships, to manage its exposure primarily to interest rate and foreign currency risks. Non qualifying hedges are derivatives entered into as economic hedges of assets and liabilities for which hedge accounting is not applied. The said derivative instruments are classified along with those held for trading purposes.

The method of recognizing the resulting fair value gain or loss depends on whether the derivatives are designated and qualify as hedging instruments, and if so, the nature of the item being hedged.

Furthermore, the Group may designate groups of items as hedged items by aggregating recognized assets or liabilities or unrecognized but highly probable transactions of similar risk characteristics that share the exposure for which they are hedged. Although the overall risk exposures may be different for the individual items in the group, the specific risk being hedged is inherent in each of the items in the group.

The Group has applied the Phase 1 and Phase 2 IBOR reform amendments to IFRS 9, IAS 39 and IFRS 7, that provide temporary reliefs on hedging relationships during the period before the replacement of an existing interest rate benchmark with an alternative risk-free rate (RFR). Based on the above reliefs, for the purpose of determining whether a forecast transaction is highly probable, or a hedging relationship is expected to be highly effective, the Group assumes that the benchmark interest rate does not change as a result of the IBOR reform. In addition, the Group, is not required to discontinue hedge accounting if the hedge falls outside the 80–125% range during the period of uncertainty arising from the reform. Furthermore, in case of hedges where the hedged item or hedged risk is a non-contractually specified benchmark portion of interest rate risk, following the IBOR reform reliefs, it is assumed that the designated risk portion only needs to be separately identifiable at the inception of the hedging relationship and not on a going basis. The reliefs cease to apply once certain conditions are met i.e. at the earlier of (a) when the uncertainties arising from the IBOR reform are no longer present with respect to the timing and the amount of the benchmark rate-based cash flows of the hedged items or hedging instruments and (b) when the hedging relationships to which the reliefs apply are discontinued.

Finally, the amendments introduce an exception to the existing requirements so that changes in the formal designation and documentation of a hedge accounting relationship or to the method for assessing hedge effectiveness due to modifications required by IBOR reform will not result in the discontinuation of hedge accounting or the designation of a new hedging relationship.

(i) Fair value hedging

The Group applies fair value hedging to hedge exposures primarily to changes in the fair value attributable to interest rate risk with respect to the applicable benchmark rate and currency risk.

Hedged items

The items that qualify for fair value hedge accounting include financial assets and liabilities measured at amortized cost such as:

- fixed rate investment securities, term deposits and debt securities in issue;
- portfolios of floating-rate loans and investment securities with embedded interest rate options (such as purchased interest rate floors);
- portfolios of fixed rate amortizing loans (macro hedging) including securitized notes issued and held by the Group, as well as fixed rate investment securities classified as FVOCI.

Hedge effectiveness assessment

The Group uses the dollar-offset method at inception (prospective measurement) and on an ongoing basis (retrospective measurement), in order to assess the effectiveness of fair value hedges on a single or portfolio basis. This is a quantitative method that involves the comparison of the change in the fair value of the hedging instrument with the change in the fair value of the hedged item attributable to the hedged risk. The above comparison constitutes the dollar-offset ratio and should be within the range of 80% -125% for the hedge to be highly effective. Even if a hedge is not expected to be highly effective in a particular period, hedge accounting is not precluded if effectiveness is expected to remain sufficiently high over the life of the hedge.

The Group may also use the hypothetical derivative method, an approach to the dollar offset method, mainly applied in portfolio hedges that carry embedded derivatives, where the hedged risk is modelled through hypothetical derivatives, which replicate the embedded derivative. The fair value of the hypothetical derivative is used as a proxy for the net present value of the hedged future cash flows against which changes in value of the actual hedging instrument are compared to assess effectiveness and measure ineffectiveness. Hedge ineffectiveness may arise in case of potential differences in the critical terms between the hedged item and the hedging instrument such as maturity, interest rate reset frequency and discount curves as well as differences between expected and actual cash flows.

In addition, for hedging relationships where the critical terms of the hedged item match the ones of the hedging instrument such as coupon, maturity, and payment frequency, it is presumed that by construction, effectiveness is expected to be within the range of 80% to 125%.

Fair value hedging adjustments and discontinuation of hedge accounting

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, under net trading income together with the changes in the fair value of the hedged assets or liabilities that are attributable to the hedged risk (fair value hedging adjustments). Fair value hedging adjustments to the hedged items measured at amortised cost are recorded as part of their carrying value in the balance sheet, with the exception of hedging adjustments for portfolios of fixed rate assets in the context of macro-hedging (see below).

The Group discontinues hedge accounting prospectively in case the hedging instrument expires or is sold, terminated or exercised, the hedge no longer meets the qualifying criteria for hedge accounting, or designation is revoked. In such cases, any adjustment to the carrying amount of the hedged item, for which the effective interest method is applied, is amortized to profit or loss over the remaining period to maturity with amortization commencing no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged. If the hedged item is derecognised, the unamortised fair value adjustment is recognised immediately in the income statement.

Portfolio hedging of interest rate risk (macro-hedging)

With reference to portfolio hedging of interest rate risk, a dynamic hedging strategy is applied according to which the Group voluntarily designates and de-designates the hedge relationship on a monthly basis. The Group determines the designated hedged amount by identifying portfolios of homogenous fixed rate assets based on their contractual interest rates, maturity and other risk characteristics. Assets within the identified portfolios are allocated into repricing time periods based on their repricing/maturity dates or interest payment dates with assumptions made for expected prepayments and capital repayments. The hedging instruments are groups of interest rate swaps replicating in aggregate the amortization profile of the assets and designated appropriately to their repricing time periods. Following the above allocation into time buckets, the designated hedged principal and the resulting percentage of the asset portfolio hedged (hedge ratio) for each time bucket are determined.

The dollar-offset method also applies to portfolio hedging of interest rate risk and hedge effectiveness is measured on a monthly basis. For prospective effectiveness measurement, the dollar-offset method involves a comparison of the sensitivity of fair value to a change of 1 basis point in interest rates (Point Value - PV01) between the hedging instruments and the hedged assets. A PV01 offset within the threshold of 80% to 125% demonstrates that the hedge is expected to be highly effective. Retrospective effectiveness is measured by comparing fair value changes of the designated portion of the portfolio of fixed-rate assets attributable to the hedged risk, against the fair value changes of the derivatives, to ensure that they are within an 80% to 125% range.

Fair Value hedging adjustments do not affect the carrying amount of the hedged assets pool, but instead they form part of loans and advances to customers balance sheet line. Considering the designation and de-designation process for a portfolio hedging of interest rate risk is performed on a monthly basis, the hedging adjustments begin amortization on the month they occur over the expiration of the designated time periods on a straight line basis.

Furthermore, the pool of hedging instruments is managed dynamically and therefore when new derivatives are added in the pool of hedging instruments, they are included in the next period's hedge assessment and consequently the change in fair value in the month of their inception affects the P&L. Similarly, when existing swaps are de-designated, either to improve expected hedge effectiveness or to be liquidated, the respective change in fair value from de-designation up to the next designation or liquidation date, affects the P&L.

(ii) Cash flow hedging

The Group applies cash flow hedging to hedge exposures to variability in cash flows primarily attributable to the interest rate risk and currency risk associated with a recognized asset or liability or a highly probable forecast transaction.

The items that qualify for cash flow hedging include recognized assets and liabilities such as variable rate deposits or loans measured at amortized cost, variable rate debt securities in issue and foreign currency variable rate loans. The interest rate risk with respect to the applicable benchmark rate may be hedged using interest rate swaps and cross currency swaps. The foreign currency risk may be hedged using currency forwards and currency swaps.

Furthermore, cash flow hedging is used for hedging highly probable forecast transactions such as the anticipated future rollover of short-term deposits or repos measured at amortized cost. Specifically, the forecast variable interest payments of a series of anticipated rollovers of these financial liabilities are aggregated and hedged as a group with respect to changes in the benchmark interest rates, eliminating cash flow variability. In addition, cash flow hedging applies to hedges of currency risk arising from probable forecasted sales of financial assets or settlement of financial liabilities in foreign currency.

If the hedged item is documented as a forecast transaction, the Group assesses and verifies that there is a high probability of the transaction occurring.

In order to assess the effectiveness of cash flow hedges of interest rate risk, the Group uses regression analysis which demonstrates that there is high historical and expected future correlation between the interest rate risk designated as being hedged and the interest rate risk of the hedging instrument. For assessing the effectiveness of cash flow hedges of currency risk, the Group uses the dollar-offset method as it is described in section (i) above.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income whereas the ineffective portion is recognized in the income statement under net trading income.

Amounts accumulated in equity are recycled to the income statement in the periods in which the hedged item will affect profit or loss (for example, when the forecast sale that is hedged takes place).

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, the cumulative gain or loss existing in equity at that time remains in equity until the forecast transaction affects the income statement.

When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

(iii) Net investment hedging

The Group applies net investment hedging to hedge exposures to variability in the value of a net investment in foreign operation associated with the translation of the investment's carrying amount into the Group's presentation currency.

The Group invests in foreign subsidiaries, associates or other foreign operations with functional currencies different from the Group's presentation and functional currency which upon consolidation, their carrying amount is translated from the functional currency to the Group's presentation currency and any exchange differences are deferred in OCI until the net investment is disposed of or liquidated, at which time they are recognized in the profit or loss.

The item that qualifies for net investment hedge accounting is the carrying amount of the net investment in a foreign operation, including monetary items that form part of the net investment.

The foreign currency exposure that arises from the fluctuation in spot exchange rates between the net investment's functional currency and the Group's presentation currency may be hedged using currency swaps, currency forward contracts and their economic equivalents, as well as cash instruments.

The effectiveness of net investment hedges is assessed with the Dollar-Offset Method as described above for fair value hedge.

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognized in equity; the gain or loss relating to the ineffective portion is recognized in the income statement. Gains and losses accumulated in equity are included in the income statement when the foreign operation is disposed of as part of the gain or loss on the disposal.

(iv) Derivatives not designated as hedging instruments for hedge accounting purposes

Changes in the fair value of derivative financial instruments that are entered into for trading purposes or as economic hedges of assets, liabilities or net positions in accordance with the Group's hedging objectives that may not qualify for hedge accounting are recognized in the income statement.

The fair values of derivative instruments held for trading, including those entered into as economic hedges, and hedge accounting purposes are disclosed in note 19.

2.2.4 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the recognized amounts and intends either to settle them on a net basis, or to realize the asset and settle the liability simultaneously.

2.2.5 Income statement

(i) Interest income and expense

Interest income and expense are recognized in the income statement for all interest bearing financial instruments on an accrual basis, using the effective interest rate (EIR) method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the EIR for financial instruments other than purchased or originated credit-impaired, the Group estimates future cash flows considering all contractual terms of the financial instrument but does not consider expected credit losses. For purchased or originated credit impaired (POCI) financial assets, the Group calculates the credit-adjusted EIR, which is the interest rate that upon the original recognition of the POCI financial asset discounts the estimated future cash flows (including expected credit losses) to the fair value of the POCI asset.

The amortized cost of a financial asset or liability is the amount at which it is measured upon initial recognition minus principal repayments, plus or minus cumulative amortization using the EIR (as described above) and for financial assets it is adjusted for the expected credit loss allowance. The gross carrying amount of a financial asset is its amortized cost before adjusting for ECL allowance.

The EIR calculation includes fees and points paid or received that are an integral part of the effective interest rate, transaction costs, and other premiums or discounts. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or liability.

The Group calculates interest income and expense by applying the EIR to the gross carrying amount of non-impaired financial assets (exposures in Stage 1 and 2) and to the amortized cost of financial liabilities respectively.

For financial assets that have become credit-impaired subsequent to initial recognition (exposures in Stage 3), the Group calculates interest income by applying the effective interest rate to the amortized cost of the financial asset (i.e. gross carrying amount adjusted for the expected credit loss allowance). If the asset is no longer credit-impaired, then the EIR is applied again to the gross carrying amount with the exception of POCI assets for which interest income does not revert to gross basis calculation.

For inflation-linked instruments the Group recognizes interest income and expense by adjusting the effective interest rate on each reporting period due to changes in expected future cash flows, incorporating changes in inflation expectations over the term of the instruments. The adjusted effective interest rate is applied in order to calculate the new gross carrying amount on each reporting period.

The changes to the basis for determining the financial instruments' contractual cash flows, required in the context of IBOR reform, are accounted for as an update to the instruments' EIR.

Interest income and expense are presented separately in the income statement for all interest bearing financial instruments within net interest income.

(ii) Fees and commissions

Fee and commission received or paid that are integral to the effective interest rate on a financial asset or financial liability are included in the effective interest rate.

Other fee and commission income such as account servicing and asset management fees (including performance based fees) is recognised over time as the related services are being provided to the customer, to the extent that it is highly probable that a significant reversal of the revenue amount recognized will not occur. Transaction-based fees such as foreign exchange transactions, imports-exports, remittances, bank charges and brokerage activities are recognised at the point in time when the transaction takes place. Other fee and commission expenses relate mainly to transaction and service fees, which are expensed as the services are received.

In the case of a contract with a customer that results in the recognition of a financial instrument in the Group's financial statements which may be partially in the scope of IFRS 9 and partially in the scope of IFRS 15, the Group first applies IFRS 9 to separate and measure the part of the contract that is in the scope of IFRS 9 and subsequently applies IFRS 15 to the residual part.

2.2.6 Property, equipment and Investment property

(i) Property and equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Subsequent expenditure is recognized in the asset's carrying amount only when it is probable that future economic benefits will flow to the Group and the cost of the asset can be measured reliably. All other repair and maintenance costs are recognized in the income statement as incurred.

Depreciation is calculated using the straight-line method to write down the cost of property and equipment, to their residual values over their estimated useful life as follows:

- Land: no depreciation;
- Freehold buildings: 40-50 years and up to 70 years (for specific strategic properties constructed or heavily renovated according to the best practices and guidelines of sustainable construction and renovation, using resilient materials and designs);
- Leasehold improvements: over the lease term or the useful life of the asset if shorter;
- Computer hardware and related integral software: 4-10 years;
- Other furniture and equipment: 4-20 years; and
- Motor vehicles: 5-7 years.

(ii) Investment property

Property held for rental yields and/or capital appreciation that is not occupied by the Group's entities is classified as investment property.

Investment property is measured initially at its cost, including related transaction costs. Under fair value model of IAS 40 "Investment property" after initial recognition, investment property is carried at fair value as determined by independent certified valuers, with any change therein recognized in income statement. Investment property under construction is measured at fair value only if it can be measured reliably.

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized to the income statement during the financial period in which they are incurred.

Investment property is derecognised when disposed or when it is permanently withdrawn from use and there is no future economic benefit expected from its disposal. Any arising gain or loss (calculated as the difference between the net proceeds from disposal and the carrying amount of the asset) is recognized in income statement.

If an investment property becomes owner-occupied, it is reclassified as property and equipment and its fair value at the date of reclassification becomes its deemed cost. If an item of property and equipment becomes an investment property because its use has changed, any resulting decrease between the carrying amount and the fair value of this item at the date of transfer is recognized in income statement while any resulting increase, to the extent that the increase reverses previous impairment loss for that property, is recognized in income statement while any remaining part of the increase is recognized in other comprehensive income and increases the revaluation surplus within equity.

If a repossessed asset becomes investment property, any difference between the fair value of the property at the date of transfer and its previous carrying amount is recognized in income statement.

Reclassifications among own used, repossessed assets and investment properties may occur when there is a change in the use of such properties. Additionally, an investment property may be reclassified to 'non-current assets held for sale' category to the extent that the criteria described in note 2.2.25 are met.

2.2.7 Intangible assets

(i) Goodwill

Goodwill represents the excess of the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest and the acquisition date fair value of any previously held equity interest in the acquiree over the fair value of the Group's share of net identifiable assets and contingent liabilities acquired. Goodwill arising on business combinations is included in 'intangible assets' and is measured at cost less accumulated impairment losses.

Goodwill arising on acquisitions of associates and jointly controlled entities is neither disclosed nor tested separately for impairment, but instead is included in 'investments in associates' and 'investments in jointly controlled entities'.

(ii) Computer software

Costs associated with the maintenance of existing computer software programs are expensed as incurred. Development costs associated with the production of identifiable assets controlled by the Group are recognized as intangible assets when they are expected to generate economic benefits and can be measured reliably. Internally generated computer software assets are amortized using the straight-line method over 4 years, except for core systems whose useful life may extend up to 20 years.

(iii) Other intangible assets

Other intangible assets are assets that are separable or arise from contractual or other legal rights and are amortized over their estimated useful lives. These include intangible assets acquired in business combinations.

Intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

2.2.8 Impairment of non-financial assets

(i) Goodwill

Goodwill arising on business combinations is not amortized but tested for impairment annually or more frequently if there are any indications that impairment may have occurred. The Group's impairment test is performed each year end. The Group considers external information such as prevailing economic conditions, persistent slowdown in financial markets, volatility in markets and changes in levels of market and exchange risk, an unexpected decline in an asset's market value or market capitalization being below the book value of equity, together with a deterioration in internal performance indicators, in assessing whether there is any indication of impairment.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each Cash Generating Unit (CGU) or groups of CGUs that are expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the Group at which goodwill is monitored for internal management purposes. The Group monitors goodwill either at the separate legal entity level or group of legal entities consistent with the internal monitoring of operating segments.

The Group impairment model compares the carrying value of a CGU or group of CGUs with its recoverable amount. The carrying value of a CGU is based on the assets and liabilities of each CGU. The recoverable amount is determined on the basis of the value-in-use which is the present value of the future cash flows expected to be derived from the CGU or group of CGUs. The estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU and the countries where the CGUs operate.

An impairment loss arises if the carrying amount of an asset or CGU exceeds its recoverable amount, and is recognized in the income statement. Impairment losses are not subsequently reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(ii) Other non-financial assets

Other non-financial assets, including property and equipment and other intangible assets, are assessed for indications of impairment at each reporting date by considering both external and internal sources of information such as a significant reduction in the asset's value and evidence that the economic performance of the asset is or will be worse than expected. When events or changes in circumstances indicate that the carrying amount may not be recoverable, an impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows, where applicable. Non-financial assets, other than goodwill, for which an impairment loss was recognized in prior reporting periods, are reviewed for possible reversal of such impairment at each reporting date.

Impairment losses arising from the Group's associates and joint ventures are determined in accordance with this accounting policy.

2.2.9 Financial assets

Financial assets - Classification and measurement

The Group classifies financial assets based on the business model for managing those assets and their contractual cash flow characteristics. Accordingly, financial assets are classified into one of the following measurement categories: amortized cost, fair value through other comprehensive income or fair value through profit or loss.

Purchases and sales of financial assets are recognized on trade date, which is the date the Group commits to purchase or sell the assets. Loans originated by the Group are recognized when cash is advanced to the borrowers.

Financial Assets measured at Amortized Cost ('AC')

The Group classifies and measures a financial asset at AC only if both of the following conditions are met and is not designated as at FVTPL:

(a) The financial asset is held within a business model whose objective is to collect contractual cash flows (hold-to-collect business model) and

(b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).

These financial assets are recognized initially at fair value plus or minus direct and incremental transaction costs and fees received that are attributable to the acquisition of these assets, and are subsequently measured at amortized cost, using the effective interest rate (EIR) method (as described in note 2.2.5 above).

Interest income, realized gains and losses on derecognition, and changes in expected credit losses from assets classified at AC, are included in the income statement.

Financial Assets measured at Fair Value through Other Comprehensive Income ('FVOCI')

The Group classifies and measures a financial asset at FVOCI only if both of the following conditions are met and is not designated as at FVTPL:

(a) The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets (hold-to-collect-and-sell business model) and

(b) The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

Financial assets that meet these criteria are debt instruments and are measured initially at fair value, plus or minus direct and incremental transaction costs that are attributable to the acquisition of these assets.

Subsequent to initial recognition, FVOCI debt instruments are re-measured at fair value through OCI, except for interest income, related foreign exchange gains or losses and expected credit losses, which are recognized in the income statement. Cumulative gains and losses previously recognized in OCI are transferred from OCI to the income statement when the debt instrument is derecognised.

Equity Instruments designated at FVOCI

The Group may make an irrevocable election to designate an equity instrument at FVOCI. This designation, if elected, is made at initial recognition and on an instrument by instrument basis. Gains and losses on these instruments, including when derecognized, are recorded in OCI and are not subsequently reclassified to the income statement. Dividends received are recorded in the income statement.

Financial Assets measured at Fair Value through Profit and Loss ("FVTPL")

The Group classifies and measures all other financial assets that are not classified at AC or FVOCI, at FVTPL. Accordingly, this measurement category includes debt instruments such as loans and debt securities that are held within the hold–to-collect (HTC) or hold-to-collect-and-sell models (HTCS), but fail the SPPI assessment, equities that are not designated at FVOCI and financial assets held for trading. Derivative financial instruments are measured at FVTPL with changes in fair value recognized in the income statement, unless they are designated as effective hedging instruments, where hedge accounting requirements under IAS 39 apply.

Furthermore, a financial asset that meets the above conditions to be classified at AC or FVOCI, may be irrevocably designated by the Group at FVTPL at initial recognition, if doing so eliminates, or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets measured at FVTPL are initially recorded at fair value and any unrealized gains or losses arising due to changes in fair value are included in the income statement.

Business model and contractual characteristics assessment

The business model assessment determines how the Group manages a group of assets to generate cash flows. That is, whether the Group's objective is solely to collect contractual cash flows from the asset, to realize cash flows from the sale of assets, or both to collect contractual cash flows and cash flows from the sale of assets. In addition, the business model is determined after aggregating the financial assets into groups (business lines) which are managed similarly rather than at an individual instrument's level.

The business model is determined by the Group's key management personnel consistently with the operating model, considering how financial assets are managed in order to generate cash flows, the objectives and how performance of each portfolio is monitored and reported and any available information on past sales and on future sales' strategy, where applicable.

Accordingly, in making the above assessment, the Group will consider a number of factors including the risks associated with the performance of the business model and how those risks are evaluated and managed, the related personnel compensation, and the frequency, volume and reasons of past sales, as well as expectations about future sales activity.

Types of business models

The Group's business models fall into three categories, which are indicative of the key strategies used to generate returns.

The hold-to-collect (HTC) business model has the objective to hold the financial assets in order to collect contractual cash flows. Sales within this model are monitored and may be performed for reasons which are not inconsistent with this business model. More specifically, sales of financial assets due to credit deterioration, as well as sales close to the maturity are considered consistent with the objective of hold-to-collect contractual cash flows regardless of value and frequency. Sales for other reasons may be consistent with the HTC model such as liquidity needs in any stress case scenario or sales made to manage high concentration level of credit risk. Such sales are monitored and assessed depending on frequency and value to conclude whether they are consistent with the HTC model. Debt instruments classified within this business model include bonds, due from banks and loans and advances to customers including securitized notes issued by special purpose entities established by the Group and recognized in its balance sheet, which are measured at amortized cost, subject to meeting the SPPI assessment criteria.

The hold-to-collect-and-sell business model (HTC&S) has the objective both to collect contractual cash flows and sell the assets. Activities such as liquidity management, interest yield and duration are consistent with this business model, while sales of assets are integral to achieving the objectives of this business model. Debt instruments classified within this business model include investment securities which are measured at FVOCI, subject to meeting the SPPI assessment criteria.

Other business models include financial assets which are managed and evaluated on a fair value basis as well as portfolios that are held for trading. This is a residual category for financial assets not meeting the criteria of the business models of HTC or HTC&S, while the collection of contractual cash flows may be incidental to achieving the business models' objective.

The Group's business models are reassessed at least annually or earlier, if there is a sales' assessment trigger or if there are any changes in the Bank's strategy and main activities, as evidenced by the Bank's business plan, budget and NPE strategy.

Cash flow characteristics assessment

For a financial instrument to be measured at AC or FVOCI, its contractual terms must give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

In assessing whether the contractual cash flows are SPPI, the Group will consider whether the contractual terms of the instrument are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin. On the initial recognition of a financial asset, an assessment is performed of whether the financial asset contains a contractual term that could change the amount or timing of contractual cash flows in a way that it would not be consistent with the above condition. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is considered to have failed the SPPI assessment and will be measured at FVTPL.

For the purpose of the SPPI assessment, the Group considers the existence of various features, including among others, contractually linked terms, prepayment terms, deferred interest-free payments, extension and equity conversion options and terms that introduce leverage including index linked payments, features that change contractual cash flows based on the borrower meeting certain contractually specified environmental, social and governance (ESG) targets. Moreover, for the securitized notes issued by special purpose entities and held by the Group, the cash flow characteristics of the notes and the underlying pool of financial assets as well as the credit risk inherent in each securitization's tranche compared to the credit risk of all of the underlying pool of financial assets, are considered.

In case of special lending arrangements such as non-recourse loans, in its assessment of the SPPI criterion, the Group considers various factors such as the nature of the borrower and its business, the pricing of the loans, whether it participates in the economic performance of the underlying asset and the extent to which the collateral represents all or a substantial portion of the borrower's assets. Moreover, for non-recourse loans, the Group takes into consideration the borrower's adequacy of loss absorbing capital by assessing jointly the criteria of equity sufficiency, Loan to Value ratio (LTV), the Average Debt Service Coverage ratio (ADSCR) as well as the existence of corporate and personal guarantees.

In certain cases when the time value of money element is modified in that the financial asset's interest rate is periodically reset but the reset frequency does not match the tenor of the interest rate or when a financial asset's interest rate is periodically reset to an average of particular short-term and long-term interest rates, a quantitative assessment is performed (the "Benchmark Test") in order to determine whether the contractual cash flows are SPPI.

In particular, the Group assesses the contractual cash flows of the "real instrument", whose interest rate is reset with a frequency that does not match the tenor of the interest rate, and those of the "benchmark instrument", which are identical in all respects except that the tenor of the interest rate matches exactly the interest period. If the undiscounted cash flows of the former are significantly different from the benchmark cash flows due to the modified time value of money element, the financial asset does not meet the SPPI criterion. In its assessment, the Group considers both the effect of the modified time value of money element in each reporting period and cumulatively over the life of the instrument. This is done, as far as the lifetime of the instrument is concerned, by comparing the cumulative projected undiscounted cash flows of the real and the benchmark instrument, and for each quarterly reporting period, by comparing the projected undiscounted cash flows of the two instruments for that quarterly reporting period, based on predefined thresholds.

In addition, for the purposes of the SPPI assessment, if a contractual feature could have an effect that is de-minimis on the contractual cash flows of the financial asset, it does not affect its classification. Moreover, a contractual feature is considered as not genuine by the Group, if it affects the instrument's contractual cash flows only on the occurrence of an event that is extremely rare, highly abnormal and very unlikely to occur. In such a case, it does not affect the instrument's classification.

The Group performs the SPPI assessment for its lending exposures on a product basis for the retail and part of the wholesale portfolio where contracts are of standardized form, whereas for the remaining wholesale portfolio, securitized notes issued by special purpose entities, either established by the Group or third parties, and held by the Group, and debt securities the assessment is performed on an individual basis.

Derecognition of financial assets

The Group derecognizes a financial asset when its contractual cash flows expire, or the rights to receive those cash flows are transferred in an outright sale in which substantially all risks and rewards of ownership have been transferred. In addition, a financial asset is derecognized even if rights to receive cash flows are retained but at the same time the Group assumes an obligation to pay the received cash flows without a material delay (pass through agreement) or when substantially all the risks and rewards are neither transferred nor retained but the Group has transferred control of the asset. Control is transferred if, and only if, the transferee has the practical ability to sell the asset in its entirety to unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

The main transactions that are subject to the above de-recognition rules are securitization transactions, repurchase agreements and stock lending transactions. In the case of securitization transactions, in order to assess the application of the above mentioned de-recognition principles, the Group considers the structure of each securitization transaction including its exposure to the more subordinated tranches of the notes issued and/or credit enhancements provided to the special purpose entities, as well as the securitization's contractual terms that may indicate that the Group retains control of the underlying assets. In the case of repurchase transactions and stock lending, the assets transferred are not derecognised since the terms of the transaction entail the retention of all their risks and rewards.

On derecognition of a financial asset, the difference between the carrying amount of the asset and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognized in OCI for financial assets at FVOCI, is recognized in income statement, except for cumulative gains or losses of FVOCI equity instruments which are not reclassified from OCI to income statement at the date of derecognition.

Modification of financial assets that may result in derecognition

In addition, derecognition of financial asset arises when its contractual cash flows are modified and the modification is considered substantial enough so that the original asset is derecognized and a new one is recognised. The Group records the modified asset as a 'new' financial asset at fair value plus any eligible transaction costs and the difference with the carrying amount of the existing one is recorded in the income statement as derecognition gain or loss.

The Group may modify the contractual terms of a lending exposure either as a concession granted to a client facing or that is about to face financial difficulties or due to other commercial reasons such as changes in market conditions, competition or customer retention.

Modifications that may result in derecognition include:

- change in borrower,
- change in the currency that the lending exposure is denominated,
- debt consolidation features where two or more consumer unsecured lending contracts are consolidated into a single new secured lending agreement,

- the removal or addition of conversion features and/or profit sharing mechanisms and similar terms which are relevant to the SPPI assessment.

In addition, the Group may occasionally enter, in the context of loans' modifications, into debt-for-equity transactions. These are transactions where the terms of a lending exposure are renegotiated and as a result, the borrower issues equity instruments (voting or no voting) in order to extinguish part or all of its financial liability to the Group. Such transactions may include also exercise of conversion rights embedded into convertible or exchangeable bonds and enforcement of shares held as collateral.

In debt-for-equity transactions, the modified loan is derecognized while the equity instruments received in exchange are recognized at their fair value, with any resulting gain or loss recognized in the Group's income statement.

2.2.10 Reclassifications of financial assets

The Group reclassifies a financial asset only when it changes its business model for managing financial assets. Generally, a change in the business model is expected to be rare and occurs when the Group either begins or ceases to perform an activity that is significant to its operations; for example, when a business line is acquired, disposed of or terminated. In the rare event when there is a change to the existing business models, the updated assessment is approved by the Group's competent Committees and the amendment is reflected appropriately in the Group's budget and business plan.

Changes in intention related to particular financial assets (even in circumstances of significant changes in market conditions), the temporary disappearance of a particular market for financial assets or a transfer of financial assets between parts of the Group with different business models, are not considered by the Group changes in business model.

The reclassification is applied prospectively from the reclassification date, therefore previously recognized gains, losses (including impairment losses) or interest are not restated.

2.2.11 Financial liabilities

Financial liabilities - Classification and measurement

The Group classifies its financial liabilities in the following categories: financial liabilities measured at amortized cost and financial liabilities measured at fair-value-through-profit-or-loss (FVTPL).

Financial liabilities at fair-value-through-profit-or-loss comprise two sub categories: financial liabilities held for trading and financial liabilities designated at fair-value-through-profit-or-loss upon initial recognition.

Financial liabilities held for trading, which include short positions of debt securities (sold but not yet purchased), are liabilities that the Group incurs principally for the purpose of repurchasing in the near term for short term profit or in the context of economic hedging strategies of groups of assets and/or liabilities or net positions for which hedge accounting is not applied.

The Group may, at initial recognition, irrevocably designate financial liabilities at fair-value-through-profit-or-loss when one of the following criteria is met:

- the designation eliminates or significantly reduces an accounting mismatch which would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases; or
- a group of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis in accordance with a documented risk management or investment strategy; or
- the financial liability contains one or more embedded derivatives as components of a hybrid contract which significantly modify the cash flows that otherwise would be required by the contract.

Financial liabilities held for trading or designated at FVTPL are initially recognized at fair value. Changes in fair value are recognized in the income statement, except for changes in fair value attributable to changes in the Group's own credit risk, which are recognised in OCI and are not subsequently reclassified to the income statement upon derecognition of the liabilities. However, if such treatment creates or enlarges an accounting mismatch in the income statement, all gains or losses of this financial liability, including the effects of changes in the credit risk, are recognized in the income statement.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability of the Group is replaced by another from the same counterparty on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as an extinguishment of the original liability and the recognition of a new liability and any difference arising is recognized in the income statement.

The Group considers the terms to be substantially different, if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability.

If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognized as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortized over the remaining term of the modified liability.

Similarly, when the Group repurchases any debt instruments issued by the Group, it accounts for such transactions as an extinguishment of debt.

2.2.12 Fair value measurement of financial instruments

Fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. If there is no quoted price in an active market, then the Group uses other valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The Group has elected to use mid-market pricing as a practical expedient for fair value measurements within a bid-ask spread.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price, i.e. the fair value of the consideration given or received unless the Group determines that the fair value at initial recognition differs from the transaction price. In this case, if the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. Level 1 input) or based on a valuation technique that uses only data from observable markets, a day one gain or loss is recognized in the income statement. On the other hand, if the fair value is evidenced by a valuation technique that uses unobservable inputs, the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price (day one gain or loss). Subsequently the deferred gain or loss is amortized on an appropriate basis over the life of the instrument or released earlier if a quoted price in an active market or observable market data become available or the financial instrument is closed out.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole.

For assets and liabilities that are measured at fair value on a recurring basis, the Group recognizes transfers into and out of the fair value hierarchy levels at the beginning of the quarter in which a financial instrument's transfer was effected.

2.2.13 Impairment of financial assets

The Group recognizes allowance for expected credit losses (ECL) that reflect changes in credit quality since initial recognition to financial assets that are measured at AC and FVOCI, including loans, securitized notes issued by special purpose entities established by the Group, lease receivables, debt securities, financial guarantee contracts, and loan commitments. No ECL are recognized on equity investments. ECL are a probability-weighted average estimate of credit losses that reflects the time value of money. Upon initial recognition of the financial instruments in scope of the impairment policy, the Group records a loss allowance equal to 12-month ECL, being the ECL that result from default events that are possible within the next twelve months. Subsequently, for those financial instruments that have experienced a significant increase in credit risk (SICR) since initial recognition, a loss allowance equal to lifetime ECL is recognized, arising from default events that are possible over the expected life of the instrument. If upon initial recognition, the financial asset meets the definition of purchased or originated credit impaired (POCI), the loss allowance is based on the change in the ECL over the life of the asset.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECL. For all other financial assets subject to impairment, the general three-stage approach applies.

Accordingly, ECL are recognized using a three-stage approach based on the extent of credit deterioration since origination:

- Stage 1 – When there is no significant increase in credit risk since initial recognition of a financial instrument, an amount equal to 12-month ECL is recorded. The 12 – month ECL represent a portion of lifetime losses, that result from default events that are possible within the next 12 months after the reporting date and is equal to the expected cash shortfalls over the life of the instrument or group of instruments, due to loss events probable within the next 12 months. Not credit-impaired financial assets that are either newly originated or purchased, as well as assets recognized following a substantial modification accounted for as a derecognition, are classified initially in Stage 1.
- Stage 2 – When a financial instrument experiences a SICR subsequent to origination but is not considered to be in default, it is included in Stage 2. Lifetime ECL represent the expected credit losses that result from all possible default events over the expected life of the financial instrument.
- Stage 3 – Financial instruments that are considered to be in default are included in this stage. Similar to Stage 2, the allowance for credit losses captures the lifetime expected credit losses.
- POCI - Purchased or originated credit impaired (POCI) assets are financial assets that are credit impaired on initial recognition. They are not subject to stage allocation and are always measured on the basis of lifetime expected credit losses. Accordingly, ECL are only recognized to the extent that there is a subsequent change in the assets’ lifetime expected credit losses. Any subsequent favorable change to their expected cash flows is recognized as impairment gain in the income statement even if the resulting expected cash flows exceed the estimated cash flows at initial recognition. Apart from purchased assets, POCI assets may also include financial instruments that are considered new assets, following a substantial modification accounted for as a derecognition (see section 2.2.9).

Definition of default

To determine the risk of default, the Group applies a default definition for accounting purposes, which is consistent with the European Banking Authority (EBA) definition for non-performing exposure and regulatory definition of default as applied by the Group on 1 January 2021 (refer to note 5.2.1.2 (a)). The accounting definition of default is also consistent with the one used for internal credit risk management purposes.

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that exposure have occurred:

- The borrower faces a significant difficulty in meeting his financial obligations.
- There has been a breach of contract, such as a default or unpaid amounts, above specified materiality thresholds, for more than 90 consecutive days.
- The Group, for economic or contractual reasons relating to the borrower’s financial difficulty, has granted to the borrower a concession(s) that the Group would not otherwise consider.
- There is a probability that the borrower will enter bankruptcy or other financial re-organization.
- For POCI financial assets, a purchase or origination at a deep discount that reflects incurred credit losses is considered a detrimental event. The Group assesses the deep discount criterion following a principle -based approach with the aim to incorporate all reasonable and supportable information which reflects market conditions that exist at the time of the assessment.

For debt securities, the Group determines the risk of default using an internal credit rating scale. The Group considers debt securities as credit impaired if the internal rating of the issuer/counterparty corresponds to a rating equivalent to "C" (Moody's rating scale) or the external rating of the issuer/counterparty at the reporting date is equivalent to “C” (Moody’s rating scale) and the internal rating is not available.

Significant increase in credit risk (SICR) and staging allocation

Determining whether a loss allowance should be based on 12-month expected credit losses or lifetime expected credit losses depends on whether there has been a significant increase in credit risk (SICR) of the financial assets, issued loan commitments and financial guarantee contracts, since initial recognition.

At each reporting date, the Group performs an assessment as to whether the risk of a default occurring over the remaining expected lifetime of the exposure has increased significantly from the expected risk of a default estimated at origination for that point in time.

The assessment for SICR is performed using both qualitative and quantitative criteria based on reasonable and supportable information that is available without undue cost or effort including forward looking information and macroeconomic scenarios as well as historical experience. Furthermore, regardless of the outcome of the SICR assessment based on the above indicators, the credit risk of a financial asset is deemed to have increased significantly when contractual payments are more than 30 days past due.

As a primary criterion for SICR assessment, the Group compares the residual lifetime probability of default (PD) at each reporting date to the residual lifetime PD for the same point in time which was expected at the origination.

The Group may also consider as a SICR indicator when the residual lifetime PD at each reporting date exceeds certain predetermined values. The criterion may be applied in order to capture cases where the relative PD comparison does not result to the identification of SICR although the absolute value of PD is at levels which are considered high based on the Group's risk appetite framework.

For a financial asset's risk, a threshold may be applied, normally reflected through the asset's forecasted PD, below which it is considered that no significant increase in credit risk compared to the asset's expected PD at origination date has taken place. In such a case the asset is classified at Stage 1 irrespectively of whether other criteria would trigger its classification at Stage 2. This criterion primarily applies to debt securities.

Internal credit risk rating (on a borrower basis) is also used as a basis for the identification of SICR with regards to lending exposures of the Wholesale portfolio. Specifically, the Group takes into consideration the changes of internal ratings by a certain number of notches. In addition, a watchlist status is also considered by the Group as a trigger for SICR identification. Internal credit risk rating models include borrower specific information as well as, forward-looking information regarding the prospects of the industry in which it operates.

For securitized notes issued by special purpose entities established by the Group, the SICR assessment is performed by considering the performance of the underlying assets, where the level of their expected cash flows is compared to the carrying amount of the securitized notes. In addition, the assessment of SICR for debt securities is performed on an individual basis based on the number of notches downgrade in the internal credit rating scale since the origination date.

Forbearance measures as monitored by the Group are considered as a SICR indicator and thus the exposures are allocated into Stage 2 upon forbearance, unless they are considered credit-impaired or the net present value of their cash flows before and after the restructuring exceed the threshold of 1%, in which cases they are classified as stage 3. Furthermore, regardless of the outcome of the SICR assessment based on the above indicators, the credit risk of a financial asset is deemed to have increased significantly when contractual payments are more than 30 days past due.

Furthermore, Management may apply temporary collective adjustments when determining whether credit risk has increased significantly since initial recognition on exposures that share the same credit risk characteristics to reflect macro-economic or other factors which are not adequately addressed by the current credit risk models. These factors may depend on information such as the type of the exposure, counterparty's specific information and the characteristics of the financial instrument, while their application requires the application of significant judgment.

Transfers from Stage 2 to Stage 1

A financial asset, which is classified to Stage 2 due to Significant Increase in Credit Risk (SICR), is reclassified to Stage 1, as long as it does not meet anymore any of the Stage 2 Criteria.

Where forbearance measures have been applied, the Group uses a probation period of two years, in order to fulfill the requirements for a transfer back to Stage 1. If at the end of that period the borrowers have made regular payments of a significant aggregate amount, there are no past due amounts over 30 days and the loans are neither credit impaired, nor any other SICR criteria are met, they exit forborne status and are classified as stage 1.

Transfers from Stage 3 to Stage 2

A financial asset is transferred from Stage 3 to Stage 2, when the criteria based on which the financial asset was characterized as credit impaired are no longer valid and the applicable probation period for the assets' return in non impaired status, ranging from three to twelve months, has passed.

Criteria for grouping of exposures based on shared credit risk characteristics

The assessment of loss allowance is performed either on an individual basis or on a collective basis for groups of similar items with homogeneous credit risk characteristics. The Group applies the same principles for assessing SICR since initial recognition when estimating ECL on a collective or on an individual basis.

The Group segments its lending exposures on the basis of shared credit risk characteristics for the purposes of both assessing significant increase in credit risk and measuring loan loss allowance on a collective basis. The different segments aim to capture differences in PDs and in the rates of recovery in the event of default.

The shared credit risk characteristics used for the segmentation of exposures include several elements such as: instrument type, portfolio type, asset class, product type, industry, originating entity, credit risk rating, remaining term to maturity, geographical location of the borrower, value of collateral to the financial asset, forbearance status and days in arrears.

The Group identifies individually significant exposures and performs the ECL measurement based on borrower specific information for both retail and wholesale portfolios. This measurement is performed at a borrower level, hence the criteria are defined at this level, while both qualitative and quantitative factors are taken into consideration including forward looking information.

For the remaining retail and wholesale exposures, ECL are measured on a collective basis. This incorporates borrower specific information, collective historical experience of losses and forward-looking information. For debt securities and securitized notes issued by special purpose entities established by the Group, the measurement of impairment losses is performed on an individual basis.

Measurement of Expected Credit Losses

The measurement of ECL is an unbiased probability-weighted average estimate of credit losses that reflects the time value of money, determined by evaluating a range of possible outcomes. A credit loss is the difference between the cash flows that are due to the Group in accordance with the contractual terms of the instrument and the cash flows that the Group expects to receive (i.e. cash shortfalls) discounted at the original effective interest rate (EIR) of the same instrument, or the credit-adjusted EIR in case of purchased or originated credit impaired assets (POCI). In measuring ECL, information about past events, current conditions and reasonable and supportable forecasts of future conditions are considered. For undrawn commitments, ECL are calculated as the present value of the difference between the contractual cash flows due if the commitment was drawn and the cash flows expected to be received, while for financial guarantees ECL are measured as the expected payments to reimburse the holder less any amounts that the Group expects to receive.

The Group estimates expected cash shortfalls, which reflect the cash flows expected from all possible sources, including collateral, guarantees and other credit enhancements that are part of the contractual terms and are not recognized separately. In case of a collateralized financial instrument, the estimated expected cash flows related to the collateral reflect the amount and timing of cash flows that are expected from liquidation less the discounted costs of obtaining and selling the collateral, irrespective of whether liquidation is probable.

ECL are calculated over the maximum contractual period over which the Group is exposed to credit risk, which is determined based on the substantive terms of the instrument, or in case of revolving credit facilities, by taking into consideration factors such as the Group's expected credit risk management actions to mitigate credit risk and past practice.

Receivables from customers arising from the Group's activities other than lending, are presented under Other Assets and are typically short term. Therefore, considering that usually there is no significant financing component, the loss allowance for such financial assets is measured at an amount equal to the lifetime expected credit losses under the simplified approach.

ECL Key Inputs

The ECL calculations are based on the term structures of the probability of default (PD), the loss given default (LGD), the exposure at default (EAD) and other input parameters such as the credit conversion factor (CCF) and the prepayment rate. Generally, the Group derives these parameters from internally developed statistical models and observed point-in-time and historical data, leveraging the existing infrastructure development for the regulatory framework and risk management practices.

The PD, LGD and EAD used for accounting purposes may differ from those used for regulatory purposes. For the purposes of impairment measurement, PD is a point-in-time estimate whereas for regulatory purposes PD is a 'through-the-cycle' estimate. In addition, LGD and EAD for regulatory purposes are based on loss severity experienced during economic downturn conditions, while for impairment purposes, LGD and EAD reflect unbiased and probability-weighted estimates.

The PD represents the likelihood of default assessed on the prevailing economic conditions at the reporting date, adjusted to take into account estimates of future economic conditions that are likely to impact the risk of default, over a given time horizon.

The Group uses Point in Time (PiT) PDs in order to remove any bias towards historical data thus aiming to reflect management's view of the future as at the reporting date, incorporating relevant forward looking information including macroeconomic scenarios.

Two types of PD are used for calculating ECL:

- 12-month PD, which is the estimated probability of default occurring within the next 12 months (or over the remaining life of the financial asset if this is less than 12 months). It is used to calculate 12-month ECL for Stage 1 exposures.
- Lifetime PD, which is the estimated probability of a default occurring over the remaining life of the financial asset. It is used to calculate lifetime ECL for Stage 2, Stage 3 and POCI exposures.

For debt securities, PDs are obtained by an international rating agency using risk methodologies that maximize the use of objective non-judgmental variables and market data. The Group assigns internal credit ratings to each issuer/counterparty based on these PDs. In case of counterparties for which no information is available, the Group assigns PDs which are derived from internal models.

The Exposure at default (EAD) is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest and expected drawdowns on committed facilities. The EAD includes both on and off balance sheet exposures. The on balance sheet exposure corresponds to the total amount that has been withdrawn and is due to be paid, which includes the outstanding principal, accrued interest and any past due amounts. The off balance sheet exposure represents the credit that is available to be withdrawn, in excess of the on balance sheet exposure.

Furthermore, the CCF factor is used to convert the amount of a credit facility and other off-balance sheet amounts to an EAD amount. It is a modelled assumption which represents a proportion of any undrawn exposure that is expected to be drawn prior to a default event occurring.

In addition, the prepayment rate is an estimate of early prepayments on loan exposure in excess of the contractual repayment according to the repayment schedule and is expressed as a percentage applied to the EAD at each period, reducing the latter amount accordingly.

LGD represents the Group's expectation of the extent of loss on a defaulted exposure and it is the difference between the contractual cash flows due and those that the Group expects to receive including any amounts from collateral liquidation. LGD varies by type of counterparty, type and seniority of claim, availability of collateral or other credit support, and is usually expressed as a percentage of EAD. The Group distinguishes its loan portfolios into two broad categories i.e. secured and unsecured. The Group estimates the LGD component using cure rates that reflect cash recoveries, estimated proceeds from collateral liquidation, estimates for timing realization, realization costs, etc. Where the LGD's component values are dependent on macro – economic data, such types of dependencies are reflected by incorporating forward looking information, such as forecasted price indices into the respective models. The estimation of the aforementioned component values within LGD reflects available historical data which cover a reasonable period, i.e. a full economic cycle.

For debt securities, the LGD is typically based on historical data derived mainly from rating agencies' studies but may also be determined considering the existing and expected liabilities structure of the obligor and macroeconomic environment.

Furthermore, the seniority of the debt security, any potential collaterals by the obligor or any other type of coverage is taken into account for the calculation.

Forward-looking information

The measurement of expected credit losses for each stage and the assessment of significant increases in credit risk consider information about reasonable and supportable forecasts of future events and macroeconomic conditions. The estimation and application of forward-looking information requires significant judgment.

The Group uses, at a minimum, three macroeconomic scenarios (i.e. base, adverse and optimistic) to achieve the objective of measuring ECL in a way that reflects an unbiased and probability weighted outcome. The baseline scenario represents the most likely scenario and is aligned with the information used by the Group for strategic planning and budgeting purposes.

The scenarios are reflected in the risk parameters, and, namely 12-month PD, Lifetime PD and LGD, hence 3 sets of each of these parameters are used, in line with the scenarios developed.

The Group then proceeds to the calculation of weights for each scenario, which represent the probability of occurrence for each of these scenarios. These weights are applied on the 3 sets of calculations of the parameters in order to produce a single scenario weighted risk parameter value which is subsequently used in both SICR assessment and ECL measurement. ECL calculation incorporates forward-looking macroeconomic variables, including GDP growth rates, house price indices, unemployment rates, interest rates, inflation, etc. In order to capture material non – linearities in the ECL model, in the case of individually significant exposures, the Group considers the relevance of forward looking information to each specific group of borrowers primarily on the basis of the business sector they belong and other drivers of credit risk (if any). As such, different scenario weights are determined per groups of borrowers with the objective of achieving an unbiased ECL amount which incorporates all relevant and supportable information.

Modified Financial Assets

In cases where the contractual cash flows of a financial asset have been modified and the modification is considered substantial enough (for the triggers of derecognition, refer to Derecognition of Financial assets in section 2.2.9 above), the modification date is considered to be the date of initial recognition for impairment calculation purposes, including for the purposes of determining whether a significant increase in credit risk has occurred. Such a modified asset is typically classified as Stage 1 for ECL measurement purposes. However, in some circumstances following a modification that results in derecognition of the original financial asset, there may be evidence that the new financial asset is credit-impaired at initial recognition, and thus, the financial asset is recognized as an originated credit-impaired financial asset (POCI).

In cases where the contractual cash flows of a financial asset have been modified and the modification is not considered substantial enough, the Group recalculates the gross carrying amount of the financial asset and recognizes the difference as a modification gain or loss in the income statement and determines if the financial asset's credit risk has increased significantly since initial recognition by comparing the risk of a default occurring at initial recognition based on the original unmodified contractual terms and the risk of a default occurring at the reporting date, based on the modified contractual terms.

Presentation of impairment allowance

For financial assets measured at amortized cost, impairment allowance is recognized as a loss allowance reducing the gross carrying amount of the financial assets in the balance sheet. For debt instruments measured at FVOCI, impairment allowance is recognized in other comprehensive income and does not reduce the carrying amount of the debt instruments in the balance sheet. For off-balance sheet financial items arising from lending activities, impairment allowance is presented in Other Liabilities. The respective ECL for the above financial items is recognised within impairment losses.

Write-off of financial assets

Where the Group has no reasonable expectations of recovering a financial asset either in its entirety or a portion of it, the gross carrying amount of that instrument is reduced directly, partially or in full, against the impairment allowance. The amount written-off is considered as derecognized. Subsequent recoveries of amounts previously written off decrease the amount of the impairment losses in the income statement.

Financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

2.2.14 Sale and repurchase agreements, securities lending and borrowing

(i) Sale and repurchase agreements

Securities sold subject to repurchase agreements (repos) continue to be recorded in the Group's Balance Sheet as the Group retains substantially all risks and rewards of ownership, while the counterparty liability is included in amounts due to other banks or due to customers, as appropriate, and measured at amortized cost. Securities purchased under agreements to resell (reverse repos) are recorded as loans and advances to other banks or customers, as appropriate, and measured at amortized cost. The difference between the sale and repurchase price in case of repos and the purchase and resale price in case of reverse repos is recognized as interest and accrued over the period of the repo or reverse repo agreements using the effective interest method.

(ii) Securities lending and borrowing

Securities lent to counterparties against the receipt of a fee continue to be recognized in the financial statements. Securities borrowed are recognized as trading liabilities when sold to third parties and measured at fair value with any gains or losses included in the income statement.

2.2.15 Leases

The Group enters into leases either as a lessee or as a lessor. At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) Accounting for leases as lessee

When the Group becomes the lessee in a lease arrangement, it recognizes a lease liability and a corresponding right-of-use (RoU) asset at the commencement of the lease term when the Group acquires control of the physical use of the asset.

Lease liabilities are presented within Other liabilities and RoU assets within Property and equipment and investment property. Lease liabilities are measured based on the present value of the future lease payments over the lease term, discounted using an incremental borrowing rate. The interest expense on lease liabilities is presented within net interest income.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the Group’s estimate of the amount expected to be payable under a residual value guarantee or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The RoU asset is initially recorded at an amount equal to the lease liability and is adjusted for rent prepayments, initial direct costs, or lease incentives received. Subsequently, the RoU asset is depreciated over the shorter of the lease term or the useful life of the underlying asset, with the depreciation presented within operating expenses.

When a lease contains extension or termination options that the Group considers reasonably certain to be exercised, the expected future lease payments or costs of early termination are included within the lease payments used to calculate the lease liability.

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

With respect to the rent concessions that were a direct consequence of the COVID-19 pandemic, the Group has applied COVID-19-Related Rent Concessions - Amendment to IFRS 16, which provided a practical expedient allowing the Group not to assess whether eligible rent concessions were lease modifications.

(ii) Accounting for leases as lessor

At inception date of the lease, the Group, acting as a lessor, classifies each of its leases as either an operating lease or a finance lease based on whether the lease transfers substantially all of the risks and rewards incidental to the ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

Finance leases

At commencement date, the Group derecognizes the carrying amount of the underlying assets held under finance lease, recognizes a receivable at an amount equal to the net investment in the lease and recognizes, in income statement, any profit or loss from the derecognition of the asset and the recognition of the net investment. The net investment in the lease is calculated as the present value of the future lease payments in the same way as for the lessee.

After commencement date, the Group recognizes finance income over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. The Group also recognizes income from variable payments that are not included in the net investment in the lease. After lease commencement, the net investment in a lease is not remeasured unless the lease is modified or the lease term is revised.

Operating leases

The Group continues to recognize the underlying asset and does not recognize a net investment in the lease on the balance sheet or initial profit (if any) on the income statement.

The Group recognizes lease payments from the lessees as income on a straight-line basis or another systematic basis considered as appropriate. Also it recognizes costs, including depreciation, incurred in earning the lease income as an expense. The Group adds initial direct costs incurred in obtaining an operating lease to the carrying amount of the underlying asset and recognizes those costs as an expense over the lease term on the same basis as the lease income.

Subleases

The Group, acting as a lessee, may enter into arrangements to sublease a leased asset to a third party while the original lease contract is in effect. The Group acts as both the lessee and lessor of the same underlying asset. The sublease is a separate lease agreement, in which the intermediate lessor classifies the sublease as a finance lease or an operating lease as follows:

- if the head lease is a short-term lease, the sublease is classified as an operating lease; or
- otherwise, the sublease is classified by reference to the right-of-use asset arising from the head lease, rather than by reference to the underlying asset.

2.2.16 Income tax

Income tax consists of current and deferred tax.

(i) Current income tax

Income tax payable on profits, based on the applicable tax law in each jurisdiction and the tax rate enacted at the reporting date, is recognized as an expense in the period in which profits arise.

(ii) Deferred tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The principal temporary differences arise from impairment/valuation and accounting write-offs relating to loans, Private Sector Initiative (PSI+) tax related losses, losses from disposals and crystallized write-offs of loans, depreciation of property and equipment, fair value adjustment of investment property, pension and other retirement benefit obligations, and revaluation of certain financial assets and liabilities, including derivative financial instruments.

Deferred tax assets are recognized where it is probable that future taxable profit will be available against which the temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available. The Group recognises a previously unrecognised deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax related to debt securities at FVOCI and cash flow hedges is recognized to other comprehensive income, and is subsequently recognized in the income statement together with the deferred gain or loss.

The deferred tax asset on income tax losses carried forward is recognized as an asset when it is probable that future taxable profits will be available against which these losses can be utilized.

(iii) Uncertain tax positions

The Group determines and assesses all material tax positions taken, including all, if any, significant uncertain positions, in all tax years that are still subject to assessment (or when the litigation is in progress) by relevant tax authorities. In evaluating tax positions in various states, local, and foreign jurisdictions, the Group examines all supporting evidence (Ministry of Finance circulars, individual rulings, case law, past administrative practices, ad hoc tax/legal opinions etc.) to the extent they are applicable to the facts and circumstances of the particular Group's case/ transaction.

In addition, judgments concerning the recognition of a provision against the possibility of losing some of the tax positions are highly dependent on advice received from internal/ external legal counselors. For uncertain tax positions with a high level of uncertainty, the Group recognizes, on a transaction by transaction basis, or together as a group, depending on which approach better predicts the resolution of the uncertainty using an expected value (probability-weighted average) approach: (a) a provision against tax receivable which has been booked for the amount of income tax already paid but further pursued in courts or (b) a liability for the amount which is expected to be paid to the tax authorities. The Group presents in its balance sheet all uncertain tax balances as current or deferred tax assets or liabilities.

The Group as a general rule has opted to obtain for the Group's Greek companies an 'Annual Tax Certificate', which is issued after a tax audit is performed by the same statutory auditor or audit firm that audits the annual financial statements. Further information in respect of the Annual Tax Certificate and the related tax legislation, as well as the unaudited tax years for the Group's companies is provided in note 13.

2.2.17 Employee benefits

(i) Short term benefits

Short term employee benefits are those expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related services and are expensed as these services are provided.

(ii) Pension obligations

The Group provides a number of defined contribution pension plans where annual contributions are invested and allocated to specific asset categories. Eligible employees are entitled to the overall performance of the investment. The Group's contributions are recognized as employee benefit expense in the year in which they are paid.

(iii) Standard legal staff retirement indemnity obligations (SLSRI) and termination benefits

The Group operates unfunded defined benefit plans in Greece, Bulgaria and Serbia, under broadly similar regulatory frameworks. In accordance with the local labor legislation, the Group provides for staff retirement indemnity obligation for employees which are entitled to a lump sum payment based on the number of years of service, as of the date when employee service first leads to benefits under the plan until the date when further employee service will lead to no material amount of further benefits, and the level of remuneration at the date of retirement, if they remain in the employment of the Group until normal retirement age. Provision has been made for the actuarial value of the lump sum payable on retirement (SLSRI) using the projected unit credit method. Under this method the cost of providing retirement indemnities is charged to the income statement so as to spread the cost over the period of service of the employees, in accordance with the actuarial valuations which are performed every year.

The SLSRI obligation is calculated as the present value of the estimated future cash outflows using interest rates of high quality corporate bonds. In countries where there is no deep market in such bonds, the yields on government bonds are used. The currency and term to maturity of the bonds used are consistent with the currency and estimated term of the retirement benefit obligations. Actuarial gains and losses that arise in calculating the Group's SLSRI obligations are recognized directly in other comprehensive income in the period in which they occur and are not reclassified to the income statement in subsequent periods.

Interest on the staff retirement indemnity obligations and service cost, consisting of current service cost, past service cost and gains or losses on settlement are recognized in the income statement. In calculating the SLSRI obligation, the Group also considers potential separations before normal retirement based on the terms of previous voluntary exit schemes.

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits (including those in the context of the Voluntary Exit Schemes implemented by the Group). The Group recognizes termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the Group recognizes costs for a restructuring that involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Termination benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

(iv) Performance-based cash payments

The Group's Management awards high performing employees with bonuses in cash, from time to time, on a discretionary basis. Cash payments requiring only Management approval are recognized as employee benefit expenses on an accrual basis. Cash payments requiring General Meeting approval as distribution of profits to staff are recognized as employee benefit expense in the accounting period that they are approved by the Group’s shareholders.

(v) Share-based payments

The Group’s Management awards employees with bonuses in the form of shares and share options on a discretionary basis and after taking into account the current legal framework. Non-performance related shares vest in the period granted. Share based payments that are contingent upon the achievement of a performance and service condition, vest only if both conditions are satisfied.

The fair value of the share options granted is recognized as an employee benefit expense over the vesting period, with an equal credit in equity, i.e.no impact on the Group’s equity. The amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

The fair value of the share options at grant date is determined by using an adjusted option pricing model which takes into account the exercise price, the exercise dates, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the options. The expected volatility is measured at the grant date of the options and is based on the historical volatility of the share price.

For share-based payment awards with non-vesting conditions, the fair value of the share-based payment at grant date also reflects such conditions and there is no true-up for differences between expected and actual outcomes.

When the options are exercised and new shares are issued, the proceeds received net of any directly attributable transaction costs are credited to share capital (par value) and share premium.

2.2.18 Repossessed properties

Land and buildings repossessed through an auction process to recover impaired loans are, except where otherwise stated, included in ‘Other Assets’. Assets acquired from an auction process are held temporarily for liquidation and are valued at the lower of cost and net realizable value, which is the estimated selling price, in the ordinary course of business, less costs necessary to make the sale.

In cases where the Group makes use of repossessed properties as part of its operations, they may be reclassified to own occupied or investment properties, as appropriate.

Any gains or losses on liquidation are included in the income statement.

2.2.19 Related party transactions

Related parties of the Group include:

(a) an entity that has control over the Group and entities controlled, jointly controlled or significantly influenced by this entity, as well as members of its key management personnel and their close family members;

(b) an entity that has significant influence over the Group and entities controlled by this entity,

(c) members of key management personnel of the Group, their close family members and entities controlled or jointly controlled by the abovementioned persons;

(d) associates and joint ventures of the Group;

(e) fellow subsidiaries;

(f) post-employment benefit plans established for the benefit of the Group's employees.

Transactions of similar nature are disclosed on an aggregate basis. All banking transactions entered into with related parties are in the normal course of business and are conducted on an arm's length basis.

2.2.20 Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and reliable estimates of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at each reporting date, taking into account the risks and uncertainties surrounding the amount of such expenditure.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If, subsequently, it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

2.2.21 Operating segment

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses within a particular economic environment. Operating segments are identified on the basis of internal reports, regarding operating results, of components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. The chief operating decision maker has been identified as the Strategic Planning Committee that is responsible for strategic decision making. Segment revenue, segment expenses and segment performance include transfers between business segments. Such transfers are accounted for at competitive prices in line with charges to unaffiliated customers for similar services.

2.2.22 Share capital

Ordinary shares and preference shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax.

Dividend distribution on shares is recognized as a deduction in the Group's equity when approved by the General Meeting of shareholders and the required regulatory approvals, if any, are obtained. Interim dividends are recognized as a deduction in the Group's equity when approved by the Board of Directors.

Intercompany non-cash distributions that constitute transactions between entities under common control are recorded in the Group's equity by reference to the book value of the assets distributed.

Where any Group entity purchases the Company's equity share capital (treasury shares), the consideration paid including any directly attributable incremental costs (net of income taxes), is deducted from shareholders' equity until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received is included in shareholders' equity.

2.2.23 Preferred securities

Preferred securities issued by the Group are classified as equity when there is no contractual obligation to deliver to the holder cash or another financial asset.

Incremental costs directly attributable to the issue of new preferred securities are shown in equity as a deduction from the proceeds, net of tax.

Dividend distribution on preferred securities is recognized as a deduction in the Group's equity on the date it is due.

Where preferred securities, issued by the Group, are repurchased, the consideration paid including any directly attributable incremental costs (net of income taxes), is deducted from shareholders' equity. Where such securities are subsequently called or sold, any consideration received is included in shareholders' equity.

2.2.24 Financial guarantees and commitments to extend credit

Financial guarantees

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument. Financial guarantees granted by the Group to banks, financial institutions and other bodies on behalf of customers to secure loans, overdrafts and other banking facilities, are initially recognized at fair value, being the premium received. Subsequent to initial recognition, such guarantees are measured at the higher of the amount of the ECL allowance, and the amount initially recognised less any cumulative amortization of the fee earned, where appropriate.

Financial guarantees purchased by the Group that are considered as integral to the contractual terms of the guaranteed instrument are not accounted for separately and the cash flows from the guarantee are taken into account in the measurement of the guaranteed instrument's expected credit losses, whereas any fees paid or transaction costs incurred for the acquisition of the financial guarantee are considered as part of the guaranteed asset's effective interest rate.

On the other hand, financial guarantees purchased that are not considered as integral to the contractual terms of the guaranteed instruments are accounted for separately where a reimbursement asset is recognized and included in Other Assets once is its virtually certain that, under the terms and conditions of the guarantee, the Group will be reimbursed for the credit loss incurred. The changes in the carrying amount of the above reimbursement asset arising from financial guarantees, entered into to mitigate the credit risk of lending exposures measured at amortized cost, are recognized under 'Impairment losses' in the Group's income statement.

Commitments to extend credit

Commitments represent off-balance sheet items where the Group commits, over the duration of the agreement, to provide a loan with pre-specified terms to the customer. Such contractual commitments represent commitments to extend credit and standby letters and they are part of the normal lending activities of the Group, for which an ECL allowance is recognised under IFRS 9.

ECL allowance for off-balance sheet exposures (financial guarantees granted and commitments) is included within Other Liabilities.

2.2.25 Non-current assets classified as held for sale and discontinued operations

Non-current assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. For a non- current asset to be classified as held for sale, it is available for immediate sale in its present condition, subject to terms that are usual and customary for sales of such assets, and the sale is considered to be highly probable. In such cases, management is committed to the sale and actively markets the property for sale at a price that is reasonable in relation to the current fair value. The sale is also expected to qualify for recognition as a completed sale within one year from the date of classification. Before their classification as held for sale, assets are remeasured in accordance with the respective accounting standard.

Assets held for sale are subsequently remeasured at the lower of their carrying amount and fair value less cost to sell. Any loss arising from the above measurement is recorded in profit or loss and can be reversed in the future. When the loss relates to a disposal group, it is allocated to the assets within that disposal group.

The Group presents discontinued operations in a separate line in the consolidated income statement if a Group entity or a component of a Group entity has been disposed of or is classified as held for sale and:

(a) Represents a separate major line of business or geographical area of operations;

(b) Is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or

(c) Is a subsidiary acquired exclusively with a view to resale.

Profit or loss from discontinued operations includes the profit or loss before tax from discontinued operations, the gain or loss on disposal before tax or measurement to fair value less costs to sell and discontinued operations tax expense. Intercompany transactions between continuing and discontinued operations are presented on a gross basis in the income statement. Upon classification of a Group entity as a discontinued operation, the Group restates prior periods in the consolidated income statement.

2.2.26 Cash and cash equivalents

Cash and cash equivalents include cash in hand, unrestricted deposits with central banks, due from credit institutions that are all carried at amortised cost and other short-term highly liquid investments with original maturities of three months or less that are held for trading.

2.2.27 Government grants

Government grants are transfers of resources to the Group by a government entity such as government, government agencies and similar bodies whether local, national or international, in return for compliance with certain past or future conditions related to the Group's operating activities.

Government grants are recognized when there is reasonable assurance that the grant will be received and the Group will comply with the conditions attached to it. The grants are recognized in the income statement on a systematic basis to match the way that the Group recognizes the expenses for which the grants are intended to compensate. In case of subsequent changes in the Group's expectations of meeting the conditions attached to the government grants, the effect of such changes is recognised in income statement.

2.2.28 Fiduciary activities

The Group provides custody, trustee, corporate administration, investment management and advisory services to third parties that result in the holding or investing of assets on behalf of its clients. This involves the Group making allocation, purchase and sale decisions in relation to a wide range of financial instruments. The Group receives fee income for providing these services. Those assets that are held in a fiduciary capacity are not assets of the Group and are not recognized in the financial statements. In addition, the Group does not guarantee these investments and as a result it is not exposed to any credit risk in relation to them.

3. Critical accounting estimates and judgments in applying accounting policies

In the process of applying the Group's accounting policies, Management makes various judgments, estimates and assumptions that may affect the reported amounts of assets and liabilities, revenues and expenses recognized in the financial statements within the next financial year and the accompanying disclosures. Estimates and judgments are continually evaluated and are based on current conditions, historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are recognized prospectively. The most significant areas in which the Group makes judgments, estimates and assumptions in applying its accounting policies are set out below:

3.1 Impairment losses on loans and advances to customers

In 2022, the geopolitical and economic upheaval caused by the Russian invasion in Ukraine, along with the persistent - albeit decelerating - inflationary pressures, high energy prices and rising borrowing costs affected negatively the global economic environment, worsened the macroeconomic outlook of the European economies, which are now confronted with a slowdown in growth and, accordingly, exacerbated economic uncertainty in the regions that the Group operates. In this volatile environment, the Greek economy has exhibited notable resilience, mainly driven by the increase in consumption, export of services, strong performance in tourism and further acceleration of new investments supported by the RRF funds, which is expected to continue, at a slower pace though (note 2).

On the back of the overall economic uncertainty mentioned above, the Group continued its robust performance, as evidenced by the level of its credit quality indicators at year end 2022 that outperformed the expected levels in terms of NPE ratio and NPE coverage, while it remains cautious towards the risks that may eventually affect vulnerable corporate borrowers (like those that operate in the food industry, the energy sector, the supply of raw materials for the construction sector etc.) and erode the disposable income and the repayment capacity of retail customers. In this context, in the fourth quarter of 2022, the Group revised the key macroeconomic variables incorporated in the IFRS 9 expected credit losses' models, in order to reflect, to the extent possible, the uncertainties surrounding the economic environment. Furthermore, the Group enhanced the use of industry specific variables for corporate portfolio as well as the monitoring framework of vulnerable corporate borrowers and incorporated inflation and interest rates movements in the retail borrowers' debt capacity assessment, so as to better capture the impact of the macro indicators on the performance of its loan portfolios.

Expected Credit Loss (ECL) measurement

The ECL measurement requires Management to apply judgment, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in significant changes to the timing and amount of allowance for credit loss to be recognized.

The Group's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. In addition, temporary adjustments may be required to capture new developments and information available, which are not reflected yet in the ECL calculation through the risk models.

The elements of the ECL models that are considered significant accounting judgments and estimates include:

Determination of a significant increase of credit risk

IFRS 9 does not include a definition of what constitutes a significant increase in credit risk (SICR). An assessment of whether credit risk has increased significantly since initial recognition is performed at each reporting period by considering primarily the change in the risk of default occurring over the remaining life of the financial instrument. The Group assesses whether a SICR has occurred since initial recognition based on qualitative and quantitative reasonable and supportable forward-looking information that includes significant management judgment (note 2.2.13). More stringent criteria could significantly increase the number of instruments migrating to stage 2.

Retail lending

For retail lending exposures the primary criterion is the change in the residual cumulative lifetime Probability of Default (PD) above specified thresholds. These thresholds are set and vary per portfolio, modification status (modified/non-modified), product type as well as per origination PD level. In general, thresholds for lower origination PDs are higher than those assessed for higher origination PDs.

As at 31 December 2022 and 2021, the range of lifetime PD thresholds based on the above segmentation, that triggers the allocation to stage 2 for Greece's retail exposures are set out below:

Retail exposures	Range of SICR thresholds
Mortgage	30%-50%
Home Equity	10%-80%
SBB	10%-65%
Consumer	60%-100%

Wholesale lending

For wholesale lending exposures, the origination PD curves and the residual lifetime PD curves at each reporting date are mapped to credit rating bands. Accordingly, SICR thresholds are based on the comparison of the origination and reporting date credit ratings, whereby rating downgrades represent changes in residual lifetime PD. Similar to retail exposures, the Group segments the wholesale lending exposures based on asset class, loan type and credit rating at origination. In addition, for securitized notes issued by special purpose entities established by the Group, the SICR assessment is performed by considering the performance of the underlying assets.

As at 31 December 2022 and 2021, the credit rating deterioration thresholds per rating bands for Greece's wholesale lending exposures that trigger allocation to stage 2 are set out below. In particular, as per the Group's SICR policy, any downgrade to rating band 6 or high-risk rating bands (7,8 or 9) is considered as SICR event to all corporate lending portfolios:

Wholesale internal rating bands	Minimum SICR threshold range
1	Five notches
2	Four notches
3	Three notches
4	Two notches
5-8	One notch

Determination of scenarios, scenario weights and macroeconomic factors

To achieve the objective of measuring ECL, the Group evaluates a range of possible outcomes in line with the requirements of IFRS 9 through the application of a minimum three macroeconomic scenarios, i.e. baseline, adverse and optimistic, in a way that reflects an unbiased and probability weighted outcome. Each of the scenarios is based on Management's assumptions around future economic conditions in the form of macroeconomic, market and other factors. As at 31 December 2022 and 2021, the probability weights for the above mentioned scenarios applied by the Group in the ECL measurement calculations are 50% for the baseline scenario and 25% for the adverse and optimistic scenarios.

The key assumptions underlying in each macroeconomic scenario are provided below:

Baseline scenario
Baseline scenario assumes no escalation of the war in Ukraine, no change in EU sanctions against Russia and monetary policy trajectory as well as stability related to the political cycle. Core inflation for Greece is assumed to gradually de-escalate, increase in post-Covid 19 employment is assumed to contribute to lower unemployment path, real estate prices continue their upward trend, while short-term prospects are supported by the: (a) strong tourist season expected, (b) Recovery and Resilience Facility, Multiannual Financial Framework and European Investment Bank funds, (c) ample liquidity (deposits and state cash buffer) and (d) fiscal measures adopted to cushion energy. In the Eurozone front, the ECB is expected to pause its monetary policy tightening in the first quarter of 2023.

Optimistic scenario
The optimistic scenario assumes quicker recovery in 2022 and 2023, compared to the baseline scenario, as a result of: (a) higher than expected tourism revenues, (b) no negative developments with respect to the energy crisis (energy prices remain unchanged compared to the baseline scenario), and (c) no escalation of the war in Ukraine. In addition, it assumes quick resolution of political uncertainty, formation of a stable government with no need for a third round of elections and no negative surprises from the flow of EU funds.

Adverse scenario
The adverse scenario assumes a prolongation and escalation of the war and economic sanctions, which leads to a larger supply shock, manifested in higher oil prices, and increase in domestic uncertainty as a result of the political cycle / elections. Therefore, higher and more persistent inflation (and subsequent erosion of incomes), more protracted postponement of investment, lower external demand but also more fiscal support measures, capped by the fiscal space of the country are expected. Also, negative developments are assumed on the RRF and structural reforms fronts, while uncertainty around the Eurozone growth outlook intensifies.

Forward-looking information
The Group ensures that impairment estimates and macroeconomic forecasts, as provided by Economic Analysis & Financial Markets Research Division, applicable for business and regulatory purposes are fully consistent. Accordingly, the IFRS 9 baseline scenario applied in the ECL calculation coincides with the one used for ICAAP and business planning purposes. In addition, relevant experience gained from the stress tests imposed by the regulator, has been taken into account in the process of developing the macroeconomic scenarios, as well as impairments for stress testing purposes have been forecasted in line with IFRS 9 ECL methodology.

In terms of macroeconomic assumptions, the Group assesses a number of indicators in projecting the risk parameters, namely Residential and Commercial Property Price Indices, unemployment, Gross Domestic Product (GDP), Greek Government Bond (GGB) spread over Euribor and inflation as well as interest and FX rates.

The arithmetic averages of the scenarios' probability-weighted annual forecasts for the next four year period following the reporting date, used in the ECL measurement of Greek lending portfolios for the year ended 31 December 2022 and 2021, are set in the following table:

Key macroeconomic indicator	31 December 2022	31 December 2021
	Average (2023-2026) annual forecast	Average (2022-2025) annual forecast
Gross Domestic Product growth	2.10%	3.27%
Unemployment rate	10.76%	12.60%
Residential property prices' index	3.71%	5.55%
Commercial property prices' index	3.46%	5.75%
Inflation rate	3.10%	1.57%

Changes in the scenarios and weights, the corresponding set of macroeconomic variables and the assumptions made around those variables for the forecast horizon would have a significant effect on the ECL amount. The Group independently validates all models and underlying methodologies used in the ECL measurement through competent resources, who are independent of the model development process.

Development of ECL models, including the various formulas, choice of inputs and interdependencies

For the purposes of ECL measurement the Group performs the necessary model parameterization based on observed point-in-time data on a granularity of monthly intervals. The ECL calculations are based on input parameters, i.e. exposure at default (EAD), PDs, loss given default (LGD), credit conversion factors (CCFs) etc. incorporating Management's view of the future. The Group also determines the links between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs.

Furthermore, the PDs are unbiased rather than conservative and incorporate relevant forward looking information including macroeconomic scenarios. The forecasting risk parameters models incorporate a number of macroeconomic variables, such as GDP, unemployment etc. and portfolio specific variables such as seasonal flag etc., which are used as independent variables for optimum predictive capability. In 2022, the Group proceeded with the recalibration of its PD models, by introducing industry specific macro variables in corporate borrowers and applying interest rate and inflation scalars in the estimation of retail customers' debt to income ratio. More specifically, in the latter case, the borrowers' instalments were estimated with the use of the projected interest rates, while the income model, also took into account the projected inflation on top of the projected GDP and unemployment ratio.

The ECL models are based on logistic regressions and run under the different macroeconomic scenarios and relevant changes and shocks in the macro environment reflected accordingly in a non-linear manner.

Segmentation of financial assets when their ECL is assessed on a collective basis

The Group segments its exposures on the basis of shared credit risk characteristics upon initial recognition for the purposes of both assessing significant increase in credit risk and measuring loan loss allowance on a collective basis. The different segments aim to capture differences in PDs and in the rates of recovery in the event of default. On subsequent periods, the Group re-evaluates the grouping of its exposures at least on an annual basis, in order to ensure that the groups remain homogeneous in terms of their response to the identified shared credit risk characteristics. Re-segmentation reflects management's perception in respect to the change of credit risk associated with the particular exposures compared to initial recognition.

Modeling and Management overlays / adjustments

A number of sophisticated models have been developed or modified to calculate ECL, while temporary management adjustments may be required to capture new developments and information available, which are not yet reflected in the ECL calculation through the risk models. Accordingly, considering the macroeconomic conditions and geopolitical backdrop linked to the war in Ukraine, Management incorporates in ECL calculations an estimation of potentially non modeled risks arising from its corporate lending portfolios, representing 4% of ECL stock. Management adjustments reflect in 2022 the sensitivity of the macroeconomic variability in the risk profile of debtors. Internal counterparty rating changes, new or revised models and data may significantly affect ECL. The models are governed by the Group's validation framework, which aim to ensure independent verification, and are approved by the Board Risk Committee (BRC).

Sensitivity analysis on lending portfolios

The sensitivity analysis when performed on certain key parameters can provide meaningful information only for portfolios where the risk parameters have a significant impact on the overall credit risk of a lending portfolio, particularly where such sensitivities are also used for internal credit risk management purposes. Otherwise, a sensitivity analysis on certain combinations of some risk parameters may not produce meaningful results, as in reality there are interdependencies between the various economic inputs, rendering any changes in the parameters, changes correlated in other factors.

The sensitivity analysis presented in the tables below assumes a favorable and an adverse shift in the scenario weighting, compared to the one applied in the ECL measurement. As at 31 December 2022, considering that the prevailing macroeconomic conditions, as reflected in the three scenarios incorporated in the IFRS9 weighted probability scenario, have resulted in the widening of the differences of the macro variables' levels among the scenarios, the Group rebalanced the scenario weighting used in the ECL sensitivity analysis in order to reflect a reasonable potential change of key macroeconomic indicators. Accordingly, the favorable shift assumes an increase in the weighting of the optimistic scenario at 50% and a stable weighting of the baseline scenario at 50%, while the adverse shift assumes an increase in the weighting of the adverse scenario at 50% and a stable weighting of the baseline scenario at 50%. Correspondingly, at year-end 2021, the favorable swift assumed an increase in the weighting of the optimistic scenario at 75% and a decrease in the weighting of the baseline scenario at 25%, while the adverse swift assumed an increase in the weighting of the adverse scenario at 75% and a decrease in the weighting of the baseline scenario at 25% compared to the scenario weighting applied by the Group in ECL measurement.

The tables below present the estimated effect in the Group's ECL measurement (including off-balance sheet items) per stage, upon potential reasonable combined changes of forecasts in key macroeconomic indicators over the next 5 years (2023-2027 and 2022-2026, respectively):

As at 31 December 2022				As at 31 December 2021			
Sensitivity scenario				Sensitivity scenario			
	Combined change %				Combined change %		
Key macroeconomic indicators	Positive change	Adverse change		Key macroeconomic indicators	Positive change	Adverse change	
GDP growth	41%	-41%	change of annual forecasts	GDP growth	20%	-20%	change of annual forecasts
Unemployment rate	-11%	11%	change of annual forecasts	Unemployment rate	-11%	11%	change of annual forecasts
Inflation rate	-2%	2%	change of annual forecasts	Inflation rate	1%	-1%	change of annual forecasts
Property indices (RRE/CRE)	4%	-4%	change of index adjusted real estate collateral market values	Property indices (RRE/CRE)	3%	-3%	change of index adjusted real estate collateral market values

	Estimated effect per stage as at 31 December 2022							
	Positive change				Adverse change			
	12-month ECL - Stage 1	Lifetime ECL - Stage 2	Lifetime ECL credit-impaired	31 December 2022	12-month ECL - Stage 1	Lifetime ECL - Stage 2	Lifetime ECL credit-impaired	31 December 2022
Impact in € million	(12)	(36)	(34)	(82)	10	43	35	88
Impact in % allowance	-7.08	-9.96	-2.93	-4.86	5.73	11.99	3.03	5.24

	Estimated effect per stage as at 31 December 2021							
	Positive change				Adverse change			
	12-month ECL - Stage 1	Lifetime ECL - Stage 2	Lifetime ECL credit-impaired	31 December 2021	12-month ECL - Stage 1	Lifetime ECL - Stage 2	Lifetime ECL credit-impaired	31 December 2021
Impact in € million	(9)	(24)	(28)	(61)	6	30	34	70
Impact in % allowance	-5.06	-7.57	-1.98	-3.20	3.47	9.39	2.37	3.64

The Group updates and reviews the reasonability and performs back-testing of the main assumptions used in its methodology assessment for SICR and ECL measurement, at least on an annual basis or earlier, based on facts and circumstances. In this context, experienced and dedicated staff within the Group's Risk Management function monitor the risk parameters applied for the estimation of ECL. Furthermore, as part of the well-defined governance framework, any revisions to the methodology used are approved by the Group competent committees and ultimately the Board Risk Committee (BRC).

3.2 Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

The fair value of financial instruments that are not quoted in an active market are determined by using other valuation techniques that include the use of valuation models. In addition, for financial instruments that trade infrequently and have little price transparency, fair value is less objective and requires varying degrees of judgment depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument. In these cases, the fair values are estimated from observable data in respect of similar financial instruments or using other valuation techniques.

The valuation models used include present value methods and other models based mainly on observable inputs and to a lesser extent to non-observable inputs, in order to maintain the reliability of the fair value measurement.

Where valuation techniques are used to determine the fair values of financial instruments that are not quoted in an active market, they are validated and periodically reviewed by qualified personnel independent of the personnel that created them. All models are certified before they are used, and are calibrated to ensure that outputs reflect actual data and comparative market prices. The main assumptions and estimates, considered by management when applying a valuation model include:

- the likelihood and expected timing of future cash flows;
- the selection of the appropriate discount rate, which is based on an assessment of what a market participant would regard as an appropriate spread of the rate over the risk-free rate; and
- judgment to determine what model to use in order to calculate fair value.

To the extent practicable, models use only observable data, however areas such as credit risk (both own and counterparty), volatilities and correlations require the Management to make estimates to reflect uncertainties in fair values resulting from the lack of market data inputs. Inputs into valuations based on unobservable data are inherently uncertain because there is little or no current market data available. However, in most cases there will be some historical data on which to base a fair value measurement and consequently even when unobservable inputs are used, fair values will use some market observable inputs.

Information in respect of the fair valuation of the Group's financial assets and liabilities is provided in note 5.3.

3.3 Classification of financial instruments

The Group applies significant judgment in assessing the classification of its financial instruments and especially, in the below areas:

Business model assessment

Judgment is exercised in order to determine the appropriate level at which to assess the business model. In assessing the business model of financial instruments, these are aggregated into groups (business lines) based on their characteristics, and the way they are managed in order to achieve the Group's business objectives. In general, the assessment is performed at the business unit level for lending exposures including securitized notes issued by special purpose entities established by the Group and based on the measurement category for debt securities. However, further disaggregation may be performed by business strategy/ region, etc.

In assessing the business model for financial instruments, the Group performs a past sales evaluation of the financial instruments and assesses their expected evolution in the future. Judgment is exercised in determining the effect of sales to a "hold to collect" business model depending on their objective and their acceptable level and frequency.

Contractual cash flow characteristics test (SPPI test)

The Group performs the SPPI assessment of lending exposures and debt securities by considering all the features which might potentially lead to SPPI failure. Judgment is applied by the responsible business units when considering whether certain contractual features significantly affect future cash flows. Accordingly, for non-recourse financial assets, the Group assesses jointly criteria such as the adequacy of equity, LTV (Loan-to-Value) and DSCR (Debt-Service-Coverage-Ratio) ratios as well as the existence of corporate and personal guarantees. For the securitized notes issued by special purpose entities, either established by the Group or third parties, and held by the Group, the cash flow characteristics of the notes and the underlying pool of financial assets as well as the credit risk inherent in each securitization's tranche compared to the credit risk of all of the underlying pool of financial assets, are assessed. Furthermore, in order to assess whether any variability in the cash flows is introduced by the modified time value of money element, the Group performs a quantitative assessment (as described in note 2.2.9). Moreover, the Group evaluates certain cases on whether the existence of performance-related terms exposes the Group to asset risk rather to the borrower's credit risk.

The Group has established a robust framework to perform the necessary assessments in accordance with Group's policies in order to ensure appropriate classification of financial instruments, including reviews by experienced staff for lending exposures and debt securities.

3.4 Assess control over investees

Management exercises judgment in order to assess if the Group has control over another entity based on the control elements set out in note 2.2.1 (i).

In particular, as part of its funding activity and non-performing loans' management strategy, the Group sponsors certain securitization vehicles, the relevant activities of which have been predetermined as part of their initial design by the Group. The Group is exposed to variability of returns from these vehicles through the holding of debt securities issued by them or by providing credit enhancements in accordance with the respective contractual terms. In assessing whether it has control, the Group considers whether it manages the substantive decisions that could affect these vehicles' returns. Accordingly, the Group assesses on a case-by-case basis the structure of securitization transaction, including the respective contractual arrangements, in order to conclude if it controls these vehicles.

In addition, the Group is involved in the initial design of various mutual funds in order to provide customers with investment opportunities. The Group primarily acts as an agent in exercising its decision making authority as it is predefined by the applicable regulated framework. As a result, the Group has concluded that it does not control these funds.

Further information in respect of the structured entities the Group is involved, either consolidated or not, is provided in note 25.

3.5 Income tax

The Group is subject to income taxes in various jurisdictions and estimates are required in determining the liability for income taxes. The Group recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due or for anticipated tax disputes. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax in the period in which such determination is made. Further information in relation to the above is provided in note 13.

In addition, the Group recognizes deferred tax assets to the extent that it is probable that sufficient taxable profit will be available against which unused tax losses and deductible temporary differences can be utilized. Recognition therefore involves judgment regarding the future financial performance of the particular Group legal entity in which the deferred tax asset has been recognized. Particularly, in order to determine the amount of deferred tax assets that can be recognized, significant management judgments are required regarding the likely timing and level of future taxable profits. In making this evaluation, the Group has considered all available evidence, including management's projections of future taxable income and the tax legislation in each jurisdiction.

The most significant judgment exercised by Management relates to the recognition of deferred tax assets in respect of losses realized in Greece. In the event that, the Group assesses that it would not be able to recover any portion of the recognized deferred tax assets in the future, the unrecoverable portion would impact the deferred tax balances in the period in which such judgment is made.

Further information in respect of the deferred tax assets recognized by the Group and the assessment for their recoverability is provided in note 13.

3.6 Retirement benefit obligations

The present value of the retirement benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions, such as the discount rate and future salary increases. Any change in these assumptions impacts the carrying amount of the pension obligations.

The Group determines the appropriate discount rate used to calculate the present value of the estimated retirement obligations, at the end of each year based on interest rates of high quality corporate bonds. In countries where there is no deep market in such bonds, the yields on government bonds are used. The currency and term to maturity of the bonds used are consistent with the currency and estimated average term to maturity of the retirement benefit obligations. The salary rate increase assumption is based on future inflation estimates reflecting also the Group's reward structure and expected market conditions.

Other assumptions for pension obligations, such as future inflation estimates, are based in part on current and expected market conditions.

For information in respect of the sensitivity analysis of the Group’s retirement benefit obligations to reasonably possible, at the time of preparation of these financial statements, changes in the abovementioned key actuarial assumptions, refer to note 36.

3.7 Investment properties

Investment property is carried at fair value, as determined by external, independent and certified valuators on an annual basis, or more frequently if deemed appropriate upon assessment of any relevant circumstances.

The main factors underlying the determination of fair value are related with rental income from current leases and assumptions about rental income from future leases in the light of current market conditions, including CPI indexation, future vacancy rates and periods, discount rates or rates of return, terminal values as well as the level of future maintenance and other operating costs.

Additionally, where the fair value is determined based on market prices of comparable transactions those prices are subject to appropriate adjustments, in order to reflect current economic conditions and Management’s best estimate regarding the future trend of properties market based on advice received from its independent external valuers.

Further information in respect of the fair valuation of the Group’s investment properties is provided in note 27.

3.8 Provisions and contingent liabilities

The Group recognizes provisions when it has a present legal or constructive obligation, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of its amount.

A provision is not recognized and a contingent liability is disclosed when it is not probable that an outflow of resources will be required to settle the obligation, when the amount of the obligation cannot be measured reliably or in case that the obligation is considered possible and is subject to the occurrence or non -occurrence of one or more uncertain future events.

Considering the subjectivity and uncertainty inherent in the determination of the probability and amount of the abovementioned outflows, the Group takes into account a number of factors such as legal advice, the stage of the matter and historical evidence from similar cases. In the case of an offer made within the context of the Group’s voluntary exit scheme, the number of employees expected to accept the abovementioned offer along with their age cluster is a significant factor affecting the measurement of the outflow for the termination benefits.

Further information in relation to the Group’s provisions and contingent liabilities is provided in notes 35 and 42.

3.9 Share-based payments

The Group grants shares and share options to its employees as a common feature of employee remuneration. IFRS 2 requires the recognition of an expense for those shares and share options at their fair value on the grant date (equity-settled plans). For shares granted to employees, the fair value is measured directly at the market price of the entity's shares, adjusted to take into account the terms and conditions upon which the shares were granted. For share options granted to employees, in many cases market prices are not available because the options granted are subject to terms and conditions that do not apply to traded options. If this is the case, the Group estimates the fair value of the equity instruments granted using a valuation technique, which is consistent with generally accepted valuation methodologies.

The valuation method and the inputs used to measure the share options granted to employees of the Group are presented in note 39.

3.10 Leases

The Group, as a lessee, determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease if it is reasonably certain not to be exercised.

The Group applies judgement in evaluating whether it is reasonably certain or not to exercise an option to renew or terminate the lease, by considering all relevant factors and economic aspects that create an economic incentive. The Group reassesses the lease term if there is a significant event or change in circumstances that is within its control that affects its ability to exercise or not to exercise the option to renew or to terminate, such as significant leasehold improvements or significant customization of the leased asset.

In measuring lease liabilities, the Group uses the lessees' incremental borrowing rate ('IBR') when it cannot readily determine the interest rate implicit in the lease. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Therefore, estimation is required when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as government bond yields) as a starting point when available, and performs certain additional entity-specific adjustments, such as credit spread adjustments or adjustments to reflect the lease terms and conditions. For the Bank and Greek subsidiaries, the IBR is derived from the estimated covered bonds yield curve, which is constructed based on observable Greek Government Bond yields, while for international subsidiaries the IBR is determined on a country basis, taking into consideration specific local conditions.

3.11 Other accounting estimates and judgments

Information in respect of other estimates and judgments that are made by the Group is provided in notes 20 and 30.

4. Capital Management

The Group's capital adequacy position is presented in the following table:

	2022 € million	2021 € million
Equity attributable to shareholders of the Company	**6,623**	5,539
Add: Adjustment due to IFRS 9 transitional arrangements	**279**	528
Add: Regulatory non-controlling interests	**68**	57
Less: Goodwill	**(2)**	(2)
Less: Other regulatory adjustments	**(253)**	(686)
Common Equity Tier 1 Capital	**6,715**	5,436
Total Tier 1 Capital	**6,715**	5,436
Tier 2 capital-subordinated debt	**1,250**	950
Add: Other regulatory adjustments	**61**	-
Total Regulatory Capital	**8,026**	6,386
Risk Weighted Assets	**41,899**	39,789
Ratios:	**%**	**%**
Common Equity Tier 1	**16.0**	13.7
Tier 1	**16.0**	13.7
Total Capital Adequacy Ratio	**19.2**	16.1

Notes:

a) The profit of € 1,330 million attributable to the shareholders of the Company for the year ended 31 December 2022 (31 December 2021: profit of € 328 million) has been included in the calculation of the above capital ratios.

b) The Group has elected to apply the phase-in approach for mitigating the impact of IFRS 9 transition on the regulatory capital, according to the Regulation (EU) 2017/2395 (providing a 5-year transition period to recognize the impact of IFRS 9 adoption) and the Regulation 2020/873 (CRR quick fix – see below). The transition effect is included in the regulatory capital as of the first quarter of each year.

c) As of 31 March 2022, the Group is applying the temporary treatment specified in Article 468 of the CRR, amended by the Regulation (EU) 2020/873, therefore the Group's phased in own funds and capital ratios reflect the 60% of unrealised losses for the period 1.1.2020 to 31.12.2022, accounted for as fair value changes of debt instruments measured at fair value through other comprehensive income, corresponding to specific debt exposures, as provided for in the said article. The Group's Common Equity Tier 1 and Total Capital Adequacy ratios, as if the temporary treatment of the aforementioned unrealised losses had not been applied, would be 15.8% % and 18.9% respectively.

d) The Group's CET1 as at 31 December 2022, based on the full implementation of the Basel III rules in 2025 (fully loaded CET1), referring mainly to the completion of the aforementioned IFRS 9 transitional arrangements, would be 15.2% (31 December 2021: 12.7%).

e) The pro-forma Common Equity Tier 1 and Total Capital Adequacy ratios as at 31 December 2022 with the completion of Project "Solar" (note 20) would be 16% and 19%, respectively.

The Group has sought to maintain an actively managed capital base to cover risks inherent in the business. The adequacy of the Group's capital is monitored using, among other measures, the rules and ratios established by the Basel Committee on Banking Supervision (BIS rules/ratios) which have been incorporated in the European Union (EU) legislation through the Directive 2013/36/EU (known as CRD IV) along with the Regulation No 575/2013/EU (known as CRR), as they are in force. The above Directive has been transposed into Greek legislation by Law 4261/2014 as in force. Supplementary to that, in the context of Internal Capital Adequacy Assessment Process (ICAAP), the Group considers a broader range of risk types and the Group's risk management capabilities. ICAAP aims ultimately to ensure that the Group has sufficient capital to cover all material risks that it is exposed to, over a three-year horizon.

Based on Council Regulation No 1024/2013, the European Central Bank (ECB) conducts annually a Supervisory Review and Evaluation Process (SREP) in order to define the prudential requirements of the institutions under its supervision. The key purpose of the SREP is to ensure that institutions have adequate arrangements, strategies, processes and mechanisms as well as capital and liquidity to ensure a sound management and coverage of their risks, to which they are or might be exposed, including those revealed by stress testing and risks the institution may pose to the financial system.

According to the 2021 SREP decision, for 2022, the Group was required to meet a Common Equity Tier 1 Ratio of at least 9.58% and a Total Capital Adequacy Ratio of at least 14.39% (Overall Capital Requirement or OCR) including Combined Buffer Requirement of 3.39%, which is covered with CET1 capital and sits on top of the Total SREP Capital Requirement (TSCR). The ECB's relief measures for capital requirements, to address the effects of Covid-19, ended at 31 December 2022.

The breakdown of the Group's CET1 and Total Capital requirements is presented below.

	31 December 2022	
	CET1 Capital Requirements	Total Capital Requirements
Minimum regulatory requirement	**4.50%**	**8.00%**
Pillar 2 Requirement (P2R)	1.69%	3.00%
Total SREP Capital Requirement (TSCR)	**6.19%**	**11.00%**
Combined Buffer Requirement (CBR)		
Capital conservation buffer (CCoB)	2.50%	2.50%
Countercyclical capital buffer (CCyB)	0.14%	0.14%
Other systemic institutions buffer (O-SII)	0.75%	0.75%
Overall Capital Requirement (OCR)	**9.58%**	**14.39%**

(1) As of 1st of March 2022, the P2R is not applicable for the Bank in its separate financial statements.

According to the 2022 SREP decision, since January 2023 the P2R for the Group has been reduced from 3.00% to 2.75% in terms of total capital (or from 1.69% to 1.55% in terms of CET1 capital), reflecting the improved Group's financial position particularly in terms of asset quality. Thus, for the first quarter of 2023, the Group is required to meet a Common Equity Tier 1 Ratio of at least 9.75% and a Total Capital Adequacy Ratio of at least 14.45% (Overall Capital Requirements or OCR) including Combined Buffer Requirement of 3.70% (Capital conservation buffer of 2.50%, Countercyclical capital buffer of 0.20% and Other Systemically Important Institution (O-SII) buffer of 1.00%).

Furthermore, the Regulation 2020/873 (CRR quick fix) provides, among others, for the extension by two years of the transitional arrangements for IFRS 9 and further relief measures, allowing banks to add back to their regulatory capital any increase in new provisions for expected losses that they have recognized in 2020 and 2021 for their financial assets, which have not been defaulted. Accordingly, the relief applied for 2022 is 75%, for 2023 50% and for 2024 25%.

Further disclosures regarding capital adequacy in accordance with the Regulation 575/2013 are provided in the Consolidated Pillar 3 Report on the Company's website.

Minimum Requirements for Eligible Own Funds and Eligible Liabilities (MREL)

Under the Directive 2014/59 (Bank Recovery and Resolution Directive) as in force, which was transposed into the Greek legislation pursuant to Law 4335/2015 as in force, European banks are required to meet the minimum requirement for own funds and eligible liabilities (MREL). The Single Resolution Board (SRB) has determined Eurobank S.A. as the Group's resolution entity and a Single Point of Entry (SPE) strategy for resolution purposes. Based on the latest SRB's decision, the fully calibrated MREL (final target) to be met by Eurobank S.A. on a consolidated basis until the end of 2025 is set at 27.46% of its total risk weighted assets (RWAs), including a fully-loaded combined buffer requirement (CBR) of 3.86%. The final MREL target is updated by the SRB on an annual basis. The interim binding MREL target, which is applicable from 1 January 2022, stands at 18.21% of RWAs, including a CBR of 3.70%, while an interim non-binding MREL target of 20.48%, including a CBR of 3.70%, applies from January 2023.

In the year ended 31 December 2022, in the context of the implementation of its medium-term strategy to meet its MREL requirements, the Bank proceeded with the issuance of an MREL-eligible senior preferred bond with a nominal value of € 500 million and a Tier 2 instrument of €300 million (note 34). As at 31 December 2022, the Bank's MREL ratio at consolidated level stands at 23.07% of RWAs including profit for the year ended 31 December 2022 (31 December 2021: 18.47%), which is significantly above the aforementioned interim MREL target of 20.48%.

Post balance sheet event

In January 2023, the Bank successfully completed the issue of € 500 million senior preferred notes. The proceeds from the issue will support Eurobank Group's strategy to ensure ongoing compliance with its MREL requirement and will be used for Eurobank's general funding purposes (note 34).

2023 EU – wide stress test

In January 2023, the European Banking Authority (EBA) launched the 2023 EU-wide stress test exercise which is designed to provide valuable input for assessing the resilience of the European banking sector in the current uncertain and changing macroeconomic environment.

This exercise is coordinated by the EBA in cooperation with the ECB and national supervisory authorities and is conducted according to the EBA's methodology. It is carried out on the basis of year-end 2022 figures and assesses the performance of EU banks under a baseline and adverse macroeconomic scenario, covering the period from 2023 to 2025. The baseline scenario for EU countries is based on the projections from the EU national central banks of December 2022. The adverse scenario, although unlikely to unfold, is used to assess the resilience of banks to a hypothetical severe scenario of a significant deterioration in the overall outlook for the economy and financial markets in the next three years. The narrative depicts an adverse scenario related to a hypothetical worsening of geopolitical developments leading to a severe decline in GDP with persistent inflation and high interest rates. In terms of GDP decline, the 2023 adverse scenario is the most severe used in the EU wide stress up to now. Eurobank Holdings Group is participating in the EBA-led stress test.

In parallel, the ECB will conduct its own stress test for a number of medium sized- banks that it supervises directly and that are not included in the EBA-led stress test sample.

The EBA expects to publish the results of the exercise at the end of July 2023. The stress test results will be used to update each bank's Pillar 2 Guidance in the context of the SREP, while qualitative findings on weaknesses in banks' stress testing practices could also affect their Pillar 2 Requirements.

5. Financial risk management and fair value

5.1 Use of financial instruments

By their nature the Group's activities are principally related to the use of financial instruments including derivatives. The Group accepts deposits from customers, at both fixed and floating rates, and for various periods and seeks to earn above average interest margins by investing these funds in high quality assets. The Group seeks to increase these margins by consolidating short-term funds and lending for longer periods at higher rates, while maintaining sufficient liquidity to meet all claims that might fall due.

The Group also seeks to raise its interest margins by obtaining above average margins, net of provisions, through lending to commercial and retail borrowers within a range of credit standing. Such exposures include both on-balance sheet loans and advances and off-balance sheet guarantees and other commitments such as letters of credit.

The Group also trades in financial instruments where it takes positions in traded and over the counter financial instruments, including derivatives, to take advantage of short-term market movements in the equity and bond markets and in currency and interest rates.

5.2 Financial risk factors

Due to its activities, the Group is exposed to several financial risks, such as credit risk, market risk (including currency, interest rate, spread, equity and volatility risk), liquidity and operational risks. The Group's overall risk management strategy seeks to minimize any potential adverse effects on its financial performance, financial position and cash flows.

Risk Management objectives and policies

The Group acknowledges that taking risks is an integral part of its operations in order to achieve its business objectives. Therefore, the Group's management sets adequate mechanisms to identify those risks at an early stage and assesses their potential impact on the achievement of these objectives.

Due to the fact that economic, industry, regulatory and operating conditions will continue to change, risk management mechanisms are set in a manner that enable the Group to identify and deal with the risks associated with those changes. The Bank's structure, internal processes and existing control mechanisms ensure both the independence principle and the exercise of sufficient supervision.

The Group's Management considers effective risk management as a top priority, as well as a major competitive advantage, for the organization. As such, the Group has allocated significant resources for upgrading its policies, methods and infrastructure, in order to ensure compliance with the requirements of the European Central Bank (ECB) and of the Single Resolution Board (SRB), the guidelines of the European Banking Authority (EBA) and the Basel Committee for Banking Supervision and the best international banking practices. The Group implements a well-structured credit approval process, independent credit reviews and effective risk management policies for all material risks it is exposed to, both in Greece and in each country of its international operations. The risk management policies implemented by the Group are reviewed mainly annually.

The Group Risk and Capital Strategy, outlines the Group's overall direction regarding risk and capital management issues, the risk management mission and objectives, risk definitions, risk management principles, risk governance framework, strategic objectives and key management initiatives for the improvement of the risk management framework in place.

The maximum amount of risk which the Group is willing to assume in the pursuit of its strategic objectives is articulated via a set of quantitative and qualitative statements for specific risk types, including specific tolerance levels as described in the Group's Risk Appetite Framework. The objectives are to support the Group's business growth, balance a strong capital position with higher returns on equity and to ensure the Group's adherence to regulatory requirements.

The risk appetite that is clearly communicated throughout the Group, determines risk culture and forms the basis on which risk policies and risk limits are established at Group and regional level. Within the context of its Risk Appetite Framework, the Bank has further enhanced the risk identification process and the risk materiality assessment methodology.

The identification and the assessment of all risks is the cornerstone for the effective Risk Management. The Group aiming to ensure a collective view on the risks linked to the execution of its strategy, acknowledges the new developments at an early stage and assesses the potential impact. In this context, the Bank has recognized climate change risk as a material risk and based on its supervisory guidelines, is in the process of continuing adapting its policies and methodologies for identifying and monitoring the relevant risks (note 5.2.5).

Board Risk Committee (BRC)

The Board Risk Committee (BRC) is a committee of the BoD and its task is to assist the BoD to ensure that the Group has a well-defined risk and capital strategy in line with its business plan and in line with regulatory requirements and an adequate and robust risk appetite framework.

The BRC assesses the Group's risk profile, monitors compliance with the approved risk appetite and risk tolerance levels and ensures that the Group has developed a risk management framework with appropriate methodologies, modelling tools, and data sources, as well as sufficient and competent staff to identify, assess, monitor and mitigate risks. Moreover, BRC is conferred with certain approval authorities.

The BRC consists of five (5) non-executive directors, meets at least on a monthly basis and reports to the BoD on a quarterly basis and on ad hoc instances if it is needed.

Management Risk Committee

The Management Risk Committee (MRC) is a management committee established by the CEO and its main responsibility of the MRC is to oversee the risk management framework of the Group. As part of its responsibilities, the MRC facilitates reporting to the BRC on the range of risk-related topics under its purview. The MRC supports the Group Chief Risk Officer to identify material risks, to promptly escalate them to the BRC and to ensure that the necessary policies and procedures are in place to prudently manage risks and to comply with regulatory requirements.

Group Risk Management General Division

The Group's Risk Management General Division which is headed by the Group Chief Risk Officer (GCRO), operates independently from the business units and is responsible for the identification, assessment, monitoring, measurement and management of the risks that the Group is exposed to. It comprises of the Group Credit General Division (GCGD), the Group Credit Control Sector (GCCS), the Group Credit Risk Capital Adequacy Control Sector (GCRCACS), the Group Market and Counterparty Risk Sector (GMCRS), the Group Operational Risk Sector (GORS), the Group Model Validation and Governance Sector (GMVGS), the Group Risk Management Strategy Planning and Operations Division (GRMSPO), the Supervisory Relations and Resolution Planning Sector (SRRPS), the Group Climate Risk Division (GCRD) and the Risk Analytics Division (RAD).

Non-Performing Exposures (NPEs) management

The Group, following the strategic partnership with doValue S.p.A. and the successful transition to the new operating model for the management of NPEs, realizes the NPE Strategy Plan through its implementation by doValue Greece for the assigned portfolio and the successful securitization transactions.

Troubled Assets Committee

The Troubled Assets Committee (TAC) is established according to the regulatory provisions and its main purpose is to act as an independent body, closely monitoring the Bank's troubled assets portfolio and the execution of its NPE Management Strategy.

Remedial and Servicing Strategy (RSS)

Eurobank established Remedial Servicing & Strategy Sector (RSS) with the mandate to devise the NPE reduction plan, to closely monitor the overall performance of the NPE portfolio as well as the relationship of the Bank with doValue Greece. Furthermore, following Eurobank's commitments against the significant risk transfer (SRT) monitoring regulatory requirements pertaining to Bank's concluded transactions, RSS has a pivotal role in ensuring that relevant process is performed smoothly and in a timely manner and that any shortcomings are appropriately resolved, while providing any required clarifications or additional material required by the regulatory authorities.

The Head of RSS reports to the General Manager of Group Strategy. In this context, RSS has been assigned inter alia with the following responsibilities:

- Develop and actively monitor the NPE targets and reduction plan
- Set the strategic principles, priorities, policy framework and KPIs under which doValue Greece is servicing the portfolio
- Closely monitor the execution of the approved strategies, as well as all contractual provisions under the relevant contractual agreements for Eurobank's portfolio assigned to doValue Greece including the securitized portfolio of ERB Recovery DAC
- Monitoring of the performance of the senior notes of the securitizations in collaboration with Group Risk so as to ensure compliance to significant risk transfer (SRT) and to the Hellenic Asset Protection Scheme (HAPS)
- Budget and monitor the Bank's expenses and revenues associated with the assigned portfolio
- Cooperate closely with doValue Greece on a daily basis in achieving the Group's objectives
- Maintain supervisory dialogue

NPE Operational targets

In line with the regulatory framework and Single Supervisory Mechanism's (SSM) requirements for Non-Performing Exposures' (NPE) management, in March 2023, the Group submitted its NPE Management Strategy for 2023-2025, along with the annual NPE stock targets at both Bank and Group level. The plan envisages the decrease of the Group's NPE ratio at 5.2% at the end of 2023 and at 4.5% in 2025.

5.2.1 Credit Risk

Credit risk is the risk that a counterparty will be unable to fulfill its payment obligations in full when due. Credit risk is also related with country risk and settlement risk, specified below:

a) Country risk is the risk of losses arising from cross-border lending and investment activities and refers to the uncertainty associated with exposure in a particular country. This uncertainty may relate to a number of factors including the risk of losses following nationalization, expropriation, debt restructuring and foreign exchange rates' movement.
b) Settlement risk is the risk arising when payments are settled, for example for trades in financial instruments, including derivatives and currency transactions. The risk arises when the Group remits payments before it can ascertain that the counterparties' payments have been received.

Credit risk arises principally from the wholesale and retail lending activities of the Group, as well as from credit enhancements provided, such as financial guarantees and letters of credit. The Group is also exposed to credit risk arising from other activities such as investments in debt securities, trading, capital markets and settlement activities. Taking into account that credit risk is the primary risk the Group is exposed to, it is very closely managed and monitored by specialised risk units, reporting to the GCRO.

(a) Credit approval process

The credit approval and credit review processes are centralized both in Greece and in the International operations. The segregation of duties ensures independence among executives responsible for the customer relationship, the approval process and the loan disbursement, as well as monitoring of the loan during its lifecycle.

Credit Committees

The credit approval process in Corporate Banking is centralized through establishment of Credit Committees with escalating Credit Approval Levels. Main Committees of the Bank are considered to be the following:

- Credit Committees (Central and Local) authorized to approve new financing, renewals or amendments for domestic groups in the existing credit limits, in accordance with their credit approval authority, depending on total limit amount and customer risk category (i.e. high, medium or low), as well as the value and type of security;
- Special Handling Credit Committees authorized to approve credit requests and take actions for distressed clients;
- International Credit Committees (Regional and Country) established for the wholesale borrowers of the Group's international bank subsidiaries, authorized to approve new limits, renewals or amendments to existing limits, in accordance with their credit approval authority, depending on total customer exposure and risk category (i.e. high, medium or low), as well as the value and type of security; and
- International Special Handling Committees established for handling distressed wholesale borrowers of the Group's international bank subsidiaries.

The Credit Committees meet on a weekly basis or more frequently, if needed.

Group Credit General Division (GCGD)

Within an environment of increased risk requirements, Group Credit General Division's (GCGD) mission is to safeguard the Banks' asset side, by evaluating credit risk and making recommendations, so that borrower's credit exposure is acceptable and within the approved Risk Appetite Framework. GCGD is headed by the Group Chief Credit Officer (GCCO) with direct reporting to the Group Chief Risk Officer (GCRO).

GCGD operations are comprised of two functions, i.e. the Corporate Credit Risk, including both the domestic and the foreign underwriting activities (the latter only for Global Clients and material exposures of International Subsidiaries), and Retail Credit Risk respectively, covering the underwriting needs of the SBB portfolio and the Household Lending (mortgage, consumer loans, auto-moto loans and credit cards).

1. Corporate Credit Risk

(a) Domestic and Greek related portfolio: the underwriting function includes the review of credit requests originating from Corporate Units handling large and medium scale corporate entities of every risk category and specialised lending units such as Shipping and Structured Finance (Commercial Real Estate, Hotels & Leisure, Project Finance, M&A Financing) and Private Banking. Major tasks of the respective workstream and involved credit units pertain to the following:

- Evaluation of credit applications and issuance of an independent Risk Opinion, which includes:
  (i) assessment of the customer credit profile based on the qualitative and quantitative risk factors identified (market, operational, structural and financial)

  (ii) recommendations for the formulation of bankable, well-secured and well-controlled transactions (credit facility), as well as

  (iii) review and confirmation of the ratings of each separate borrower to reflect the risks acknowledged.
- Participation with voting right in all credit committees as per the Credit Approval procedures.
- Active participation in the regulatory audits and major internal projects of the Bank, providing at the same time credit related knowledge, expertise and support to other divisions.
- Preparation of specialised reports to Management on a regular basis, with regards to the Top 25 largest, in terms of total exposure, borrower Groups, statistics on the new approved financings and leveraged transactions.

(b) International Subsidiaries' portfolio: The GCGD through its specialized International Credit Sector (ICS) is responsible to actively participate in the design, implementation and review of the credit underwriting function for the wholesale portfolio of the International Subsidiaries covering Bulgaria, Cyprus, Serbia, the ex-Romania portfolio (Perimeter B) and portion of the loan portfolio of Luxemburg (and London). Moreover, the respective unit's tasks and responsibilities are highlighted below:

- Participation with voting right in all International Committees (Regional and Special Handling) and Country Risk Committees (CRCs);
- Participation in the sessions of Special Handling Monitoring Committees for Bulgaria and Serbia which monitor and decide on the strategy of problematic corporate relationships with loan outstanding exceeding a certain threshold, that is jointly set by ICS and Country TAG;
- Advice on best practices to the Credit Risk Units of International Subsidiaries

GCGD is also responsible for the preparation of all credit committees' agendas, distribution of the respective material and maintenance of the respective Credit Committees' minutes.

2. Retail Credit Risk

The scope of the Retail Banking Credit Risk & Underwriting Sector is the assessment of credit applications submitted by Retail Business Units, in relation to Borrowers of the retail credit portfolio (SBB loans and Household loans) based on thresholds, for which an assessment by GCGD is required as per the provisions of the relevant Credit Approval Procedures. The main tasks of Retail Credit Risk function are outlined below:

- Assess credit requests in alignment with the credit risk assessment criteria and methodology provided in the appropriate Credit Policy Manual.
- Analyze and evaluate risk factors depending on the type of credit request.
- Prepare an independent Credit Opinion presenting the official GCGD opinion on the credit application and confirm, where required, the Borrower Rating for each Borrower in its portfolio ensuring that the risks identified are dully reflected in the Rating.
- Participate with voting rights in the credit committees as per the credit approval process, according to the Approval Levels defined in the CPM.
- Transfer of credit knowledge and expertise, as well as support to Network officers regarding credit matters.

(b) Credit risk monitoring

Group Credit Control Sector

The Group Credit Control Sector (GCCS) monitors and assesses the quality of all of the Group's loan portfolios and operates independently from the business units of the Bank. The GCCS reports directly to the GCRO.

The main responsibilities of the GCCS are to:

- supervise, support and maintain the credit rating and impairment systems used to assess the wholesale lending customers;
- monitor and review the performance of all of the Group's loan portfolios;
- supervise and control the foreign subsidiaries' credit risk management units;
- monitor on a regular basis and report on a quarterly basis to the Board of Directors and the BRC of risk exposures, along with accompanying analyses;
- monitor and evaluate the efficiency of adopted strategies and proposed solutions in terms of dealing with Non-Performing Exposures (NPEs) and the achievement of targets for NPEs reduction, as communicated and agreed with the Supervisory Authorities;

- conduct field reviews and prepare written reports to the Management on the quality of all of the Group's loan portfolios and adherence with EBA prevailing regulations;
- monitor the proper EBA classifications in accordance with the relevant provisions and guidelines;
- participate in the approval of new credit policies and new loan products;
- participate in the Troubled Asset Committee;
- attend meetings of Credit Committees and Special Handling Committees, without voting right;
- formulate the Group's credit impairment policy and measure the provisions of the Greek loan portfolios along with the relevant reporting to Management;
- regularly review the adequacy of provisions of all of the Group's loan portfolios;
- formulate, in collaboration with the responsible lending Units the credit policy manuals for performing borrowers;
- provide guidance and monitor the process of designing and reviewing credit policies before approved by Management.
- monitor the proper application of Real Estate collaterals' valuation, as per the Banks' Collateral Valuation policy and procedures;
- monitor the supervisory, regulatory developments, emerging trends and best practices within its purview in order to keep Management abreast and propose required actions;

Group Credit Risk Capital Adequacy Control Sector

The Group Credit Risk Capital Adequacy Control Sector develops and maintains the credit risk assessment models for the loans portfolio of the Group, performs capital adequacy calculations and assessment for the loan portfolios of the group, conducts internal & external stress test exercises as well as well as forecasting of risk parameters. The Sector reports directly to the GCRO.

Specifically, the main responsibilities of the Group Credit Risk Capital Adequacy Control Sector are to:

- control, measure and monitor the capital requirements arising from the Bank's loan portfolio along with the relevant reporting to Management and regulators (ECB/SSM);
- manage the models development, implementation, monitoring of the internal risk based models and IFRS9 models of Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD) for evaluating credit risk
- measure and monitor the risk parameters (PD, LGD, EAD) for the purposes of internal capital adequacy assessment, as well as, the estimation of risk related parameters (such as forecast 12-m PD, forecast lifetime PD) for impairment calculation purposes;
- review the grouping of lending exposures and ensuring their homogeneity in accordance with the Group's IFRS accounting policies
- re-assess and re-develop if required, the significant increase in credit risk (SICR) thresholds under IFRS9 standard;
- prepare monthly capital adequacy calculations (Pillar 1) and relevant management, as well as, regulatory reports (COREPs, SREP) on a quarterly basis;
- participate in the preparation of the business plan, the NPE targets plan and the recovery plan of the Group in relation to asset quality and capital requirements for the loan book (projected impairments and RWAs), as well as participate in the relevant committees;
- perform stress tests, both internal and external (EBA/SSM), and maintain the credit risk stress testing infrastructure;
- coordinate the stress testing exercises for the loan portfolios at Group Level;
- prepare the credit risk analyses for Internal Capital Adequacy Assessment (ICAAP)/ Pillar 2 purposes;
- prepare the Basel Pillar 3 disclosures for credit risk;
- regularly report to the GCRO, to the Management Risk Committee and to the Board Risk Committee on: risk models performance, risk parameters (PD, LGD, EAD), forbearance reporting, vintage analysis and default / redefault statistics;;
- guide, monitor and supervise the Credit Risk divisions of the subsidiaries on modelling, credit stress testing and other credit risk related regulatory issues.
- monitor and guide Group's international subsidiaries on credit risk related ICAAP, stress testing and other regulatory credit risk related issues, based on Group standards. Review of local credit risk stress test exercises;

- support the business units in the use of credit risk models in business decisions, for funding purposes, in the capital impact assessment of strategic initiatives and the development and usage of risk related metrics such as risk adjusted pricing, Risk Adjusted Return on Capital (RAROC) etc.; and
- assist Remedial Servicing Strategy Sector in the risk assessment and risk impact of various programs and products.

Group Model Validation and Governance Sector

The Group Model Validation and Governance Sector was established in September 2018, with key mandates:

- the establishment of a comprehensive model governance and validation framework, and
- the independent validation of the technical and operational completeness of all models used by the Group and their parameters, as well as their compliance with the provisions of the regulatory framework.

In more detail, the tasks of the Sector are outlined as follows:

- Prepare and update the Group's Models Framework (to include model definition, roles involved per model, model classification principles and methodology, model validation principles, materiality classifications and thresholds, models' registry governance, etc.);
- Establish and update the Group's Models Registry;
- Review models' classification, in accordance with the methodology provided in the Group Models Framework;
- Prepare and update the Group Models Validation Framework, while providing support to Group's subsidiaries in its implementation;
- Monitor changes in ECB guidelines on models' validation;
- Propose and escalate for approval the quantitative thresholds, in order to assess the results of the validation tests;
- Conduct model validation tests in alignment with the Group Model Validation Framework and regulatory requirements;
- Prepare detailed reports of the model valuation results according to the specific requirements of the model validated, if any, which are communicated to BRC on an annual basis along with any related proposed remediation plan;
- Disseminate models' validation test results within the Group's BRC or MRC following reporting to Group CRO, as appropriate;
- Prepare action plan for remediation actions, if any, as a result of the model validation tests implemented, and escalate the plan for its approval by the appropriate Management Authority;
- Participate in the approval process of new models for assessing ratings' system accuracy and suitability; and
- Monitor industry practices on the development and use of models as well as related ECB guidelines and restrictions.

Group Market and Counterparty Risk Sector

Group Market and Counterparty Risk Sector (GMCRS) is responsible for the measurement, monitoring and periodic reporting of the Group's exposure to counterparty risk (issuer risk and market driven counterparty risk), which is the risk of loss due to the customer's failure to meet its contractual obligations in the context of treasury positions, such as debt securities, derivatives, repos, reverse repos, interbank placings, etc.

In addition, GMCRS monitors, controls and regularly reports country limits, exposures and escalates breaches to the Management and to Committees. GMCRS uses a comprehensive methodology approved by the BRC, for determining the acceptable country risk level, including the countries in which the Group has a strategic presence.

The Group sets limits on the level of counterparty risk that are based mainly on the counterparty's credit rating, as provided by international rating agencies, the product type and the maturity of the transaction (e.g. control limits on net open derivative positions by both amount and term, sovereign bonds exposure, corporate securities, asset backed securities etc.).

GMCRS maintains and updates the limits' monitoring systems and ensures the correctness and compliance of all financial institutions limits with the Bank's policies as approved by the Group's relevant bodies.

The utilization of the abovementioned limits, any excess of them, as well as the aggregate exposure per Group's entity, counterparty and product type are monitored by GMCRS on a daily basis. Risk mitigation contracts are taken into account for the calculation of the final exposure.

Also, GMCRS ensures that the exposure arising from counterparties complies with the approved country limits framework. The GMCRS's exposure measurement and reporting tool is also available to the Group's subsidiaries treasury divisions, thus enabling them to monitor each counterparty's exposure and the limit availability.

Additionally, for the banks' corporate bond portfolio, GMCRS measures and monitors daily the total notional limits, the sectoral concentration and the maximum size per issuer. It uses a measurement tool for monitoring any downgrades and any idiosyncratic spread widening from purchase and any breach is communicated to the Management and to the relevant Committees.

GMCRS implements the market's best practices and safeguards the compliance of all involved parties to limits' policies and procedures. To this direction, for various units and International subsidiaries, GMCRS provides support and guidance for implementation of the limits' guidelines and policies.

Furthermore, GMCRS prepares specialized reports for the Management/Committees along with regular reporting that includes the exposure to the Hellenic Republic and a report that is based on the calculation of the Lifetime Expected Losses for the exposure towards the Hellenic Republic (HR).

(c) Credit related commitments

The primary purpose of credit related commitments is to ensure that funds are available to a customer as agreed. Financial guarantee contracts carry the same credit risk as loans since they represent irrevocable assurances that the Group will make payments in the event that a customer cannot meet its obligations to third parties. Documentary and commercial letters of credit, which are written undertakings by the Group on behalf of a customer authorizing a third party to draw drafts on the Group up to a stipulated amount under specific terms and conditions, are secured by the underlying shipment of goods to which they relate and therefore carry less risk than a loan. Commitments to extend credit represent contractual commitments to provide credit under pre-specified terms and conditions (note 42) in the form of loans, guarantees or letters of credit for which the Group usually receives a commitment fee. Such commitments are irrevocable over the life of the facility or revocable only in response to a material adverse effect.

(d) Concentration risk

The Group structures the levels of credit risk it undertakes by placing exposure limits by borrower, or groups of borrowers, and by industry segments. The exposure to each borrower is further restricted by sub-limits covering on and off-balance sheet exposures, and daily delivery risk limits in relation to trading items such as forward foreign exchange contracts.

Such risks are monitored on a revolving basis and are subject to an annual or more frequent review. Risk concentrations are monitored regularly and reported to the BRC. Such reports include the 25 largest exposures, major watch list and problematic customers, industry analysis, analysis by rating/risk class, by delinquency bucket, and loan portfolios by country.

(e) Rating systems

Rating of wholesale lending exposures

The Group has decided upon the differentiation of rating models for wholesale lending activities, in order to reflect appropriately the risks arising from customers with different characteristics. Accordingly, the Group employs the following rating models for the wholesale portfolio:

- Moody's Risk Analyst model ("MRA" or "Fundamental Analysis"-"FA") is used to assess the risk of borrowers for Corporate Lending.
- Internal Credit Rating model ("ICR") is used for those customers that cannot be rated by MRA.
- Transactional Rating model ("TR") has been developed in order to assess the risk of transactions taking into consideration their collaterals/guarantees.
- Slotting rating models are employed in view of assessing the risk of specialized exposures, which are part of the Specialized Lending corporate portfolio.

- Finally, an assessment of the borrowers' viability and the identification of impairment triggers is performed using the "Unlikely to Pay" ("UTP") / impairment test.

MRA, ICR, Slotting and "UTP" functions are supported by the CreditLens ("CL") computing platform provided by an external provider (Moody's Analytics), while the TR is internally developed and is being supported by the core applications of the Bank.

MRA follows the Moody's fundamental analysis (FA) approach. The FA models belong to a family of models defined as Knowledge Based Systems and rely on a probabilistic reasoning approach. They use quantitative and qualitative information of individual obligors in order to assess their creditworthiness and determine their credit rating. In particular, MRA takes into account the company's balance sheets, profit & loss accounts and cash flow statements to calculate key ratios. Its ratio analysis includes assessments of each ratio's trend across multiple periods, both in terms of the slope and volatility of the trend. It also compares the value of the ratio for the most recent period with the quartile values for a comparable peer group. Moreover, MRA is supplied with a commonly used set of qualitative factors relating to the quality of the company's management, the standing of the company, including the company's transaction behavior towards the Bank, and the perceived riskiness of the industry. MRA is used for the assessment of all legal entities with full accountancy tax books irrespective of their legal form, and is calibrated on the Greek corporate environment.

The MRA is not employed for certain types of entities that use different accounting methods to prepare their financial statements, such as Insurance companies and brokerage firms. Moreover, entities such as start-ups that have not produced financial information for at least two annual accounting periods are not rated with MRA. In such cases, the Internal Credit Rating ("ICR") is utilized, which is a scorecard consisting of a set of factors grouped into 3 main sections corresponding to particular areas of analysis: Financial Information, Qualitative Criteria, and Behavior Analysis. In addition, the Group performs an overall assessment of wholesale customers, based both on their rating (MRA or ICR) and the collaterals and guarantees regularly at every credit assessment. In 2021, in combination with the application of the new Definition of Default, the Bank calibrated its MRA and ICR models, which were approved by the regulatory authorities.

With reference to Specialized Lending portfolio (for which the Bank is using Slotting rating models) and in line with European Banking Authority (EBA) definitions, it comprises types of exposures towards entities specifically created to finance or operate physical assets, where the primary source of income and repayment of the obligation lies directly with the assets being financed. Accordingly, three of its product lines that are included in the Specialized Lending exposure class: Project Finance (assessed with the Project Finance Scorecard), Commercial Real Estate (assessed with the CRE investor & CRE Developer Scorecards) and Object Finance (assessed with the Object Finance Scorecard tailored for the Shipping portfolio).

In addition, the Group has developed an Unlikely to Pay/Impairment test. Unlikeliness to pay refers to circumstances when a Borrower 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 days past due (i.e. to exposures less than 90 dpd). The impairment test , which is performed to all borrowers during every credit assessment is implemented in the CL platform and includes clearly defined indicators of unlikeliness to pay (UTP). These indicators are separated in "Hard" and "Soft" UTP triggers.

- Hard UTP indicators lead directly to a recognition of non-performing (automatic NPE classification), as in most cases these events, by their very nature, directly fulfil the definition of UTP and there is little room for interpretation.
- Soft UTP triggers when applied, do not automatically mean that an exposure is non-performing, but that a thorough assessment should be performed (assessment prior to NPE classification).

The Bank has further enhanced its wholesale credit risk assessment models linking risk parameters estimation with macro-economic factors allowing the forecasting of rating transitions under different macroeconomic scenarios (base, adverse and optimistic).

The rating systems described above are an integral part of the wholesale banking decision-making and risk management processes:

- the credit approval or rejection, both at the origination and review process;
- the allocation of competence levels for credit approval;
- risk-adjusted pricing;
- the calculation of Economic Value Added (EVA) and internal capital allocation; and

- the impairment calculation (staging criteria and subsequent ECL estimation of forecasted risk parameters).

Rating of retail lending exposures

The Group assigns credit scores to its retail customers using a number of statistically-based models both at the origination and on ongoing basis through behavioral scorecards. These models have been developed to predict, on the basis of available information, the probability of default, the loss given default and the exposure at default. They cover the entire spectrum of retail products (credit cards, consumer lending, unsecured revolving credits, car loans, personal loans, mortgages and small business loans).

The Bank's models were developed based on historical data and credit bureau data. Behavioral scorecards are calculated automatically on a monthly basis, thus ensuring that the credit risk assessment is up to date.

The models are applied in the credit approval process, the credit limits management, as well as the collection process for the prioritization of the accounts in terms of handling. Furthermore, the models are often used for the risk segmentation of the customers and the risk based pricing of particular segments or new products introduced as well as in the calculation of the Economic Value Added (EVA) and Risk Adjusted Return on Capital (RaRoC) measures.

The rating systems employed by the Bank meets the requirements of the Basel III-Internal Ratings Based (IRB) approach. The Bank is IRB certified since 2008 for the Greek portfolios, both wholesale and retail (as detailed in Basel III, Pillar 3 disclosures available at the Bank's website).

In the context of IFRS9 implementation, the Bank has further enhanced its retail credit risk assessment models linking risk parameters estimation with macro-economic factors allowing their forecasting over one year and lifetime horizon under different macroeconomic scenarios (base, adverse and optimistic) and supporting the staging analysis and allocation to risk classes under homogeneous pools.

The Group Credit Risk Capital Adequacy Control Sector monitors the capacity of rating models and scoring systems to classify customers according to risk, as well as to predict the probability of default and loss given default and exposure at default on an ongoing basis. The Group Models Validation and Governance Sector implements the Bank's validation policy which complies with international best practices and regulatory requirements. The Bank verifies the validity of the rating models and scoring systems on an annual basis and the validation includes both quantitative and qualitative aspects. The validation procedures are documented, and regularly reviewed and reported to the BRC.

The Group's Internal Audit Division also independently reviews the validation process in wholesale and retail rating systems annually.

(f) Credit risk mitigation

A key component of the Group's business strategy is to reduce risk by utilizing various risk mitigating techniques. The most important risk mitigating means are collaterals' pledges, guarantees and master netting arrangements.

Types of collateral commonly accepted by the Group

The Group has internal policies in place which set out the following types of collateral that are usually accepted in a credit relationship:

- residential real estate, commercial real estate (offices, shopping malls, etc.), industrial buildings and land;
- receivables (trade debtors) and post dated cheques;
- securities, including listed shares and bonds;
- deposits;
- guarantees and letters of support;
- insurance policies; and
- equipment, mainly, vehicles and vessels.

A specific coverage ratio is pre-requisite, upon the credit relationship's approval and on ongoing basis, for each collateral type, as specified in the Group's credit policy.

For exposures, other than loans to customers (i.e. reverse repos, derivatives), the Group accepts as collateral only cash or liquid bonds.

Valuation principles of collaterals

In defining the maximum collateral ratio for loans, the Group considers all relevant information available, including the collaterals' specific characteristics, if market participants would take those into account when pricing the relevant assets. The valuation and hence eligibility is based on the following factors:

- the collateral's fair value, i.e. the exit price that would be received to sell the asset in an orderly transaction under current market conditions;
- the fair value reflects market participants' ability to generate economic benefits by using the asset in its highest and best use or by selling it;
- a reduction in the collateral's value is considered if the type, location or condition (such as deterioration and obsolescence) of the asset indicate so; and
- no collateral value is assigned if a pledge is not legally enforceable.

The Group performs collaterals' valuation in accordance with its processes and policies. With the exception of special cases (e.g. syndicated loans), the real estate collaterals of all units are valued by Cerved Property Services S.A. ("CPS") who is the successor of the Bank's former subsidiary, Eurobank Property Services S.A. CPS is regulated by the Royal Institute of Chartered Surveyors and employs internal or external qualified appraisers based on predefined criteria (qualifications and expertise). All appraisals take into account factors such as the region, age and marketability of the property, and are further reviewed and countersigned by experienced staff. The valuation methodology employed is based on International Valuation Standards (IVS), while quality controls are in place, such as reviewing mechanisms, independent sample reviews by independent well established valuation companies.

In order to monitor the valuation of residential property held as collateral, the Bank uses the Residential Property Index of the Bank of Greece. The index has been created by the Real Estate Market Analysis Section of BoG using detailed information collected from all Credit Institutions and Real Estate Investment Companies (REIC) operating in Greece. The Residential Property Index is used in combination with physical inspection and desktop valuation, depending on the EBA status and the balance of the loan.

For commercial real estates, the Bank uses the Commercial Real Estate Index developed by CPS. This index is derived through a combination of CPS & BoG CRE indices and it is based on internationally accepted methodology. It constitutes a tool for the statistical monitoring of possible changes of the values of the commercial properties as well as for the trends in the particular market. It is updated on an annual basis. The Commercial Real Estate Index is used in combination with physical inspection and desktop valuation, depending on the EBA status and the balance of the loan.

To ensure the quality of the post-dated cheques accepted as collateral, the Bank has developed a pre-screening system, which takes into account a number of criteria and risk parameters, so as to evaluate their eligibility. Furthermore, the post-dated cheques' valuation is monitored through the use of advanced statistical reports and through the review of detailed information regarding the recoverability of cheques, referrals and bounced cheques, per issuer broken down.

Collateral policy and documentation

Regarding collaterals, Group's policy emphasizes the need that collaterals and relevant processes are timely and prudently executed, in order to ensure that collaterals and relevant documentation are legally enforceable at any time. The Group holds the right to liquidate collateral in the event of the obligor's financial distress and can claim and control cash proceeds from the liquidation process.

Guarantees

The guarantees used as credit risk mitigation by the Group are largely issued by central and regional governments in the countries in which it operates. The Hellenic Development Bank (HDB) and similar funds, banks and insurance companies are also significant guarantors of credit risk.

Management of repossessed properties

The objective of the repossessed assets' management is to minimize the time cycle of the asset's disposal and to maximize the recovery of the capital engaged.

To this end, the management of repossessed assets aims at improving rental and other income from the exploitation of such assets, and at the same time reducing the respective holding and maintenance costs. Additionally, the Group is actively engaged in identifying suitable potential buyers for its portfolio of repossessed assets (including specialized funds involved in acquiring specific portfolios of properties repossessed), both in Greece and abroad, in order to reduce its stock of properties with a time horizon of 3-5 years.

Repossessed assets are closely monitored based on technical and legal due diligence reports, so that their market value is accurately reported and updated in accordance with market trends.

Counterparty risk

The Group mitigates counterparty risk arising from treasury activities by entering into master netting arrangements and similar agreements, as well as collateral agreements with counterparties with which it undertakes a significant volume of transactions. Master netting arrangements do not generally result in the offset of balance sheet assets and liabilities, as the transactions are usually settled on a gross basis. However, the respective credit risk is reduced through a master netting agreement to the extent that if an event of default occurs, all amounts with the counterparty are terminated and settled on a net basis.

In the case of derivatives, the Group makes use of International Swaps and Derivatives Association (ISDA) contracts, which limit the exposure via the application of netting, and Credit Support Annex (CSAs), which further reduce the total exposure with the counterparty. Under these agreements, the total exposure with the counterparty is calculated on a daily basis taking into account any netting arrangements and collaterals.

The same process is applied in the case of repo transactions where standard Global Master Repurchase Agreements (GMRAs) are used. The exposure (the net difference between repo cash and the market value of the securities) is calculated on a daily basis and collateral is transferred between the counterparties thus minimizing the exposure.

Following the European Market Infrastructure Regulation (EMIR), the Bank performs centrally cleared transactions for eligible derivative contracts through an EU authorized European central counterparty (CCP), recorded in trade repositories. The use of CCP increases market transparency and reduces counterparty credit and operational risks inherent in derivatives markets.

The Bank uses a comprehensive collateral management system for the monitoring of ISDA, CSAs and GMRAs, i.e. the daily valuation of the derivatives and the market value of the securities are used for the calculation of each counterparty's exposure. The collateral which should be posted or requested by the relevant counterparty is calculated daily.

With this system, the Bank monitors and controls the collateral flow in case of derivatives and repos, independently of the counterparty. The effect of any market movement that increases the Bank's exposure is reported and the Bank proceeds to collateral call accordingly.

5.2.1.1 Maximum exposure to credit risk before collateral held

	2022 € million		2021 € million	
Credit risk exposures relating to on-balance sheet assets are as follows:				
Due from credit institutions	1,330		2,511	
Less: Impairment allowance	(1)	**1,329**	(1)	2,510
Debt securities held for trading		**87**		69
Derivative financial instruments		**1,185**		1,949
Loans and advances to customers at amortised cost:				
- Wholesale lending(1)	26,054		23,716	
- Mortgage lending	10,201		10,105	
- Consumer lending	3,353		3,242	
- Small business lending	3,842		3,753	
Less: Impairment allowance	(1,626)	**41,824**	(1,872)	38,943
Fair value changes of loans in portfolio hedging of interest rate risk		**(163)**		-
Loans and advances to customers measured at FVTPL		**16**		23
Investment securities:				
- Debt securities measured at amortised cost	9,214		4,672	
Less: Impairment allowance	(22)	**9,192**	(6)	4,666
Debt securities measured at FVOCI		**3,828**		6,509
Investment securities at FVTPL		**241**		141
Other financial assets(2)	202		190	
Less: Impairment allowance	(23)	**179**	(28)	162
Credit risk exposures relating to off-balance sheet items (note 42):				
- Loan commitments		**7,611**		5,139
- Financial guarantee contracts and other commitments		**2,860**		1,702
Total		**68,189**		61,814

(1) Includes loans to public sector.

(2) Refers to financial assets subject to IFRS 9 impairment requirements, which are recognised within other assets.

The above table represents the Group's maximum credit risk exposure as at 31 December 2022 and 31 December 2021 respectively, without taking account of any collateral held or other credit enhancements that do not qualify for offset in the Group's financial statements.

For on-balance sheet assets, the exposures set out above are based on the carrying amounts as reported in the balance sheet. For off-balance sheet items, the maximum exposure is the nominal amount that the Group may be required to pay if the financial guarantee contracts and other commitments are called upon and the loan commitments are drawn down. Off-balance sheet loan commitments presented above, include revocable commitments to extend credit of € 3.7 billion (2021: € 3.6 billion) that are subject to ECL measurement.

5.2.1.2 Loans and advances to customers

The section below provides an overview of the Group's exposure to credit risk arising from its customer lending portfolios, in line with the guidelines set by the Hellenic Capital Markets Commission and the Bank of Greece (BoG) released on 30 September 2013, as updated by the Group in order to comply with the revised IFRS 7 'Financial Instruments: Disclosures', following the adoption of IFRS 9 from 2018. In addition, the types of the Group's forbearance programs are in line with the BoG's Executive Committee Act 42/30.05.2014 and its amendments.

(a) Credit quality of loans and advances to customers

Loans and advances to customers carried at amortised cost are classified depending on how ECL is measured.

Accordingly, loans reported as non-impaired include loans for which a '12-month ECL allowance' is recognized as they exhibit no significant increase in credit risk since initial recognition and loans for which a 'Lifetime ECL allowance' is recognized as they exhibit a significant increase in credit risk since initial recognition but are not considered to be in default.

Credit impaired loans category includes loans that are considered to be in default, for which a loss allowance equal to a 'Lifetime ECL' is recognized, and loans classified as 'Purchased or originated credit impaired' (POCI) which are always measured on the basis of a 'Lifetime ECL'. From 1 January 2021 onwards, the Group applies a default definition for accounting purposes, which is consistent with the European Banking Authority (EBA) definition for non-performing exposure and regulatory definition of default.

Loans and advances to customers carried at FVTPL are not subject to ECL measurement and therefore are not included in the quantitative information provided in the below sections for loans and advances measured at amortised cost, except where indicated. The Group's accounting policy for impairment of financial assets is set out in note 2.2.13.

Quantitative information

The following quantitative analysis presents information about the total gross carrying amount of loans and advances including securitization notes issued by special purpose entities established by the Group, and the nominal amount of credit related commitments, that are classified as non-impaired (stage 1 and stage 2) and those classified as credit-impaired (stage 3 and POCI). It also presents the impairment allowance recognized in respect of all loans and advances and credit related commitments, analyzed into individually or collectively assessed, based on how the respective impairment allowance has been calculated, the carrying amount of loans and advances, as well as the value of collateral held to mitigate credit risk which is capped to the respective gross loan amount. In particular, the following four tables for 2022 and 2021 provide:

- a summary of the credit quality of lending exposures and credit related commitments, presenting product line, stage allocation, respective impairment allowance and collateral held
- the classification of lending exposures and credit related commitments into the internal credit rating categories,
- the movement of the gross carrying amounts for loans and advances to customers by product line and stage,
- the ageing analysis of credit impaired (Stage 3 and POCI) loans and advances to customers

Public Sector lending exposures include exposures to the central government, local authorities, state-linked companies and entities controlled and fully or partially owned by the state, excluding public and private companies with commercial activity. For credit risk management purposes, exposures to Public Sector are incorporated in wholesale lending.

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The following tables present summary information about the credit quality (stage analysis, impairment allowance and collateral held per product line) of loans and advances to customers carried at amortised cost and credit related commitments. In addition, they include the fair value changes of loans in portfolio hedging of interest rate risk and the loans and advances to customers carried at FVTPL for the purpose of reconciliation with the total carrying amount of loan and advances to customers:

	31 December 2022										
						Impairment allowance					
			Lifetime ECL - Stage 3 and POCI[1]					Lifetime ECL - Stage 3 and POCI[1]			
	12-month ECL - Stage 1 € million	Lifetime ECL - Stage 2 € million	Individually assessed € million	Collectively assessed € million	Total gross carrying amount/nominal exposure € million	12-month ECL - Stage 1 € million	Lifetime ECL - Stage 2 € million	Individually assessed € million	Collectively assessed € million	Carrying amount € million	Value of collateral € million
Retail Lending	**12,169**	**3,992**	**105**	**1,131**	**17,396**	**(81)**	**(280)**	**(73)**	**(571)**	**16,392**	**11,598**
- Mortgage	6,832	2,825	50	495	10,201	(21)	(160)	(41)	(188)	9,792	
Value of collateral	*6,563*	*2,378*	*22*	*385*							*9,348*
- Consumer	2,028	357	0	214	2,599	(31)	(42)	(0)	(149)	2,376	
Value of collateral	*125*	*2*	*0*	*3*							*130*
- Credit card	642	70	0	42	755	(6)	(6)	(0)	(37)	705	
Value of collateral	*0*	*0*	*0*	*0*							*0*
- Small business	2,668	740	54	380	3,842	(23)	(72)	(32)	(197)	3,518	
Value of collateral	*1,347*	*550*	*25*	*198*							*2,120*
Wholesale Lending	**23,424**	**1,581**	**841**	**182**	**26,028**	**(68)**	**(75)**	**(368)**	**(109)**	**25,408**	**16,836**
- Large corporate	14,865	794	284	19	15,961	(40)	(27)	(139)	(11)	15,744	
Value of collateral	*7,890*	*551*	*165*	*11*							*8,618*
- SMEs	3,658	787	557	163	5,166	(28)	(48)	(228)	(99)	4,763	
Value of collateral	*2,238*	*601*	*387*	*91*							*3,317*
- Securitized notes[2]	4,901	-	-	-	4,901	(0)	-	-	-	4,901	
Value of collateral	*4,901*	-	-	-							*4,901*
Public Sector	**25**	**0**	**1**	**0**	**26**	**(0)**	**(0)**	**(1)**	**(0)**	**25**	**0**
- Greece	25	-	-	0	25	(0)	-	-	(0)	24	
Value of collateral	*0*	-	-	*0*							*0*
- Other countries	0	0	1	-	1	(0)	(0)	(1)	-	1	
Value of collateral	*0*	-	-	-							*0*
Fair value changes of loans in portfolio hedging of interest rate risk										**(163)**	
Loans and advances to customers at FVTPL										**16**	**16**
Total	**35,618**	**5,573**	**946**	**1,313**	**43,450**	**(149)**	**(355)**	**(441)**	**(680)**	**41,677**	**28,450**
Total value of collateral	**23,065**	**4,082**	**599**	**688**							
Credit related commitments	**10,129**	**289**	**36**	**17**	**10,471**	**(20)**	**(6)**	**(24)**	**(7)**		
Loan commitments	7,429	178	3	1	7,611	(12)	(5)	(1)	(0)		
Financial guarantee contracts and other commitments	2,701	110	33	16	2,860	(8)	(2)	(23)	(7)		
Value of collateral	*1,113*	*56*	*9*	*5*							

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	31 December 2021										
						Impairment allowance					
			Lifetime ECL - Stage 3 and POCI[1]					Lifetime ECL - Stage 3 and POCI[1]			
	12-month ECL - Stage 1 € million	Lifetime ECL - Stage 2 € million	Individually assessed € million	Collectively assessed € million	Total gross carrying amount/nominal exposure € million	12-month ECL - Stage 1 € million	Lifetime ECL - Stage 2 € million	Individually assessed € million	Collectively assessed € million	Carrying amount € million	Value of collateral € million
Retail Lending	11,984	3,790	119	1,205	17,099	(102)	(235)	(73)	(581)	16,108	11,360
- Mortgage	6,871	2,735	54	444	10,105	(17)	(138)	(36)	(134)	9,780	
Value of collateral	6,474	2,245	27	337							9,083
- Consumer	1,905	267	2	217	2,391	(35)	(31)	(1)	(136)	2,188	
Value of collateral	107	1	2	3							112
- Credit card	667	45	0	138	850	(9)	(7)	(0)	(120)	714	
Value of collateral	1	0	0	0							1
- Small business	2,540	744	63	406	3,753	(41)	(58)	(36)	(190)	3,427	
Value of collateral	1,391	555	29	190							2,164
Wholesale Lending	20,564	1,668	1,168	282	23,681	(68)	(76)	(599)	(137)	22,802	16,118
- Large corporate	11,694	726	389	23	12,831	(39)	(37)	(183)	(13)	12,559	
Value of collateral	6,474	478	255	9							7,217
- SMEs	3,764	941	779	259	5,744	(29)	(38)	(416)	(124)	5,137	
Value of collateral	2,501	717	449	128							3,795
- Securitized notes[2]	5,106	-	-	-	5,106	(0)	-	-	-	5,106	
Value of collateral	5,106	-	-	-							5,106
Public Sector	31	3	-	2	35	(1)	(0)	-	(1)	33	2
- Greece	30	2	-	1	33	(1)	(0)	-	(1)	31	
Value of collateral	1	1	-	0							2
- Other countries	1	0	-	1	2	(0)	(0)	-	(0)	1	
Value of collateral	0	-	-	-							0
Loans and advances to customers at FVTPL										23	23
Total	32,578	5,461	1,287	1,489	40,815	(171)	(311)	(672)	(718)	38,967	27,503
Total value of collateral	22,055	3,998	762	666							
Credit related commitments	6,397	393	32	19	6,841	(14)	(6)	(23)	(5)		
Loan commitments	4,871	263	3	2	5,139	(9)	(3)	(1)	(0)		
Financial guarantee contracts and other commitments	1,526	130	29	17	1,702	(5)	(3)	(22)	(5)		
Value of collateral	935	51	6	7							

[1] As at 31 December 2022, total gross carrying amount of credit impaired loans includes POCI loans of € 43 million and carry an impairment allowance of € 6.5 million (2021: € 44 million gross carrying amount, of which € 9.3 million arose from the merger of Eurobank A.D. Beograd with Direktna Banka a.d. and € 6.4 million impairment allowance).

[2] It refers to the senior notes of the Pillar, Cairo and Mexico securitizations that are collateralized by the underlying pool of loans held by the respective securitization vehicles (note 20). The amount of the securitized loan portfolios has been capped to the gross carrying amount of the senior notes. In addition, the senior notes of the Cairo and Mexico securitizations are guaranteed by the Hellenic Republic in the context of Hellenic Asset Protection Scheme (note 20).

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The Group assesses the credit quality of its loans and advances to customers and credit related commitments that are subject to ECL using internal credit rating systems for the wholesale portfolio, which are based on a variety of quantitative and qualitative factors, while the credit quality of the retail portfolio is based on the allocation of risk classes into homogenous pools.

The following tables present the distribution of the gross carrying amount of loans and advances and the nominal exposure of credit related commitments based on the credit quality classification categories and stage allocation:

Internal credit rating	31 December 2022				31 December 2021			
	12-month ECL-Stage 1 € million	Lifetime ECL-Stage 2 € million	Lifetime ECL - Stage 3 and POCI € million	Total gross carrying amount € million	12-month ECL - Stage 1 € million	Lifetime ECL - Stage 2 € million	Lifetime ECL - Stage 3 and POCI € million	Total gross carrying amount € million
Retail Lending								
- Mortgage								
PD<2.5%	6,460	1,167	-	7,627	5,738	417	-	6,155
2.5%<=PD<4%	265	284	-	549	554	465	-	1,019
4%<=PD<10%	66	437	-	502	504	1,134	-	1,638
10%<=PD<16%	20	553	-	573	39	282	-	321
16%<=PD<99.99%	21	384	-	405	37	436	-	473
100%	-	-	545	545	-	-	498	498
- Consumer								
PD<2.5%	287	8	-	294	131	13	-	144
2.5%<=PD<4%	707	34	-	742	805	22	-	827
4%<=PD<10%	964	133	-	1,097	903	83	-	987
10%<=PD<16%	46	11	-	57	50	12	-	62
16%<=PD<99.99%	23	172	-	194	15	137	-	152
100%	-	-	214	214	-	-	219	219
- Credit card								
PD<2.5%	372	5	-	377	429	4	-	433
2.5%<=PD<4%	263	41	-	304	233	27	-	260
4%<=PD<10%	6	4	-	11	4	5	-	9
10%<=PD<16%	0	5	-	5	0	1	-	1
16%<=PD<99.99%	0	15	-	15	0	8	-	9
100%	-	-	42	42	-	-	139	139
- Small business								
PD<2.5%	1,328	48	-	1,376	1,413	26	-	1,439
2.5%<=PD<4%	498	63	-	561	232	12	-	244
4%<=PD<10%	652	47	-	699	657	81	-	738
10%<=PD<16%	47	165	-	213	78	137	-	214
16%<=PD<99.99%	143	417	-	559	161	488	-	649
100%	-	-	434	434	-	-	469	469
Wholesale Lending								
- Large corporate								
Strong	10,572	0	-	10,572	7,417	16	-	7,434
Satisfactory	4,127	432	-	4,559	4,070	427	-	4,497
Watch list	165	362	-	527	206	283	-	489
Impaired (Defaulted)	-	-	303	303	-	-	411	411
- SMEs								
Strong	1,090	9	-	1,098	1,049	20	-	1,069
Satisfactory	2,318	321	-	2,639	2,399	356	-	2,755
Watch list	250	458	-	708	316	565	-	882
Impaired (Defaulted)	-	-	720	720	-	-	1,039	1,039
- Securitized notes								
Strong	4,901	-	-	4,901	5,106	-	-	5,106
Public Sector								
All countries								
Strong	25	-	-	25	22	-	-	22
Satisfactory	-	-	-	-	3	0	-	3
Watch list	-	0	-	0	6	2	-	8
Impaired (Defaulted)	-	-	1	1	-	-	2	2
Total	**35,618**	**5,573**	**2,259**	**43,450**	32,578	5,461	2,776	40,815

	31 December 2022				31 December 2021			
Internal credit rating	**12-month ECL-Stage 1 € million**	**Lifetime ECL-Stage 2 € million**	**Lifetime ECL - Stage 3 and POCI € million**	**Total nominal amount € million**	12-month ECL-Stage 1 € million	Lifetime ECL-Stage 2 € million	Lifetime ECL - Stage 3 and POCI € million	Total nominal amount € million
Credit Related Commitments								
Retail Lending								
Loan commitments								
PD<2.5%	1,455	14	-	1,469	1,479	5	-	1,484
2.5%<=PD<4%	1,025	62	-	1,088	845	45	-	890
4%<=PD<10%	541	30	-	571	415	96	-	511
10%<=PD<16%	33	3	-	37	39	10	-	49
16%<=PD<99.99%	1	13	-	14	0	6	-	6
100%	-	-	1	1	-	-	2	2
Financial guarantee contracts and other commitments								
PD<2.5%	81	0	-	81	92	-	-	92
2.5%<=PD<4%	77	1	-	78	39	-	-	39
4%<=PD<10%	22	0	-	22	11	0	-	11
10%<=PD<16%	-	0	-	0	-	0	-	0
16%<=PD<99.99%	0	2	-	2	1	0	-	1
100%	-	-	1	1	-	-	1	1
Wholesale Lending								
Loan commitments								
Strong	3,126	0	-	3,126	1,145	34	-	1,179
Satisfactory	1,241	37	-	1,278	902	58	-	960
Watch list	6	18	-	24	47	9	-	56
Impaired (Defaulted)	-	-	3	3	-	-	3	3
Financial guarantee contracts and other commitments								
Strong	1,940	10	-	1,950	883	1	-	884
Satisfactory	552	36	-	588	466	64	-	530
Watch list	28	62	-	90	34	65	-	99
Impaired (Defaulted)	-	-	48	48	-	-	45	45
Total	**10,129**	**289**	**53**	**10,471**	**6,397**	**393**	**51**	**6,841**

The table below depicts the internal credit rating bands (MRA rating scale or equivalent) for the wholesale portfolio that correspond to the credit quality classification categories presented in the above tables:

	Wholesale Lending	
Credit Quality classification categories	**Internal Credit Rating Large Corporate**	**Internal Credit Rating SMEs**
Strong	1-4	1-3
Satisfactory	5-6	4-6
Watch list	7-9	7-9
Impaired (Defaulted)	10	10

The following tables present the movement of the gross carrying amounts for loans and advances to customers by product line and stage and is calculated by reference to the opening and closing balances for the reporting years from 1 January 2022 to 31 December 2022 and 1 January 2021 to 31 December 2021:

	31 December 2022												
	Wholesale			Mortgage			Consumer			Small business			
	12-month ECL-Stage 1 € million	Lifetime ECL-Stage 2 € million	Lifetime ECL - Stage 3 and POCI € million	12-month ECL-Stage 1 € million	Lifetime ECL-Stage 2 € million	Lifetime ECL - Stage 3 and POCI € million	12-month ECL-Stage 1 € million	Lifetime ECL-Stage 2 € million	Lifetime ECL - Stage 3 and POCI € million	12-month ECL-Stage 1 € million	Lifetime ECL-Stage 2 € million	Lifetime ECL - Stage 3 and POCI € million	Total € million
Gross carrying amount at 1 January	**20,594**	**1,670**	**1,452**	**6,871**	**2,735**	**498**	**2,572**	**311**	**358**	**2,540**	**744**	**469**	**40,815**
New loans and advances originated or purchased	6,986	-	8	809	-	-	840	-	-	725	-	-	**9,368**
Transfers between stages													
-to 12-month ECL	576	(575)	(1)	333	(318)	(15)	92	(82)	(10)	154	(143)	(12)	**-**
-to lifetime ECL	(802)	819	(17)	(506)	611	(105)	(272)	303	(31)	(183)	235	(52)	**-**
-to lifetime ECL credit-impaired loans	(41)	(85)	125	(60)	(151)	210	(71)	(44)	115	(38)	(75)	113	**-**
Loans and advances derecognised/ reclassified as held for sale during the year	(2)	(2)	(276)	(2)	-	(0)	(0)	-	-	-	-	(1)	**(282)**
Amounts written-off[(1)]	-	-	(87)	-	-	(10)	-	-	(141)	-	-	(53)	**(290)**
Repayments	(4,060)	(293)	(184)	(820)	(179)	(45)	(507)	(87)	(61)	(615)	(70)	(38)	**(6,959)**
Foreign exchange differences and other movements	198	46	2	204	127	11	15	26	26	84	49	8	**798**
Gross Carrying amount at 31 December	**23,448**	**1,581**	**1,024**	**6,832**	**2,825**	**545**	**2,669**	**427**	**257**	**2,668**	**740**	**434**	**43,450**
Impairment allowance	(68)	(75)	(478)	(21)	(160)	(229)	(37)	(48)	(186)	(23)	(72)	(229)	**(1,626)**
Carrying amount at 31 December	**23,380**	**1,506**	**546**	**6,810**	**2,665**	**316**	**2,633**	**379**	**70**	**2,645**	**668**	**205**	**41,824**

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	31 December 2021[2]												
	Wholesale			Mortgage			Consumer			Small business			
	12-month ECL -Stage 1 € million	Lifetime ECL -Stage 2 € million	Lifetime ECL - Stage 3 and POCI € million	12-month ECL -Stage 1 € million	Lifetime ECL -Stage 2 € million	Lifetime ECL - Stage 3 and POCI € million	12-month ECL -Stage 1 € million	Lifetime ECL -Stage 2 € million	Lifetime ECL - Stage 3 and POCI € million	12-month ECL -Stage 1 € million	Lifetime ECL -Stage 2 € million	Lifetime ECL - Stage 3 and POCI € million	Total € million
Gross carrying amount at 1 January	17,204	2,012	2,125	7,081	2,791	1,779	2,230	445	732	2,200	1,189	1,087	40,874
New loans and advances originated or purchased	4,978	-	-	642	-	-	663	-	-	558	-	-	6,840
Arising from acquisition	94	-	2	45	-	3	164	-	3	10	-	1	322
Securitized notes	1,621	-	-	-	-	-	-	-	-	-	-	-	1,621
Transfers between stages													
-to 12-month ECL	460	(441)	(20)	549	(540)	(9)	149	(144)	(5)	437	(433)	(4)	-
-to lifetime ECL	(600)	638	(39)	(748)	966	(218)	(141)	168	(28)	(152)	216	(64)	-
-to lifetime ECL credit-impaired loans	(35)	(190)	225	(89)	(223)	312	(66)	(99)	165	(59)	(142)	202	-
Loans and advances derecognised/ reclassified as held for sale during the year	(30)	(34)	(529)	(24)	(220)	(1,255)	(3)	(14)	(336)	(5)	(81)	(637)	(3,167)
Amounts written-off[1]	-	-	(166)	-	-	(73)	-	-	(145)	-	-	(85)	(469)
Repayments	(3,373)	(360)	(166)	(771)	(152)	(69)	(458)	(65)	(65)	(451)	(46)	(45)	(6,020)
Foreign exchange differences and other movements	276	46	17	187	115	28	34	19	37	1	41	13	814
Gross Carrying amount at 31 December	20,594	1,670	1,452	6,871	2,735	498	2,572	311	358	2,540	744	469	40,815
Impairment allowance	(69)	(76)	(737)	(17)	(138)	(170)	(44)	(39)	(257)	(41)	(58)	(227)	(1,872)
Carrying amount at 31 December	20,526	1,595	715	6,854	2,597	328	2,529	273	101	2,499	685	242	38,943

[1] The contractual amount outstanding on lending exposures that were written off during the year ended 31 December 2022 and that are still subject to enforcement activity is € 111 million (2021: € 217 million).

[2] Comparative information has been adjusted in order to align with current year's presentation.

Note 1: Wholesale product line category includes also Public sector loans portfolio.

Note 2: "Loans and advances derecognised/ reclassified as held for sale during the year" presents loans derecognized due to a) substantial modifications of the loans' contractual terms, b) securitization and sale transactions, c) debt to equity transactions and those that have been reclassified as held for sale during the year (notes 20 and 30).

Credit impaired loans and advances to customers

The following tables present the ageing analysis of credit impaired (Stage 3 and POCI) loans and advances by product line at their gross carrying amounts, as well as the respective impairment allowance and the value of collaterals held to mitigate credit risk.

For denounced loans, the Group ceases to monitor the delinquency status and therefore the respective balances have been included in the 'over 360 days' time band, with the exception of consumer exposures which continue to be monitored up to 360 days past due.

	31 December 2022							
	Retail lending				Wholesale lending		Public sector	
	Mortgage € million	Consumer € million	Credit card € million	Small business € million	Large corporate € million	SMEs € million	Greece and other countries € million	Lifetime ECL credit-impaired € million
up to 90 days	192	68	7	120	138	308	0	**832**
90 to 179 days	38	23	7	19	16	31	-	**133**
180 to 360 days	82	38	9	47	1	52	-	**228**
more than 360 days	233	86	20	248	149	329	1	**1,066**
Total gross carrying amount	**545**	**214**	**42**	**434**	**303**	**720**	**1**	**2,259**
Impairment allowance	(229)	(149)	(37)	(229)	(150)	(327)	(1)	**(1,121)**
Carrying amount	**316**	**65**	**5**	**205**	**153**	**393**	**0**	**1,138**
Value of Collateral	**407**	**3**	**0**	**223**	**177**	**478**	**0**	**1,287**

	31 December 2021							
	Retail lending				Wholesale lending		Public sector	
	Mortgage € million	Consumer € million	Credit card € million	Small business € million	Large corporate € million	SMEs € million	Greece and other countries € million	Lifetime ECL credit-impaired € million
up to 90 days	208	74	24	127	208	341	0	981
90 to 179 days	49	26	7	26	1	4	-	113
180 to 360 days	88	42	9	45	0	44	0	228
more than 360 days	153	77	99	271	203	649	2	1,453
Total gross carrying amount	498	219	139	469	411	1,039	2	2,776
Impairment allowance	(170)	(137)	(120)	(227)	(196)	(539)	(1)	(1,391)
Carrying amount	328	82	18	242	215	499	1	1,386
Value of Collateral	365	4	0	218	264	577	0	1,428

Note: As at 31 December 2022, total gross carrying amount of credit impaired loans includes POCI loans of € 43 million (2021: € 44 million).

(b) Collaterals and repossessed assets

Collaterals

The Loan-to-Value (LTV) ratio of the mortgage lending reflects the gross loan exposure at the balance sheet date over the market value of the property held as collateral.

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The LTV ratio of the mortgage portfolio is presented below:

	2022 € million	2021 € million
Mortgages		
Less than 50%	**2,881**	2,630
50%-70%	**2,373**	2,100
71%-80%	**1,524**	1,508
81%-90%	**1,042**	1,010
91%-100%	**825**	994
101%-120%	**604**	680
121%-150%	**437**	516
Greater than 150%	**516**	666
Total exposure	**10,201**	10,105
Average LTV	**57.30%**	61.82%

The breakdown of collateral and guarantees for loans and advances to customers at amortised cost is presented below:

	31 December 2022				
	Value of collateral received				**Guarantees received[1]**
	Real Estate € million	**Financial € million**	**Other € million**	**Total € million**	**€ million**
Retail Lending	**10,760**	**443**	**396**	**11,598**	**721**
Wholesale Lending	**5,544**	**923**	**10,368**	**16,836**	**744**
Public sector	**0**	**0**	**0**	**0**	**-**
Total	**16,304**	**1,366**	**10,764**	**28,434**	**1,465**

	31 December 2021				
	Value of collateral received				Guarantees Received[1]
	Real Estate € million	Financial € million	Other € million	Total € million	€ million
Retail Lending	10,522	504	335	11,360	616
Wholesale Lending	4,795	1,139	10,184	16,118	376
Public sector	1	1	0	2	-
Total	15,318	1,644	10,519	27,480	992

[1] In addition to the above presented guarantees, from December 2021, the Group has entered into two financial guarantees contracts 'Wave I' and 'Wave II' related to the portfolios of performing SMEs and large corporate loans of € 1.4 billion as at 31 December 2022 (31 December 2021: € 1.7 billion) and from December 2022, into the financial guarantees contract 'Wave III' related to the portfolio of performing shipping loans of € 1.6 billion ($ 1.7 billion) (note 20).

The collaterals presented in the above table under category "Other", include assigned receivables, equipment, inventories, vessels, etc. They also include the amount of the securitized loans held by the securitizations vehicles that issued the Pillar, Cairo and Mexico senior notes. The amount of the securitized loans has been capped to the gross carrying amount of the senior notes. In addition, the senior notes of the Cairo and Mexico securitizations are guaranteed by the Hellenic Republic in the context of Hellenic Asset Protection Scheme (note 20).

Repossessed assets

The Group recognizes collateral assets on the balance sheet by taking possession usually through legal processes or by calling upon other credit enhancements. As at 31 December 2022, the carrying amount of repossessed assets which are included in "Other assets" amounted to € 559 million (31 December 2021: € 572 million), note 29. These assets are carried at the lower of cost and net realizable value (note 2.2.18).

The main type of collateral that the Group repossesses against repayment or reduction of the outstanding loan is real estate. The below table presents the movement of repossessed real estate assets during the year, including a) those transferred to the appropriate category based on their use by the Group as part of its operations i.e. investment property or own-used (notes 2.2.6, 26, and 27) and b) those reclassified to "held for sale" category (notes 30).

	2022			2021		
	Real estate			Real estate		
	Residential	Commercial	Total	Residential	Commercial	Total
	€ million	€ million	€ million	€ million	€ million	€ million
Balance at 1 January	**209**	**362**	**571**	**208**	**377**	**585**
Additions[(1)]	14	22	36	12	23	35
Transfers to investment property	(3)	(8)	(11)	(1)	(2)	(3)
Disposals	(4)	(22)	(26)	(4)	(12)	(16)
Valuation losses	(4)	(9)	(13)	(2)	(3)	(5)
Held for Sale (note 30)	-	-	-	(3)	(21)	(24)
Other	0	(0)	0	(1)	-	(1)
Balance at 31 December	**212**	**345**	**557**	209	362	571

[(1)] The carrying amount of the real estate properties obtained during the year and held at the year ended 31 December 2022 amounted to € 32 million (31 December 2021: € 34 million).

In addition, the Group repossesses other types of collaterals mainly referring to equity positions due to the participation in debt for equity transactions as part of forbearance measures (see below "Debt for equity swaps"). The Group during the year has not obtained other types of collaterals as a result of repossession (31 December 2021: € 2.9 million).

(c) Geographical and industry concentrations of loans and advances to customers

As described above in note 5.2.1, the Group holds diversified portfolios across markets and countries and implements limits on concentrations arising from the geographical location or the activity of groups of borrowers that could be similarly affected by changes in economic or other conditions, in order to mitigate credit risk.

The following tables break down the Group's exposure into loans and advances to customers and credit related commitments at their gross carrying amount and nominal amount respectively by stage, product line, industry and geographical region and impairment allowance by product line, industry and geographical region:

	31 December 2022											
	Greece				Rest of Europe				Other Countries			
	Gross carrying/nominal amount				Gross carrying/nominal amount				Gross carrying/nominal amount			
	12-month ECL -Stage 1 € million	Lifetime ECL -Stage 2 € million	Lifetime ECL - Stage 3 and POCI[1] € million	Impairment allowance € million	12-month ECL -Stage 1 € million	Lifetime ECL -Stage 2 € million	Lifetime ECL - Stage 3 and POCI[1] € million	Impairment allowance € million	12-month ECL -Stage 1 € million	Lifetime ECL -Stage 2 € million	Lifetime ECL - Stage 3 and POCI[1] € million	Impairment allowance € million
Retail Lending	**8,547**	**3,571**	**1,024**	**(807)**	**3,614**	**420**	**210**	**(197)**	**7**	**0**	**1**	**(1)**
-Mortgage	*4,978*	*2,677*	*463*	*(337)*	*1,848*	*147*	*81*	*(72)*	*6*	*0*	*1*	*(1)*
-Consumer	*835*	*177*	*126*	*(141)*	*1,191*	*180*	*88*	*(82)*	*1*	*0*	*0*	*(0)*
-Credit card	*543*	*51*	*36*	*(43)*	*98*	*19*	*6*	*(6)*	*0*	*0*	*0*	*(0)*
-Small business	*2,191*	*665*	*399*	*(286)*	*477*	*74*	*35*	*(38)*	*0*	*-*	*-*	*(0)*
Wholesale Lending	**10,579**	**1,001**	**804**	**(479)**	**9,676**	**572**	**207**	**(131)**	**3,169**	**8**	**12**	**(11)**
-Commerce and services[2]	*4,135*	*331*	*393*	*(242)*	*6,215*	*106*	*62*	*(47)*	*535*	*0*	*6*	*(6)*
-Manufacturing	*2,658*	*292*	*130*	*(96)*	*969*	*39*	*26*	*(16)*	*5*	*-*	*-*	*(0)*
-Shipping	*8*	*2*	*44*	*(44)*	*241*	*-*	*15*	*(16)*	*2,455*	*-*	*6*	*(5)*
-Construction	*1,279*	*51*	*57*	*(45)*	*616*	*62*	*17*	*(14)*	*65*	*8*	*-*	*(0)*
-Tourism	*962*	*308*	*176*	*(48)*	*228*	*118*	*44*	*(2)*	*-*	*-*	*-*	*-*
-Energy	*1,474*	*1*	*2*	*(3)*	*234*	*31*	*16*	*(8)*	*-*	*-*	*-*	*-*
-Other	*64*	*17*	*1*	*(0)*	*1,174*	*215*	*28*	*(28)*	*109*	*-*	*-*	*(0)*
Public Sector	**25**	**-**	**0**	**(0)**	**0**	**0**	**1**	**(1)**	**-**	**-**	**-**	**-**
Total	***19,151***	***4,572***	***1,829***	***(1,286)***	***13,291***	***992***	***418***	***(328)***	***3,176***	***9***	***13***	***(11)***
Credit related Commitments	**7,352**	**175**	**48**	**(47)**	**2,489**	**114**	**4**	**(10)**	**288**	**0**	**0**	**(0)**
-Loan commitments	*5,493*	*109*	*2*	*(12)*	*1,654*	*70*	*2*	*(6)*	*281*	*0*	*0*	*(0)*
-Financial guarantee contracts and other commitments	*1,859*	*66*	*46*	*(35)*	*835*	*44*	*2*	*(4)*	*7*	*-*	*0*	*(0)*

	31 December 2021											
	Greece				Rest of Europe				Other Countries			
	Gross carrying/nominal amount				Gross carrying/nominal amount				Gross carrying/nominal amount			
	12-month ECL -Stage 1 € million	Lifetime ECL -Stage 2 € million	Lifetime ECL - Stage 3 and POCI[(1)] € million	Impairment allowance € million	12-month ECL -Stage 1 € million	Lifetime ECL -Stage 2 € million	Lifetime ECL - Stage 3 and POCI[(1)] € million	Impairment allowance € million	12-month ECL -Stage 1 € million	Lifetime ECL -Stage 2 € million	Lifetime ECL - Stage 3 and POCI[(1)] € million	Impairment allowance € million
Retail Lending	8,873	3,433	1,092	(812)	3,103	357	232	(178)	8	0	1	(1)
-Mortgage	5,300	2,609	403	(257)	1,565	126	95	(68)	6	0	1	(1)
-Consumer	850	125	135	(138)	1,054	142	84	(66)	2	0	0	(0)
-Credit card	566	34	132	(132)	101	11	7	(5)	0	0	0	(0)
-Small business	2,158	665	423	(286)	383	79	46	(40)	0	0	-	(0)
Wholesale Lending	8,365	1,104	1,204	(744)	9,369	551	223	(124)	2,830	13	22	(12)
-Commerce and services[(2)]	3,159	516	606	(384)	6,373	109	72	(49)	727	-	9	(7)
-Manufacturing	2,520	247	178	(147)	772	46	28	(15)	0	-	-	-
-Shipping	6	3	50	(49)	224	-	19	(15)	1,931	3	13	(4)
-Construction	952	80	142	(92)	477	31	20	(16)	65	8	-	(0)
-Tourism	975	248	224	(62)	274	128	18	(2)	-	-	-	-
-Energy	682	3	0	(5)	177	23	20	(5)	-	-	-	-
-Other	70	6	3	(5)	1,072	215	46	(22)	107	2	-	(0)
Public Sector	30	2	1	(2)	1	0	1	(0)	-	-	-	-
Total	17,268	4,539	2,298	(1,557)	12,473	908	456	(302)	2,838	14	23	(12)
Credit related Commitments	4,125	271	46	(41)	2,073	120	5	(7)	199	2	0	(0)
-Loan commitments	3,085	168	2	(8)	1,591	94	3	(4)	196	2	0	(0)
-Financial guarantee contracts and other commitments	1,041	104	45	(33)	482	26	1	(2)	3	-	0	(0)

[(1)] *Includes POCI loans of € 8.3 million held by operations in Greece, € 34.3 million held by operations in Rest of Europe and € 0.1 million held by operations in Other Countries (2021: € 44.1 million in Rest of Europe).*

[(2)] *The operations in Rest of Europe include € 4,901 million related to the notes of the Pillar, Cairo and Mexico securitizations (2021: € 5,106 million in Rest of Europe related to the notes of the Pillar, Cairo and Mexico securitizations).*

As at 31 December 2022, the carrying amount of Group's loans measured at FVTPL of € 16 million (2021: € 23 million) was included in Wholesale lending portfolio, which was held by operations in Greece (2021: € 20 million were held by operations in Greece and € 3.5 million were held by operations in Rest of Europe).

(d) Forbearance practices on lending activities

Modifications of the loans' contractual terms may arise due to various factors, such as changes in market conditions, customer retention and other factors as well as due to the potential deterioration in the borrowers' financial condition. The Group has employed a range of forbearance solutions in order to enhance the management of customer relationships and the effectiveness of collection efforts, as well as to improve the recoverability of cash flows and minimize credit losses for both retail and wholesale portfolios.

Forbearance practices' classification

Forbearance practices as monitored and reported by the Group, based on the European Banking Authority Implementing Technical Standards (EBA ITS) guidelines, occur only in the cases where the contractual payment terms of a loan have been modified, as the borrower is considered unable to comply with the existing loan's terms due to apparent financial difficulties, and the Group grants a concession by providing more favorable terms and conditions that it would not otherwise consider had the borrower not been in financial difficulties.

All other types of modifications granted by the Group, where there is no apparent financial difficulty of the borrower and may be driven by factors of a business nature are not classified as forbearance measures.

Forbearance solutions

Forbearance solutions are granted following an assessment of the borrower's ability and willingness to repay and can be of a short or longer term nature. The objective is to assist financially stressed borrowers by rearranging their repayment cash outflows into a sustainable modification, and at the same time, protect the Group from suffering credit losses. The Group deploys targeted segmentation strategies with the objective to tailor different short or long term and sustainable management solutions to selected groups of borrowers for addressing their specific financial needs.

The nature and type of forbearance options may include but is not necessarily limited to, one or more of the following:

- arrears capitalization;
- arrears repayment plan;
- reduced payment above interest only;
- interest-only payments;
- reduced payment below interest only;
- grace period;
- interest rate reduction;
- loan term extensions;
- split balance and gradual step-up of installment payment plans;
- partial debt forgiveness/write-down;
- operational restructuring; and
- debt to equity swaps.

Specifically for unsecured consumer loans (including credit cards), forbearance programs (e.g. term extensions), are applied in combination with debt consolidation whereby all existing consumer balances are pooled together. Forbearance solutions are applied in order to ensure a sufficient decrease on installment and a viable solution for the borrower. In selected cases, the debt consolidations may be combined with mortgage prenotations to convert unsecured lending exposures to secured ones.

In the case of mortgage loans, a decrease of installment may be achieved through forbearance measures such as extended payment periods, capitalization of arrears, split balance and gradual step-up of installment payment plans.

Wholesale exposures are subject to forbearance when there are indications of financial difficulties of the borrower, evidenced by a combination of factors including the deterioration of financials, credit rating downgrade, payment delays and other.

During 2020 in response to the COVID-19 pandemic, the EBA published guidelines on payment moratoria whereby the application of a general payment moratorium that meets the requirements of the guidelines would not in itself lead to a reclassification under the definition of forbearance. However, institutions should continue to categorize the exposures as performing or non-performing in accordance with the applicable requirements. More precisely, as a general principle, before granting a forbearance measure, credit institutions should carry out an individual assessment of the repayment capacity of the borrower and grant forbearance measures tailored to the specific circumstances of the borrower in question.

Based on this, and following the internal process of individual assessments the Bank flagged as forbearance measures certain payment moratoria for accounts in the hotel sector, which were considered to have increased financial difficulties.

Debt for equity swaps

For wholesale portfolios, the Group on occasion participates in debt for equity transactions as part of forbearance measures, as described in note 2.2.9. In 2022, equity positions acquired by the Group and held as of 31 December 2022 relate to the participation of 3% in Kalogirou S.A. for trade of footwear, apparel and leather goods for a nil consideration. Similarly in 2021, equity positions acquired by the Group and held as of 31 December 2021 related to a) the participation of 100% in Village Roadshow Operations Hellas S.A. for € 1 million and b) the participation of 29.48% in Intertech S.A. – International Technologies for a cash consideration of € 1.9 million.

i. Classification of Forborne loans

Forborne loans are classified either as non-impaired (stage 2), or impaired (stage 3) by assessing their delinquency and credit quality status.

Credit impaired forborne loans enter initially a probation period of one year where the borrowers' payment performance is closely monitored. If at the end of the abovementioned period, the borrowers have complied with the terms of the program and there are no past due amounts and concerns regarding the loans' full repayment, the loans are then reported as non-impaired forborne loans (stage 2). In addition, non-impaired forborne loans, including those that were previously classified as credit impaired and complied with the terms of the program, are monitored over a period of two years. If, at the end of that period, the borrowers have made regular payments of a significant aggregate amount, there are no past due amounts over 30 days and the loans are neither credit impaired nor any other SICR criteria are met they exit forborne status and are classified as stage 1.

Particularly, the category of credit impaired forborne loans includes those that (a) at the date when forbearance measures were granted, were more than 90 days past due or assessed as unlikely to pay, (b) at the end of the one year probation period met the criteria of entering the non -impaired status and during the two years monitoring period new forbearance measures were extended or became more than 30 days past due, and (c) were initially classified as non- impaired and during the two years monitoring period met the criteria for entering the credit impaired status.

Furthermore, forborne loans that fail to perform under the new modified terms and are subsequently denounced cease to be monitored as part of the Group's forbearance activities and are reported as denounced credit impaired loans (stage 3) consistently with the Group's management and monitoring of all denounced loans.

ii. Impairment assessment

Where forbearance measures are extended, the Group performs an assessment of the borrower's financial condition and its ability to repay, under the Group's impairment policies, as described in notes 2.2.13 and 5.2.1. Accordingly, forborne loans to wholesale customers, retail individually significant exposures and financial institutions are assessed on an individual basis. Forborne retail lending portfolios are generally assessed for impairment separately from other retail loan portfolios on a collective basis as they consist of large homogenous portfolio.

iii. Loan restructurings

In cases where the contractual cash flows of a forborne loan have been substantially modified, the original forborne loan is derecognized and a new loan is recognized. The Group records the modified asset as a 'new' financial asset at fair value and the difference with the carrying amount of the existing one is recorded in the income statement as derecognition gain or loss.

In cases where the modification as a result of forbearance measures is not considered substantial, the Group recalculates the gross carrying amount of the loan and recognizes the difference as a modification gain or loss in the income statement. The Group continues to monitor the modified forborne loan in order to determine if the financial asset exhibits significant increase in credit risk since initial recognition during the forbearance period.

As at 31 December 2022, the carrying amount of Group's forborne loans measured at FVTPL was nil (2021: € 3.5 million).

The following tables present an analysis of Group's forborne activities for loans measured at amortised cost. In order to align with the quantitative information provided in section (a) based on revised IFRS 7 requirements, the relevant tables below are presented on a gross carrying amount basis, while cumulative impairment allowance is presented separately, in line with the Group's internal credit risk monitoring and reporting.

The following table presents a summary of the types of the Group's forborne activities:

	2022 € million	2021 € million
Forbearance measures:		
Split balance	**234**	423
Loan term extension	**1,044**	1,468
Arrears capitalisation	**137**	183
Reduced payment below interest owed	**71**	112
Interest rate reduction	**136**	237
Reduced payment above interest owed	**111**	121
Arrears repayment plan	**109**	163
Interest only	**35**	33
Grace period	**55**	77
Debt/equity swaps	**8**	16
Partial debt forgiveness/Write-down	**1**	27
Operational restructuring	**14**	10
Other	**54**	75
Total gross carrying amount	**2,012**	2,946
Less: cumulative impairment allowance	**(401)**	(465)
Total carrying amount	**1,611**	2,481

The following tables present a summary of the credit quality of forborne loans and advances to customers:

	31 December 2022		
	Total loans & advances at amortised cost € million	Forborne loans & advances € million	% of Forborne loans & advances
Gross carrying amounts:			
12-month ECL-Stage 1	**35,618**	**-**	**-**
Lifetime ECL-Stage 2	**5,573**	**1,138**	**20.4**
Lifetime ECL-Stage 3 and POCI	**2,259**	**874**	**38.7**
Total Gross Amount	**43,450**	**2,012**	**4.6**
Cumulative ECL Loss allowance:	-	-	
12-month ECL-Stage 1	**(149)**	**-**	
Lifetime ECL-Stage 2	**(355)**	**(80)**	
Lifetime ECL-Stage 3 and POCI of which:	**(1,121)**	**(321)**	
- Individually assessed	*(441)*	*(165)*	
- Collectively assessed	*(680)*	*(156)*	
Total carrying amount	**41,824**	**1,611**	**3.9**
Collateral received	**28,434**	**1,527**	

	31 December 2021		
	Total loans & advances at amortised cost € million	Forborne loans & advances € million	% of Forborne loans & advances
Gross carrying amounts:			
12-month ECL-Stage 1	32,578	-	-
Lifetime ECL-Stage 2	5,461	1,926	35.3
Lifetime ECL-Stage 3 and POCI	2,776	1,021	36.8
Total Gross Amount	40,815	2,946	7.2
Cumulative ECL Loss allowance:			
12-month ECL-Stage 1	(171)	-	
Lifetime ECL-Stage 2	(311)	(103)	
Lifetime ECL-Stage 3 and POCI of which:	(1,391)	(362)	
- Individually assessed	(672)	(194)	
- Collectively assessed	(718)	(168)	
Total carrying amount	38,943	2,481	6.4
Collateral received	27,480	2,221	

The following table presents the movement of forborne loans and advances:

	2022 € million	2021 € million
Gross carrying amount at 1 January	**2,946**	**4,826**
Forbearance measures in the year	299	481
Forborne loans derecognised/ reclassified as held for sale during the year [(1)]	(56)	(1,128)
Write-offs of forborne loans	(22)	(33)
Repayment of loans	(233)	(260)
Loans & advances that exited forbearance status [(2)]	(965)	(992)
Other	42	53
Less: cumulative impairment allowance	(401)	(465)
Carrying amount at 31 December	**1,611**	**2,481**

[(1)] *"Forborne loans derecognised/ reclassified as held for sale during the year" presents loans derecognized during the year due to a) securitization/ sale transactions and b) substantial modifications of the loans' contractual terms and those that have been reclassified as held for sale during the year.*
[(2)] *In 2022, an amount of € 88 million loans and advances that exited forbearance status refers to loans that were denounced (2021: € 48 million).*

The following table presents the Group's exposure to forborne loans and advances by product line:

	2022 € million	2021 € million
Retail Lending	**1,153**	1,985
- Mortgage	*751*	*1,358*
- Consumer	*106*	*123*
- Credit card	*16*	*47*
- Small business	*280*	*456*
Wholesale Lending	**859**	961
-Large corporate	*277*	*295*
-SMEs	*582*	*667*
Total gross carrying amount	**2,012**	2,946
Less: cumulative impairment allowance	**(401)**	(465)
Total carrying amount	**1,611**	2,481

The following table presents the Group's exposure to forborne loans and advances by geographical region:

	2022 € million	2021 € million
Greece	**1,638**	2,591
Rest of Europe	**374**	351
Other countries	**0**	5
Total gross carrying amount	**2,012**	2,946
Less: cumulative impairment allowance	**(401)**	(465)
Total carrying amount	**1,611**	2,481

The following table provides information on modifications due to forbearance measures on lending exposures which have not resulted in derecognition. Such financial assets were modified while they had a loss allowance measured at an amount equal to lifetime ECL.

Modified lending exposures	2022 € million	2021 € million
Loans modified during the year with loss allowance measured at an amount equal to lifetime ECL		
Gross carrying amount at 31 December	449	745
Modification gain / (loss)	2	18
Loans modified since initial recognition at a time when loss allowance was based on lifetime ECL		
Gross carrying amount at 31 December for which loss allowance has changed to 12-month ECL measurement	370	614

In the year ended 31 December 2022, the gross carrying amount of loans previously modified for which the loan allowance has reverted to being measured at an amount equal to lifetime ECL amounted to € 371 million (2021: € 504 million).

5.2.1.3 Debt Securities

The following tables present an analysis of debt securities by external credit rating agency designation at 31 December 2022 and 2021, based on Moody's ratings or their equivalent:

	31 December 2022			
	12-month ECL-Stage 1 € million	Lifetime ECL-Stage 2 € million	Lifetime ECL-Stage 3 € million	Total € million
Debt securities at amortised cost				
Aaa	**2,617**	**-**	**-**	**2,617**
Aa1 to Aa3	**140**	**-**	**-**	**140**
A1 to A3	**133**	**-**	**-**	**133**
Lower than A3	**6,211**	**6**	**7**	**6,224**
Unrated	**74**	**-**	**26**	**100**
Gross Carrying Amount	**9,175**	**6**	**33**	**9,214**
Impairment Allowance	**(12)**	**(0)**	**(10)**	**(22)**
Carrying Amount	**9,163**	**6**	**23**	**9,192**
Debt securities at FVOCI				
Aaa	**339**	**-**	**-**	**339**
Aa1 to Aa3	**212**	**-**	**-**	**212**
A1 to A3	**398**	**-**	**-**	**398**
Lower than A3	**2,605**	**121**	**-**	**2,726**
Unrated	**58**	**-**	**-**	**58**
Carrying Amount	**3,612**	**121**	**-**	**3,733**

	31 December 2021		
	12-month ECL-Stage 1 € million	Lifetime ECL-Stage 2 € million	Total € million
Debt securities at amortised cost			
Aaa	636	-	636
Aa1 to Aa3	108	-	108
Lower than A3	3,928	-	3,928
Gross Carrying Amount	4,672	-	4,672
Impairment Allowance	(6)	-	(6)
Carrying Amount	4,666	-	4,666
Debt securities at FVOCI			
Aaa	591	-	591
Aa1 to Aa3	271	-	271
A1 to A3	567	-	567
Lower than A3	4,899	9	4,908
Unrated	128	-	128
Carrying Amount	6,456	9	6,465

	31 December 2022	
	Debt securities held for trading € million	**Debt securities measured at FVTPL € million**
Debt securities at FVTPL		
Lower than A3	**86**	**0**
Unrated	**1**	**-**
Carrying Amount	**87**	**0**

	31 December 2021	
	Debt securities held for trading € million	Debt securities measured at FVTPL € million
Debt securities at FVTPL		
Aa1 to Aa3	-	1
Lower than A3	69	0
Carrying Amount	69	1

The carrying amount of debt securities rated lower than A3 includes: a) € 5,413 million related to Greek sovereign debt (2021: € 5,322 million), b) € 921 million related to Eurozone members sovereign debt (2021: € 1,246 million), c) € 841 million related to sovereign debt issued mainly by European Union members and candidate members (2021: € 763 million) of which € 517 million issued by countries of Group's presence (Bulgaria and Serbia) (2021: € 460 million) and d) € 1,846 million corporate and banks' securities (2021: € 1,568 million) of which € 958 million refer to Greek issuers (2021: € 726 million) and € 701 million to other European issuers (2021: € 689 million). The carrying amount of unrated debt securities of € 152 million (2021: € 128 million) comprise € 133 million Greek corporate bonds (2021: € 128 million) and € 19 million Russian corporate bonds (see below).

Following the significant worldwide restrictions and sanctions introduced against Russia, resulting in significant uncertainty on the ability of the Russian debt issuers to repay their obligations on foreign currency-denominated bonds, as of 31 March 2022 the Group has classified its Russian debt exposures as credit impaired. Following the repayment of a Russian government bond of carrying value € 12 million in April 2022, the carrying value of the said debt exposures was € 19 million as at 31 December 2022, including an impairment allowance of € 7 million.

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The following tables present the Group's exposure in debt securities, as categorized by stage, counterparty's geographical region and industry sector:

	31 December 2022							
	Greece		Other European countries			Other countries		
	12-month ECL-Stage 1 € million	Lifetime ECL-Stage 3 € million	12-month ECL-Stage 1 € million	Lifetime ECL-Stage 2 € million	Lifetime ECL-Stage 3 € million	12-month ECL-Stage 1 € million	Lifetime ECL-Stage 2 € million	Total € million
Debt securities at amortised cost								
Sovereign	**4,379**	**-**	**756**	**-**	**-**	**1,165**	**-**	**6,300**
Banks	**736**	**-**	**276**	**-**	**-**	**-**	**-**	**1,012**
Corporate	**241**	**7**	**989**	**3**	**26**	**633**	**3**	**1,902**
Gross Carrying Amount	**5,356**	**7**	**2,021**	**3**	**26**	**1,798**	**3**	**9,214**
Impairment Allowance	**(9)**	**(3)**	**(3)**	**(0)**	**(7)**	**(0)**	**(0)**	**(22)**
Net Carrying Amount	**5,347**	**4**	**2,018**	**3**	**19**	**1,798**	**3**	**9,192**
Debt securities at FVOCI								
Sovereign	**976**	**-**	**1,046**	**94**	**-**	**451**	**-**	**2,567**
Banks	**12**	**-**	**209**	**7**	**-**	**-**	**-**	**228**
Corporate	**163**	**-**	**475**	**15**	**-**	**280**	**5**	**938**
Carrying Amount	**1,151**	**-**	**1,730**	**116**	**-**	**731**	**5**	**3,733**

	31 December 2021					
	Greece		Other European countries	Other countries		
	12-month ECL-Stage 1 € million	Lifetime ECL-Stage 2 € million	12-month ECL-Stage 1 € million	12-month ECL-Stage 1 € million	Lifetime ECL-Stage 2 € million	Total € million
Debt securities at amortised cost						
Sovereign	3,162	-	519	-	-	3,681
Banks	311	-	196	-	-	507
Corporate	-	-	299	185	-	484
Gross Carrying Amount	3,473	-	1,014	185	-	4,672
Impairment Allowance	(5)	-	(1)	(0)	-	(6)
Net Carrying Amount	3,468	-	1,013	185	-	4,666
Debt securities at FVOCI						
Sovereign	2,149	-	1,859	615	-	4,623
Banks	166	-	311	-	-	477
Corporate	373	7	707	276	2	1,365
Carrying Amount	2,688	7	2,877	891	2	6,465

	31 December 2022			
	Greece € million	**Other European countries € million**	**Other countries € million**	**Total € million**
Debt securities at FVTPL				
Corporate	**0**	**-**	**-**	**0**
Carrying Amount	**0**	**-**	**-**	**0**
Debt securities held for trading				
Sovereign	**63**	**23**	**-**	**86**
Corporate	**1**	**-**	**-**	**1**
Carrying Amount	**64**	**23**	**-**	**87**

	31 December 2021			
	Greece € million	Other European countries € million	Other countries € million	Total € million
Debt securities at FVTPL				
Corporate	0	1	-	1
Carrying Amount	0	1	-	1
Debt securities held for trading				
Sovereign	14	19	-	33
Corporate	-	23	13	36
Carrying Amount	14	42	13	69

5.2.1.4 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset according to IAS 32 'Financial Instruments and the net amount is presented in the balance sheet when, there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously (the offsetting criteria), as also set out in Group's accounting policy 2.2.4.

In 2022, following the change in the volume and market terms of the Group's positions in CCP (Central Counterparty) cleared OTC derivative financial instruments, there was a significant increase in the balances of the related cash accounts used for variation margin purposes reaching ca. € 1 bn liability, as at 31 December 2022 (2021: ca. € 0.2 billion asset). The Group has assessed the terms of the clearing agreements for these derivatives entered into with Clearing Members, as at 31 December 2022. The Group has concluded that the offsetting criteria are met, as at 31 December 2022, in respect of the cash accounts used for variation margin purposes for such derivatives, which are also used for the settlement of all payments thereunder, and accordingly derivative assets of € 1,376 million and derivative liabilities of € 444 million (note 19) were offset against € 932 million cash collateral received (note 32). Financial instruments that meet the offsetting criteria include also the eligible repos and reverse repos under global master repurchase agreements (GMRAs).

Financial instruments under master netting arrangements and similar agreements that do not meet the criteria for offsetting in the balance sheet include derivatives (bilateral agreements) as well as repos and reverse repos, for which a) the right of set-off is enforceable only following an event of default, insolvency or bankruptcy of the Group or the counterparties or following other predetermined events and/or b) the Group and its counterparties may not intend to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

Notes to the Consolidated Financial Statements

The following tables present financial assets and financial liabilities that meet the criteria for offsetting and thus are presented on a net basis in the balance sheet, as well as amounts that are subject to enforceable master netting arrangements and similar agreements for which the offsetting criteria mentioned above are not satisfied. In respect of the latter, the Group may receive and provide collateral in the form of marketable securities and cash that are included in the tables below under columns 'financial instruments' and 'cash collateral'.

	31 December 2022					
				Related amounts not offset in the BS		
	Gross amounts of recognised financial assets € million	Gross amounts of recognised financial liabilities offset in the balance sheet € million	Net amounts of financial assets presented in the balance sheet € million	Financial instruments (incl. non-cash collateral) € million	Cash collateral received € million	Net amount € million
Financial Assets						
Reverse repos with banks	116	(114)	2	(2)	-	-
Derivative financial instruments	2,540	(1,376)	1,164	(685)	(232)	247
Other financial assets	9	(9)	-	-	-	-
Total	2,665	(1,499)	1,166	(687)	(232)	247

	31 December 2022					
				Related amounts not offset in the BS		
	Gross amounts of recognised financial liabilities € million	Gross amounts of recognised financial assets offset in the balance sheet € million	Net amounts of financial liabilities presented in the balance sheet € million	Financial instruments (incl. non-cash collateral) € million	Cash collateral pledged € million	Net amount € million
Financial Liabilities						
Derivative financial instruments	2,043	(444)	1,599	(685)	(237)	677
Repurchase agreements with banks	877	(114)	763	(763)	-	-
Other financial liabilities	9	(9)	-	-	-	-
Deposits from banks received as collateral	1,226	(932)	294	(232)	-	62
Total	4,155	(1,499)	2,656	(1,680)	(237)	739

	31 December 2021					
				Related amounts not offset in the BS		
	Gross amounts of recognised financial assets € million	Gross amounts of recognised financial liabilities offset in the balance sheet € million	Net amounts of financial assets presented in the balance sheet € million	Financial instruments (incl. non-cash collateral) € million	Cash collateral received € million	Net amount € million
Financial Assets						
Reverse repos with banks	622	(591)	31	(31)	-	-
Derivative financial instruments	1,942	-	1,942	(1,803)	(40)	99
Other financial assets	13	(13)	-	-	-	-
Total	2,577	(604)	1,973	(1,834)	(40)	99

	31 December 2021					
				Related amounts not offset in the BS		
	Gross amounts of recognised financial liabilities € million	Gross amounts of recognised financial assets offset in the balance sheet € million	Net amounts of financial liabilities presented in the balance sheet € million	Financial instruments (incl. non-cash collateral) € million	Cash collateral pledged € million	Net amount € million
Financial Liabilities						
Derivative financial instruments	2,386	-	2,386	(695)	(1,642)	49
Repurchase agreements with banks	861	(591)	270	(270)	-	-
Other financial liabilities	13	(13)	-	-	-	-
Total	3,260	(604)	2,656	(965)	(1,642)	49

Derivative financial assets and liabilities not under master netting arrangements and similar agreements of carrying value of € 21 million and € 62 million, respectively, (2021: € 7 million and € 8 million, respectively) are not presented in the above tables.

Financial assets and financial liabilities are disclosed in the above tables at their recognized amounts, either at fair value (derivative assets and liabilities) or amortized cost (all other financial instruments), depending on the type of financial instrument.

5.2.2 Market risk

The Group takes on exposure to market risk, which is the risk of potential financial loss due to an adverse change in market variables. Changes in interest rates, foreign exchange rates, credit spreads, equity prices and other relevant factors, such as the implied volatilities, can affect the Group's income or the fair value of its financial instruments. The market risks, the Group is exposed to, are monitored, controlled and estimated by Group Market and Counterparty Risk Sector (GMCRS).

GMCRS is responsible for the measurement, monitoring, control and reporting of all market risks, including the interest rate risk in the Banking Book (IRRBB) of the Group. The Sector reports to the GCRO and its main responsibilities include:

- Monitoring of all key market & IRRBB risk indicators (VaR, sensitivities, etc.)
- Implementation of Stress Testing methodologies for market risk and IRRBB (historical and hypothetical),
- Monitoring and reporting of market and IRRBB risk limits utilization.
- Development, maintenance and expansion of risk management infrastructure.

The market risks the Group is exposed to, are the following:

(a) Interest rate risk

The Group takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on its cash flows and the fair value of its financial positions. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is further split into 'General' and 'Specific'. The former refers to changes in the fair valuation of positions due to the movements of benchmark interest rates, while the latter refers to changes in the fair valuation of positions due to the movements of specific issuer yields and credit spreads.

(b) Currency risk

The Group takes on exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows.

(c) Equity risk

Equity price risk is the risk of the decrease of fair values as a result of changes in the levels of equity indices and the value of individual stocks. The equity risk that the Group undertakes arises mainly from the investment portfolio.

(d) Implied volatilities

The Group carries limited implied volatility (vega) risk, mainly as a result of open positions on options.

The Board's Risk Committee sets limits on the level of exposure to market risks, which are monitored on a daily basis.

Market risk in Greece and International Subsidiaries is managed and monitored mainly using Value at Risk (VaR) methodology. Sensitivity and stress test analysis is additionally performed.

(i) VaR summary for 2022 and 2021

VaR is a methodology used in measuring financial risk by estimating the potential negative change in the market value of a portfolio at a given confidence level and over a specified time horizon. The VaR that the Group measures is an estimate based upon a 99% confidence level and a holding period of 1 day and the methodology used for the calculation is Monte Carlo simulation (full re-pricing of the positions is performed).

The VaR models are designed to measure market risk in a normal market environment. It is assumed that any changes occurring in the risk factors affecting the normal market environment will follow a normal distribution.

Although VaR is an important tool for measuring market risk, the assumptions on which the model is based do give rise to certain limitations. Given this, actual outcomes are monitored regularly, via back testing process, to test the validity of the assumptions and the parameters used in the VaR calculation.

The perimeter of the VaR analysis includes Eurobank Ergasias Services and Holdings S.A., Eurobank S.A. and its banking subsidiaries, taking into account the FVTPL, including trading and FVOCI portfolios. Consequently, the potential impact as it is depicted in the VaR figures would directly affect Group's Capital (income statement or equity).

Since VaR constitutes an integral part of the Group's market risk control regime, VaR limits have been established for all the above operations (trading and investment portfolios measured at fair value) and actual exposure is reviewed daily by management. However, the use of this approach does not prevent losses outside of these limits in the event of extraordinary market movements.

VaR by risk type - Greece and International Subsidiaries [1]

	2022 (Average) € million	2022 € million	2021 (Average) € million	2021 € million
Interest Rate Risk	**22**	**9**	14	14
Foreign Exchange Risk	**0**	**0**	1	1
Equities Risk	**2**	**4**	0	0
Total VaR	**23**	**11**	14	14

[1] *Includes all portfolios measured at fair value.*

The aggregate VaR of the interest rate, foreign exchange and equities VaR benefits from diversification effects. The largest portion of the Group's Interest rate VaR figures is attributable to the risk associated with interest rate and credit spread sensitive debt securities and derivatives. The average VaR of 2022 is materially increased, as compared to the average VaR of 2021, due to geopolitical tension (i.e. war in Ukraine) and the relevant extreme volatility observed in the markets (especially between March and May), along with the market perception regarding Central Banks' monetary policy in the following years. Equity Risk Var is also increased due to the Bank's investment in Hellenic Bank which is in line with the Group's strategy to further strengthen its presence in its core markets.

(ii) Interest rate gap and sensitivity

The following table provides the interest rate repricing gap of the Group, which analyses the structure of interest rate mismatches within the balance sheet. The Group's financial assets/liabilities are included at their notional/outstanding amounts and categorized based on either (i) the next contractual repricing date if floating rate or (ii) the maturity/call date (whichever is first) if fixed rate. The below analysis provides an approximation of the interest rate risk exposure since transactions with different duration are aggregated together per time bucket. The interest rate gap analysis is prepared from 31 December 2022 onwards.

	31 December 2022				
	less than 1 month € million	1-3 months € million	3-12 months € million	1-5 years € million	More than 5 years € million
Balances with central banks	14,481	-	-	-	-
Due to credit institutions	1,012	64	27	-	-
Debt securities[1]	390	215	371	5,513	5,797
Loans and advances to customers	18,658	10,244	8,034	2,536	2,538
	34,541	10,523	8,432	8,049	8,335
Due to central banks	(8,872)	-	-	-	-
Due to credit institutions	(575)	(968)	(299)	(1)	(14)
Due to customers	(48,934)	(3,754)	(3,991)	(336)	(2)
Debt securities in issue	(2)	-	(5)	(1,916)	(1,700)
	(58,383)	(4,721)	(4,295)	(2,253)	(1,716)
Derivative financial instruments	4,844	(155)	(471)	69	(4,360)
Interest rate gap	**(18,998)**	**5,647**	**3,666**	**5,865**	**2,259**

[1] *Including short positions in debt securities (note 35).*

The Group performs a sensitivity analysis to assess the impact on net interest income (NII) and on other comprehensive income (OCI), to a hypothetical change in the market interest rates.

The impact on NII is calculated under the scenario of an instantaneous parallel shift of all interest rates by +/- 100bps, for a 1-year period, assuming a static balance sheet approach. As at 31 December 2022 the impact on NII, under the scenario of a parallel shift in the yield curves, stands at € 232 million (+100bps) and €-279 million (-100bps).

The impact on OCI is calculated as the fair value movement of all financial assets measured at FVOCI, net of hedging and of any hedging instruments designated in qualifying cash flow hedge relationships. As at 31 December 2022 the impact on OCI, under the scenario of a parallel shift in the yield curves, stands at €-49 million (+100bps) and € 51 million (-100bps).

(iii) Foreign exchange risk

The following tables present the Group's exposure to foreign currency exchange risk as at 31 December 2022 and 2021:

	31 December 2022							
	USD € million	CHF € million	RON € million	RSD € million	BGN € million	OTHER € million	EUR € million	Total € million
ASSETS								
Cash and balances with central banks	29	4	0	375	472	9	14,105	14,994
Due from credit institutions	330	20	33	0	0	63	883	1,329
Securities held for trading	0	-	-	-	18	0	116	134
Derivative financial instruments	23	0	0	0	0	0	1,162	1,185
Loans and advances to customers	3,068	1,999	8	616	3,975	555	31,456	41,677
Investment securities	1,743	-	-	99	81	264	11,074	13,261
Other assets(1)	16	75	5	99	213	6	8,382	8,796
Assets of disposal groups classified as held for sale (note 30)	-	-	-	-	-	-	84	84
Total Assets	**5,209**	**2,098**	**46**	**1,189**	**4,759**	**897**	**67,262**	**81,460**
LIABILITIES								
Due to central banks and credit institutions	200	0	0	45	8	9	10,326	10,588
Derivative financial instruments	21	1	0	129	0	1	1,509	1,661
Due to customers	5,929	95	1	666	4,313	604	45,631	57,239
Debt securities in issue	73	73	-	-	-	5	3,401	3,552
Other liabilities	25	1	18	20	51	3	1,583	1,701
Liabilities of disposal group classified as held for sale (note 30)	-	-	-	-	-	-	1	1
Total Liabilities	**6,248**	**170**	**19**	**860**	**4,372**	**622**	**62,451**	**74,742**
Net on balance sheet position	**(1,039)**	**1,928**	**27**	**329**	**387**	**275**	**4,811**	**6,718**
Derivative forward foreign exchange position	**778**	**(1,927)**	**(15)**	**(54)**	**(0)**	**(281)**	**819**	**(680)**
Total Foreign Exchange Position	**(261)**	**1**	**12**	**275**	**387**	**(6)**	**5,630**	**6,038**

	31 December 2021							
	USD € million	CHF € million	RON € million	RSD € million	BGN € million	OTHER € million	EUR € million	Total € million
ASSETS								
Cash and balances with central banks	13	5	0	237	686	8	12,565	13,515
Due from credit institutions	211	88	41	0	0	103	2,067	2,510
Securities held for trading	3	-	-	-	20	0	97	119
Derivative financial instruments	39	1	-	0	0	0	1,908	1,949
Loans and advances to customers	2,832	2,124	11	640	3,276	469	29,615	38,967
Investment securities	909	-	0	120	56	102	10,129	11,316
Other assets [(1)]	23	1	8	103	179	2	9,015	9,330
Assets of disposal groups classified as held for sale (note 30)	-	-	-	-	-	-	146	146
Total Assets	4,029	2,219	59	1,100	4,218	684	65,543	77,852
LIABILITIES								
Due to central banks and credit institutions	27	1	0	26	11	16	12,556	12,636
Derivative financial instruments	42	0	0	182	0	1	2,170	2,394
Due to customers	5,373	131	0	538	3,906	569	42,651	53,168
Debt securities in issue	38	-	-	-	-	-	2,514	2,552
Other liabilities	35	1	19	18	55	5	1,225	1,358
Liabilities of disposal group classified as held for sale (note 30)	-	-	-	-	-	-	109	109
Total Liabilities	5,515	133	19	764	3,972	590	61,224	72,217
Net on balance sheet position	(1,485)	2,086	40	336	246	94	4,319	5,635
Derivative forward foreign exchange position	1,280	(2,084)	(24)	(53)	20	(95)	(60)	(1,015)
Total Foreign Exchange Position	(205)	2	16	283	266	(1)	4,259	4,620

[(1)] Other assets include Investments in associates and joint ventures, Property and equipment, Investment property, Intangible assets, Deferred tax assets and Other assets.

5.2.3 Liquidity risk

The Group is exposed to daily calls on its available cash resources due to deposits withdrawals, maturity of medium or long-term notes, maturity of secured or unsecured funding (interbank repos and money market takings), loan drawdowns and forfeiture of guarantees. Furthermore, margin calls on secured funding transactions (with ECB and the market), on risk mitigation contracts (CSAs, GMRAs) and on centrally cleared transactions (CCPs) result in liquidity exposure. The Group maintains cash resources to meet all of these needs. The Board Risk Committee sets liquidity limits to ensure that sufficient funds are available to meet such contingencies.

Past experience shows that liquidity requirements to support calls under guarantees and standby letters of credit are considerably less than the amount of the commitment. This is also the case with credit commitments where the outstanding contractual amount to extend credit does not necessarily represent future cash requirements, as many of these commitments will expire or terminate without being funded.

The matching and controlled mismatching of the maturities and interest rates of assets and liabilities is fundamental to the management of the Group. It is unusual for banks to be completely matched, as transacted business is often of uncertain term and of different types. An unmatched position potentially enhances profitability, but also increases the risk of losses.

The maturities of assets and liabilities and the ability to replace, at an acceptable cost, interest bearing liabilities as they mature, are important factors in assessing the liquidity of the Group.

Liquidity Risk Management Framework

The Group's Liquidity Risk Policy defines the following supervisory and control structure:

- Board Risk Committee's role is to approve all strategic liquidity risk management decisions and to monitor the quantitative and qualitative aspects of liquidity risk;
- Group Assets and Liabilities Committee has the mandate to form and implement the liquidity policies and guidelines in conformity with Group's risk appetite, and to review at least monthly the overall liquidity position of the Group;
- Group Treasury is responsible for the implementation of the Group's liquidity strategy, taking into account the latest funding plan and for the daily management of the Group's liquidity;
- Group Market and Counterparty Risk Sector is responsible for measuring, controlling, monitoring and reporting the liquidity risk of the Group.

The main items related to liquidity risk that are monitored on a periodic basis are summarized as follows:

- The analysis of liquidity buffer held on Group level per asset type and per subsidiary;
- The Liquidity Coverage Ratio (LCR) both in solo and group level;
- The Net Stable Funding Ratio (NSFR) both in solo and group level;
- Liquidity stress test scenarios. These scenarios evaluate the impact of a number of stress events on the Group's liquidity position;
- Market sensitivities affecting liquidity;
- The Additional Liquidity Monitoring Metrics (ALMM) both in solo and group level;
- The Asset Encumbrance (AE) both in solo and group level;
- Monitoring and implementation of the funding plan.

Maturity analysis of assets and assets held for managing liquidity risk

The following tables present maturity analysis of Group assets as at 31 December 2022 and 2021, based on their carrying values. Loans without contractual maturities are presented in the 'less than 1 month' time bucket. The Group has established credit risk mitigation contracts with its interbank counterparties (ISDA/CSA). Under these contracts the Group has posted or received collateral, which covers the corresponding net liabilities or net assets from derivative transactions. The collateral posted is not presented in the below tables. For derivative assets not covered by ISDA/CSA agreements the positive valuation is presented at fair value in the 'over 1 year' time bucket.

	31 December 2022				
	Less than 1 month € million	**1 - 3 months € million**	**3 months to 1 year € million**	**Over 1 year € million**	**Total € million**
- Cash and balances with central banks	**14,994**	**-**	**-**	**-**	**14,994**
- Due from credit institutions	**398**	**28**	**-**	**167**	**593**
- Loans and advances to customers	**3,164**	**1,271**	**3,549**	**33,693**	**41,677**
- Debt Securities	**115**	**137**	**349**	**12,411**	**13,012**
- Equity securities	**-**	**-**	**-**	**383**	**383**
- Derivative financial instruments	**-**	**-**	**-**	**9**	**9**
- Other assets[1]	**62**	**16**	**8**	**8,710**	**8,796**
- Assets of disposal groups classified as held for sale (note 30)	**-**	**-**	**84**	**-**	**84**
Total	**18,733**	**1,452**	**3,990**	**55,373**	**79,548**

	31 December 2021				
	Less than 1 month € million	1 - 3 months € million	3 months to 1 year € million	Over 1 year € million	Total € million
- Cash and balances with central banks	13,515	-	-	-	13,515
- Due from credit institutions	484	-	-	140	624
- Loans and advances to customers	2,857	799	3,680	31,631	38,967
- Debt Securities	309	179	789	9,924	11,201
- Equity securities	-	-	-	234	234
- Derivative financial instruments	-	-	-	104	104
- Other assets[1]	66	17	9	9,238	9,330
- Assets of disposal groups classified as held for sale	-	6	140	-	146
Total	17,231	1,001	4,618	51,271	74,121

[1] Other assets include Investments in associates and joint ventures, Property and equipment, Investment property, Intangible assets, Deferred tax assets and Other assets.

The Group holds a diversified portfolio of cash and highly liquid assets to support payment obligations and contingent deposit withdrawals in a stressed market environment. The Group's assets held for managing liquidity risk comprise:

(a) Cash and balances with central banks;

(b) Eligible bonds and other financial assets for collateral purposes; and

(c) Current accounts with banks and interbank placings maturing within one month.

The unutilized assets, containing highly liquid and central banks eligible assets, provide a contingent liquidity reserve of € 20.1 billion as at 31 December 2022 (2021: € 16.9 billion). This increase is attributed mainly to: i) a large inflow of customer deposits (annual increase by € 4 billion) and ii) new own debt issuances (annual increase by € 1.1 billion). In addition, the Group holds other types of liquid assets, as defined by the regulator, amounting to € 7.5 billion (cash value) (2021: € 7.5 billion). It should be noted that a part of the ECB available collateral of € 3.8 billion (cash value) (2021: € 1.3 billion) is held by Group's subsidiaries for which temporary local regulatory restrictions are applied and currently limit the level of its transferability between group entities.

Maturity analysis of liabilities

The amounts disclosed in the tables below are the contractual undiscounted cash flows for the years 2022 and 2021. Liabilities without contractual maturities (sight and saving deposits) are presented in the 'less than 1 month' time bucket. The Group has established credit risk mitigation contracts with its interbank counterparties (ISDA/CSA). Due to these contracts the Group has already posted collateral which covers the valuation of its net liabilities from interbank derivatives. For derivative liabilities not covered by ISDA/CSA agreements the negative valuation is presented at fair value in the 'less than 1 month' time bucket.

It should be noted that this table represents the worst case scenario since it is based on the assumption that all liabilities will be paid at maturity and they will not be rolled over (e.g. all term deposits are withdrawn at their contractual maturity). The recent experience shows that even in a period of a systemic financial crisis the likelihood of such an event is remote.

	31 December 2022				
	Less than 1 month € million	1 - 3 months € million	3 months to 1 year € million	Over 1 year € million	Gross nominal (inflow)/ outflow € million
Non-derivative liabilities:					
- Due to central banks and credit institutions	996	812	4,815	4,379	11,002
- Due to customers	49,755	3,220	4,038	250	57,263
- Debt securities in issue	37	7	141	4,395	4,580
- Lease liabilities	3	6	28	192	229
- Other liabilities	863	416	217	-	1,496
- Liabilities of disposal group classified as held for sale (note 30)	-	-	1	-	1
	51,654	4,461	9,240	9,216	74,571
Derivative financial instruments	25	-	-	-	25

Off-balance sheet items

	Less than 1 year € million	Over 1 year € million
Credit related commitments	4,898	5,573
Contractual commitments[(1)]	46	-
Total	4,944	5,573

	31 December 2021				
	Less than 1 month € million	1 - 3 months € million	3 months to 1 year € million	Over 1 year € million	Gross nominal (inflow)/ outflow € million
Non-derivative liabilities:					
- Due to central banks and credit institutions	442	23	2,756	9,301	12,522
- Due to customers	44,934	3,661	4,386	195	53,176
- Debt securities in issue	31	1	60	2,737	2,829
- Lease liabilities	3	6	27	221	257
- Other liabilities	416	456	239	-	1,111
- Liabilities of disposal group classified as held for sale	-	-	109	-	109
	45,826	4,147	7,577	12,454	70,004
Derivative financial instruments	16	-	-	-	16

Off-balance sheet items

	Less than 1 year € million	Over 1 year € million
Credit related commitments	1,757	5,084
Contractual commitments[1]	43	-
Total	1,800	5,084

[1] It refers to contractual commitments for the purchase of own used and investment property and intangible assets (note 42).

5.2.4 Interest Rate Benchmark reform – IBOR reform

During 2022, the Group's IBOR transition program managed successfully the transition of IBOR rates that ceased after 31 December 2021 (CHF, GBP, JPY, 1W and 2M USD and EUR Libor) to the new risk-free rates (RFRs).

In particular, the Group's financial instruments, referencing the abovementioned IBOR rates, have transitioned to the new RFRs on their first repricing date within 2022 for loan and deposit contracts and through the activation of fallback clauses for derivatives. Currently, the Group focuses on the exposures referencing the remaining USD LIBOR tenors ahead of 30 June 2023 scheduled cessation date.

As at 31 December 2022, the Group's exposures subject to transition to the new RFRs that mature after the IBORs' cessation dates specified above are presented in the below table:

	31 December 2022
	Benchmark rates Impacted by IBOR reform
	USD LIBOR [4]
	€ million
Non-derivative financial assets [1]	
Loans & Advances to customers	1,943
	1,943
Non-derivative financial liabilities [2]	
Due to customers	29
	29
Derivative financial instruments [3]	
Derivatives designated in hedges	309
Trading derivatives	1,892
	2,201

[1] Balances provided are the gross carrying amounts (excl. ECL).
[2] Balances provided are at amortized cost
[3] Balances provided are the notional amounts.
[4] Excluding exposures to USD LIBORs that have a contractual maturity date before their planned cessation date.

5.2.5 Climate-related risk

The Group has recognized climate change as a material risk and based on supervisory guidelines, is adapting its policies and methodologies for identifying and monitoring the relevant risks.

Specifically, climate risk is the risk deriving from potential loss or negative impact to the Group, including loss/damage to physical assets, disruption of business or system failures, from the adverse effects of climate change and natural disasters.

Climate-related and environmental risks are commonly understood to include the following risks:

- Physical risk, which refers to the financial impact of a changing climate, including more frequent extreme weather events and gradual changes in climate, as well as of environmental degradation, such as air, water and land pollution, water stress, biodiversity loss and deforestation.
- Transition risk, which refers to an institution's financial loss that can result, directly or indirectly, from the process of adjustment towards a lower- carbon and more environmentally sustainable economy.

The Group is adopting a strategic approach towards sustainability, climate change risk identification and risk management, signifying the great importance that is given in the risks and opportunities arising from the transitioning to a low-carbon and more circular economy. In this context, the Bank is in the process of finalizing its Financed Impact Strategy, which will focus on:

- Clients' engagement and awareness to adapt their business so as to address climate change challenges
- Actions for supporting customers in their transition efforts towards a more ESG-friendly economic environment
- Enablers and tools such as frameworks and products to underpin Sustainable Financing
- The risk assessment of climate-related material exposures

In line with good practices identified by the ECB, the Financed Impact Strategy of the Bank will focus on sustainable financing targets / commitments. In particular, the Bank identified total portfolio and sectoral targets with regards to financing the green transition of its clients. To facilitate the classification of sustainable/green financing opportunities in a structural manner, the Bank has developed its Sustainable Finance Framework (SFF). Through its SFF, the Bank classifies sustainable lending solutions offered to its customers, specifying the applied classification approach and the activities defined as eligible to access sustainable financing (eligible green and social assets). Similar initiatives for the establishment of SFF framework is under way in the subsidiaries.

Furthermore, the Group has updated its governance structure by introducing and defining the roles and responsibilities in relation to climate related & environmental (CR&E) risks, embedding regulatory guidelines and market practices.

The CR&E Risk Governance involves various key stakeholders (i.e. Business functions, Units, and Committees). The Group applies a model of defined roles and responsibilities regarding the management of CR&E risks across the 3 Lines of Defense.

The Group Climate Risk Division (GCRD) has the overall responsibility for overseeing, monitoring, and managing CR&E risks. Specifically, the GCRD operates as Project office responsible for the implementation of the Climate related and Environmental risks roadmap, with a coordinating and supervisory role on all related project streams to ensure alignment with the Bank's business strategy and the regulatory authorities' expectations. In this context, GCRD ensures the implementation of environmental and sustainability initiatives (frameworks, policies, procedures and products) and compliance with existing and upcoming sustainability-related regulations, under an ongoing bank-wide program, in alignment with the supervisory agreed roadmap, which is accelerated where possible. Also, GCRD is responsible for the co-ordination with Business and Risk Units, the preparation and submission for approval of the Financed Impact Strategy, as well as monitors its implementation. Furthermore, the GCRD leads the 2nd Line of Defense independent sustainable lending re-assessment process. Specifically, in the context of implementing the approved Sustainable Finance Framework (SFF), the Division is responsible to assess the sustainability features of new loans and products according to the criteria set within the SFF.

Climate risk stress test

The Group participated in the European Central Bank's (ECB) supervisory climate risk stress test, which was conducted in the first half of 2022. The 2022 climate risk stress test assessed how well banks are set up to deal with climate-related risks. A total of 104 significant banks participated in the test consisting of three modules, in which banks provided information on their: (i) own climate stress-testing capabilities, (ii) reliance on carbon-emitting sectors, and (iii) performance under different scenarios over several time horizons.

The test, which was part of the ECB's wider climate roadmap, was not a capital adequacy exercise but rather a learning one for banks and supervisors alike, aiming at identifying vulnerabilities and best practices and providing guidance to banks for the green transition. In this context, the Group has successfully completed the 2022 climate risk stress test exercise.

In July 2022, the European Central Bank (ECB) published the climate risk stress test aggregated results, showing that banks must improve their focus on climate risk. Furthermore, all participating entities, including the Group, received individual feedback and are expected to take action accordingly, in line with the set of good practices for climate-related and environmental risk management that the ECB published in November 2022, along with the good practices for climate stress testing published in December 2022. The results showed that the Group has made significant progress in incorporating a climate risk stress testing framework, with an overall performance in line with the average score of European Banks. The Group continues to work in order to implement its climate risk action plan, to further integrate climate risks into its business strategy and risk management practices, and to support its clients towards climate transition and sustainable business growth.

5.3 Fair value of financial assets and liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price). When a quoted price for an identical asset or liability is not observable, fair value is measured using another valuation technique that is appropriate in the circumstances and maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. Observable inputs are developed using market data, such as publicly available information about actual events or transactions, and reflect assumptions that market participants would use when pricing financial instruments, such as quoted prices in active markets for similar instruments, interest rates and yield curves, implied volatilities and credit spreads.

The Group's financial instruments measured at fair value or at amortized cost for which fair value is disclosed are categorized into the three levels of the fair value hierarchy based on whether the inputs to the fair values are observable or unobservable, as follows:

(a) Level 1-Financial instruments measured based on quoted prices (unadjusted) in active markets for identical financial instruments that the Group can access at the measurement date. A market is considered active when quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and represent actually and regularly occurring transactions. Level 1 financial instruments include actively quoted debt instruments held or issued by the

Group, equity and derivative instruments traded on exchanges, as well as mutual funds that have regularly and frequently published quotes.

(b) Level 2-Financial instruments measured using valuation techniques with inputs, other than level 1 quoted prices, that are observable either directly or indirectly, such as: i) quoted prices for similar financial instruments in active markets, ii) quoted prices for identical or similar financial instruments in markets that are not active, iii) inputs other than quoted prices that are directly or indirectly observable, mainly interest rates and yield curves observable at commonly quoted intervals, forward exchange rates, equity prices, credit spreads and implied volatilities obtained from internationally recognized market data providers and iv) other unobservable inputs which are insignificant to the entire fair value measurement. Level 2 financial instruments include over the counter (OTC) derivatives, less liquid debt instruments held or issued by the Group and equity instruments.

(c) Level 3-Financial instruments measured using valuation techniques with significant unobservable inputs. When developing unobservable inputs, best information available is used, including own data, while at the same time market participants' assumptions are reflected (e.g. assumptions about risk). Level 3 financial instruments include unquoted equities or equities traded in markets that are not considered active, certain OTC derivatives, loans and advances to customers including securitized notes of loan portfolios originated by the Group and recognized in financial assets and certain debt securities held or issued by the Group.

Financial instruments carried at fair value

The fair value hierarchy categorization of the Group's financial assets and liabilities measured at fair value is presented in the following tables:

	31 December 2022			
	Level 1 € million	Level 2 € million	Level 3 € million	Total € million
Securities held for trading	134	-	-	134
Investment securities at FVTPL	93	15	133	241
Derivative financial instruments(1)	1	1,178	6	1,185
Investment securities at FVOCI	3,600	228	-	3,828
Loans and advances to customers mandatorily at FVTPL	-	-	16	16
Financial assets measured at fair value	3,828	1,421	155	5,404
Derivative financial instruments(1)	1	1,660	-	1,661
Trading liabilities	419	-	-	419
Financial liabilities measured at fair value	420	1,660	-	2,080

	31 December 2021			
	Level 1 € million	Level 2 € million	Level 3 € million	Total € million
Securities held for trading	119	-	-	119
Investment securities at FVTPL	78	16	47	141
Derivative financial instruments	0	1,949	0	1,949
Investment securities at FVOCI	6,212	297	-	6,509
Loans and advances to customers mandatorily at FVTPL	-	-	23	23
Financial assets measured at fair value	6,409	2,262	70	8,741
Derivative financial instruments	1	2,393	-	2,394
Trading liabilities	43	-	-	43
Financial liabilities measured at fair value	44	2,393	-	2,437

(1) Amounts are after offsetting € 1,376 million and € 444 million level 2 derivative financial assets and liabilities, respectively, against cash collateral received (note 5.2.1.4).

The Group recognizes transfers into and out of the fair value hierarchy levels at the beginning of the quarter in which a financial instrument's transfer was effected. During the year ended 31 December 2022, the Group transferred OTC derivative instruments of € 9 million from Level 2 to Level 3 following the assessment on the significance of the CVA adjustment to their entire fair value measurement, calculated based on internal rating models.

Reconciliation of Level 3 fair value measurements

	2022 € million	2021 € million
Balance at 1 January	**70**	86
Transfers into Level 3	**9**	0
Transfers out of Level 3	**(0)**	(0)
Additions, net of disposals and redemptions (note 24) (1)	**87**	(18)
Total gain/(loss) for the year included in profit or loss	**(11)**	3
Foreign exchange differences and other	**0**	(1)
Balance at 31 December	**155**	70

(1) *Including capital returns on equity instruments.*

Group's valuation processes and techniques

The Group's processes and procedures governing the fair valuations are established by the Group Market Counterparty Risk Sector in line with the Group's accounting policies. The Group uses widely recognized valuation models for determining the fair value of common financial instruments that are not quoted in an active market, such as interest and cross currency swaps, that use only observable market data and require little management estimation and judgment. Specifically, observable prices or model inputs are usually available in the market for listed debt and equity securities, exchange-traded and simple over-the-counter derivatives. Availability of observable market prices and model inputs reduces the need for management judgment and estimation and also reduces the uncertainty associated with determining fair values.

Where valuation techniques are used to determine the fair values of financial instruments that are not quoted in an active market, they are validated against historical data and, where possible, against current or recent observed transactions in different instruments, and periodically reviewed by qualified personnel independent of the personnel that created them. All models are certified before they are used and models are calibrated to ensure that outputs reflect actual data and comparative market prices. Fair values' estimates obtained from models are adjusted for any other factors, such as liquidity risk or model uncertainties, to the extent that market participants would take them into account in pricing the instrument. Fair values also reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group entity and the counterparty, where appropriate.

Valuation controls applied by the Group may include verification of observable pricing, re-performance of model valuations, review and approval process for new models and/or changes to models, calibration and back-testing against observable market transactions, where available, analysis of significant valuation movements, etc. Where third parties' valuations are used for fair value measurement, these are reviewed in order to ensure compliance with the requirements of IFRS 13.

The fair values of OTC derivative financial instruments are estimated by discounting expected cash flows using market interest rates at the measurement date. Counterparty credit risk adjustments and own credit risk adjustments are applied to OTC derivatives, where appropriate. Bilateral credit risk adjustments consider the expected cash flows between the Group and its counterparties under the relevant terms of the derivative instruments and the effect of the credit risk on the valuation of these cash flows. As appropriate in circumstances, the Group considers also the effect of any credit risk mitigating arrangements, including collateral agreements and master netting agreements on the calculation of credit risk valuation adjustments (CVAs). CVA calculation uses probabilities of default (PDs) based on observable market data such as credit default swaps (CDS) spreads, where appropriate, or based on internal rating models. The Group applies similar methodology for the calculation of debit-value-adjustments (DVAs), when applicable. Where valuation techniques are based on internal rating models and the relevant CVA is significant to the entire fair value measurement, such derivative instruments are categorized as Level 3 in the fair value hierarchy. A reasonably possible change in the main unobservable input (i.e. the recovery rate), used in their valuation, would not have a significant effect on their fair value measurement.

The Group determines fair values for debt securities held using quoted market prices in active markets for securities with similar credit risk, maturity and yield, quoted market prices in non active markets for identical or similar financial instruments, or using discounted cash flows method.

Unquoted equity instruments at FVTPL under IFRS 9 are estimated mainly (i) using third parties' valuation reports based on investees' net assets, where management does not perform any further significant adjustments, and (ii) net assets' valuations, adjusted where considered necessary.

Loans and advances to customers including securitized notes of loan portfolios originated by the Group with contractual cash flows that do not represent solely payments of principal and interest (SPPI failures), are measured mandatorily at fair value through profit or loss. Quoted market prices are not available as there are no active markets where these instruments are traded. Their fair values are estimated on an individual loan basis by discounting the future expected cash flows over the time period they are expected to be recovered, using an appropriate discount rate or by reference to other comparable assets of the same type that have been transacted during a recent time period. Expected cash flows, which incorporate credit risk, represent significant unobservable input in the valuation and as such, the entire fair value measurement is categorized as Level 3 in the fair value hierarchy.

Financial instruments not measured at fair value

The fair value hierarchy categorization of the Group's financial assets and liabilities not measured at fair value on the balance sheet, is presented in the following tables:

	31 December 2022				
	Level 1 € million	Level 2 € million	Level 3 € million	Fair value € million	Carrying amount € million
Loans and advances to customers	-	-	41,767	41,767	41,661
Investment securities at amortised cost	6,185	699	1,271	8,155	9,192
Financial assets not measured at fair value	**6,185**	**699**	**43,038**	**49,922**	**50,853**
Debt securities in issue	1,343	1,503	553	3,399	3,552
Financial liabilities not measured at fair value	**1,343**	**1,503**	**553**	**3,399**	**3,552**

	31 December 2021				
	Level 1 € million	Level 2 € million	Level 3 € million	Fair value € million	Carrying amount € million
Loans and advances to customers	-	-	38,369	38,369	38,943
Investment securities at amortised cost	2,824	1,489	-	4,313	4,666
Financial assets not measured at fair value	2,824	1,489	38,369	42,682	43,609
Debt securities in issue	962	1,028	549	2,539	2,552
Financial liabilities not measured at fair value	962	1,028	549	2,539	2,552

The assumptions and methodologies underlying the calculation of fair values of financial instruments not measured at fair value, are in line with those used to calculate the fair values for financial instruments measured at fair value. Particularly:

(a) Loans and advances to customers including securitized notes of loan portfolios originated by the Group: quoted market prices are not available as there are no active markets where these instruments are traded. The fair values are estimated by discounting future expected cash flows over the time period they are expected to be recovered, using appropriate risk-adjusted rates. Loans are grouped into homogenous assets with similar characteristics, as monitored by Management, such as product, borrower type and delinquency status, in order to improve the accuracy of the estimated valuation outputs. In estimating future cash flows, the Group makes assumptions on expected prepayments, product spreads and timing of collateral realization. The discount rates for loans to customers incorporate inputs for expected credit losses and interest rates, as appropriate;

(b) Investment securities measured at amortized cost: the fair values are determined using prices quoted in an active market when these are available. In other cases, fair values are determined using quoted market prices for securities with similar credit risk, maturity and yield, quoted market prices in non active markets for identical or similar financial instruments, or by using the discounted cash flows method. In addition, for certain high quality corporate bonds for which quoted prices are not available, fair value is determined using prices that are derived from reliable data management platforms while part of them is verified by market participants (e.g. brokers). In certain cases, prices are implied by liquidity agreements (e.g. repos, pledges) with other financial institutions; and

(c) Debt securities in issue: the fair values are determined using quoted market prices, if available. If quoted prices are not available, fair values are determined based on third party valuations, quotes for similar debt securities or by discounting the expected cash flows at a risk-adjusted rate, where the Group's own credit risk is determined using inputs indirectly observable, i.e. quoted prices of similar securities issued by the Group or other Greek issuers.

For other financial instruments, which are short term or re-price at frequent intervals (cash and balances with central banks, due from credit institutions, due to central banks, due to credit institutions and due to customers), the carrying amounts represent reasonable approximations of fair values.

6. Net interest income

	2022 € million	2021 € million
Interest income		
Customers	**1,394**	1,234
- measured at amortised cost	*1,393*	*1,232*
- measured at FVTPL	*1*	*2*
Banks and other assets[(1)(3)]	**75**	11
Securities	**258**	151
- measured at amortised cost	*141*	*39*
- measured at FVOCI	*107*	*109*
- measured at FVTPL	*10*	*3*
Derivatives (hedge accounting)	**94**	40
Derivatives (no hedge accounting)	**494**	406
	2,315	1,842
Interest expense		
Customers [(1)]	**(93)**	(50)
Banks [(1)(2)(3)]	**(2)**	35
Debt securities in issue [(1)]	**(118)**	(83)
Derivatives (hedge accounting)	**(89)**	(58)
Derivatives (no hedge accounting)	**(460)**	(362)
Lease liabilities - IFRS 16	**(3)**	(3)
	(765)	(521)
Total	**1,550**	1,321

[(1)] *Measured at amortized cost.*

[(2)] *For the year 2022, it includes net income of € 53 million that is attributable to the targeted longer-term refinancing operations (TLTRO III) of the European Central Bank (ECB) (2021: € 91 million) (note 31).*

[(3)] *Interest from financial assets with negative rates, which were applied in 2021 and until June of 2022, was recorded in interest expense.*

In 2022, the net interest income rose by 17.4% to € 1,550 million, mainly driven by higher interest rates, the organic loans growth and the increased income from investment bonds partly offset by higher debt issued and deposits cost.

Interest income recognized by quality of Loans and Advances and Product Line is further analyzed below:

	31 December 2022		
	Interest income on non-impaired loans and advances € million	Interest income on impaired loans and advances € million	Total € million
Retail lending	634	27	661
Wholesale lending[(1)]	699	34	733
Total interest income from customers	**1,333**	**61**	**1,394**

	31 December 2021		
	Interest income on non-impaired loans and advances € million	Interest income on impaired loans and advances € million	Total € million
Retail lending	570	65	635
Wholesale lending[1]	551	48	599
Total interest income from customers	1,121	113	1,234

[1] Including interest income on loans and advances to Public Sector.

7. Net banking fee and commission income

The following tables include net banking fees and commission income from contracts with customers in the scope of IFRS 15, disaggregated by major type of services and operating segments (note 43).

	31 December 2022					
	Retail € million	**Corporate € million**	**Global Markets & Asset Mngt € million**	**International € million**	**Other and Elimination center € million**	**Total € million**
Lending related activities	**9**	**98**	**14**	**19**	**(0)**	**139**
Mutual funds and assets under management	**13**	**1**	**41**	**11**	**5**	**71**
Network activities and other[1]	**70**	**7**	**31**	**105**	**(1)**	**213**
Capital markets	**-**	**9**	**13**	**6**	**(3)**	**26**
Total	**92**	**115**	**99**	**141**	**1**	**449**

	31 December 2021					
	Retail € million	Corporate € million	Global Markets & Asset Mngt € million	International € million	Other and Elimination center € million	Total € million
Lending related activities	9	62	10	12	(0)	93
Mutual funds and assets under management	16	1	40	9	7	73
Network activities and other [1]	55	6	24	91	(7)	168
Capital markets	-	6	14	5	(2)	24
Total	80	75	88	117	(3)	358

[1] Including income from credit cards related services.

8. Income from non banking services

Income from non banking services includes rental income of € 92.4 million (2021: € 95.9 million) from real estate properties and other income of € 2.0 million (2021: € 1.9 million) from IT services provided by the Group entities.

9. Net trading income and gains less losses from investment securities

	2022 € million	2021 € million
Net trading income/(loss)		
Debt securities, including short positions	**98**	(2)
Derivative financial instruments (note 19)	**628**	(29)
Equity securities	**(1)**	3
Revaluation on foreign exchange positions	**2**	20
Total	**727**	(8)
Gains less losses from investment securities		
Debt securities measured at FVOCI [1]	**(26)**	93
Equity securities	**17**	8
Total	**(9)**	101

[1] It includes termination fees from related derivatives amounting to € 4 million income (2021: € 6 million loss).

Trading results of € 98 million income related to debt securities include € 9 million loss (2021: € 3 million loss) from trading securities and € 107 million gain on short positions on debt instruments entered into the context of the Group's economic hedging strategies (note 35).

Gains from derivative financial instruments of € 628 million comprise mainly a) € 390 million realized gains from unwinding of interest rate swaps in the context of the updated Group's hedging strategy, b) € 160 million realised gains from unwinding of interest rate swaps following the mandatory discontinuance of certain hedge accounting relationships and c) € 70 million gains from portfolio hedging of interest rate risk (macro hedging), of which € 20 million arising from hedge ineffectiveness and € 50 million from fair value changes of the hedging derivatives that occur as part of the dynamic management of the pool of hedging instruments on a monthly basis, and include their fair value changes before initial designation or after de-designation (notes 2.2.3i and 19).

10. Other income/ (expenses)

	2022 € million	2021 € million
Gain/(loss) from change in fair value of investment property (note 27)[1]	**34**	32
Sale of merchant acquiring business - Project Triangle (note 30)	**325**	-
Derecognition gain/(loss) on loans measured at amortised cost (note 20)	**2**	(3)
Fee expense related to the deferred tax credits (note 13)	**(6)**	(6)
Gain/ (loss) on the disposal/liquidation of subsidiaries and associates (notes 23 and 24)	**(34)**	1
Dividend income	**2**	2
Gains/(losses) on loans at FVTPL	**3**	1
Other	**(2)**	3
Total	**324**	30

[1] It includes ca € 2 million gain from remeasurement of real estate property transferred to investment property from repossessed assets in 2022. In 2021, it includes € 1.7 million gain related to the remeasurement of the interest held in the Group's former joint venture Value Touristiki S.A. (note 23.1).

11. Operating expenses

	2022 € million	2021 € million
Staff costs	**(447)**	(434)
Administrative expenses	**(272)**	(253)
Contributions to resolution and deposit guarantee funds	**(74)**	(75)
Depreciation of real estate properties and equipment	**(46)**	(40)
Depreciation of right of use assets	**(40)**	(38)
Amortisation of intangible assets	**(38)**	(36)
Total	**(917)**	(876)

For the year ended 31 December 2022, the amount of operating expenses (excluding any contribution to a deposit guarantee or resolution fund) for the Group's Greek activities was € 590 million (2021: € 583 million).

Contributions to resolution and deposit guarantee funds

In 2016, the Single Resolution Mechanism (SRM), which is one of the pillars of the Banking Union in the euro area alongside the Single Supervisory Mechanism (SSM), became fully operational. The Single Resolution Fund (SRF) was established by the SRM Regulation (EU) No 806/2014 in order to ensure uniform practice in the financing of resolutions within the SRM and it is owned by the Single Resolution Board (SRB). The SRM provides that the SRF will be built up over a period of eight years with 'ex-ante' contributions from the banking industry, which may include irrevocable payment commitments as a part of the total amount of contributions (note 42).

Staff costs

	2022 € million	2021 € million
Wages, salaries and performance remuneration	**(335)**	(326)
Social security costs	**(50)**	(51)
Additional pension and other post employment costs	**(18)**	(17)
Other	**(44)**	(40)
Total	**(447)**	(434)

The average number of employees of the Group during the year was 11,615 (2021: 11,495). As at 31 December 2022, the number of branches and business/private banking centers of the Group amounted to 616 (2021: 668).

12. Other impairments, restructuring costs and provisions

	2022 € million	2021 € million
Impairment and valuation losses on real estate properties	**(15)**	(17)
Impairment losses on bonds (note 5.2.1.3)	**(21)**	(4)
Other impairment losses and provisions	**(72)**	(31)
Other impairment losses and provisions	**(108)**	(52)
Voluntary exit schemes and other related costs (note 35)	**(60)**	(10)
Other restructuring costs	**(42)**	(15)
Restructuring costs	**(102)**	(25)
Total	**(210)**	(77)

For the year ended 31 December 2022, the Group recognized € 72 million (2021: € 31 million) other impairment losses and provisions, of which € 49 million relate to impairment losses for receivables and provisions on litigations and other operational risk events (2021: € 14 million), and € 23 million relate mainly to impairment losses on computer hardware and software (2021: € 16 million) (notes 26 and 28).

Furthermore, for the year ended 31 December 2022, the Group recognized € 42 million restructuring costs (2021: € 15 million), of which € 14 million relate to the merger of Eurobank a.d. Beograd with Direktna Banka a.d. and the integration initiatives thereafter (2021: € 5 million), while the remaining costs for both periods mainly relate to the Group's transformation projects and initiatives.

13. Income tax

	2022 € million	2021 € million
Current tax	**(45)**	(40)
Deferred tax	**(360)**	(116)
Total income tax	**(405)**	(156)

According to Law 4172/2013 currently in force, the nominal Greek corporate tax rate for credit institutions that fall under the requirements of article 27A of Law 4172/2013 regarding eligible DTAs/deferred tax credits (DTCs) against the Greek State is 29%. The Greek corporate tax rate for legal entities other than the aforementioned credit institutions is 22%. In addition, the withholding tax rate for dividends distributed, other than intragroup dividends, is 5%. In particular, the intragroup dividends under certain preconditions are relieved from both income and withholding tax.

The nominal corporate tax rates applicable in the banking subsidiaries incorporated in the international segment of the Group (note 43) are as follows: Bulgaria 10%, Serbia 15%, Cyprus 12.5% and Luxembourg 24.94%.

Tax certificate and open tax years

The Company and its subsidiaries, associates and joint ventures, which operate in Greece (notes 23 and 24) have in principle up to 6 open tax years. For fiscal years starting from 1 January 2016 onwards, pursuant to the Tax Procedure Code, an 'Annual Tax Certificate' on an optional basis, is provided for the Greek entities, with annual financial statements audited compulsorily, which is issued after a tax audit is performed by the same statutory auditor or audit firm that audits the annual financial statements. The Company and, as a general rule, the Group's Greek companies have opted to obtain such certificate.

Following the completion in 2022, of the tax audit of the Company by the tax authorities for the tax year 2016, its open tax years are 2017-2022, while the Bank's open tax years are 2020 - 2022. The tax certificates of the Company, the Bank and the other Group's entities, which operate in Greece, are unqualified for their open tax years until 2021. In addition, for the year ended 31 December 2022, the tax audits from external auditors are in progress.

In accordance with the Greek tax legislation and the respective Ministerial Decisions issued, additional taxes and penalties may be imposed by the Greek tax authorities following a tax audit within the applicable statute of limitations (i.e. in principle five years as from the end of the fiscal year within which the relevant tax return should have been submitted), irrespective of whether an unqualified tax certificate has been obtained from the tax paying company. In light of the above, as a general rule, the right of the Greek State to impose taxes up to tax year 2016 (included) has been time-barred for the Group's Greek entities as at 31 December 2022.

The open tax years of the foreign banking entities of the Group are as follows: (a) Eurobank Cyprus Ltd, 2018-2022, (b) Eurobank Bulgaria A.D., 2017-2022, (c) Eurobank Direktna a.d. (Serbia), 2017-2022, and (d) Eurobank Private Bank Luxembourg S.A., 2018-2022. The remaining foreign entities of the Group (notes 23 and 24), which operate in countries where a statutory tax audit is explicitly stipulated by law, have in principle up to 6 open tax years, subject to certain preconditions of the applicable tax legislation of each jurisdiction.

In reference to its total uncertain tax positions, the Group assesses all relevant developments (e.g. legislative changes, case law, ad hoc tax/legal opinions, administrative practices) and raises adequate provisions.

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Deferred tax

Deferred tax is calculated on all deductible temporary differences under the liability method as well as for unused tax losses at the rate in effect at the time the reversal is expected to take place.

The net deferred tax is analyzed as follows:

	2022 € million	2021 € million
Deferred tax assets	**4,161**	4,422
Deferred tax liabilities	**(31)**	(26)
Net deferred tax	**4,130**	4,396

The movement on deferred tax is as follows:

	2022 € million	2021 € million
Balance at 1 January	**4,396**	4,498
Income statement credit/(charge)	**(360)**	(116)
Investment securities at FVOCI	**96**	30
Cash flow hedges	**(0)**	(15)
Actuarial gains/(losses)	**(1)**	-
Other	**(1)**	(1)
Balance at 31 December	**4,130**	4,396

Deferred income tax (charge)/credit is attributable to the following items:

	2022 € million	2021 € million
Impairment/ valuation relating to loans, disposals and write-offs	**(128)**	13
Unused tax losses	**(0)**	(1)
Tax deductible PSI+ losses	**(50)**	(50)
Carried forward debit difference of law 4831/2021	**(73)**	73
Change in fair value and other temporary differences	**(109)**	(151)
Deferred income tax (charge)/credit	**(360)**	(116)

Deferred tax assets/(liabilities) are attributable to the following items:

	2022 € million	2021 € million
Impairment/ valuation relating to loans and accounting write-offs	**1,030**	1,034
PSI+ tax related losses	**951**	1,001
Losses from disposals and crystallized write-offs of loans	**2,242**	2,365
Carried forward debit difference of law 4831/2021[(1)]	**-**	73
Other impairments/ valuations through the income statement	**(120)**	(38)
Cash flow hedges	**5**	5
Defined benefit obligations	**5**	6
Real estate properties, equipment and intangible assets	**(78)**	(61)
Investment securities at FVOCI	**(15)**	(112)
Other[(2)]	**110**	123
Net deferred tax	**4,130**	4,396

[(1)] The unutilized part, as at 31 December 2021, of the carried forward crystallized tax losses of loans, in accordance with the law 4831/2021 (see below), was offset against taxable profit for the year ended 31 December 2022.

[(2)] It includes, among others, DTA on deductible temporary differences relating to operational risk provisions and the leasing operations.

Further information, in relation to the aforementioned categories of deferred tax assets as at 31 December 2022, is as follows:

(a) € 1,030 million refer to deductible temporary differences arising from impairment/valuation relating to loans including the accounting debt write-offs according to the Greek tax law 4172/2013, as in force. These temporary differences can be utilized in future periods with no specified time limit and according to current tax legislation of each jurisdiction;

(b) € 951 million refer to losses resulted from the Group's participation in PSI+ and the Greek's state debt buyback program which are subject to amortization for tax purposes over a thirty-year period, i.e. 1/30 of losses per year starting from year 2012 onwards (see below – DTCs section);

(c) € 2,242 million refer to the unamortized part of the crystallized tax losses arising from write-offs and disposals of loans, which are subject to amortization over a twenty-year period;

Assessment of the recoverability of deferred tax assets

The recognition of the deferred tax assets is based on management's assessment that the Group's legal entities will have sufficient future taxable profits, against which the deductible temporary differences and the unused tax losses can be utilized. The deferred tax assets are determined on the basis of the tax treatment of each deferred tax asset category, as provided by the applicable tax legislation of each jurisdiction and the eligibility of carried forward losses for offsetting with future taxable profits. Additionally, the Group's assessment on the recoverability of recognized deferred tax assets is based on (a) the future performance expectations (projections of operating results) and growth opportunities relevant for determining the expected future taxable profits, (b) the expected timing of reversal of the deductible and taxable temporary differences, (c) the probability that the Group entities will have sufficient taxable profits in the future, in the same period as the reversal of the deductible and taxable temporary differences or in the years into which the tax losses can be carried forward, and (d) the historical levels of Group entities' performance in combination with the previous years' tax losses caused by one off or non-recurring events.

In particular, as of 31 December 2022, the deferred tax asset (DTA) recoverability assessment has been based on the three-year Business Plan that was approved by the Board of Directors in December 2022, for the period up to the end of 2025, and was submitted to the Single Supervisory Mechanism (SSM). For the years beyond 2025, the forecast of operating results was based on the management projections considering the growth opportunities of the Greek economy, the banking sector and the Group itself. Specifically, the management projections for the Group's future profitability adopted in the Business Plan, have considered, among others, (a) the interest rates' increase, (b) the sustainable increase in loan volumes and the growth, at a relatively lower pace, of customer deposits, (c) the increase in fee and commission income mostly driven by assets under management, bancassurance, network and lending related activities, cards' issuing and investment property rentals, (d) the discipline to operating expenses' targets, (e) the further decrease of NPE ratio in line with the NPE Management Strategy submitted to SSM (note 5.2), (f) the cost of risk, which is expected to carry the effect from the macroeconomic uncertainty and the inflationary pressures' impact on households' disposable income and (g) the fulfilment of interim MREL targets throughout the plan period. The major initiatives introduced in the context of the Group's transformation plan "Eurobank 2030", will contribute to meeting its financial objectives.

The Group closely monitors and constantly assesses the developments on the macroeconomic and geopolitical front (note 2) including the inflationary pressures and their potential effect on the achievement of its Business Plan targets in terms of asset quality and profitability and will continue to update its estimates accordingly.

Deferred tax credit against the Greek State and tax regime for loan losses

As at 31 December 2022, pursuant to the Law 4172/2013, as in force, the Bank's eligible DTAs/deferred tax credits (DTCs) against the Greek State amounted to € 3,402 million (31 December 2021: € 3,547 million). The DTCs are accounted for on: (a) the unamortised losses from the Private Sector Involvement (PSI) and the Greek State Debt Buyback Program, which are subject to amortisation over a thirty-year period and (b) on the sum of (i) the unamortized part of the DTC eligible crystallized tax losses arising from write-offs and disposals of loans, which are subject to amortization over a twenty-year period, (ii) the accounting debt write-offs and (iii) the remaining accumulated provisions and other losses in general due to credit risk recorded up to 30 June 2015. The DTCs will be converted into directly enforceable claims (tax credit) against the Greek State provided that the Bank's after tax accounting result for the year is a loss.

According to the Law 4831/2021 (article 125), which amended Law 4172/2013, the amortization of the PSI tax related losses is deducted from the taxable income at a priority over that of the crystallized tax losses (debit difference) arising from write-offs and disposals of loans. In addition, the amount of the annual tax amortization of the above crystallized tax losses is limited to the amount of the annual taxable profits, calculated before the deduction of such losses and following the annual tax deduction of the PSI tax related losses. The unutilized part of the annual tax amortization of the crystallized loan losses can be carried forward for offsetting over a period of 20 years. If at the end of the 20-year utilization period, there are balances that have not been offset, these will qualify as a tax loss, which is subject to the 5-year statute of limitation. The above provisions apply as of 1 January 2021 and cover the crystallized tax losses that have arisen from write-offs and disposals of loans as of 1 January 2016 onwards.

Taking into account the tax regime in force, the recovery of the Bank's deferred tax asset recorded on loans and advances to customers and the regulatory capital structure are further safeguarded, contributing substantially to the achievement of NPE management targets through write-offs and disposals, in line with the regulatory framework and SSM requirements.

According to tax Law 4172/2013 as in force, an annual fee of 1.5% is imposed on the excess amount of deferred tax assets guaranteed by the Greek State, stemming from the difference between the current tax rate for the eligible credit institutions (i.e. 29%) and the tax rate applicable on 30 June 2015 (i.e. 26%). For the year ended 31 December 2022, an amount of € 5.9 million has been recognized in "Other income/(expenses)".

Income tax reconciliation and unused tax losses

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the applicable tax rates as follows:

	2022 **€ million**	2021 € million
Profit/(loss) before tax	**1,735**	483
Tax at the applicable tax rate	**(503)**	(140)
Tax effect of:		
- income not subject to tax and non deductible expenses	**1**	(5)
- effect of different tax rates in different countries	**44**	30
- change in applicable tax rate	**-**	1
- other	**53**	(42)
Total income tax	**(405)**	(156)

As at 31 December 2022, the Company and the Bank have not recognised deferred tax asset (DTA) on unused tax losses amounting to € 470 million (2021: € 517 million). In particular, a part of the Bank's carried forward tax losses was offset against the taxable profit for the year ended 31 December 2022, leading the Group's respective effective tax rate to 23% (32% in the comparative period, including the effect of the non-recognition of DTA on the impairment loss of the "Mexico" loan portfolio in Eurobank Holdings consolidated financial statements). The analysis of unrecognized DTA on unused tax losses of the Company and the Bank per year of maturity of related tax losses is presented in the table below:

	Unrecognized DTA **€ million**
Year of maturity of unused tax losses	
2023	**44**
2024	**62**
2025	**351**
2026	**12**
2027	**1**
Total	**470**

14. Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the year, excluding the average number of ordinary shares purchased by the Group and held as treasury shares.

The diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. As at 31 December 2022, the Group's dilutive potential ordinary shares relate to the share options that were allocated to key executives with grant date in July 2021 (note 39). The weighted average number of shares is adjusted for the share options by calculating the weighted average number of shares that could have been acquired at fair value (determined as the average market price of the Company's shares for the year). The number of shares resulting from the above calculation is added to the weighted average number of ordinary shares in issue in order to determine the weighted average number of ordinary shares used for the calculation of the diluted earnings per share.

		Year ended 31 December	
		2022	2021
Net profit for the year attributable to ordinary shareholders	*€ million*	**1,330**	328
Weighted average number of ordinary shares in issue for basic earnings per share	*Number of shares*	***3,708,988,032***	3,707,975,186
Weighted average number of ordinary shares in issue for diluted earnings per share	*Number of shares*	***3,714,564,870***	3,708,992,794
Earnings per share			
- Basic and diluted earnings per share	€	**0.36**	0.09

15. Cash and balances with central banks

	2022 **€ million**	2021 € million
Cash in hand	**504**	478
Balances with central banks	**14,490**	13,037
Total	**14,994**	13,515

The Bank and its banking subsidiaries in Eurozone (Cyprus and Luxemburg), are required to hold a minimum level of deposits (minimum reserve requirement - MRR) with their national central bank on an average basis over maintenance periods (i.e. six week periods); these deposits are calculated as 1% of certain liabilities, mainly customers' deposits, and can be withdrawn at any time provided that the MRR is met over the determined period of time. Similar obligations for the maintenance of minimum reserves with their national central bank are also applied to the banking subsidiaries in Bulgaria and Serbia. As at 31 December 2022, the mandatory reserves (i.e. those that the Group entities maintain in order to meet the MRR) with central banks amounted to € 1,040 million (2021: € 871 million). The interest rate on the main refinancing operations (MRO) was applied for MRR deposits placed to the European Central Bank (ECB) until December 2022, and the deposit facility rate (DFR) in force is applied thereafter.

Since 2019, the European Central Bank (ECB) had decided to introduce a two-tier system for eligible credit institutions' reserve remuneration which exempted part of excess liquidity holdings (i.e. reserve holdings in excess of MRR) from the negative DFR. The above two-tier system was lifted by ECB in September 2022, and the (positive) DFR in force is applied for the excess liquidity holdings placed to ECB thereafter.

16. Cash and cash equivalents and other information on cash flow statement

For the purpose of the cash flow statement, cash and cash equivalents comprise the following balances with original maturities of three months or less:

	2022 **€ million**	2021 € million
Cash and balances with central banks (excluding mandatory and collateral deposits with central banks) (note 15)	**13,954**	12,644
Due from credit institutions	**418**	505
Securities held for trading	**16**	-
Total	**14,388**	13,149

Other (income)/losses on investment securities presented in operating activities are analyzed as follows:

	2022 € million	2021 € million
Amortisation of premiums/discounts and accrued interest	**(21)**	26
(Gains)/losses from investment securities	**9**	(101)
Dividends	**(2)**	(1)
Total	**(14)**	(76)

In the year ended 31 December 2022, other adjustments of € 244 million presented in the cash flow statement mainly include a) € 325 million gain resulting from the sale of Eurobank's merchant acquiring business to Worldline (note 30), b) € 34 million gain resulting from the disposal of a 5.1% shareholding in the Group's former joint venture Grivalia Hospitality S.A. and the measurement on the disposal date of the retained interest in the entity as a financial asset at FVTPL (note 24) and c) € 76 million loss from the recyclement of currency translation reserves due to liquidation of ERB Istanbul Holding A.S. (note 23.1).

Changes in liabilities arising from financing activities

During the year ended 31 December 2022, changes in the Group's liabilities arising from financing activities, other than lease liabilities (note 41), are attributable to: a) debt issuance amounting to € 1,070 million (2021: € 1,141 million) (net of issuance costs), b) debt repayment amounting to € 11 million (2021: € 156 million) and c) accrued interest and amortisation of debt issuance costs amounting to € 57.1 million (2021: € 10.4 million).

17. Due from credit institutions

	2022 € million	2021 € million
Pledged deposits with banks	**911**	2,002
Placements and other receivables from banks	**196**	206
Current accounts and settlement balances with banks	**222**	302
Total	**1,329**	2,510

As at 31 December 2022, the Group's pledged deposits with banks mainly include: a) € 873 million mainly cash collaterals on risk mitigation contracts for derivative transactions and repurchase agreements (CSAs, GMRAs) and b) € 37 million cash collateral relating to the sale of former Romanian subsidiaries.

The Group's exposure arising from credit institutions, as categorized by counterparty's geographical region, is presented in the following table:

	2022 € million	2021 € million
Greece	**42**	36
Other European countries	**1,217**	2,249
Other countries	**70**	225
Total	**1,329**	2,510

18. Securities held for trading

	2022 € million	2021 € million
Debt securities (note 5.2.1.3)	**87**	69
Equity securities	**47**	50
Total	**134**	119

19. Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments both for hedging and non-hedging purposes.

The table below presents the fair values of the Group's derivative financial instruments by product type and hedge relationship along with their notional amounts. The notional amounts of derivative instruments provide a basis for comparison with instruments recognized on the balance sheet but do not necessarily indicate the amounts of future cash flows involved or the current fair value of the instruments and, therefore, are not indicative of the Group's exposure at the reporting date.

	31 December 2022			31 December 2021		
	Contract / notional amount	Fair values		Contract / notional amount	Fair values	
		Assets	Liabilities		Assets	Liabilities
	€ million	€ million	€ million	€ million	€ million	€ million
Derivatives for which hedge accounting is not applied/ held for trading						
- Interest rate swaps	**35,481**	**1,778**	**1,372**	29,758	1,738	1,352
- Interest rate options[(1)]	**3,616**	**74**	**96**	3,599	41	97
- Cross currency interest rate swaps	**-**	**-**	**-**	41	3	3
- Foreign exchange contracts[(2)]	**3,686**	**62**	**71**	3,682	53	25
- Other [(3)]	**154**	**2**	**2**	195	2	2
		1,916	**1,541**		1,837	1,479
Derivatives designated as fair value hedges						
- Interest rate swaps	**7,277**	**463**	**431**	3,732	82	804
- Interest rate swaps/portfolio hedging	**4,792**	**180**	**-**			
- Interest rate floors	**7,791**	**-**	**55**	-	-	-
		643	**486**		82	804
Derivatives designated as cash flow hedges						
- Interest rate swaps	**-**	**-**	**-**	1,852	30	54
- Cross currency interest rate swaps	**1,646**	**2**	**78**	1,632	0	57
		2	**78**		30	111
Offsetting (notes 5.2.1.4 and 32)						
- Interest rate swaps		**(1,376)**	**(444)**			
Total derivatives assets/liabilities		**1,185**	**1,661**		1,949	2,394

[(1)] *Interest rate options include interest rate caps and floors and swaptions.*

[(2)] *It includes currency swaps, forwards and options*

[(3)] *It includes credit default swaps, warrants, commodity derivatives, futures and exchange traded equity options.*

Information on the fair value measurement and offsetting of derivatives is provided in notes 5.3 and 5.2.1.4, respectively.

In response to the heightened market volatility, and particular the increase in interest rate levels and bond yields since the beginning of 2022, the Group discontinued certain hedging relationships designated as fair value and cash flow hedging of interest rate risk, which had been initiated in a low interest rate environment and fulfilled to a significant extent their hedging purpose. The derivative positions were gradually liquidated over the first quarter of 2022, while in parallel new economic hedges were initiated to manage the Group's interest rate exposures on a portfolio level. Such economic hedges were eventually liquidated towards the end of the second quarter of 2022, since Management, in the context of its updated hedging strategy and risk management objectives, decided to enter into new interest rate swaps designated upon their inception as hedging instruments for which hedge accounting is applied. The realized gains from the aforementioned actions on the Group's hedging strategies, due to the increase in interest rates, amounted to approximately € 390 million (note 9).

Furthermore, the significant movements in interest and inflation rates, especially in longer tenors exacerbated the ineffectiveness of certain long-dated hedging relationships for which different discount rates apply to the hedged item and hedging instrument. For these hedging relationships, the hedge ratio fell outside the designated range of 80%-125% allowed by IAS39, both prospectively and retrospectively, leading to the mandatory discontinuance of the hedge accounting since the relationships no longer met the hedge accounting criteria. Accordingly, the Bank proceeded to the gradual unwinding of the related interest rate swaps, realizing approximately € 160 million gains (note 9), while at the same time entered into new ones of shorter tenor, so as to ensure hedge effectiveness going forward.

The Group uses certain derivatives and other financial instruments, designated in a qualifying hedge relationship, to reduce its exposure to market risks. The hedging practices applied by the Group, as well as the relevant accounting treatment are disclosed in note 2.2.3. In particular:

(a) Fair value hedges
The Group hedges a portion of its existing interest rate risk resulting from any potential change in the fair value of fixed rate debt securities or fixed rate loans, denominated both in local and foreign currencies, using interest rate swaps and cross currency interest rate swaps. In 2022, the Group recognized a gain of € 886 million (2021: € 60 million loss) from changes in the carrying amount of the hedging instruments and € 862 million loss (2021: € 68 million gain) from changes in the fair value of the hedged items attributable to the hedged risk. The amount of hedge ineffectiveness recognized for 2022 in "Net trading income/ (loss)" was € 24 million gain (2021: € 8 million gain).

(b) Fair value hedges – portfolios of assets

The Group hedges a portion of its existing interest rate risk resulting from any potential change in the fair value of a portfolio of fixed rate loans including securitized notes initially issued and subsequently held by the Group (macro-hedging), using a group of interest rate swaps. The Group primarily designates the change in fair value attributable to changes in the benchmark interest rate as the hedged risk including also assumptions for prepayment risk and, accordingly, enters into interest rate swaps whereby the fixed legs represent the economic risks of the hedged items. In 2022, the Group recognized a gain of € 180 million from changes in the carrying amount of the hedging instruments and € 159 million loss from changes in the fair value of the designated hedged items attributable to the hedged risk. Accordingly, the amount of hedge ineffectiveness recognized for 2022 in "Net trading income/ (loss)" was € 21 million gain.

The Group also hedges the variability deriving from the fair value changes of purchased interest rate floors embedded in portfolios of floating rate loans and debt securities by writing the floors in the market. In 2022, the Group recognized a gain of € 20 million from changes in the carrying amount of the hedging instruments, and € 20 million loss from changes in the fair value of the hedged items attributable to the hedged risk.

(c) Cash flow hedges
The Group hedges a portion of its existing interest rate and foreign currency risk resulting from any cash flow variability on floating rate performing customer loans or floating rate deposits, denominated both in local and foreign currency, or unrecognized highly probable forecast transactions, using interest rate and cross currency interest rate swaps. For the year ended 31 December 2022, an amount of € 19 million gain was recognised in other comprehensive income in relation to derivatives designated as cash flow hedges (2021: € 51 million gain). Furthermore, in 2022, the ineffectiveness recognized in the income statement that arose from cash flow hedges was nil (2021: nil).

In addition, the Group uses other derivatives, not designated in a qualifying hedge relationship, to manage its exposure primarily to interest rate and foreign currency risks. Non qualifying hedges are derivatives entered into as economic hedges of assets and liabilities for which hedge accounting was not applied. The said derivative instruments are monitored and have been classified for accounting purposes along with those held for trading.

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The Group's exposure in derivative financial assets, as categorized by counterparty's geographical region and industry sector, is presented in the following tables:

	31 December 2022			
	Greece € million	**Other European countries € million**	**Other countries € million**	**Total € million**
Sovereign	**249**	**-**	**-**	**249**
Banks	**12**	**291**	**570**	**873**
Corporate	**51**	**12**	**-**	**63**
Total	**312**	**303**	**570**	**1,185**

	31 December 2021			
	Greece € million	Other European countries € million	Other countries € million	Total € million
Sovereign	1,105	-	-	1,105
Banks	4	466	261	731
Corporate	109	0	4	113
Total	1,218	466	265	1,949

As at 31 December 2022, the net carrying value of the derivatives with the Hellenic Republic amounted to a liability of € 489 million (31 December 2021: € 1,100 million asset).

At 31 December 2022 and 2021, the maturity profile of the nominal amount of the financial instruments designated by the Group in hedging relationships is presented in the tables below:

	31 December 2022								
	Fair Value Hedges					**Cash Flow Hedges**			
	1 - 3 months € million	**3 - 12 months € million**	**1-5 years € million**	**Over 5 years € million**	**Total € million**	**3 - 12 months € million**	**1-5 years € million**	**Over 5 years € million**	**Total € million**
Interest rate swaps[(1)]	**255**	**24**	**2,884**	**4,114**	**7,277**	**-**	**-**	**-**	**-**
Interest rate options	**-**	**-**	**800**	**6,991**	**7,791**	**-**	**-**	**-**	**-**
Cross currency interest rate swaps	**-**	**-**	**-**	**-**	**-**	**101**	**1,545**	**-**	**1,646**
Total	**255**	**24**	**3,684**	**11,105**	**15,068**	**101**	**1,545**	**-**	**1,646**

	31 December 2021								
	Fair Value Hedges					Cash Flow Hedges			
	1 - 3 months € million	3 - 12 months € million	1-5 years € million	Over 5 years € million	Total € million	3 - 12 months € million	1-5 years € million	Over 5 years € million	Total € million
Interest rate swaps	39	13	500	3,180	3,732	19	728	1,105	1,852
Cross currency interest rate swaps	-	-	-	-	-	48	1,584	-	1,632
Total	39	13	500	3,180	3,732	67	2,312	1,105	3,484

(1) Nominal amount of interest rate swaps designated as fair value portfolio hedges is not included.

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(a) Fair value hedges

The following tables present data relating to the hedged items under fair value hedges for the years ended 31 December 2022 and 2021:

	31 December 2022		
	Carrying amount/Exposure designated as hedged	**Accumulated amount of FV hedge adjustments related to the hedged item**	**Change in value as the basis for recognising hedge ineffectiveness**
	€ million	**€ million**	**€ million**
Loans and advances to customers[1]	**12,693**	**(216)**	**(225)**
Debt securities AC[1]	**3,978**	**(17)**	**(431)**
Debt securities FVOCI	**1,336**	**(157)**	**(266)**
Debt securities in issue	**2,373**	**(120)**	**(120)**
Total	**20,380**	**(510)**	**(1,042)**

	31 December 2021		
	Carrying amount/ Exposure designated as hedged	Accumulated amount of FV hedge adjustments related to the hedged item	Change in value as the basis for recognising hedge ineffectiveness
	€ million	€ million	€ million
Loans and advances to customers[1]	470	16	(5)
Debt securities AC	2,208	531	179
Debt securities FVOCI	2,573	94	(105)
Total	5,251	641	69

[1] For loans and advances to customers hedges and debt securities at amortised cost included in portfolio hedges, the exposure designated as hedged is presented.

At 31 December 2022, the accumulated amounts of fair value hedge adjustments remaining in the balance sheet for any items that have ceased to be adjusted for hedging gains and losses were € 279 million assets for debt securities held at AC, € 4 million liabilities for debt issued and € 19 million liabilities for adjustments related to debt securities held at FVOCI (2021: € 190 million assets for debt securities held at AC).

(b) Cash flow hedges

The cash flow hedge reserves for continuing hedges as at 31 December 2022 were € 4 million gain (2021: € 3 million gain), which relate to loans and advances to customers (2021: € 4 million gain relates to loans and advances to customers and € 1 million loss to deposits).

As at 31 December 2022, the balances remaining in the cash flow hedge reserve from any cash flow hedging relationships for which hedge accounting is no longer applied was € 20 million loss (2021: € 19 million loss).

The reconciliation of the components of Group's special reserves including cash flow hedges is provided in note 38.

20. Loans and advances to customers

	2022 € million	2021 € million
Loans and advances to customers at amortised cost		
- Gross carrying amount	43,450	40,815
- Impairment allowance	(1,626)	(1,872)
Carrying Amount	**41,824**	38,943
Fair value changes of loans in portfolio hedging of interest rate risk	**(163)**	-
Loans and advances to customers at FVTPL	**16**	23
Total	**41,677**	38,967

The table below presents the carrying amount of loans and advances to customers per product line and per stage as at 31 December 2022:

	31 December 2022				31 December 2021
	12-month ECL-Stage 1 € million	Lifetime ECL-Stage 2 € million	Lifetime ECL - Stage 3 and POCI[1] € million	Total amount € million	Total amount € million
Loans and advances to customers at amortised cost					
Mortgage lending:					
- Gross carrying amount	6,832	2,825	545	10,201	10,105
- Impairment allowance	(21)	(160)	(229)	(409)	(325)
Carrying Amount	6,810	2,665	316	9,792	9,780
Consumer lending:					
- Gross carrying amount	2,669	427	257	3,353	3,242
- Impairment allowance	(37)	(48)	(186)	(271)	(340)
Carrying Amount	2,633	379	70	3,082	2,902
Small Business lending:					
- Gross carrying amount	2,668	740	434	3,842	3,753
- Impairment allowance	(23)	(72)	(229)	(324)	(326)
Carrying Amount	2,645	668	205	3,518	3,427
Wholesale lending:[(2)(3)]					
- Gross carrying amount	23,448	1,581	1,024	26,054	23,716
- Impairment allowance	(68)	(75)	(478)	(621)	(881)
Carrying Amount	23,380	1,506	546	25,432	22,835
Total loans and advances to customers at AC					
- Gross carrying amount	35,618	5,573	2,259	43,450	40,815
- Impairment allowance	(149)	(355)	(1,121)	(1,626)	(1,872)
Carrying Amount	**35,468**	**5,218**	**1,138**	**41,824**	38,943
Fair value changes of loans in portfolio hedging of interest rate risk				**(163)**	-
Loans and advances to customers at FVTPL					
Carrying Amount[(4)]				**16**	23
Total				**41,677**	38,967

(1) *As at 31 December 2022, POCI loans of € 43 million gross carrying amount (of which € 41 million included in non performing exposures) and € 6.5 million impairment allowance are presented in 'Lifetime ECL – stage 3 and POCI' (31 December 2021: € 44 million gross carrying amount and € 6.4 million impairment allowance).*

(2) *Includes € 4,901 million related to the senior notes of Pillar, Cairo and Mexico securitizations, which have been categorized in Stage 1.*

(3) *Includes loans to public sector.*

(4) *Includes € 9.9 million related to the mezzanine notes of the Pillar, Cairo and Mexico securitizations.*

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Loans and advances to customers – Project Solar

In the context of its NPE management strategy, the Group has structured another NPE securitization transaction (project 'Solar'), as part of a joint initiative with the other Greek systemic banks initiated since 2018, in order to decrease further its NPE ratio and strengthen its balance sheet de-risking. In addition, the Group targets to the prudential and accounting derecognition of the underlying corporate loan portfolio from its balance sheet by achieving a Significant Risk Transfer (SRT) and including 'Solar' securitization under the Hellenic Asset Protection Scheme (HAPS), thus the senior note of the securitization to become entitled to the Greek State's guarantee. In parallel, the Management along with the other participating banks have initiated actions towards the disposal of the majority stake of the mezzanine and junior notes to be issued in the context of the above-mentioned securitization.

Accordingly, as of 30 June 2022, the Group classified the underlying corporate loan portfolio as held for sale, while the remeasurement of the portfolio's expected credit losses, in accordance with the Group's accounting policy for the impairment of financial assets, had no significant impact in impairment losses from loans and advances to customers. The impairment loss was calculated by reference to the estimated fair value of the notes to be retained by the Group upon the completion of transaction and the expected consideration to be received by the sale of mezzanine and junior notes. As at 31 December 2022, the carrying amount of the aforementioned loan portfolio reached € 69 million, comprising loans with gross carrying amount of € 268 million, which carried an impairment allowance of € 199 million. Furthermore, the impairment allowance of the letters of guarantee included in the underlying portfolio reached € 1 million and was presented in "liabilities of disposal groups classified as held for sale" (note 30).

As at 31 December 2022, following the classification of project "Solar" underlying loan portfolio as held for sale, the Group's NPE stock amounted to € 2.3 billion (31 December 2021: € 2.8 billion) driving the NPE ratio to 5.2% (31 December 2021: 6.8%), while the NPE coverage ratio stood at 74.6% (31 December 2021: 69.2%).

Loans and advances to customers – Project Wave

In December 2022, the Bank, proceeded with the execution of the third synthetic risk transfer transaction (project "Wave III") in the form of a financial guarantee, providing credit protection over the mezzanine loss of a portfolio of performing shipping loans amounting to $ 1.7 billion (the reference portfolio). Similarly to the previous two synthetic risk transfer transactions (projects 'Wave I' and 'Wave II'), that were executed in December 2021 over a reference portfolio of performing SMEs and large corporate loans of € 1.7 billion, the Wave III transaction was accounted for as a purchased financial guarantee contract that is not integral to the contractual terms of the reference portfolio, where a compensation right resulting from the expected credit losses of the protected loans is recognized, to the extent that it is virtually certain that the Group will be reimbursed for the credit losses incurred. The reference portfolios of Wave projects continued to be recognised on the Group's Balance Sheet.

As at 31 December 2022, the Wave III transaction, that was performed in the context of the Group's initiatives for the optimization of its regulatory capital, resulted in a capital benefit of 40 bps.

Securitizations of loan portfolios originated by the Group

The Group in the context of the achievement of its NPE reduction targets has entered into the securitization of various classes of primarily NPE through the issue of senior, mezzanine and junior notes, which resulted, as described below, in the derecognition of the underlying loan portfolios and the recognition of the retained notes.

'Mexico' securitization

In May 2021, the Bank, through its special purpose financing vehicle (SPV) 'Mexico Finance Designated Activity Company' issued senior, mezzanine and junior notes of total nominal amount of ca. € 5.2 billion, via a securitization of a mixed portfolio comprising primarily NPE of total principle amount due of ca. € 5.2 billion and gross carrying amount of ca. € 3.2 billion, which were fully retained by the Bank. The Group included ''Mexico" securitization under the Hellenic Asset Protection Scheme (HAPS) thus the senior note of the securitization became entitled to the Greek State's guarantee.

In June 2021, the General Shareholders' Meeting of the Bank (GM), approved the distribution of the 95% of the mezzanine and junior notes of Mexico securitization to its parent company through the decrease in kind of the Bank's share capital. The Bank applied the use of book values in intercompany distributions of non-cash assets, consistently with the accounting policies already applied in other types of common control transactions. Therefore, the reduction of the Bank's total equity was determined by the book value of the assets distributed.

The settlement of the aforementioned distribution in kind, that took place in September 2021, resulted in the de-recognition of the underlying loan portfolio and the related assets and liabilities from the Bank's balance sheet, on the basis that the latter transferred substantially all risks and rewards of the portfolio's ownership and relinquished its control over it. In addition, the Bank ceased to control the SPV and the related real estate company, which resides with the majority stake of Class B noteholders. At the same time, Eurobank Holdings accounted for the distribution in kind as dividend, recognizing in profit and loss the fair value of the distributed notes, ie. 95% of the mezzanine and junior notes. Moreover, Eurobank Holdings obtained the direct control of the SPV and the related real estate company.

In September 2021, the BoD of Eurobank Holdings approved to proceed with the sale of 95% of the mezzanine and junior notes of Mexico securitization to doValue S.p.A. and the ongoing servicing of the portfolio by doValue Group. Accordingly, as at 30 September 2021, the Group proceeded with the re-measurement of the portfolio's expected credit losses, considering the estimated date for the Mexico loan portfolio's derecognition from its balance sheet, in accordance with its accounting policy for the impairment of financial assets and recognized an impairment loss of € 72 million in the third quarter of 2021.

The transaction with doValue Group for the sale of the 95% of the mezzanine and junior notes retained by Eurobank Holdings was concluded in December 2021, after the fulfillment of all conditions and having received all appropriate approvals. As a result of the aforementioned sale, the Group ceased to control the SPV as well as the related real estate company and derecognized the underlying loan portfolio from its balance sheet, on the basis that it transferred substantially all risks and rewards of the portfolio's ownership and ceased to have control over the securitized loans, which resides with the majority stake of Class B noteholders. In addition, the Group recognized the retained notes on its balance sheet i.e. 100% of the senior and 5% of the mezzanine and junior notes, with carrying amount € 1,539 million at 31 December 2022 (31 December 2021: € 1,624 million). The derecognition of the underlying loan portfolio from the Group's balance sheet resulted in a derecognition loss of € 5 million, which was presented in 'other income/expenses'.

'Cairo' securitization

In June 2019, the Group, through the special purpose financing vehicles (SPVs) 'Cairo No. 1 Finance Designated Activity Company', 'Cairo No. 2 Finance Designated Activity Company' and 'Cairo No. 3 Finance Designated Activity Company', issued senior, mezzanine and junior notes of total face value of ca. € 7.5 billion, via a securitization of a mixed portfolio consisting primarily of non-performing loans (NPE) ("Cairo" securitization). In December 2019, the Group announced that it has entered into a binding agreement with doValue S.p.A. for the sale of 20% of the mezzanine and 50.1% of the junior notes of "Cairo" securitization. The Group included "Cairo" securitization under the Hellenic Asset Protection Scheme (HAPS) thus the senior note of the securitization became entitled to the Greek State's guarantee.

In June 2020, the sale of the aforementioned notes was completed and, as a result, the Group ceased to control the Cairo SPVs on the basis that it does not have the power to direct their relevant activities. Furthermore, in June 2020, Eurobank Holdings, following a decision of the Board of Directors (BoD), proceeded to the contribution of the retained Cairo notes, i.e. 75% of the mezzanine and 44.9% of the junior notes, along with an amount of € 1.5 million in cash to its Cyprus-based subsidiary Mairanus Ltd, renamed to 'Cairo Mezz Plc', in exchange for the newly-issued shares of the aforementioned subsidiary. In July 2020, the General Shareholders' Meeting of the Company approved the distribution of Cairo Mezz Plc shares to Eurobank Holding's shareholders through the decrease in kind of its share capital.

In September 2020, following the completion of the distribution of the Cairo Mezz Plc shares, the underlying loan portfolio and the related assets and liabilities were derecognized from the Group's balance sheet, on the basis that at that time the Group transferred substantially all risks and rewards of the portfolio's ownership and ceased to have control over the securitized portfolio. In addition, the Group recognized the retained notes on its balance sheet, i.e. 100% of the senior notes, 5% of mezzanine and junior notes with carrying amount € 2,332 million at 31 December 2022 (31 December 2021: € 2,432 million).

'Pillar' securitization

In June 2019, the Group, through the special purpose financing vehicle (SPV) 'Pillar Finance Designated Activity Company' issued senior, mezzanine and junior notes of total value of ca. € 2 billion, via a securitization of residential mortgage primarily NPE. In September 2019, the Group sold 95% of the above-mentioned mezzanine and junior notes to Celidoria S.A R.L. Upon the completion of the sale, the Group ceased to control the SPV and derecognized the underlying loan portfolio in its entirety, on the basis that it transferred substantially all the risks and rewards of the underlying loan portfolio's ownership. In addition, the Group recognized the retained notes, i.e. 100% of the senior, 5% of the mezzanine and junior notes, on its balance sheet with carrying amount € 1,039 million at 31 December 2022 (31 December 2021: € 1,060 million).

21. Impairment allowance for loans and advances to customers

The following tables present the movement of the impairment allowance on loans and advances to customers (expected credit losses – ECL):

	31 December 2022												
	Wholesale			Mortgage			Consumer			Small business			
	12-month ECL -Stage 1 € million	Lifetime ECL -Stage 2 € million	Lifetime ECL - Stage 3 and POCI(1) € million	12-month ECL -Stage 1 € million	Lifetime ECL -Stage 2 € million	Lifetime ECL - Stage 3 and POCI(1) € million	12-month ECL -Stage 1 € million	Lifetime ECL -Stage 2 € million	Lifetime ECL - Stage 3 and POCI(1) € million	12-month ECL -Stage 1 € million	Lifetime ECL -Stage 2 € million	Lifetime ECL - Stage 3 and POCI(1) € million	Total € million
Impairment allowance as at 1 January	69	76	737	17	138	170	44	39	257	41	58	227	**1,872**
New loans and advances originated or purchased	29	-	-	2	-	-	21	-	-	6	-	-	58
Transfers between stages													
- to 12-month ECL	20	(20)	(0)	10	(9)	(1)	14	(8)	(5)	13	(10)	(3)	-
- to lifetime ECL	(12)	13	(1)	(4)	24	(20)	(8)	24	(15)	(7)	19	(12)	-
- to lifetime ECL credit-impaired loans	(6)	(8)	14	(1)	(9)	10	(5)	(7)	11	(2)	(7)	9	-
Impact of ECL net remeasurement	(35)	13	(1)	(3)	12	100	(25)	(0)	91	(30)	12	69	202
Recoveries from written - off loans	-	-	23	-	-	9	-	-	12	-	-	9	53
Loans and advances derecognised/ reclassified as held for sale during the year(2)	-	(0)	(202)	-	-	(0)	-	-	-	-	-	(1)	(203)
Amounts written off(3)	-	-	(87)	-	-	(10)	-	-	(141)	-	-	(53)	(290)
Unwinding of Discount	-	-	(11)	-	-	(1)	-	-	(3)	-	-	(2)	(18)
Foreign exchange and other movements	4	1	5	(0)	3	(27)	(4)	1	(21)	2	1	(14)	(49)
Impairment allowance as at 31 December	**68**	**75**	**478**	**21**	**160**	**229**	**37**	**48**	**186**	**23**	**72**	**229**	**1,626**

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	31 December 2021												
	Wholesale			Mortgage			Consumer			Small business			
	12-month ECL -Stage 1 € million	Lifetime ECL -Stage 2 € million	Lifetime ECL - Stage 3 and POCI[(1)] € million	12-month ECL -Stage 1 € million	Lifetime ECL -Stage 2 € million	Lifetime ECL - Stage 3 and POCI[(1)] € million	12-month ECL -Stage 1 € million	Lifetime ECL -Stage 2 € million	Lifetime ECL - Stage 3 and POCI[(1)] € million	12-month ECL -Stage 1 € million	Lifetime ECL -Stage 2 € million	Lifetime ECL - Stage 3 and POCI[(1)] € million	Total € million
Impairment allowance as at 1 January	83	108	1,052	24	152	665	41	61	617	35	119	520	3,477
New loans and advances originated or purchased	17	-	-	1	-	-	22	-	-	5	-	-	45
Transfers between stages													
- to 12-month ECL	16	(11)	(5)	18	(15)	(2)	21	(17)	(4)	38	(37)	(2)	-
- to lifetime ECL	(6)	13	(7)	(7)	80	(73)	(3)	23	(20)	(3)	23	(20)	-
- to lifetime ECL credit-impaired loans	(1)	(22)	22	(1)	(16)	17	(3)	(16)	18	(3)	(19)	22	-
Impact of ECL net remeasurement	(35)	(10)	138	(15)	(26)	232	(31)	(12)	138	(30)	(5)	138	480
Recoveries from written - off loans	-	-	7	-	-	3	-	-	10	-	-	5	25
Loans and advances derecognised/reclassified as held for sale during the year[(2)]	(0)	(3)	(271)	(0)	(34)	(604)	(0)	(1)	(306)	(0)	(25)	(327)	(1,571)
Amounts written off[(3)]	-	-	(166)	-	-	(73)	-	-	(145)	-	-	(85)	(469)
Unwinding of Discount	-	-	(21)	-	-	(8)	-	-	(7)	-	-	(9)	(46)
Foreign exchange and other movements	(5)	1	(13)	(3)	(2)	12	(3)	0	(42)	(2)	3	(15)	(69)
Impairment allowance as at 31 December	69	76	737	17	138	170	44	39	257	41	58	227	1,872

[(1)] The impairment allowance for POCI loans of € 6.5 million is included in 'Lifetime ECL – stage 3 and POCI' (2021: € 6.4 million).

[(2)] It represents the impairment allowance of loans derecognized due to a) substantial modifications of the loans' contractual terms, b) securitization and sale transactions, c) debt to equity transactions and those that have been reclassified as held for sale during the year (notes 20 and 30).

[(3)] The contractual amount outstanding on lending exposures that were written off during the year ended 31 December 2022 and that are still subject to enforcement activity is € 111 million (2021: € 217 million).

The impairment losses relating to loans and advances to customers recognized in the Group's income statement for the year ended 31 December 2022 amounted to € 291 million (2021: € 490 million, including € 72 million loss relating to the project Mexico (note 20)) and are analyzed as follows:

	2022 € million	2021 € million
Impairment loss on loans and advances to customers	**(261)**	(525)
Net income / (loss) from financial guarantee contracts[1]	**(22)**	-
Modification gain / (loss) on loans and advances to customers	**2**	18
Impairment (loss)/ reversal for credit related commitments	**(10)**	17
Total	**(291)**	(490)

[1] It refers to purchased financial guarantee contracts, not integral to the guaranteed loans (projects Wave).

22. Investment securities

	2022 € million	2021 € million
Investment securities at FVOCI	**3,828**	6,509
Investment securities at amortised cost	**9,192**	4,666
Investment securities at FVTPL	**241**	141
Total	**13,261**	11,316

Note: information on debt securities of the investment portfolio is presented in note 5.2.1.3

In December 2022, the Bank acquired an additional 3.2% holding in Hellenic Bank Public Company Limited ("Hellenic Bank"), a financial institution located in Cyprus, for a consideration of € 16.74 million. Following this transaction, as at 31 December 2022, the Bank holds a 15.8% participation in Hellenic Bank. The said investment is aligned with the overall strategy of the Group to further strengthen its presence in its core markets in which retains a strategic interest and thus has been designated at FVOCI. Its fair value as at 31 December 2022 amounted to € 94.6 million (2021: € 44.4 million).

In addition, on 1 December 2022, the Bank announced that it has entered into a share purchase agreement with Wargaming Group Limited, pursuant to which it has agreed to acquire an additional 13.41% holding in Hellenic Bank for a consideration of € 70 million. The completion of the said acquisition was subject to the full fulfillment of the relevant regulatory approvals.

Post balance sheet event

On 4 April 2023 the Bank announced that, following the receipt of the relevant regulatory approvals, the above acquisition was completed, and its total holding in Hellenic Bank reached 29.2%. Following that, the investment in Hellenic Bank will be accounted for as a Group's associate in the consolidated financial statements as of the second quarter of 2023.

22.1 Movement of investment securities

The tables below present the movement of the carrying amount of investment securities per measurement category and per stage:

	31 December 2022								
	Debt securities at FVOCI			Investment securities at amortised cost			Investment securities at FVTPL	Equity securities at FVOCI	
	12-month ECL- Stage 1	Lifetime ECL- Stage 2	Lifetime ECL- Stage 3	12-month ECL- Stage 1	Lifetime ECL- Stage 2	Lifetime ECL- Stage 3			Total
	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million
Gross carrying amount at 1 January	**6,456**	**9**	**-**	**4,672**	**-**	**-**	**141**	**44**	**11,322**
Additions, net of disposals and redemptions	**(1,979)**	**(6)**	**(14)**	**4,904**	**-**	**-**	**80**	**17**	**3,002**
Transfers between stages	**(131)**	**117**	**14**	**(40)**	**6**	**34**	**-**	**-**	**-**
Net gains/(losses) from changes in fair value for the year	**(740)**	**3**	**-**	**-**	**-**	**-**	**16**	**34**	**(687)**
Amortisation of premiums/discounts and interest	**(42)**	**(2)**	**-**	**64**	**-**	**2**	**0**	**-**	**22**
Changes in fair value due to hedging[(1)]	**-**	**-**	**-**	**(449)**	**-**	**(4)**	**-**	**-**	**(453)**
Exchange adjustments and other movements	**48**	**(0)**	**-**	**24**	**-**	**1**	**4**	**-**	**77**
Gross carrying amount at 31 December	**3,612**	**121**	**-**	**9,175**	**6**	**33**	**241**	**95**	**13,283**
Impairment allowance	**-**	**-**	**-**	**(12)**	**(0)**	**(10)**	**-**	**-**	**(22)**
Net carrying amount at 31 December	**3,612**	**121**	**-**	**9,163**	**6**	**23**	**241**	**95**	**13,261**

	31 December 2021					
	Debt securities at FVOCI		Investment securities at amortised cost	Investment securities at FVTPL	Equity securities at FVOCI	
	12-month ECL- Stage 1 € million	Lifetime ECL- Stage 2 € million	12-month ECL- Stage 1 € million	€ million	€ million	Total € million
Gross carrying amount at 1 January	5,444	10	2,789	127	-	8,370
Arising from acquisition (note 23.2)	78	-	-	0	-	78
Additions, net of disposals and redemptions	1,020	-	1,676	8	41	2,745
Transfers between stages	2	(2)	-	-	-	-
Net gains/(losses) from changes in fair value for the year	(132)	1	-	4	3	(124)
Amortisation of premiums/discounts and interest	(21)	(0)	(5)	0	-	(26)
Changes in fair value due to hedging	-	-	179	-	-	179
Exchange adjustments and other movements	65	0	33	2	-	100
Gross carrying amount at 31 December	6,456	9	4,672	141	44	11,322
Impairment allowance	-	-	(6)	-	-	(6)
Net carrying amount at 31 December	6,456	9	4,666	141	44	11,316

[(1)] *Changes in fair value due to continued hedging relationships amount to € 548 million, loss.*

22.2 Movement of ECL

The table below presents the ECL movement per portfolio, including ECL movement analysis per stage:

	31 December 2022			31 December 2021		
	Measured at amortised cost € million	Measured at FVOCI € million	Total € million	Measured at amortised cost € million	Measured at FVOCI € million	Total € million
Balance at 1 January	**6**	**12**	**18**	5	10	15
New financial assets purchased	**16**	**2**	**18**	8	8	16
- of which 12-month ECL-Stage 1	**16**	**2**	**18**	8	8	16
Transfers between stages						
- (from)/to 12-month ECL-Stage 1	**(6)**	**(11)**	**(17)**	-	0	0
- (from)/to lifetime ECL-Stage 2	**0**	**0**	**0**	-	(0)	(0)
- (from)/to lifetime ECL-Stage 3	**6**	**11**	**17**	-	-	-
Remeasurement due to change in ECL risk parameters	**3**	**13**	**16**	(6)	(6)	(12)
- of which 12-month ECL-Stage 1	*(2)*	*9*	*7*	*(6)*	*(6)*	*(12)*
- of which lifetime ECL-Stage 2	*1*	*4*	*5*	-	*(0)*	*(0)*
- of which lifetime ECL-Stage 3	**4**	**-**	**4**	-	-	-
Financial assets disposed during the year	**(3)**	**(4)**	**(7)**	(0)	(1)	(1)
- of which 12-month ECL-Stage 1	*(3)*	*(4)*	*(7)*	*(0)*	*(1)*	*(1)*
Financial assets redeemed during the year	**-**	**(10)**	**(10)**	(0)	(0)	(0)
- of which lifetime ECL-Stage 3	**-**	**(10)**	**(10)**	-	-	-
Foreign exchange and other movements	**(0)**	**(1)**	**(1)**	(1)	1	-
Balance as at 31 December	**22**	**12**	**34**	6	12	18

22.3 Equity reserve: revaluation of the investment securities at FVOCI

Gains and losses arising from the changes in the fair value of investment securities at FVOCI are recognized in a corresponding revaluation reserve in equity. The movement of the reserve is as follows:

	2022 € million	2021 € million
Balance at 1 January	**322**	415
Net gains/(losses) from changes in fair value	**(702)**	(128)
Tax (expense)/benefit	**180**	33
Revaluation reserve from associated undertakings, net of tax	**(33)**	(4)
	(555)	(99)
Net (gains)/losses transferred to net profit on disposal	**29**	(99)
ECL transferred to net profit	**4**	3
Tax (expense)/benefit on net (gains)/losses transferred to net profit on disposal	**(7)**	28
Tax (expense)/benefit on ECL transferred to net profit	**(1)**	(1)
	25	(69)
Net (gains)/losses transferred to net profit from fair value hedges	**270**	105
Tax (expense)/benefit	**(73)**	(30)
	197	75
Balance at 31 December	**(10)**	322

23. Group composition

23.1 Shares in subsidiaries

The following is a listing of the Company's subsidiaries as at 31 December 2022, included in the consolidated financial statements for the year ended 31 December 2022:

Name	Note	Percentage holding	Country of incorporation	Line of business
Eurobank S.A.		100.00	Greece	Banking
Be Business Exchanges S.A. of Business Exchanges Networks and Accounting and Tax Services		98.01	Greece	Business-to-business e-commerce, accounting, tax and sundry services
Eurobank Asset Management Mutual Fund Mngt Company Single Member S.A.		100.00	Greece	Mutual fund and asset management
Eurobank Equities Investment Firm Single Member S.A.		100.00	Greece	Capital markets and advisory services
Eurobank Leasing Single Member S.A.		100.00	Greece	Leasing
Eurobank Factors Single Member S.A.		100.00	Greece	Factoring
Herald Greece Single Member Real Estate development and services S.A. 1		100.00	Greece	Real estate
Herald Greece Single Member Real Estate development and services S.A. 2		100.00	Greece	Real estate
Standard Single Member Real Estate S.A.		100.00	Greece	Real estate
Cloud Hellas Single Member Ktimatiki S.A.		100.00	Greece	Real estate
Piraeus Port Plaza 1 Single Member Development S.A.		100.00	Greece	Real estate
(Under liquidation) Anchor Hellenic Investment Holding Single Member S.A.		100.00	Greece	Real estate
Athinaiki Estate Investments Single Member S.A.		100.00	Greece	Real estate
Piraeus Port Plaza 2 Single Member Development S.A.		100.00	Greece	Real estate
Piraeus Port Plaza 3 Single Member Development S.A.		100.00	Greece	Real estate
Tenberco Real Estate Single Member S.A.		100.00	Greece	Real estate
Value Touristiki Single Member Development S.A.		100.00	Greece	Real estate
Eurobank Bulgaria A.D.		99.99	Bulgaria	Banking
IMO Property Investments Sofia E.A.D.		100.00	Bulgaria	Real estate services
ERB Hellas (Cayman Islands) Ltd	k	100.00	Cayman Islands	Special purpose financing vehicle
Berberis Investments Ltd		100.00	Channel Islands	Holding company
Eurobank Cyprus Ltd		100.00	Cyprus	Banking
ERB New Europe Funding III Ltd		100.00	Cyprus	Finance company
Foramonio Ltd		100.00	Cyprus	Real estate
NEU 03 Property Holdings Ltd		100.00	Cyprus	Holding company
NEU Property Holdings Ltd		100.00	Cyprus	Holding company
Lenevino Holdings Ltd		100.00	Cyprus	Real estate
Rano Investments Ltd		100.00	Cyprus	Real estate
Neviko Ventures Ltd		100.00	Cyprus	Real estate
Zivar Investments Ltd		100.00	Cyprus	Real estate
Amvanero Ltd		100.00	Cyprus	Real estate
Revasono Holdings Ltd		100.00	Cyprus	Real estate
Volki Investments Ltd		100.00	Cyprus	Real estate
Adariano Investments Ltd		100.00	Cyprus	Real estate
Elerovio Holdings Ltd		100.00	Cyprus	Real estate
Sagiol Ltd	j	100.00	Cyprus	Holding company
Macoliq Holdings Ltd	j	100.00	Cyprus	Holding company
Senseco Trading Limited	j	100.00	Cyprus	Holding company
Eurobank Private Bank Luxembourg S.A.		100.00	Luxembourg	Banking
Eurobank Fund Management Company (Luxembourg) S.A.		100.00	Luxembourg	Fund management

ERB Lux Immo S.A.		100.00	Luxembourg	Real estate
ERB New Europe Funding B.V.		100.00	Netherlands	Finance company
ERB New Europe Funding II B.V.		100.00	Netherlands	Finance company
ERB New Europe Holding B.V.		100.00	Netherlands	Holding company
ERB IT Shared Services S.A.		100.00	Romania	Informatics data processing
IMO Property Investments Bucuresti S.A.		100.00	Romania	Real estate services
IMO-II Property Investments S.A.		100.00	Romania	Real estate services
Retail Development S.A.		99.99	Romania	Real estate
Seferco Development S.A.		99.99	Romania	Real estate
Eurobank Direktna a.d.		70.00	Serbia	Banking
ERB Leasing A.D. Beograd-in Liquidation		85.15	Serbia	Leasing
IMO Property Investments A.D. Beograd		100.00	Serbia	Real estate services
Reco Real Property A.D. Beograd		100.00	Serbia	Real estate
ERB Hellas Plc	f	100.00	United Kingdom	Special purpose financing vehicle
Karta II Plc		-	United Kingdom	Special purpose financing vehicle
Astarti Designated Activity Company		-	Ireland	Special purpose financing vehicle
ERB Recovery Designated Activity Company		-	Ireland	Special purpose financing vehicle

The following entities are not included in the consolidated financial statements due to immateriality:

(i) the Group’s special purpose financing vehicles and the related holding entities, which are dormant and/or are under liquidation: Themeleion III Holdings Ltd, Themeleion IV Holdings Ltd, Themeleion Mortgage Finance Plc, Themeleion II Mortgage Finance Plc, Themeleion III Mortgage Finance Plc, Themeleion IV Mortgage Finance Plc, Themeleion V Mortgage Finance Plc, Themeleion VI Mortgage Finance Plc, Anaptyxi APC Ltd and Byzantium II Finance Plc.

(ii) the holding entity of Karta II Plc: Karta II Holdings Ltd.

(iii) dormant entity: Enalios Real Estate Development S.A.

(iv) entities controlled by the Group pursuant to the terms of the relevant share pledge agreements: Finas S.A., Rovinvest S.A. and Promivet S.A.

In 2022, the changes in the Group structure due to: a) acquisitions, mergers and establishment of companies, b) sales and other corporate actions, which resulted in loss of control, c) transactions with the non-controlling interests, which did not result in loss of control and d) liquidations, are as follows:

(a) IMO 03 E.A.D., Bulgaria

In February 2022, the Bank disposed of its participation interest of 100% in IMO 03 E.A.D. (which as of 31 December 2021 was classified as held for sale) to a third party for a cash consideration of € 5.8 million. The resulting loss on the disposal was immaterial.

(b) (Under liquidation) Real Estate Management Single Member S.A., Greece

In February 2022, the liquidation of the company was completed.

(c) Hellenic Post Credit S.A., Greece

In February 2022, the Bank reached an agreement for the acquisition of the remaining 50% of the share capital of Hellenic Post Credit S.A., settled by offsetting receivables it held from the other shareholder of the entity (note 42). In November 2022, after receiving the required approvals from the competent authorities, the merger of the Bank and Hellenic Post Credit S.A. was completed, by absorption of the latter by the former. In line with the Group’s accounting policy for business combinations involving entities under common control, the transfer of the entity’s assets and liabilities to the Bank was performed at their pre-combination carrying amounts under the pooling of interests method (also known as merger accounting). The merger had no impact in the Group’s financial statements.

(d) Staynia Holdings Limited, Cyprus

In February 2022, the liquidation of the company was decided. In June 2022, the distribution of the company’s surplus assets to the Bank (its sole shareholder) was completed with an immaterial effect on the Group’s income statement, while its dissolution was completed in October 2022.

(e) ERB Istanbul Holding A.S. in liquidation, Turkey

In June 2022, the liquidation of the company was completed. The Group recognized a) € 76.3 million loss in "Other income/(expenses)", arising mainly from the recyclement of foreign currency losses of € 75.9 million, previously recorded in other comprehensive income, to the income statement and b) € 2.5 million tax expense on the liquidation proceeds.

(f) ERB Hellas Plc, United Kingdom

In June 2022, the liquidation of the company was decided.

(g) Vouliagmeni Residence Single Member S.A., Greece

In March 2022, the Bank signed an agreement for the sale of its participation interest of 100% in Vouliagmeni Residence Single Member S.A. to a third party. On the basis of the said agreement, the company was classified as held for sale since 31 March 2022 and an impairment loss of € 0.7 million was recognised in the income statement line "Other impairment losses and provisions". In July 2022, the sale of the company was completed for a cash consideration of € 9.7 million with no effect on the Group's income statement.

(h) Eliade Tower S.A., Romania

In September 2022, the Group decided to proceed with the sale of its participation interest of 99.99% in Eliade Tower S.A. On this basis, as at 30 September 2022 the company was classified as held for sale and an impairment loss of € 1.5 million was recognized in the income statement line "Other impairment losses and provisions". In October 2022, the sale of Eliade Tower S.A. was completed for a cash consideration of € 4.4 million with an immaterial effect on the Group's income statement.

(i) Village Roadshow Operations Hellas S.A., Greece

The Bank had acquired "Village Roadshow Operations Hellas S.A." in the third quarter of 2021, following the enforcement of collateral on the company's shares under a lending arrangement. The company since its acquisition had been classified as held for sale. On 2 August 2022, in the context of the Group's loan restructuring activities, the Bank signed an agreement with a third party for the sale of its participation interest of 100% in the company and the restructuring of its existing loan facilities subject to certain preconditions, which were fulfilled in November 2022. Following the completion of the agreement, the Group recognized a) € 21.5 million benefit due to the reversal of loan provisions in the Bank's accounts, in the income statement line "Impairment losses relating to loans and advances to customers" and b) € 2 million loss from the disposal of the company's shares, including costs directly attributable to the agreement, in the income statement line "Other income/(expenses)".

(j) Sagiol Ltd, Macoliq Holdings Ltd and Senseco Trading Limited, Cyprus

In October 2022, the liquidation of the companies was decided.

(k) ERB Hellas (Cayman Islands) Ltd, Cayman Islands

In December 2022, the liquidation of the company was decided.

In 2021, the changes in the Group structure due to: a) acquisitions, mergers and establishment of companies, b) sales and other corporate actions, which resulted in loss of control, c) transactions with the non-controlling interests, which did not result in loss of control and d) liquidations, are as follows:

(i) Grivalia New Europe S.A., Luxembourg
In January 2021, the liquidation of the company was completed.

(ii) Senseco Trading Ltd, Cyprus and Value Touristiki S.A., Greece
In April 2021, the Bank acquired 100% of the shares and voting rights of Senseco Trading Limited for a cash consideration of € 6.7 million. The acquisition was accounted for as a business combination using the purchase method of accounting. At the date of acquisition, the fair value of the total net assets amounted to € 6.4 million mainly referring to 51% of the shares and voting rights of the Group's joint venture Value Touristiki S.A. Accordingly, the resulting goodwill asset amounted to € 0.3 million. Following the above transaction, Value Touristiki S.A. became a wholly owned subsidiary of the Bank. In accordance with the requirements for business combinations achieved in stages, the Group had remeasured its previously held interest of 49% in Value Touristiki S.A. at fair value of € 6.1 million, with a resulting gain of € 1.7 million that was recognized in "Other income/(expenses)".

(iii) Special purpose financing vehicle for the securitization of Bank's loans and related real estate company

In May 2021, in the context of the management of the Group's non performing exposures (NPE) the Bank, through its special purpose financing vehicle Mexico Finance Designated Activity Company, proceeded with the securitization of a mixed assets portfolio of primarily NPE and established the related real estate company Mexico Estate Single Member S.A. In September 2021, the BoD of Eurobank Holdings approved to proceed with the sale of 95% of the mezzanine and junior notes of Mexico securitization to doValue Group subject to the fulfillment of certain conditions. On 20 December 2021, following the completion of the Mexico transaction, the Group ceased to control the special purpose financing vehicle Mexico Finance Designated Activity Company and the related real estate company Mexico Estate Single Member S.A., and as a result they were not included in the consolidated financial statements for the year ended 31 December 2021 (note 20).

(iv) Eurobank A.D. Beograd and ERB Leasing A.D. Beograd – In Liquidation, Serbia

In December 2021, the merger of Eurobank's subsidiary in Serbia, Eurobank a.d. Beograd ("Eurobank Serbia") with Direktna Banka a.d. Kragujevac ("Direktna") was completed, after all necessary approvals from the competent authorities were obtained and the combined Bank was renamed to Eurobank Direktna a.d. As a result of the merger, the Group's percentage holding in its previously wholly owned subsidiaries Eurobank Direktna a.d. and ERB Leasing A.D. Beograd – In Liquidation decreased to 70% and 85.15%, respectively.

(v) Ragisena Ltd, Cyprus

In July 2021, Eurobank Cyprus Ltd disposed its participation interest of 100% in Ragisena Ltd to a third party for a cash consideration of € 0.8 million. The resulting gain on the disposal was immaterial.

(vi) Eurobank Holding (Luxembourg) S.A. under liquidation, Luxembourg

In September 2021, the liquidation of the company was decided and its dissolution was completed in December 2021.

(vii) Demerger of Eurobank Ergasias Leasing Single Member S.A.

In June 2021, in the context of the optimization of the Group's organizational structure and the enhancement of its competitiveness in the leasing market, the Extraordinary General Shareholders' Meetings of the Bank and its wholly owned subsidiary Eurobank Ergasias Leasing Single Member S.A. resolved the approval of the demerger of Eurobank Ergasias Leasing Single Member S.A. ("Demerged Entity") through (i) the transfer of part of its assets and liabilities to the Bank and (ii) the establishment of a new company through the transfer of the remaining part of the assets and liabilities of the Demerged Entity.

The aforementioned demerger was completed in October 2021, after receiving the required approvals by the competent Authorities, while a new company "Eurobank Leasing Single Member S.A" was established for this purpose, as described above. Moreover, the deregistration of the demerged entity "Eurobank Ergasias Leasing Single Member S.A." from the General Commercial Registry was completed.

In line with the Group's accounting policy for business combinations involving entities under common control, the transfer of the Demerged Entity's assets and liabilities to the Bank was performed at their pre-combination carrying amounts under the pooling of interests method, while the transfer of the Demerged Entity's assets and liabilities to the new company was accounted for as an internal capital reorganization, thus also transferred at their carrying amounts. The demerger had no impact in the Group's financial statements.

(viii) Standard Single Member Real Estate S.A., Greece

In December 2021, the Bank signed a shares sale and purchase agreement with the other shareholder of Standard Real Estate S.A. for the acquisition of the remaining shares (5.90%) in the company for a cash consideration of € 0.1 million. The effect of the transaction was immaterial and was recognized directly in the equity attributable to the shareholders of Eurobank Holdings. As a result, Standard Real Estate S.A. became a wholly owned subsidiary of the Bank. In January 2022, following the above transaction, the name of the company was amended with the inclusion of the term "Single member".

(ix) ERB Istanbul Holding A.S. in liquidation, Turkey

In December 2021, the liquidation of the company was decided and accordingly its name was amended to ERB Istanbul Holding A.S. in liquidation.

Notes to the Consolidated Financial Statements

Agreement for the acquisition of BNP Paribas Personal Finance Bulgaria by Eurobank Bulgaria A.D.

On 9 December 2022, Eurobank Holdings announced that it had reached an agreement for the acquisition of BNP Paribas Personal Finance Bulgaria (the "Business") by Eurobank's subsidiary in Bulgaria, Eurobank Bulgaria A.D. ("Postbank"). Specifically, Postbank had signed a put option letter for the benefit of BNP Paribas Personal Finance providing for the sale of its Bulgarian branch, based on the agreed terms. Pursuant to the above agreement, a consultation process with the French Labour Council has taken place, the conclusion of which led to the signing of a Business Transfer Agreement in January 2023.

The transaction is in line with the Group's strategy to further strengthen Postbank's position in the Bulgarian retail sector and is expected to burden the Eurobank Holdings Group's regulatory capital ratios by c. 25bps, reflecting mainly the increase in the Group's Risk Weighted Assets. As of the end of September 2022, BNP Paribas Personal Finance Bulgaria, which operates through a network of 44 branches, had total assets of € 450 million, deposits close to € 100 million and a clientele of more than 270 thousand clients. The completion of the transaction is expected to take place in the first semester of 2023 subject to approvals by all competent regulatory authorities.

<u>Other post balance sheet events</u>

Retail Development S.A., Romania

In February 2023, the Bank signed an agreement for the sale of its participation interest of 99.99% in Retail Development S.A. to a third party.

Eurobank Direktna a.d., Serbia

On 2 March 2023, the Bank announced that it has signed a binding agreement (share purchase agreement) with AIK Banka a.d. Beograd ("AIK") for the sale of its 70% shareholding in its subsidiary in Serbia, Eurobank Direktna a.d. (the "Transaction"). Consequently, the subsidiary will be classified as held for sale and its results will be presented in discontinued operations. The Transaction is consistent with Eurobank's strategy to direct capital to opportunities with more compelling RoTBV (Return on Tangible Book Value) and to further enhance its presence in its core markets. In this context, based on the agreement, 100% of Eurobank Direktna was valued at €280 million.

The Transaction is expected to contribute ca. 50 bps to Eurobank Holdings Group's CET1 ratio (based on the third quarter of 2022 ratio), reflecting mainly the release of related RWAs (Risk Weighted Assets). It is expected to be completed within year 2023, subject to customary regulatory and other approvals.

ERB Hellas (Cayman Islands) Ltd, Cayman Islands

In February 2023, the return of the company's share capital to the Bank, through the repurchase of the whole of its own shares, was completed.

Significant restrictions on the Group's ability to access or use the assets and settle the liabilities of the Group

The Group does not have any significant restrictions on its ability to access or use its assets and settle its liabilities other than those resulting from regulatory, statutory and contractual requirements, set out below:

- Banking and other financial institution subsidiaries are subject to regulatory restrictions and central bank requirements in the countries in which the subsidiaries operate. Such supervisory framework requires the subsidiaries to maintain minimum capital buffers and certain capital adequacy and liquidity ratios, including restrictions to limit exposures and/or the transfer of funds to the Company and other subsidiaries within the Group. Accordingly, even if the subsidiaries' financial assets are not pledged at an individual entity level, their transfer within the Group may be restricted under the existing supervisory framework. As at 31 December 2022, the carrying amount of the Group financial institution subsidiaries' assets and liabilities, before intercompany eliminations, amounted to € 89.7 billion and € 80.3 billion, respectively, including Eurobank S.A. (2021: € 83.6billion and € 76.9 billion).

- Subsidiaries are subject to statutory requirements mainly relating with the level of capital and total equity that they should maintain, restrictions on the distribution of capital and special reserves, as well as dividend payments to their ordinary shareholders..

- The Group uses its financial assets as collateral for repo and derivative transactions, secured borrowing from central and other banks, issuances of covered bonds, as well as securitizations. As a result of financial assets' pledge, their transfer within the Group is not permitted. Information relating to the Group's pledged financial assets is provided in notes 17, 29 and 40.

- The Group is required to maintain mandatory and collateral deposits with central banks. Information for these deposits is provided in note 15.

23.2 Subsidiary with material Non Controlling Interest

In December 2021, the merger of Direktna Banka a.d. Kragujevac ("Direktna") with Eurobank's subsidiary in Serbia, Eurobank a.d. Beograd ("Eurobank Serbia") (the "Transaction") was concluded, with absorption of Direktna by Eurobank Serbia. Following the completion of the transaction Eurobank controls 70% of the combined bank, while Direktna's shareholders own the remaining 30%. Part of the Transaction was the dividend distribution and capital return to Eurobank Group of ca. € 232 million, after tax, in total.

As at 31 December 2022, the combined bank "Eurobank Direktna a.d." is the only entity of the Group with material non-controlling interests. Financial information regarding the combined bank, which is before inter-company eliminations with other companies of the Group, is provided in the table below.

	2022 € million	2021 € million
Total operating income	**93.5**	66.6
Net profit	**0.4**	0.3
Other comprehensive income	**(4.2)**	(0.8)
Total comprehensive income	**(3.8)**	(0.5)
Total comprehensive income attibutable to non controlling interests	**(1.1)**	(1.4)
Total assets	**2,580**	2,469
Total liabilities	**2,265**	2,150
Net assets	**315**	319
Net assets attributable to non controlling interests	**95**	96
Cash and cash equivalents at beginning of year	**224**	153
Cash and cash equivalents at end of year	**208**	224

24. Investments in associates and joint ventures

As at 31 December 2022, the carrying amount of the Group's investments in associates and joint ventures amounted to € 173 million (2021: € 267 million). The following is the listing of the Group's associates and joint ventures as at 31 December 2022:

Name	Note	Country of incorporation	Line of business	Group's share
Femion Ltd		Cyprus	Special purpose investment vehicle	66.45
(Under liquidation) Tefin S.A.		Greece	Dealership of vehicles and machinery	50.00
Global Finance S.A.(1)		Greece	Investment financing	33.82
Rosequeens Properties Ltd(2)		Cyprus	Special purpose investment vehicle	33.33
Odyssey GP S.a.r.l.		Luxembourg	Special purpose investment vehicle	20.00
Eurolife FFH Insurance Group Holdings S.A.(1)		Greece	Holding company	20.00
Alpha Investment Property Commercial Stores S.A.		Greece	Real estate	30.00
Peirga Kythnou P.C.		Greece	Real estate	50.00
doValue Greece Loans and Credits Claim Management S.A.		Greece	Loans and Credits Claim Management	20.00
Perigenis Business Properties S.A.		Greece	Real estate	18.90

(1) Eurolife Insurance group (Eurolife FFH Insurance Group Holdings S.A. and its subsidiaries) and Global Finance group (Global Finance S.A. and its subsidiaries) are considered as the Group's associates.

(2) Rosequeens Properties Ltd (including its subsidiary Rosequeens Properties SRL until December 2022) is considered as a Group's joint venture.

Omega Insurance and Reinsurance Brokers S.A. in which the Group holds 26.05% is not accounted under the equity method in the consolidated financial statements. The Group is not represented in the Board of Directors of the company, therefore does not exercise significant influence over it.

Femion Ltd. is accounted for as a joint venture of the Group based on the substance and the purpose of the arrangement and the terms of the shareholder's agreement which require the unanimous consent of the shareholders for significant decisions and establish shared control through the equal representation of the shareholders in the management bodies of the company.

Perigenis Business Properties S.A. is accounted for as an associate of the Group based on the Bank's representation in the Board of Directors and the decision-making process as prescribed in the company's articles of association.

(a) Grivalia Hospitality S.A., Luxembourg

On 24 March 2022, the Bank signed a Share Purchase Agreement for the disposal of a 5.1% shareholding in the Group's joint venture Grivalia Hospitality S.A. for a total consideration of € 15.9 million. As a result of the transaction, the Bank's shareholding in Grivalia Hospitality S.A. decreased from 25% to 19.9% and in combination with the terms of the revised Shareholders' Agreement signed with the other shareholders on the same date, the Bank ceased to have joint control over the entity and hence has discontinued the use of the equity method of accounting. Following the aforementioned sale, as of 31 March 2022, the retained interest in the entity has been measured as a financial asset at FVTPL with any change in the carrying amount to be recognized in the income statement. Accordingly, the difference between: (i) the fair value of the retained interest on the aforementioned date, amounting to € 71.2 million and the proceeds received from the said partial disposal and (ii) the previous carrying amount of the investment in the entity under the equity method amounting to € 54.2 million, resulted in a total gain of € 32.3 million, net of the recyclement of € 0.6 million foreign currency translation losses (previously recognized in other comprehensive income), that was recognised in the income statement in "Other income/(expenses)". For the year ended 31 December 2022, the above gain was further adjusted to € 34 million.

(b) Information Systems Impact S.A., Greece

In July 2022, the Bank disposed of its participation interest in Information Systems Impact S.A. to a third party for a cash consideration of € 3.9 million. The resulting gain on disposal amounted to € 1.1 million and was recognized in "Other income/(expenses)".

(c) Intertech S.A. – International Technologies, Greece

In September 2022, the Bank disposed of its participation interest in Intertech S.A. – International Technologies (which since its acquisition in the third quarter of 2021 was classified as held for sale) to a third party for a cash consideration of € 1.9 million with an immaterial effect on the Group's income statement.

(d) Sinda Enterprises Company Ltd, Cyprus

In October 2022, the Bank disposed of its participation interest in Sinda Enterprises Company Ltd to a third party for a cash consideration of € 3.2 million. The resulting loss on disposal amounted to € 1.1 million and was recognized in "Other income/(expenses)".

(e) Rosequeens Properties Ltd, Romania

In December 2022, the Group's joint venture Rosequeens Properties Ltd, disposed of its subsidiary Rosequeens Properties SRL to a third party.

Associates and joint ventures material to the Group

With regards to the Group's associates and joint ventures, Eurolife FFH Insurance Group Holdings S.A. and doValue Greece Loans and Credits Claim Management S.A. are considered individually material for the Group. Financial information regarding those entities is provided in the tables below:

Eurolife FFH Insurance Group Holdings S.A.

	2022 € million	2021 € million
Current assets	**3,148**	3,451
Non-current assets	**226**	132
Total assets	**3,374**	3,583
Current liabilities	**403**	391
Non-current liabilities	**2,410**	2,491
Total liabilities	**2,813**	2,882
Equity	**561**	701
Group's carrying amount of the investment	**112**	140
Operating income	**169**	129
Net profit	**94**	65
Other comprehensive income	**(163)**	(19)
Total comprehensive income	**(69)**	46
Dividends paid to the Group	**14**	17

doValue Greece Loans and Credits Claim Management S.A.

	2022 € million	2021 € million
Current assets	**90**	128
Non-current assets	**347**	361
Total assets	**437**	489
Current liabilities	**95**	157
Non-current liabilities	**121**	140
Total liabilities	**216**	297
Equity	**221**	192
Group's share in equity	**44**	38
Goodwill and other adjustments [(1)]	**1**	12
Group's carrying amount of the investment	**45**	50
Operating income[(1)]	**72**	77
Net profit[(1)]	**53**	54
Total comprehensive income[(1)]	**53**	54
Dividends paid to the Group	**5**	3

[(1)] In the year ended 31 December 2022, other adjustments of € 11 million (expense) refer mainly to the elimination of the Group's share of the associate's gains relating to upstream transactions with the Bank. The Group's share of the associate's operating income, net profit and total comprehensive income, after the above adjustments amount to € 3 million, € 0.5 million loss, € 0.5 million loss respectively.

The carrying amount, in aggregate, of the Group's joint ventures as at 31 December 2022 amounted to € 6 million (2021: € 65 million including Grivalia Hospitality S.A). The Group's share of profit and loss and total comprehensive income of the above entities was immaterial (2021: € 1 million).

The carrying amount, in aggregate, of the Group's associates excluding Eurolife FFH Insurance Group Holdings S.A. and doValue Greece Loans and Credits Claim Management S.A. which is presented above (i.e. Global Finance S.A., Odyssey GP S.a.r.l., and Perigenis Business Properties S.A.) as at 31 December 2022 amounted to € 9 million (2021: € 12 million). The Group's share of profit and loss and total comprehensive income of the above entities was immaterial (2021: immaterial).

The Group has not recognized losses in relation to its interest in its joint ventures, as its share of losses exceeded its interest in them and no incurred obligations exist or any payments were performed on behalf of them. For the year ended 31 December 2022, the unrecognized share of losses for the Group's joint ventures amounted to € 2 million (2021: € 2 million). The cumulative amount of unrecognized share of losses for the joint ventures amounted to € 4 million (2021: € 24 million).

As at 31 December 2022, the Group has no unrecognized commitments in relation to its participation in joint ventures nor any contingent liabilities regarding its participation in associates or joint ventures, which could result to a future outflow of cash or other resources.

The Group's associate Eurolife FFH Insurance Group Holdings S.A is subject to regulatory and statutory restrictions and is required to maintain sufficient capital to satisfy its insurance obligations.

Except as described above, no significant restrictions exist (e.g. resulting from loan agreements, regulatory requirements or other contractual arrangements) on the ability of associates or joint ventures to transfer funds to the Group either as dividends or to repay loans that have been financed by the Group.

25. Structured Entities

The Group is involved in various types of structured entities, such as securitization vehicles, mutual funds and private equity funds.

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. A structured entity often has restricted activities, a narrow well-defined objective, insufficient equity to permit it to finance its activities without subordinated financial support and financing in the form of multiple contractually linked instruments to investors that create concentrations of credit or other risks.

An interest in a structured entity refers to contractual and non-contractual involvement that exposes the Group to variability of returns from the performance of the structured entity. Examples of interest in structured entities include the holding of debt and equity instruments, contractual arrangements, liquidity support, credit enhancement, residual value.

Structured entities may be established by the Group or by a third party and are consolidated when the substance of the relationship is such that the structured entities are controlled by the Group, as set out in note 2.2.1(i). As a result of the consolidation assessment performed, the Group has involvement with both consolidated and unconsolidated structured entities, as described below.

Consolidated structured entities

The Group, as part of its funding activity, enters into securitization transactions of various classes of loans (corporate, small and medium enterprise, mortgage, consumer loans, credit card and bond loans), which generally result in the transfer of the above assets to structured entities (securitization vehicles), which, in turn issue debt securities held by investors and the Group's entities. The Group monitors the credit quality of the securitizations' underlying loans, as well as the credit ratings of the debt instruments issued, when applicable, and provides either credit enhancements to the securitization vehicles and/or transfers new loans to the pool of their underlying assets, whenever necessary, in accordance with the terms of the relevant contractual arrangements in force.

A listing of the Group's consolidated structured entities is set out in note 23.

As at 31 December 2022, the face value of debt securities issued by the securitizations sponsored by the Group amounted to € 5,258 million, of which € 4,705 million were held by the Bank (2021: € 5,916 million, of which € 5,364 million were held by the Bank) (notes 20 and 34).

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The Group did not provide any non contractual financial or other support to these structured entities, where applicable, and currently has no intention to do so in the foreseeable future.

Unconsolidated structured entities

The Group enters into transactions with unconsolidated structured entities, which are those not controlled by the Group, in the normal course of business, in order to provide fund management services or take advantage of specific investment opportunities.

Moreover, the Group in the context of its NPEs reduction acceleration plan entered into the securitization of various classes of NPEs through the issue of senior, mezzanine and junior notes (Cairo, Pillar and Mexico, note 20).

Group managed funds

The Group establishes and manages structured entities in order to provide customers, either retail or institutional, with investment opportunities. Accordingly, through its subsidiaries Eurobank Asset Management Mutual Fund Mngt Company S.A. and Eurobank Fund Management Company (Luxembourg) S.A., it is engaged with the management of different types of mutual funds, including fixed income, equities, funds of funds and money market.

Additionally, the Group is entitled to receive management and other fees and may hold investments in such mutual funds for own investment purposes as well as for the benefit of its customers.

The Group is involved in the initial design of the mutual funds and, in its capacity as fund manager, takes investment decisions on the selection of their investments, nevertheless within a predefined, by relevant laws and regulations, decision making framework. Therefore, the Group has determined that it has no power over these funds.

Furthermore, in its capacity as fund manager, the Group primary acts as an agent in exercising its decision making authority over them. Based on the above, the Group has assessed that it has no control over these mutual funds and as a result does not consolidate them. The Group does not have any contractual obligation to provide financial support to the managed funds and does not guarantee their rate of return.

Non-Group managed funds

The Group purchases and holds units of third party managed funds including mutual funds, private equity and other investment funds.

Securitizations

The Group has interests in unconsolidated securitization vehicles by investing in residential mortgage backed and other asset-backed securities issued by these entities.

The table below sets out the carrying amount of the Group's interests in unconsolidated structured entities, recognized in the consolidated balance sheet as at 31 December 2022, representing its maximum exposure to loss in relation to these interests. Information relating to the total income derived from interests in unconsolidated structured entities, recognized either in profit or loss or other comprehensive income during 2022 is also provided (i.e. fees, interest income, net gains or losses on revaluation and derecognition):

	31 December 2022			
	Unconsolidated structured entity type			
	Securitizations € million	Group managed funds € million	Non- Group managed funds € million	Total € million
Group's interest- assets				
Loans and advances to customers[(1)]	4,911	-	-	**4,911**
Investment securities	1,486	71	17	**1,574**
Other Assets	-	2	-	**2**
Total	**6,397**	**73**	**17**	**6,487**
Total income from Group interests	77	48	2	**127**

	31 December 2021			
	Unconsolidated structured entity type			
	Securitizations	Group managed funds	Non- Group managed funds	Total
	€ million	€ million	€ million	€ million
Group's interest- assets				
Loans and advances to customers [1]	5,116	-	-	5,116
Investment securities	691	63	19	773
Other Assets	-	2	-	2
Total	5,807	65	19	5,891
Total income from Group interests	64	70	3	137

[1] *Includes the senior and mezzanine notes of the Pillar, Cairo and Mexico securitizations (note 20).*

For the year ended 31 December 2022, total income related to the Group's interests from securitizations mainly includes: (i) € 81 million, € 2 million and € 0.7 million interest income of debt securities retained by the Group measured at amortized cost, at FVOCI and FVTPL respectively and (ii) € 6.9 million from gains or losses on revaluation recognized in other comprehensive income. Total income from Group interests in relation to Group managed funds consists of: (i) € 50.1 million income relating to management fees and other commissions for the management of funds and (ii) € 2.5 million gains or losses on revaluation or from sale of the Group's holding in funds recognized in profit or loss. In addition, total income in relation to non-Group managed funds consists mainly of gains or losses on revaluation or from sale of the Group's holding in funds and has been recognized in profit or loss.

As at 31 December 2022, the total assets of funds under the Group's management as well as the notional amount of notes in issue by unconsolidated securitization vehicles amounted to € 3,163 million (2021: € 3,303 million) and € 33,227 million (2021: € 24,856 million), respectively.

26. Property and equipment

	31 December 2022				
	Land, buildings, leasehold improvements	Furniture, equipment, motor vehicles	Computer hardware, software	Right of use assets (RoU)[1]	Total
	€ million	€ million	€ million	€ million	€ million
Cost:					
Balance at 1 January	**675**	**198**	**507**	**336**	**1,716**
Transfers	**(10)**	**0**	**6**	**-**	**(4)**
Transfers from/to repossessed assets	**1**	**(2)**	**-**	**-**	**(1)**
Additions	**24**	**18**	**29**	**18**	**89**
Disposals, write-offs and adjustment to RoU [2]	**(9)**	**(8)**	**(5)**	**(26)**	**(48)**
Impairment	**(6)**	**(0)**	**(11)**	**-**	**(17)**
Held for sale (note 30)	**1**	**-**	**-**	**-**	**1**
Balance at 31 December	**676**	**206**	**526**	**328**	**1,736**
Accumulated depreciation:					
Balance at 1 January	**(217)**	**(155)**	**(423)**	**(106)**	**(901)**
Transfers	**1**	**0**	**-**	**-**	**1**
Disposals, write-offs and adjustment to RoU [2]	**8**	**8**	**4**	**6**	**26**
Charge for the year	**(13)**	**(9)**	**(24)**	**(41)**	**(87)**
Balance at 31 December	**(221)**	**(156)**	**(443)**	**(141)**	**(961)**
Net book value at 31 December	**455**	**50**	**83**	**187**	**775**

	31 December 2021				
	Land, buildings, leasehold improvements € million	Furniture, equipment, motor vehicles € million	Computer hardware, software € million	Right of use assets (RoU)[1] € million	Total € million
Cost:					
Balance at 1 January	685	198	477	274	1,634
Arising from acquisitions/merger	6	1	-	9	16
Transfers	(15)	(2)	12	-	(5)
Additions	14	9	27	10	60
Disposals, write-offs and adjustment to RoU[2]	(12)	(8)	(8)	43	15
Impairment	(2)	(0)	(1)		(3)
Held for sale (note 30)	(1)	-	-	-	(1)
Balance at 31 December	675	198	507	336	1,716
Accumulated depreciation:					
Balance at 1 January	(216)	(157)	(411)	(72)	(856)
Transfers	2	1	-	-	3
Disposals, write-offs and adjustment to RoU[2]	10	8	8	4	30
Charge for the year	(13)	(7)	(20)	(38)	(78)
Held for sale (note 30)	0	-	-	0	0
Balance at 31 December	(217)	(155)	(423)	(106)	(901)
Net book value at 31 December	458	43	84	230	815

[1] The respective lease liabilities are presented in "other liabilities" (note 35).
[2] It refers to termination, modifications and remeasurements of RoU. It includes the remeasurement from revised estimates of the lease term during the year, considering all facts and circumstances that affect the Group's housing needs.

As at 31 December 2022, the RoU assets amounting to € 187 million (31 December 2021: € 230 million) refer to leased office and branch premises, ATM locations, residential properties of € 180 million (31 December 2021: € 223 million) and motor vehicles of € 7 million (31 December 2021: € 7 million).

Leasehold improvements relate to premises occupied by the Group for its own activities.

27. Investment property

The Group applies the fair value model regarding the measurement of Investment Property according to IAS 40 "Investment property".

The movement of investment property is as follows:

	2022 € million	2021 € million
Balance at 1 January	**1,492**	1,459
Additions	**4**	3
Arising from acquisition	**-**	33
Transfers from/to repossessed assets	**13**	3
Other transfers	**9**	13
Disposals	**(119)**	(31)
Net gain/(loss) from fair values adjustments	**32**	30
Held for sale (note 30)	**(21)**	(18)
Balance at 31 December	**1,410**	1,492

As at 31 December 2022, RoU assets that meet the definition of investment property amount to € 14 million (31 December 2021: € 14 million). The respective lease liabilities are presented in "other liabilities" (note 35).

Changes in fair values of investment property are recognized as gains/(losses) in profit or loss and included in the "Other Income/(expense)" (note 10). All gains/(losses) are unrealized.

During the year ended 31 December 2022, an amount of € 88 million (2021: € 93 million) was recognized as rental income from investment property in income from non banking services (note 8). As at 31 December 2022, the contractual obligations in relation to investment property amounted to approximately € 4 million, and are associated with property redevelopment, repairs and maintenance.

The main classes of investment property have been determined based on the nature, the characteristics and the risks of the Group's properties. The fair value measurements of the Group's investment property, which are categorized within level 3 of the fair value hierarchy, are presented in the below table.

	2022 € million	2021 € million
Residential	**11**	21
Commercial	**1,358**	1,420
Land Plots	**32**	35
Industrial	**9**	16
Total	**1,410**	1,492

The basic methods used for estimating the fair value of the Group's investment property are the income approach (income capitalization/discounted cash flow method), the comparative method and the cost approach, which are also used in combination depending on the class of property being valued.

The discounted cash flow method is used for estimating the fair value of the Group's commercial investment property. Fair value is calculated through the projection of a series of cash flows using explicit assumptions regarding the benefits and liabilities of ownership (income and operating costs, vacancy rates, income growth), including the residual value anticipated at the end of the projection period. To this projected cash flows series, an appropriate, market-derived discount rate is applied to establish its present value.

Under the income capitalization method, also used for the commercial class of investment property, a property's fair value is estimated based on the normalized net operating income generated by the property, which is divided by the capitalization rate (the investor's rate of return).

The comparative method is used for the residential, commercial and land plot classes of investment property. Fair value is estimated based on data for comparable transactions, by analyzing either real transaction prices of similar properties, or by asking prices after performing the necessary adjustments.

The cost approach is used for estimating the fair value of the residential and the industrial classes of the Group's investment property. This approach refers to the calculation of the fair value based on the cost of reproduction/replacement (estimated construction costs), which is then reduced by an appropriate rate to reflect depreciation.

The Group's investment property valuations are performed taking into consideration the highest and best use of each asset that is physically possible, legally permissible and financially feasible.

The main method used to estimate the fair value of Group's Investment property portfolio as at 31 December 2022, is the discounted cash flow method. Significant unobservable inputs used in the fair value measurement of the relevant portfolio are the rental income growth and the discount rate. Increase in rental income growth would result in increase in the carrying amount while an increase in the discount rate would have the opposite result. The discount rate used ranges from 7% to 12%. As at 31 December 2022, an increase or decrease of 5% in the discount rate used in the DCF analysis, would result in a downward or upward adjustment of the carrying value of the respective investment properties by € 31 million.

In 2022, the Greek real estate market attracted significant investment capital, especially in the first half, when the pace of domestic and foreign investment activity returned to the pre-Covid 19 pandemic level. However, towards the end of the year, the rise of inflation and interest rates, as well as the increase in energy and construction costs as a result of the Ukraine war, led market participants to become more cautious and selective in their investment decisions. Nevertheless, the demand for quality sustainable properties outstrips current market supply, therefore the value of these assets is expected to demonstrate resilience going forward, even during an economic slowdown.

In this volatile economic environment, the diversification of the Group's investment property portfolio, which primarily consists of office and big box/supermarket properties, has proven to be an effective shield, as despite the increase of interest rates in 2022, it recorded fair value gains of c. €34 million mainly due to the increase of the value of specific offices leased to prime tenants and logistics (note 10).

In particular, the characteristics of the Group's investment property portfolio in terms of tenant's quality (AAA tenants) and sustainable lease contracts that were also favored by CPI indexation, as well as the specifications of the properties were taken into account by the valuators in determining the fair value of the Group's investment properties.

Moreover, the office and logistics sectors continue to exhibit strong supply/demand fundamentals in Greece, whereas the retail sector, considering the recovery in private consumption in the post-pandemic environment, is experiencing a strong leasing and investment activity especially in big box retail properties, although it lags in rental growth compared to other sectors.

The Group will continue to monitor closely the effect of the economic environment and the trends that will be demonstrated in the investment real estate market in the upcoming period on the valuation of its investment properties, while intensifying its efforts to implement "green" energy investments on its properties.

28. Intangible assets

The movement of computer software and other intangible assets which refer to purchased and developed software is as follows:

	2022 € million	2021 € million
Cost:		
Balance at 1 January	**587**	539
Arising from acquisitions	**-**	2
Transfers	**(6)**	(12)
Additions	**94**	77
Disposals and write-offs	**(7)**	(3)
Impairment	**(10)**	(16)
Balance at 31 December	**658**	587
Accumulated amortisation:		
Balance at 1 January	**(320)**	(287)
Transfers	**-**	0
Amortisation charge for the year	**(49)**	(36)
Disposals and write-offs	**7**	3
Balance at 31 December	**(362)**	(320)
Net book value at 31 December	**296**	267

As at 31 December 2022, the Group's remaining carrying amount of goodwill amounts to € 1.6 million (31 December 2021: € 1.6 million), out of which € 0.9 million relates to ERB Lux Immo S.A.

29. Other assets

	2022 € million	2021 € million
Receivable from Deposit Guarantee and Investment Fund	**495**	706
Repossessed properties and relative prepayments	**577**	597
Pledged amount for a Greek sovereign risk financial guarantee	**234**	235
Balances under settlement[1]	**51**	18
Deferred costs and accrued income	**92**	104
Other guarantees	**215**	128
Income tax receivable[2]	**30**	30
Other assets	**286**	247
Total	**1,980**	2,065

[1] *Includes settlement balances with customers and brokerage activity.*
[2] *Includes withholding taxes, net of provisions.*

In September 2022, the law 4370/2016 in respect of the deposit guarantee schemes of the Greek credit institutions was amended by law 4972/2022. Pursuant to the law's amendments, the receivable from the Hellenic Deposit and Investment Guarantee Fund (HDIGF) referring to the "Supplementary Deposit Cover Fund" is refundable to the Greek credit institutions in three equal instalments, starting three months after the enactment of the law and each year thereafter, subject to the provisions of the article 25a of the law. Following that, in December 2022 an amount of € 210 million was refunded to the Bank by HDIGF.

As at 31 December 2022, other assets net of provisions, amounting to € 286 million include, among others, receivables related to (a) prepayments to suppliers, (b) public entities, (c) property management activities (d) legal cases and e) project Triangle (note 30).

30. Disposal groups classified as held for sale

	2022 € million	2021 € million
Assets of disposal groups		
Real estate properties	**15**	31
Loans related to project Solar (note 20)	**69**	-
Village Roadshow Operations Hellas S.A. and Intertech S.A. – International Technologies	**-**	81
IMO 03 E.A.D. (note 23)	**-**	6
Credit card acquiring - project Triangle	**-**	28
Total	**84**	146
Liabilities of disposal groups		
Village Roadshow Operations Hellas S.A.	**-**	72
Credit card acquiring - project Triangle	**-**	37
Other liabilities related to project Solar (note 20)	**1**	-
Total	**1**	109

Real estate properties

Starting from the end of 2019, the Group, in the context of its strategy for the active management of its real estate portfolio (repossessed, investment properties and own used properties), has gradually classified as held for sale (HFS) certain pools of real estate assets of total remaining carrying amount ca. € 15 million as at 31 December 2022 (31 December 2021: € 31 million), after their remeasurement in accordance with the IFRS 5 requirements. The Group remains committed to its plan to sell the aforementioned assets, which is expected to be completed within 2023, and undertakes all necessary actions towards this direction.

The above non-recurring fair value measurements were categorized as Level 3 of the fair value hierarchy due to the significance of the unobservable inputs used, with no change occurring up to 31 December 2022.

Eurobank Merchant Acquiring business -Project 'Triangle'

On 7 December 2021, the Company announced that its subsidiary Eurobank S.A. ("Eurobank") had signed a binding agreement with Worldline B.V. ("Worldline") that included, among others, a) the sale of 80% of Eurobank's merchant acquiring business ("PayCo") to Worldline and b) a long term agreement for the exclusive distribution of PayCo products in Greece through Eurobank's sales network. On the basis of the aforementioned agreement, as of 31 December 2021 "PayCo" was classified as held for sale.

On 30 June 2022, after receiving all necessary approvals, the spin-off of the Bank's merchant acquiring business to Cardlink Payment Institution S.A. ("Cardlink One"), a licensed payment institution, and the transfer of 80% of Cardlink One's shares to Worldline was completed for a cash consideration of € 254 million, after certain adjustments. Furthermore, under the related shareholders' agreement, the remaining 20% interest in "Cardlink One" is subject to a combination of call and put options, exercisable after approximately 3 years.

As a result of the sale transaction for the 80% shareholding and based on the terms of the shareholders' agreement in reference to the combination of options for the 20% shareholding, the Bank has fully derecognised the merchant acquiring business, since through the combination of options, access to substantially all the returns associated with the remaining 20% ownership interest is deemed to be transferred to Wordline at the time of the transaction.

On this basis, other than the cash consideration, on 30 June 2022 the Bank recognised in other assets a financial asset to be measured at fair value through profit or loss equal to € 68.5 million, representing the present value of the contractual right to receive the options' estimated exercise price at the time of their execution. In addition, on the same date, the Bank recognised in other assets € 15.1 million deferred consideration in accordance with the terms of the agreement.

Following the above, the resulting gain from the transaction that was recognised in "Other income/(expenses)", amounted to ca. € 325 million before tax (ca. € 231 million after tax), including the costs directly attributable to the transaction.

31. Due to central banks

	2022	2021
	€ million	€ million
Secured borrowing from ECB	**8,774**	11,663

As at 31 December 2022, the Group had € 8.9 billion outstanding principal under the TLTRO III refinancing program of the European Central Bank (ECB), following the maturity of €1.9 billion and the early repayment of 1 billion during the quarter, whereas the respective net income recognized under interest expense amounted to € 53 million (note 6). On the basis that the Group met the required lending thresholds, the above income was calculated under the program's more favorable interest rates that provides for an interest rate of -1% for the special interest period from 24 June 2020 to 23 June 2022 and the average deposit facility rate (DFR) as set by ECB's decisions, thereafter.

32. Due to credit institutions

	2022	2021
	€ million	€ million
Secured borrowing from credit institutions	**764**	270
Borrowings from international financial and similar institutions	**663**	619
Deposits from banks received as collateral[(1)]	**294**	27
Current accounts and settlement balances with banks	**76**	54
Interbank takings	**17**	3
Total	**1,814**	973

[(1)] for 2022 the amount presented is after offsetting € 932 million against derivatives assets and liabilities (note 5.2.1.4)

As at 31 December 2022, borrowings from international financial and similar institutions include borrowings from European Investment Bank, European Bank for Reconstruction and Development and other similar institutions.

33. Due to customers

	2022 € million	2021 € million
Savings and current accounts	**42,840**	40,601
Term deposits	**14,198**	12,367
Repurchase agreements	**201**	200
Total	**57,239**	53,168

For the year ended 31 December 2022, due to customers for the Greek and International operations amounted to € 39,575 million and € 17,664 million, respectively (2021: € 37,016 million and € 16,152 million, respectively).

34. Debt securities in issue

	2022 € million	2021 € million
Securitisations	**553**	552
Subordinated notes (Tier 2)	**1,259**	948
Medium-term notes (EMTN)	**1,740**	1,052
Total	**3,552**	2,552

Securitisations

The carrying value of the class A asset backed securities issued by the Bank's special purpose entities Karta II plc and Astarti DAC as at 31 December 2022, amounted to € 303 million and € 250 million, respectively.

Tier 2 Capital instruments

On 30 November 2022, the Company announced the issuance of a € 300 million subordinated Tier II debt instrument which matures in December 2032, is callable in December 2027 offering a coupon of 10% per annum and is listed on the Luxembourg Stock Exchange's Euro MTF market. On the same date, the Bank issued a subordinated instrument of equivalent terms, held by the Company. The proceeds from the issue will support Eurobank Holding's group strategy to ensure ongoing compliance with its total capital adequacy ratio requirements and will be used for Eurobank S.A.'s general funding purposes.

Further information about the issue is provided in the relevant announcement published in the Company's website on 30 November 2022.

In January 2018, Eurobank Ergasias S.A. issued Tier 2 capital instruments of face value of € 950 million, in replacement of the preference shares which had been issued in the context of the first stream of Hellenic Republic's plan to support liquidity in the Greek economy under Law 3723/2008. The aforementioned instruments have a maturity of ten years (until 17 January 2028) and pay fixed nominal interest rate of 6.41%, that shall be payable semi-annually.

Covered bonds

Financial disclosures required by the Act 2620/28.08.2009 of the Bank of Greece in relation to the covered bonds issued, are available at the Bank's website (Investor Report for Covered Bonds Programs).

Medium-term notes (EMTN)

In June 2022, the Bank proceeded with the issue of a preferred senior debt with a nominal value of € 500 million, of which € 7 million were held by a Bank's subsidiary. The bond, which is listed in the Luxembourg Stock Exchange's Euro MTF market, matures in March 2025 and is callable at par in March 2024, offering a coupon of 4.375% per annum.

This transaction is another step towards the implementation of Eurobank's medium-term strategy to meet its MREL requirements. The proceeds from the issue will be used for Eurobank's general funding purposes.

Further information about the issue is provided in the relevant announcement published in the Bank's website on 1 June 2022.

During the year ended 31 December 2022, the Bank proceeded with the issue of medium term notes of face value of € 286 million, which were designated for Group's customers.

Post balance sheet event

In January 2023, the Bank completed the issue of a € 500 million senior preferred note. The bond, which is listed in the Luxembourg Stock Exchange's Euro MTF market, matures in January 2029 and is callable at par in January 2028, offering a coupon of 7% per annum.

The proceeds from the issue will support Group's strategy to ensure ongoing compliance with its MREL requirements and will be used for the Bank's general funding purposes.

Further information about the issue is provided in the relevant announcement published in the Bank's website on 20 January 2023.

35. Other liabilities

	2022 € million	2021 € million
Lease liabilities	**205**	248
Balances under settlement[(1)]	**444**	374
Deferred income and accrued expenses	**165**	157
Other provisions	**71**	95
ECL allowance for credit related commitments (note 5.2.1.2)	**57**	48
Standard legal staff retirement indemnity obligations (note 36)	**19**	23
Employee termination benefits	**61**	64
Sovereign risk financial guarantee	**33**	36
Income taxes payable	**14**	15
Deferred tax liabilities (note 13)	**31**	26
Trading liabilities	**419**	43
Other liabilities	**182**	229
Total	**1,701**	1,358

[(1)]Includes settlement balances relating to bank cheques and remittances, credit card transactions, other banking and brokerage activities.

As at 31 December 2022, other liabilities amounting to € 182 million mainly consist of payables relating with (a) suppliers and creditors, (b) contributions to insurance organizations, and (c) duties and other taxes.

As at 31 December 2022, trading liabilities amounting to € 419 million (31 December 2021: € 43 million) reflect the higher levels of short positions in debt instruments, entered into in the context of the Group's economic hedging strategies, aiming to manage on a pool basis market driven risks that derive from asset positions. For the year ended 31 December 2022, the gain recognized in net trading income from the aforementioned short positions amounted to € 107 million.

As at 31 December 2022, other provisions amounting to € 71 million (2021: € 95 million) mainly include: (a) € 28 million for outstanding litigations against the Group (note 42) and (b) € 43 million for other operational risk events, of which € 22 million is relating to the sale of former Romanian subsidiaries.

The movement of the Group's other provisions, is presented in the following table:

	31 December 2022		
	Litigations and claims in dispute € million	Other € million	Total € million
Balance at 1 January	**64**	**31**	**95**
Amounts charged during the year	**13**	**12**	**25**
Amounts used during the year	**(46)**	**(1)**	**(47)**
Amounts reversed during the year	**(3)**	**(2)**	**(5)**
Foreign exchange and other movements	**-**	**3**	**3**
Balance at 31 December	**28**	**43**	**71**

	31 December 2021		
	Litigations and claims in dispute € million	Other € million	Total € million
Balance at 1 January	60	33	93
Arising from acquisition	2		2
Amounts charged during the year	9	3	12
Amounts used during the year	(5)	(4)	(9)
Amounts reversed during the year	(2)	(1)	(3)
Balance at 31 December	64	31	95

For the year ended 31 December 2022, an amount of € 48 million has been recognised in the Group's income statement for employee termination benefits mainly in respect of the new Voluntary Exit Scheme (VES) that was launched by the Group in February 2022 for eligible units in Greece and offered to employees over a specific age limit. The new VES is implemented through either lump-sum payments or long-term leaves during which the employees will be receiving a percentage of a monthly salary, or a combination thereof. The estimated saving in personnel expenses amounts to € 16 million on an annual basis.

36. Standard legal staff retirement indemnity obligations

The Group provides for staff retirement indemnity obligation for its employees in Greece and abroad, who are entitled to a lump sum payment based on the number of years of service and the level of remuneration at the date of retirement, if they remain in the employment of the Group until normal retirement age, in accordance with the local labor legislation. The above retirement indemnity obligations typically expose the Group to actuarial risks such as interest rate risk and salary risk. Therefore, a decrease in the discount rate used to calculate the present value of the estimated future cash outflows or an increase in future salaries will increase the staff retirement indemnity obligations of the Group.

The movement of the liability for standard legal staff retirement indemnity obligations is as follows:

	2022 € million	2021 € million
Balance at 1 January	**23**	22
Arising from acquisition	**-**	0
Current service cost	**3**	3
Interest cost	**0**	0
Past service cost and (gains)/losses on settlements	**49**	38
Remeasurements:		
Actuarial (gains)/losses arising from changes in financial assumptions	**(2)**	(1)
Actuarial (gains)/losses arising from changes in demographic assumptions	**(0)**	0
Actuarial (gains)/losses arising from experience and other adjustments	**(2)**	0
Benefits paid	**(52)**	(39)
Exchange adjustments	**0**	(0)
Balance at 31 December	**19**	23

The benefits paid by the Group during 2022, in the context of the Voluntary Exit Scheme (VES) (note 35), amounted to € 52 million. The provision for staff retirement obligations of the staff that participated in the above scheme, amounted to € 2 million.

The significant actuarial assumptions (expressed as weighted averages) were as follows:

	2022 %	2021 %
Discount rate	**3.4**	0.6
Future salary increases	**2.9**	1.6

As at 31 December 2022, the assumption for the price inflation (weighted average) is 2.6% (2021: 2%) and has been taken into account in determining the above actuarial assumptions for future salaries increases.

As at 31 December 2022, the average duration of the standard legal staff retirement indemnity obligation was 8 years (2021: 8 years).

A quantitative sensitivity analysis based on reasonable changes to significant actuarial assumptions as at 31 December 2022 is as follows:

An increase/(decrease) of the discount rate assumed, by 50 bps/(50 bps), would result in a (decrease)/increase of the standard legal staff retirement obligations by (€ 0.7 million)/ € 0.7 million.

An increase/(decrease) of the future salary growth assumed, by 0.5%/(0.5%) would result in an increase/(decrease) of the standard legal staff retirement obligations by € 0.7 million/(€ 0.7 million).

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

The methods and assumptions used in preparing the above sensitivity analysis were consistent with those used to estimate the retirement benefit obligation and did not change compared to the previous year.

37. Share capital, share premium and treasury shares

As at 31 December 2022, the par value of the Company's shares is € 0.22 per share (2021: € 0.22). All shares are fully paid. The movement of share capital and share premium is as follows:

	Share capital € million	Share premium € million
Balance at 1 January 2021	815	8,055
Reclassification of treasury shares	1	1
Balance at 31 December 2021	816	8,056
Balance at 1 January 2022	**816**	**8,056**
Offsetting of equity accounts (note 38)	-	(6,895)
Share capital increase following the exercise of share options	0	0
Balance at 31 December 2022	**816**	**1,161**

In the year ended 31 December 2022, the Group has decided to proceed with the presentation of the issued share capital on the face of the balance sheet instead of the outstanding share capital, and changed the presentation of the treasury shares accordingly. In particular, the Group has proceeded with the reclassification of the nominal value of the treasury shares and their premium, which were previously deducted from the "Share capital" and "Share premium" respectively, within "Reserves and retained earnings". Comparative information has been adjusted, as of 1 January 2021, resulting in an increase of the share capital and share premium by € 1 million each against € 2 million decrease of "Reserves and retained earnings".

Share capital increase

Following the exercise of share options granted to key executives of the Group under the current share options' plan (note 39), and by virtue of the decision of the Board of Directors of the Company on 30 August 2022, the Company's share capital increased by € 333,444.32 through the issue of 1,515,656 new common voting shares, of a nominal value of € 0.22 per share and exercise price of € 0.23 per share. The difference between the exercise price of the new shares and their nominal value, net of the expenses directly attributable to the equity transaction, amounted to € 2,136 and was recorded in the account "Share premium". Following the above increase, as at 31 December 2022, the share capital of the Company amounts to € 816,349,051.76, divided into 3,710,677,508 common shares with a nominal value of € 0.22 each. The new shares were listed on the Athens Exchange on 14 September 2022.

The following is an analysis of the movement in the number of the Company's shares outstanding:

	Number of shares		
	Issued Shares	Treasury Shares	Net
Balance at 1 January 2021	3,709,161,852	(2,433,987)	3,706,727,865
Purchase of treasury shares	-	(3,083,564)	(3,083,564)
Sale of treasury shares	-	4,733,011	4,733,011
Balance at 31 December 2021	3,709,161,852	(784,540)	3,708,377,312
Balance at 1 January 2022	**3,709,161,852**	**(784,540)**	**3,708,377,312**
Share capital increase following the exercise of share options	1,515,656	-	**1,515,656**
Purchase of treasury shares	-	(1,745,293)	**(1,745,293)**
Sale of treasury shares	-	2,269,797	**2,269,797**
Balance at 31 December 2022	**3,710,677,508**	**(260,036)**	**3,710,417,472**

In the ordinary course of business, the Company's subsidiaries, except for the Bank, may acquire and dispose of treasury shares. According to paragraph 1 of Article 16c of Law 3864/2010, during the period of the participation of the HFSF in the share capital of the Company, the Company is not permitted to purchase treasury shares without the approval of the HFSF. As at 31 December 2022, the cost of the treasury shares presented above, which is included in other reserves (note 38), amounted to € 0.3 million (31 December 2021: € 0.7 million).

In addition, as at 31 December 2022 the number of the Company's shares held by the Group's associates in the ordinary course of their insurance and investing activities was 64,163,790 in total (2021: 64,163,790).

38. Reserves and retained earnings/losses

	Statutory reserves € million	Non-taxed reserves € million	Fair value reserve € million	Other reserves € million	Retained earnings/(losses) € million	Total € million
Balance at 1 January 2021	396	831	415	8,212	(13,462)	(3,608)
Reclassification of treasury shares (note 37)	-	-	-	(2)	-	(2)
Net profit/(loss)	-	-	-	-	328	328
Transfers between reserves	15	(1)	-	148	(162)	0
Changes in participating interests in subsidiary undertakings (note 23.2)	-	-	-	82	(81)	1
Debt securities at FVOCI	-	-	(91)	-	-	(91)
Cash flow hedges	-	-	-	37	-	37
Foreign currency translation	-	-	-	(0)	-	(0)
Gains/(losses) from equity securities at FVOCI	-	-	2	-	-	2
Associates and joint ventures						
-changes in the share of other comprehensive income, net of tax	-	-	(3)	(0)	-	(3)
Actuarial gains/(losses) on post employment benefit obligations, net of tax	-	-	-	-	1	1
Share options plan	-	-	-	-	2	2
Purchase/sale of treasury shares	-	-	-	1	-	1
Other	-	-	(1)	0	-	(1)
Balance at 31 December 2021	411	830	322	8,479	(13,374)	(3,333)
Balance at 1 January 2022	**411**	**830**	**322**	**8,479**	**(13,374)**	**(3,333)**
Net profit	-	-	-	-	1,330	**1,330**
Transfers between reserves	73	(1)	-	195	(267)	**-**
Offsetting of equity accounts	(214)	-	-	(6,705)	13,814	**6,895**
Debt securities at FVOCI	-	-	(323)	-	-	**(323)**
Cash flow hedges	-	-	-	(0)	-	**(0)**
Foreign currency translation (note 23.1)	-	-	-	77	-	**77**
Gains/(losses) from equity securities at FVOCI	-	-	24	-	-	**24**
Associates and joint ventures -changes in the share of other comprehensive income, net of tax	-	-	(33)	1	(0)	**(32)**
Actuarial gains/(losses) on post employment benefit obligations, net of tax	-	-	-	-	4	**4**
Share options plan (note 39)	-	-	-	-	4	**4**
Purchase/sale of treasury shares (note 37)	-	-	-	1	0	**1**
Other	-	-	-	(1)	-	**(1)**
Balance at 31 December 2022	**270**	**829**	**(10)**	**2,047**	**1,511**	**4,646**

As at 31 December 2022, other reserves comprise, among others, a) corporate law reserves of € 8 million, pursuant to the provisions of the Greek company law in force (2021: € 6,714 million) - see below, b) € 1,568 million reserves relating to dividends and gains from the sale of participations (2021: € 1,373 million), c) € 125 million accumulated loss relating to foreign operations' translation differences, including € 24 million accumulated gain relating to net investment hedging - NIH (2021: € 203 million accumulated loss, including € 27 million gain relating to NIH) and d) € 12 million accumulated loss from cash flow hedging (2021: € 12 million accumulated loss).

Offsetting of equity accounts

On 21 July 2022, the Annual General Meeting (AGM) of the shareholders of Eurobank Holdings approved, among others, the offsetting of a) the total of the account "Corporate law Reserves" amounting to € 6,919.3 million and b) part of the account "Share Premium" amounting to € 6,894.4 million with accumulated losses of equivalent value amounting to € 13,813.7 million, included in the account "Retained earnings/(losses)". The above offsetting, which was approved by the competent Supervisory Authorities in October 2022, did not affect the Company's own and regulatory capital.

Dividends

Pursuant to the provisions of the Company Law 4548/18, companies are required to pay dividends of at least 35% of after-tax profit, after necessary deductions for the formation of the statutory reserve and other credit balances in the income statement that do not arise from realized earnings.

For the financial year 2022, Eurobank Holdings has no profits and therefore will not distribute minimum dividend. Furthermore, in 2023 the Group has announced that the amount earmarked for dividend distribution will be used in an optimal way to bid for the 1.4% HFSF stake through a share buyback scheme (note 45).

39. Share options

The Annual General Meeting of the shareholders of Eurobank Holdings held on 28 July 2020 approved the establishment of a five year shares award plan, starting from 2021, in the form of share options rights by issuing new shares with a corresponding share capital increase, in accordance with the provisions of article 113 of law 4548/2018, awarded to executives and personnel of Eurobank Holdings and its affiliated companies according to article 32 of law 4308/2014. The maximum number of rights that can be approved was set at 55,637,000 rights, each of which would correspond to one new share. The exercise price of each new share would be equal to € 0.23. The Annual General Meeting authorized the Board of Directors of Eurobank Holdings to define the eligible staff and determine the remaining terms and conditions of the plan.

The final terms and the implementation of the share options plan, which is a forward-looking long-term incentive aiming at the retention of key executives, are defined and approved annually by the Board of Directors in accordance with the applicable legal and regulatory framework, as well as the policies of the Group.

The options are exercisable in portions, annually during a period from one to five years. Each portion may be exercised wholly or partly and converted into shares at the employees' option, provided that they remain employed by the Group until the first available exercise date. The corporate actions that adjust the number and the price of shares also adjust accordingly the share options.

In addition, the share options also comply with the restrictions regarding remuneration of Law 3864/2010, as each time in force.

The movement of share options during the period is analysed as follows:

Share options granted	2022
Balance at 1 January 2022	12,374,561
Options awarded during the year	11,654,117
Options cancelled during the year	(244,700)
Options exercised during the year	(1,515,656)
Balance at 31 December 2022	22,268,322

The share options outstanding at the end of the period have the following expiry dates:

Expiry date [1]	Share options 31 December 2022
2023	5,551,925
2024	7,131,580
2025	3,120,978
2026	2,595,139
2027	2,595,139
2028	1,273,561
Weighted average remaining contractual life of share options outstanding at the end of the period	24 months

[1] Based on the earliest contractual exercise date.

In accordance with the Group's accounting policy on employees' share based payments, the grant date fair value of the options is recognized as an expense with a corresponding increase in equity over the vesting period.

The fair value at grant date is determined using an adjusted form of the Black-Scholes model for Bermudan equity options which takes into account the exercise price, the exercise dates, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the options.

Furthermore, additional conditions on certain share options granted to key executives who are subject to any remuneration restrictions of Law 3864/2010 at the time of grant, are treated as non-vesting conditions. Accordingly, the fair value measurement at grant date of such share options takes into consideration the probability that the relevant restrictions will be lifted, based on Management judgement, and is not subsequently revised regardless of whether the condition is eventually satisfied.

The weighted average fair value of the share options granted in December 2022 was € 0.63 (2021: € 0.42). The significant inputs into the model were a share price of € 1.021 (2021: € 0.7823) at the grant date, exercise price of € 0.23, annualized dividend yield of 3% (2021: 3%), expected average volatility of 38% (2021: 68%), expected option life of 1-5 years, and a risk-free interest rate corresponding to the options' maturities, based on the Euro swap yield curve. The expected volatility is measured at the grant date of the options and is based on the average historical volatility of the share price over the last one and a half year.

40. Transfers of financial assets

The Group enters into transactions by which it transfers recognized financial assets directly to third parties or to Special Purpose Entities (SPEs).

(a) The Group sells, in exchange for cash, securities under an agreement to repurchase them (repos) and assumes a liability to repay to the counterparty the cash received. In addition, the Group pledges, in exchange for cash, securities, covered bonds, as well as loans and receivables and assumes a liability to repay to the counterparty the cash received. The Group may also transfer securities under securities lending agreements with no exchange of cash or pledging of other financial assets as collateral. For all the aforementioned transactions, the Group has determined that it retains substantially all the risks, including associated credit and interest rate risks, and rewards of these financial assets and therefore has not derecognized them. As a result, the Group is unable to use, sell or pledge the transferred assets for the duration of the transaction. The related liability, where applicable, is recognized in Due to central banks and credit institutions (notes 31 and 32), Due to customers (note 33) and Debt securities in issue (note 34), as appropriate.

The Group enters into securitizations of various classes of loans (corporate, small and medium enterprise, consumer and various classes of non-performing loans), under which it assumes an obligation to pass on the cash flows from the loans to the holders of the notes. The Group has determined that it retains substantially all risks, including associated credit and interest rate risks, and rewards of these loans and therefore has not derecognized them. As a result of the above transactions, the Group is unable to use, sell or pledge the transferred assets for the duration of their retention by the SPE. Moreover, the note holders' recourse is limited to the transferred loans. As at 31 December 2022, the securitizations' issues held by third parties amounted to € 553 million (2021: € 552 million) (note 34).

The table below sets out the details of Group's financial assets that have been sold or otherwise transferred, but which do not qualify for derecognition:

	Carrying amount	
	2022	2021
	€ million	€ million
Securities held for trading	**44**	11
Loans and advances to customers	**14,186**	14,344
-securitized loans[(1)]	***3,411***	*4,232*
-pledged loans under covered bond program	***4,261***	*4,360*
-pledged loans with central banks	***6,309***	*5,545*
-other pledged loans	***205***	*207*
Investment securities	**3,027**	6,930
Total	**17,257**	21,285

[(1)] *It includes securitized loans of issues held by the Bank, not used for funding.*

(b) The Group may sell or re-pledge any securities borrowed or obtained through reverse repos and has an obligation to return the securities. The counterparty retains substantially all the risks and rewards of ownership and therefore the securities are not recognized by the Group. As at 31 December 2022, the Group had obtained through reverse repos securities of face value of € 134 million, of which € 15 million sold under repurchase agreements and € 67 million pledged with central banks (2021: € 598 million face value of which € 60 million sold under repurchase agreements and € 505 million pledged with central banks). Furthermore, in the comparative year, the Group had obtained Greek treasury bills as collaterals for derivatives transactions with the Hellenic Republic of face value of € 1,400 million, of which € 324 million sold under repurchase agreements.

As at 31 December 2022, the cash value of the assets transferred or borrowed by the Group through securities lending, reverse repo and other agreements (points a and b) amounted to € 10,512 million, while the associated liability from the above transactions amounted to € 10,412 million, of which € 114 million repo agreements offset in the balance sheet against reverse repo deals (notes 31, 32, 33, 34 and 5.2.1.4) (2021: cash value € 13,583 million and liability € 13,287 million, of which € 591 million repo agreements offset in the balance sheet). In addition, the Group's financial assets pledged as collaterals for repos, derivatives, securitizations and other transactions other than the financial assets presented in the table above are provided in notes 17 and 29.

41. Leases

Group as a lessee

The Group leases office and branch premises, ATM locations, residential properties for the Group's personnel, and motor vehicles.

The majority of the Group's property leases are under long term agreements (for a term of 12 years or more in the case of leased real estate assets), with options to extend or terminate the lease according to the terms of each contract and the usual terms and conditions of commercial leases applicable in each jurisdiction, while motor vehicles generally have lease terms of up to 4 years. Extension options held by the Group are included in the lease term when it is reasonably certain that they will be exercised based on its assessment. For contracts having an indefinite remaining life as at 1 January 2022, the lease term has been determined at an average of 7 years for the Bank, after considering all relevant facts and circumstances. Depending on the terms of each lease contract, lease payments are adjusted annually in line with the consumer Price Index, as published by the Greek Statistical Authority, plus an agreed fixed percentage.

Information about the leases for which the Group is a lessee is presented below:

Right-of-Use Assets

As at 31 December 2022, the right-of-use assets included in property plant and equipment amounted to € 187 million (31 December 2021: € 230 million) (note 26), while those that meet the definition of investment property amounted to € 14 million (31 December 2021: € 14 million) (note 27).

Lease Liabilities

The lease liability included under other liabilities amounted to € 205 million as at 31 December 2022 (31 December 2021: € 248 million) (note 35). The maturity analysis of lease liabilities as at 31 December 2022, based on the contractual undiscounted cash flows, is presented in note 5.2.3.

Amounts recognised in profit or loss

Interest on lease liabilities is presented in note 6 and the lease expense relating to short term leases is ca. € 3 million (31 December 2021: € 3 million).

The Group had total cash outflows for leases of € 39 million in 2022 (2021: € 39 million).

Group as a lessor

Finance lease

The Group leases out certain real estate properties and equipment under finance leases, in its capacity as a lessor.

The maturity analysis of finance lease receivables, based on the undiscounted lease payments to be received after the reporting date, is provided below:

	2022	2021[(1)]
	€ million	€ million
Not later than one year	**303**	343
1-2 years	**83**	108
2-3 years	**65**	85
3-4 years	**53**	56
4-5 years	**36**	35
Later than 5 years	**164**	178
Lease Payments:	**704**	805
Gross investment in finance leases	**704**	805
Less: unearned finance income	**(66)**	(51)
Net investment in finance leases	**638**	754
Less: impairment allowance	**(139)**	(217)
Total	**499**	537

[(1)] *Comparative information has been adjusted in order to align with current year's presentation of the finance lease receivables.*

Operating Leases

The Group leases out its investment property under the usual terms and conditions of commercial leases applicable in each jurisdiction. When such leases do not transfer substantially all of the risks and rewards incidental to the ownership of the leased assets, the Group classifies these lease as operating leases. Information relating to operating leases of investment property, including the rental income recognised by the Group during the year, is provided in note 27.

The maturity analysis of operating lease receivables, based on the undiscounted lease payments to be received after the reporting date, is provided below:

	2022 € million	2021 € million
Not later than one year	**92**	96
One to two years	**85**	89
Two to three years	**78**	82
Three to four years	**70**	75
Four to five years	**64**	70
More than five years	**250**	304
Total	**639**	716

42. Contingent liabilities and other commitments

The Group presents the credit related commitments it has undertaken within the context of its lending related activities into the following three categories: a) financial guarantee contracts, which refer to guarantees and standby letters of credit that carry the same credit risk as loans (credit substitutes), b) commitments to extend credit, which comprise firm commitments that are irrevocable over the life of the facility or revocable only in response to a material adverse effect and c) other credit related commitments, which refer to documentary and commercial letters and other guarantees of medium and low risk according to the Regulation No 575/2013/EU.

Credit related commitments are analyzed as follows:

	2022 € million	2021 € million
Financial guarantee contracts	**1,807**	1,068
Commitments to extend credit	**3,898**	1,572
Other credit related commitments	**1,053**	634
Total	**6,758**	3,274

The credit related commitments within the scope of IFRS 9 impairment requirements amount to € 10.5 billion (2021: € 6.8 billion), including revocable loan commitments of € 3.7 billion (2021: € 3.6 billion), while the corresponding allowance for impairment losses amounts to € 57 million (2021: € 48 million).

In addition, the Group has issued a sovereign risk financial guarantee of € 0.23 billion (31 December 2021: € 0.24 billion) for which an equivalent amount has been deposited under the relevant pledge agreement (note 29).

Other commitments

(a) The Bank has signed irrevocable payment commitment and collateral arrangement agreements with the Single Resolution Board (SRB) amounting in total to € 24.4 million as at 31 December 2022 (2021: € 20 million), representing 15% of its resolution contribution payment obligation to the Single Resolution Fund (SRF) for the years 2016-2022.

According to the agreements, which are backed by cash collateral of an equal amount, the Bank undertook to pay to the SRB an amount up to the above irrevocable payment commitment, in case of a call and demand for payment made by it, in relation to a resolution action taken for another European bank. The said cash collateral has been recognized as a financial asset in the Group's balance sheet (note 29).

(b) As at 31 December 2022, the contractual commitments for the acquisition of own used property, equipment and intangible assets amounted to € 46 million (2021: € 43 million).

Post balance sheet event

In February 2023, the Bank signed a binding pre-agreement with a third party for the acquisition of a Cypriot holding company, which indirectly owns a land plot to be developed into a modern office complex and proceeded with an advance payment of €15.2m, in line with the agreement. The completion of the agreement is expected to take place in 2024.

Legal proceedings

In the year ended 31 December 2022, the Bank concluded an agreement for the acquisition of the remaining 50% of Hellenic Post Credit S.A share capital (note 23.1), settled by offsetting receivables it held from the other shareholder. As a result, related provisions of € 34 million which had been recognized, were used to offset the respective receivables, leading to a significant decrease of the provisions for legal proceedings outstanding against the Group, which as at 31 December 2022 amounted to € 28 million (note 35) (31 December 2021: € 64 million).

Furthermore, in the normal course of its business, the Group has been involved in a number of legal proceedings, which are either at still a premature or at an advanced trial instance. The final settlement of these cases may require the lapse of a certain time so that the litigants exhaust the legal remedies provided for by the law. Management, is closely monitoring the developments to the relevant cases and having considered the advice of the Legal Services General Division, does not expect that there will be an outflow of resources and therefore does not acknowledge the need for a provision.

43. Operating segment information

Management has determined the operating segments based on the internal reports reviewed by the Strategic Planning Committee that are used to allocate resources and to assess their performance in order to make strategic decisions. The Strategic Planning Committee considers the business both from a business unit and geographic perspective. Geographically, management considers the performance of its business activities originated from Greece and other countries in Europe (International).

Greece is further segregated into retail, corporate, global markets & asset management and investment property. International is monitored and reviewed on a country basis. The Group aggregates segments when they exhibit similar economic characteristics and profile and are expected to have similar long-term economic development.

In more detail, the Group is organized in the following reportable segments:

- Retail: incorporating customer current accounts, savings, deposits and investment savings products, credit and debit cards, consumer loans, small business banking and mortgages.
- Corporate: incorporating current accounts, deposits, overdrafts, loan and other credit facilities, foreign currency and derivative products to corporate entities, custody and clearing services, cash management and trade services and investment banking services including corporate finance, merger and acquisitions advice.
- Global Markets & Asset Management: incorporating financial instruments trading, services to institutional investors, as well as, specialized financial advice and intermediation. In addition, this segment incorporates mutual fund products, institutional asset management and equity brokerage.
- International: incorporating operations in Bulgaria, Serbia, Cyprus, Luxembourg and Romania.
- Investment Property: incorporating investment property activities relating to a diversified portfolio of commercial real estate assets.

Other segment of the Group refers mainly to a) property management (including repossessed assets), b) other investing activities (including equities' positions), c) private banking services to medium and high net worth individuals, d) the Group's share of results of Eurolife Insurance group, e) the results related to the Group's transformation projects and initiatives, the notes of Cairo, Pillar and Mexico securitizations, which were retained by the Group, and the Group's share of results of doValue Greece Loans and Credits Claim Management S.A. and f) the effect of the liquidation of "ERB Istanbul Holding A.S." in June 2022 (note 23.1).

The Group's management reporting is based on International Financial Reporting Standards (IFRS) as adopted by the EU. The accounting policies of the Group's operating segments are the same with those described in the principal accounting policies.

Revenues from transactions between business segments are allocated on a mutually agreed basis at rates that approximate market prices.

43.1 Operating segments

	31 December 2022						
	Retail € million	Corporate € million	Global Markets & Asset Mngt € million	Investment Property € million	International € million	Other and Elimination center € million	Total € million
Net interest income	437	374	284	(12)	457	10	1,550
Net commission income	92	115	99	0	141	1	449
Other net revenue	324	2	703	183	(6)	(69)	1,136
Total external revenue	854	490	1,087	171	592	(58)	3,135
Inter-segment revenue	23	38	(36)	2	(2)	(24)	-
Total revenue	876	528	1,051	173	589	(83)	3,135
Operating expenses	(409)	(125)	(68)	(39)	(278)	0	(917)
Impairment losses relating to loans and advances to customers	(223)	(18)	-	-	(32)	(17)	(291)
Other impairment losses and provisions (note 12)	(6)	(3)	(18)	(3)	(17)	(62)	(108)
Share of results of associates and joint ventures	(0)	0	(0)	-	-	18	18
Profit/(loss) before tax before restructuring costs	239	383	965	132	262	(143)	1,837
Restructuring costs (note 12)	(24)	(1)	(1)	-	(14)	(62)	(102)
Profit/(loss) before tax	215	381	965	132	248	(205)	1,735
Profit/(loss) before tax attributable to non controlling interests	-	-	-	-	0	(0)	0
Profit/(loss) before tax attributable to shareholders	215	381	965	132	248	(205)	1,735

	31 December 2022						
	Retail € million	Corporate € million	Global Markets & Asset Mngt € million	Investment Property € million	International € million	Other and Elimination center[1] € million	Total € million
Segment assets	14,817	16,522	13,088	1,445	21,704	13,884	81,460
Segment liabilities	30,535	12,441	5,568	308	19,736	6,154	74,742

The International segment is further analyzed as follows:

	31 December 2022					
	Bulgaria € million	Serbia € million	Cyprus € million	Luxembourg € million	Romania € million	Total € million
Net interest income	215	70	136	34	2	457
Net commission income	73	22	40	8	(1)	141
Other net revenue	(5)	1	1	0	(2)	(6)
Total external revenue	282	93	177	42	(2)	592
Inter-segment revenue	0	(0)	0	(3)	-	(2)
Total revenue	283	93	177	39	(2)	589
Operating expenses	(136)	(63)	(50)	(23)	(5)	(278)
Impairment losses relating to loans and advances to customers	(37)	(14)	(1)	(0)	20	(32)
Other impairment losses and provisions	(5)	(4)	(1)	(0)	(7)	(17)
Share of results of associates and joint ventures	-	-	-	-	0	0
Profit/(loss) before tax before restructuring costs	105	11	125	15	6	262
Restructuring costs (note 12)	-	(14)	-	-	-	(14)
Profit/(loss) before tax	105	(3)	125	15	6	248
Profit/(loss) before tax attributable to non controlling interests	0	0	-	-	-	0
Profit/(loss) before tax attributable to shareholders	105	(3)	125	15	6	248

Notes to the Consolidated Financial Statements

	31 December 2022					
	Bulgaria	**Serbia**	**Cyprus**	**Luxembourg**	**Romania**	**International**
	€ million	**€ million**	**€ million**	**€ million**	**€ million**	**€ million**
Segment assets[(2)]	**7,944**	**2,504**	**8,793**	**2,304**	**159**	**21,704**
Segment liabilities[(2)]	**7,146**	**2,217**	**8,031**	**2,112**	**230**	**19,736**

	31 December 2021						
	Retail	Corporate	Global Markets & Asset Mngt	Investment Property	International	Other and Elimination center	Total
	€ million	€ million	€ million	€ million	€ million	€ million	€ million
Net interest income	436	317	217	(21)	375	(3)	1,321
Net commission income	80	75	88	1	117	(3)	358
Other net revenue	1	2	71	131	0	16	221
Total external revenue	518	394	376	110	492	10	1,900
Inter-segment revenue	22	40	(33)	2	(3)	(28)	-
Total revenue	540	434	343	112	489	(19)	1,900
Operating expenses	(412)	(126)	(59)	(38)	(240)	(2)	(876)
Impairment losses relating to loans and advances to customers	(251)	(94)	-	-	(73)	(71)	(490)
Other impairment losses and provisions (note 12)	(5)	(1)	(6)	(3)	(9)	(28)	(52)
Share of results of associates and joint ventures	(0)	0	0	2	(0)	24	26
Profit/(loss) before tax before restructuring costs	(128)	213	279	72	168	(95)	508
Restructuring costs (note 12)	(7)	(2)	(0)		(7)	(10)	(25)
Profit/(loss) before tax	(135)	211	279	72	161	(105)	483
Profit/(loss) before tax attributable to non controlling interests	-	-	-	0	(1)	0	(1)
Profit/(loss) before tax attributable to shareholders	(135)	211	279	72	163	(105)	484

	31 December 2021						
	Retail	Corporate	Global Markets & Asset Mngt	Investment Property	International	Other and Elimination center[(1)]	Total
	€ million	€ million	€ million	€ million	€ million	€ million	€ million
Segment assets	14,878	14,696	13,265	1,495	19,870	13,648	77,852
Segment liabilities	29,562	10,869	6,828	356	18,183	6,420	72,217

	31 December 2021					
	Bulgaria	Serbia	Cyprus	Luxembourg	Romania	Total
	€ million	€ million	€ million	€ million	€ million	€ million
Net interest income	185	53	102	25	10	375
Net commission income	63	14	33	8	(2)	117
Other net revenue	(1)	1	1	0	(0)	0
Total external revenue	247	68	136	34	7	492
Inter-segment revenue	0	(0)	0	(3)	-	(3)
Total revenue	247	68	136	31	7	489
Operating expenses	(118)	(50)	(45)	(21)	(5)	(240)
Impairment losses relating to loans and advances to customers	(43)	(11)	(4)	0	(15)	(73)
Other impairment losses and provisions	(3)	(4)	0	(0)	(1)	(9)
Share of results of associates and joint ventures	-	(0)	-	-	(0)	(0)
Profit/(loss) before tax before restructuring costs	83	3	87	9	(15)	168
Restructuring costs	-	(5.11)	-	(1)	-	(7)
Profit/(loss) before tax	83	(2)	87	8	(15)	161
Profit/(loss) before tax attributable to non controlling interests	0	(1)	-	-	-	(1)
Profit/(loss) before tax attributable to shareholders	83	(1)	87	8	(15)	163

	31 December 2021					
	Bulgaria € million	Serbia € million	Cyprus € million	Luxembourg € million	Romania € million	International € million
Segment assets[(2)]	7,159	2,404	8,027	2,231	159	19,870
Segment liabilities[(2)]	6,422	2,121	7,341	2,051	358	18,183

[(1)] Interbank eliminations between International and the other Group's segments are included.
[(2)] Intercompany balances among the Countries have been excluded from the reported assets and liabilities of International segment.

43.2 Entity wide disclosures

Breakdown of the Group's revenue for each group of similar products and services is as follows:

	2022 € million	2021 € million
Lending related activities	**1,445**	1,522
Deposits, network and asset management activities	**323**	(88)
Capital markets	**950**	339
Non banking and other services	**417**	127
Total	**3,135**	1,900

Information on the Country by Country Reporting based on Law 4261/2014 is provided in the Appendix.

44. Post balance sheet events

Details of post balance sheet events are provided in the following notes:

Note 2.1 – Basis of preparation
Note 4 – Capital Management
Note 5 – Financial risk management and fair value
Note 22 – Investment securities
Note 23.1 – Shares in subsidiaries
Note 34 - Debt securities in issue
Note 42 - Contingent liabilities and other commitments
Note 45 - Related parties

45. Related parties

Eurobank Ergasias Services and Holdings S.A. (the Company or Eurobank Holdings) is the parent company of Eurobank S.A. (the Bank).

The Board of Directors (BoD) of Eurobank Holdings is the same as the BoD of the Bank and part of the key management personnel (KMP) of the Bank provides services to Eurobank Holdings according to the terms of the relevant agreement between the two entities. As at 31 December 2022, the percentage of the Company's ordinary shares with voting rights held by the Hellenic Financial Stability Fund (HFSF) stands at 1.40%. The HFSF is considered to have significant influence over the Company pursuant to the provisions of the Law 3864/2010, as in force, including the amendments under law 4941/2022, and the Tripartite Relationship Framework Agreement (TRFA) between the Bank, the Company and the HFSF signed on 23 March 2020 and amended on 3 February 2022. Further information in respect of the HFSF rights based on the aforementioned framework is provided in the section "Report of the Directors and Corporate Governance Statement" of the Annual Financial Report for the year ended 31 December 2022.

In 2023, Eurobank Holdings announced its intention to submit an offer for the buyback of its 52.08 million shares (corresponding to a participation of 1.4%), presently owned by the HFSF, subject to the receipt of the required approvals from the regulator and the General Meeting of the Company's Shareholders.

Fairfax Group, which holds 32.99% of Eurobank Holdings voting rights as of 31 December 2022 (31 December 2021: 33%), is considered to have significant influence over the Company.

In January 2022, an occupational insurance fund (“Institution for occupational retirement provision-occupational insurance fund Eurobank’s Group personnel” henceforth “the Fund”) was established as a not-for-profit legal entity under Law 4680/2020, for the benefit of the employees of the Company, the Bank and certain other Greek entities of the Group, which constitute the sponsoring employers of the Fund. Accordingly, in line with IAS 24 Related Parties, the Fund is considered to be related party to the Group.

A number of banking transactions are entered into with related parties in the normal course of business and are conducted on an arm's length basis. These include loans, deposits and guarantees. In addition, as part of its normal course of business in investment banking activities, the Group at times may hold positions in debt and equity instruments of related parties.

The outstanding balances of the transactions with (a) Fairfax group, (b) the key management personnel (KMP) and the entities controlled or jointly controlled by KMP and (c) other related parties, as well as the relating income and expenses are as follows:

	31 December 2022			31 December 2021		
	Fairfax Group[(2) (4)]	**KMP and Entities controlled or jointly controlled by KMP[(1)]**	**Other Related Parties[(3)]**	Fairfax Group[(2)]	KMP and Entities controlled or jointly controlled by KMP[(1)]	Other Related Parties[(3)]
	€ million	**€ million**	**€ million**	€ million	€ million	€ million
Loans and advances to customers	**73.45**	**5.69**	**0.14**	0.01	4.95	26.52
Other assets	**0.39**	**-**	**87.07**	0.37	0.19	76.04
Due to customers	**34.22**	**20.98**	**97.50**	0.24	21.90	80.68
Debt securities in issue	**81.98**	**1.27**	**102.47**	-	0.20	-
Other liabilities	**0.13**	**0.20**	**10.35**	-	0.32	40.86
Net interest income	**(0.69)**	**0.01**	**(4.68)**	0.21	-	(2.52)
Net banking fee and commission income	**0.02**	**0.11**	**10.89**	-	0.16	14.74
Net trading income	**-**	**-**	**0.01**	-	-	0.45
Impairment losses relating to loans and advances including relative fees	**(0.55)**	**-**	**(62.75)**	0.02	-	(89.75)
Other operating income/(expenses)	**9.56**	**(15.18)**	**(10.17)**	5.93	(14.99)	(12.44)
Guarantees issued	**1.97**	**-**	**-**	-	0.01	4.65
Guarantees received	**-**	**0.01**	**-**	-	0.01	-

(1) Includes the key management personnel of the Group and their close family members.

(2) The balances with the Group’s associate Eurolife FFH Insurance Group Holdings S.A., which is also a member of Fairfax Group are presented in the column other related parties.

(3) Other related parties include associates, joint ventures and as of the first half of 2022 the aforementioned Eurobank Group’s personnel occupational insurance fund. In particular, as at 31 December 2022 the outstanding balances of transactions with the Fund refer mainly to deposits of € 1 million received from the Fund.

(4) As of 24 March 2022, the Bank ceased to have joint control over its former joint venture Grivalia Hospitality S.A. (note 24). In addition, in the third quarter of 2022, Fairfax Group obtained control over Grivalia Hospitality S.A. Hence, as at 31 December 2022, the company is considered to be a related party of the Group.

For the year ended 31 December 2022, there were no material transactions with the HFSF.

For the year ended 31 December 2022, an impairment of € 0.8 million (2021: € 0.2 million) has been recorded against loan balances with Group’s associates and joint ventures, while the respective impairment allowance amounted to € 0.02 million (31 December 2021: € 0.4 million).

Key management compensation (directors and other key management personnel of the Group)

Key management personnel are entitled to compensation in the form of short-term employee benefits of € 7.52 million (2021: € 7.35 million) and long-term employee benefits of € 1.24 million (2021: € 1.17 million). Additionally, the Group has recognised € 1.94 million expense relating with equity settled share based payments (2021: € 0.52 million) (note 39). Furthermore, as at 31 December 2022, the defined benefit obligation for the KMP amounts to € 1.58 million (31 December 2021: € 1.48 million), while the respective cost for the year through the income statement amounts to € 0.12 million (2021: € 0.12 million) and the other comprehensive income (actuarial gain) amounts to € 0.07 million (2021: € 0.05 million actuarial gain).

46. External Auditors

The Group has adopted a Policy on External Auditors' Independence which provides amongst others, for the definition of the permitted and non-permitted services the Group auditors may provide further to the statutory audit. For any such services to be assigned to the Group's auditors there are specific controlling mechanisms in order for the Company's Audit Committee to ensure that a) the non-audit services assigned to "KPMG Certified Auditors S.A.", along with the KPMG network (KPMG), have been reviewed and approved as required and b) there is proper balance between audit and permitted non-audit work.

The total fees of the Group's principal independent auditor KPMG, for audit and other services provided are analyzed as follows:

	2022 **€ million**	2021 € million
Statutory audit[(1)]	**(3.0)**	(2.8)
Tax certificate	**(0.4)**	(0.4)
Other audit related assignments	**(1.1)**	(1.2)
Non audit assignments	**(0.1)**	(0.2)
Total	**(4.6)**	(4.6)

[(1)] *Includes fees for statutory audit of the annual separate and consolidated financial statements.*

It is noted that the non-audit assignment fees of "KPMG Certified Auditors S.A." Greece, statutory auditor of the Group, amounted to € 0.08 million.

47. Board of Directors

The Board of Directors (BoD) was elected by the Annual General Meeting (AGM) of the Shareholders held on 23 July 2021 for a three years term of office that will expire on 23 July 2024, prolonged until the end of the period the AGM for the year 2024 will take place.

Following the aforementioned AGM decision, the BoD was constituted as a body at the BoD meeting of 23 July 2021, as follows:

G. Zanias	Chairman, Non-Executive Member
G. Chryssikos	Vice Chairman, Non-Executive Member
F. Karavias	Chief Executive Officer
S. Ioannou	Deputy Chief Executive Officer
K. Vassiliou	Deputy Chief Executive Officer
A. Athanasopoulos	Deputy Chief Executive Officer
B.P. Martin	Non-Executive Member
A. Gregoriadi	Non-Executive Independent Member
I. Rouvitha Panou	Non-Executive Independent Member
R. Kakar	Non-Executive Independent Member
J. Mirza	Non-Executive Independent Member
C. Basile	Non-Executive Independent Member
E. Deli	Non-Executive Member (HFSF representative under Law 3864/2010)

Athens, 6 April 2023

Georgios P. Zanias	**Fokion C. Karavias**	**Harris V. Kokologiannis**
I.D. No AI - 414343	I.D. No AI - 677962	I.D. No AN - 582334
CHAIRMAN OF THE BOARD OF DIRECTORS	CHIEF EXECUTIVE OFFICER	GENERAL MANAGER OF GROUP FINANCE CHIEF FINANCIAL OFFICER

APPENDIX – Disclosures under Law 4261/2014

Country by Country Reporting

Pursuant to article 81 of Law 4261/2014, which incorporated article 89 of Directive 2013/36/EC into the Greek legislation, the Group provides the following information for each country in which it has an establishment:

(i) Names, nature of activities and geographical location.

(ii) The operating income (turnover), the profit/(loss) before tax, the tax on profit/ (loss) and the current tax on a consolidated basis for each country; intercompany transactions among countries are eliminated through the line 'Intra-Group amounts'. The amounts disclosed are prepared on the same basis as the Group's financial statements for the year ended 31 December 2022.

(iii) The number of employees on a full time equivalent basis.

(iv) The public subsidies received.

For the listing of the Bank's subsidiaries at 31 December 2022, the country of their incorporation and the line of their business refer to note 23.1.

The information per country is set out below:

	Year ended 31 December 2022				
	Operating income € million	Profit/(loss) before tax € million	Tax on profit/(loss) € million	Current tax € million	Number of employees at 31 December
Greece	2,632	1,561	(365)	(6)	6,265
Bulgaria	282	109	(12)	(12)	3,016
Romania	(3)	(9)	(0)	(1)	16
Cyprus	164	115	(21)	(20)	450
Serbia	92	(1)	0	(0)	1,477
Luxembourg[(1)]	48	22	(6)	(6)	104
Turkey (note 23.1)	(79)	(79)	(1)	(1)	-
Netherlands	(0)	(1)	-	-	-
Intra-Group amounts	(1)	-	-	-	
Total	**3,135**	**1,717**	**(405)**	**(46)**	**11,328**

[(1)] *The operations of Eurobank Private Bank Luxembourg S.A.'s branch in London are included within Luxembourg.*

For the year ended 31 December 2022, net income of € 53 million that is attributable to the targeted longer-term refinancing operations (TLTRO III) of the European Central Bank has been recognised in the income statement (note 31).

Article 82 of Law 4261/2014

For 2022, the Group's return on assets (RoA) was 1.66%. RoA is calculated by dividing the net profit for the year ended 31 December 2022 by the Group's average total assets for the year.

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Independent Auditors' Report

To the Shareholders of
Eurobank Ergasias Services and Holdings S.A.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of Eurobank Ergasias Services and Holdings S.A. (the "Company") which comprise the Balance Sheet as at 31 December 2022, the Statements of Comprehensive Income, Changes in Equity and Cash Flow for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying Financial Statements present fairly, in all material respects, the financial position of Eurobank Ergasias Services and Holdings S.A. as at 31 December 2022 and its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA), as incorporated in Greek legislation. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants, as incorporated in Greek legislation, and the ethical requirements that are relevant to the audit of the financial statements in Greece, and we have fulfilled our other ethical responsibilities in accordance with the requirements of the applicable legislation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KPMG

Key Audit Matters

Key audit matters are those matters, that, in our professional judgment, were of most significance in our audit of the financial statements of the current period.

These matters and the relevant significant assessed risks of material misstatement were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Assessment of Impairment indicators of shares in subsidiaries

See Notes 2.2.1, 2.2.6 and 10 to the Financial Statements.

Shares in subsidiaries as of 31 December 2022 amounted to EUR 4 097 million (2021: EUR 4 093 million).

The key audit matter	How the matter was addressed in our audit
The Company records shares in subsidiaries at amortised cost less impairment. In accordance with IFRS, management performs impairment tests for investments in subsidiaries when relevant indications exist. The assessment of whether there are any triggers for impairment of shares in subsidiaries involves significant judgment from management and therefore increased levels of audit focus. Disclosures in the Financial Statements Disclosures regarding the assumptions and the methodology used for the calculation of any impairment are important to provide clarity to the financial statements.	Key aspects of our testing included, among others: • We evaluated management assessment of whether triggers for impairment of shares in subsidiaries exist. Assessing disclosures: We evaluated the adequacy and appropriateness of the disclosures in the financial statements that address the matters around the judgements.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Board of Directors' Report, for which reference is made in the "Report on Other Legal and Regulatory Requirements" and the Declarations of the Members of the Board of Directors but does not include the Financial Statements and our Auditors' Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and Those Charged with Governance for the Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Audit Committee of the Company is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs which have been incorporated in Greek legislation will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, which have been incorporated in Greek legislation, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1 Additional Report to the Audit Committee

Our audit opinion on the Financial Statements is consistent with the Additional Report to the Audit Committee of the Company dated 7 April 2023, pursuant to the requirements of article 11 of the Regulation 537/2014 of the European Union (EU).

2 Provision of Non-Audit Services

We have not provided to the Company any prohibited non-audit services referred to in article 5 of Regulation (EU) 537/2014.

The permissible non-audit services that we have provided to the Company during the year ended 31 December 2022 are disclosed in Note 20 of the accompanying Financial Statements.

3 Appointment of Auditors

We were appointed for the first time as Certified Auditors of the Company based on the decision of the Annual General Shareholders' Meeting dated 10 July 2018. From then onwards our appointment has been renewed uninterruptedly for a total period of five years based on the annual decisions of the General Shareholders' Meeting.

4 Operations Regulation

The Company has an Operations Regulation in accordance with the content provided by the provisions of the article 14 of Law 4706/2020.

5 Assurance Report on the European Single Electronic Reporting Format

We examined the digital files of Eurobank Ergasias Services and Holdings S.A. (the Company), which were prepared in accordance with the European Single Electronic Format (ESEF) that is determined by the Commission Delegated Regulation (EU) 2019/815, as in force (the ESEF Regulation) that include the Financial Statements of the Company for the year ended as at 31 December 2022 in XHTML format (JEUVK5RWVJEN8W0C9M24-2022-12-31-en.xhtml).

Regulatory framework

The digital files of the European Single Electronic Format are prepared in accordance with the ESEF Regulation, and the 2020/C 379/01 Commission Interpretative Communication issued on 10 November 2020, as required by the L. 3556/2007 and the relevant announcements of the Hellenic Capital Markets Commission and the Athens Stock Exchange (the "ESEF Regulatory Framework").

This Framework includes in summary, among others, that all the annual financial reports must be prepared in XHTML format.

The requirements as defined in the ESEF Regulatory Framework as in force are appropriate criteria in order to express a reasonable assurance conclusion.

Responsibilities of the Board of Directors and those charged with governance

The Board of Directors is responsible for the preparation and filing of the financial statements of the Company, for the year ended as at 31 December 2022, in accordance with the requirements determined by the ESEF Regulatory Framework, and for such internal control as the Board of Directors determines is necessary to enable the preparation of digital files that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibilities

Our responsibility is the planning and the execution of this assurance engagement in accordance with the 214/4/11-02-2022 Decision of the Hellenic Accounting and Auditing Standards Oversight Board and the

Guidelines for the assurance engagement and report of Certified Auditors on the European Single Electronic Reporting Format (ESEF) of issuers with shares listed in a regulated market in Greece, as these were issued by the Institute of Certified Public Accountants of Greece on 14 February 2022 (the "ESEF Guidelines"), in order to obtain reasonable assurance that the Financial Statements of the Company that are prepared by the the Board of Directors of the Company in accordance with the ESEF comply in all material respects with the ESEF Regulatory Framework as in force.

Our work was performed in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants, as it has been incorporated into Greek legislation and we have also fulfilled our independence requirements, in accordance with the L. 4449/2017 and the Regulation (EU) 537/2014.

The assurance work that we carried out refers exclusively to the ESEF Guidelines and was conducted in accordance with the International Standard on Assurance Engagements 3000, "Assurance Engagements other than Audits or Reviews of Historical Financial Information". Reasonable assurance is a high level of assurance but is not a guarantee that such an assurance engagement will always detect a material misstatement regarding non-compliance with the requirements of the ESEF Regulation.

Conclusion

Based on the procedures performed and the evidence obtained, we express the conclusion that the Financial Statements of the Company for the year ended as of 31 December 2022 in XHTML format (JEUVK5RWVJEN8W0C9M24-2022-12-31-en.xhtml), have been prepared, in all material respects, in accordance with the requirements of the ESEF Regulatory Framework.

Athens, 7 April 2023

KPMG Certified Auditors S.A.
AM SOEL 114

Harry Sirounis, Certified Auditor
AM SOEL 19071

EUROBANK
Holdings

EUROBANK ERGASIAS
SERVICES AND HOLDINGS S.A.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2022

8 Othonos Str, Athens 105 57, Greece
eurobankholdings.gr, Tel.: (+30) 214 40 61000
General Commercial Registry No: 000223001000

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Notes to the Financial Statements

Balance Sheet

	Note	31 December 2022 € million	2021 € million
ASSETS			
Due from credit institutions	4.1	**57**	62
Investment securities	9	**1,275**	949
Shares in subsidiaries	10	**4,097**	4,093
Other assets	11	**5**	5
Total assets		**5,434**	5,109
LIABILITIES			
Debt securities in issue	12	**1,275**	947
Other liabilities	13	**3**	2
Total liabilities		**1,278**	949
EQUITY			
Share capital	14	**816**	816
Share premium	14	**1,161**	8,056
Corporate law reserves	15	-	6,919
Special reserves	15	**1,004**	1,004
Other reserves	15	**1,178**	1,179
Retained earnings/(losses)	15	**(3)**	(13,814)
Total equity		**4,156**	4,160
Total equity and liabilities		**5,434**	5,109

Notes on pages 5 to 30 form an integral part of these financial statements.

Statement of Comprehensive Income

	Note	Year ended 31 December 2022 € million	2021 € million
Interest income		**63**	61
Interest expense		**(63)**	(61)
Net interest income/(expense)	5	**(0)**	(0)
Other income/(expenses)	6	**3**	57
Operating income		**3**	57
Operating expenses	7	**(10)**	(9)
Profit/(Loss) from operations before impairments		**(7)**	48
Impairment losses	9	**(1)**	7
Profit/(Loss) before tax		**(8)**	55
Income tax	8	**(0)**	(0)
Total comprehensive income		**(8)**	55

Notes on pages 5 to 30 form an integral part of these financial statements

Statement of Changes in Equity

	Share capital € million	Share premium € million	Reserves and Retained earnings € million	Total € million
Balance at 1 January 2021	816	8,056	(4,769)	4,103
Net profit/(loss)	-	-	55	55
Total comprehensive income for the year ended 31 December 2021	-	-	55	55
Share options plan	-	-	2	2
	-	-	2	2
Balance at 31 December 2021	816	8,056	(4,712)	4,160
Balance at 1 January 2022	**816**	**8,056**	**(4,712)**	**4,160**
Net profit/(loss)	-	-	(8)	**(8)**
Total comprehensive income for the year ended 31 December 2022	-	-	**(8)**	**(8)**
Offsetting of equity accounts (note 15)	-	(6,895)	6,895	-
Share options plan (note 16)	0	0	4	**4**
	0	**(6,895)**	**6,899**	**4**
Balance at 31 December 2022	**816**	**1,161**	**2,179**	**4,156**
	Note 14	Note 14	Note 15	

Notes on pages 5 to 30 form an integral part of these financial statements.

Cash Flow Statement

	Note	Year ended 31 December 2022 € million	2021 € million
Cash flows from operating activities			
Profit/(loss) before income tax		**(8)**	55
Adjustments for :			
Impairment losses	9	**1**	(7)
Depreciation and amortisation		**0**	0
(Income)/losses on debt securities in issue	17	**33**	-
(Income)/losses relating to investing activities	17	**(33)**	(54)
Other adjustments		**1**	1
		(6)	(5)
Changes in operating assets and liabilities			
Net (increase)/decrease in other assets		**0**	(1)
Net increase/(decrease) in other liabilities		**1**	0
		1	(1)
Net cash from/(used in) operating activities		**(5)**	(6)
Cash flows from investing activities			
Acquisition of fixed and intagible assets		**(0)**	-
(Purchases)/sales and redemptions of investment securities	9	**(295)**	54
Net cash from/(used in) investing activities		**(295)**	54
Cash flows from financing activities			
(Repayments)/proceeds from debt securities in issue	12	**295**	-
Proceeds from exercise of share options	14	**0**	-
Net cash from/(used in) financing activities		**295**	-
Net increase/(decrease) in cash and cash equivalents		**(5)**	48
Cash and cash equivalents at beginning of year		**62**	14
Cash and cash equivalents at end of year	17	**57**	62

Notes on pages 5 to 30 form an integral part of these financial statements.

Notes to the Financial Statements

1. General information

Eurobank Ergasias Services and Holdings S.A. (the Company or Eurobank Holdings) is the parent company of Eurobank S.A. (the Bank) which along with its subsidiaries (Eurobank S.A. Group), comprise the major part of Eurobank Holdings Group (the Group) (note 10). The Company operates mainly in Greece and through the Bank's subsidiaries in Central and Southeastern Europe. Its main activities relate to the strategic planning of the administration of non-performing loans and the provision of services to its subsidiaries and third parties, while the Eurobank S.A. Group is active in retail, corporate and private banking, asset management, treasury, capital markets and other services. The Company is incorporated in Greece, with its registered office at Othonos Street, Athens 105 57 and its shares are listed on the Athens Stock Exchange.

These financial statements were approved by the Board of Directors on 6 April 2023. The Independent Auditor's Report is included in section B III of the Annual Financial Report.

2. Basis of preparation and principal accounting policies

The financial statements of the Company have been prepared on a going concern basis and in accordance with the principal accounting policies set out below:

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), as endorsed by the European Union (EU), and in particular with those standards and interpretations, issued and effective or issued and early adopted as at the time of preparing these financial statements.

The financial statements are prepared under the historical cost basis except for the financial assets measured at fair value through other comprehensive income and financial assets and financial liabilities measured at fair-value-through-profit-or-loss.

The accounting policies for the preparation of the financial statements of the Company have been consistently applied to the years 2022 and 2021, after taking into account the amendments in IFRSs as described in section 2.1.1 (a) "New and amended standards adopted by the Company as of 1 January 2022". In addition, where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

The preparation of financial statements in accordance with IFRS requires the use of estimates and judgements that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and conditions, actual results ultimately may differ from those estimates.

The Company's presentation currency is the Euro (€). Except as indicated, financial information presented in Euro has been rounded to the nearest million. The figures presented in the notes may not sum precisely to the totals provided due to rounding.

Going concern considerations

The Company's business strategy and activities are linked to those of its banking subsidiary Eurobank S.A. In this context, the directors monitor closely the capital and liquidity position of the Bank as well as the associated risks, uncertainties and the mitigating factors affecting its operations. The annual financial statements have been prepared on a going concern basis, as the Board of the Directors considered as appropriate, taking into consideration the following:

2022 was marked by the war in Ukraine, which gave rise to a global - but predominantly European - energy crisis, added to the mounting inflationary pressures, and led to widespread economic uncertainty and increased volatility in the global economy and financial markets. Nevertheless, the post-pandemic recovery continued for a second consecutive year in Greece, with its GDP growth overperforming that of most of its EU peers. According to the Hellenic Statistical Authority (ELSTAT) provisional data, the Greek economy expanded by 5.9% on an annual basis in 2022, with the European Commission (EC) estimating the full-year 2022 growth rate at 5.5% and 1.2% in 2023 in its winter economic forecast (February 2023). The inflation rate, as measured by the change in the 12-month average Harmonized Index of Consumer Prices (HICP), increased to 9.3% in 2022 according to ELSTAT, primarily as a result of supply-side shocks (including the hikes in energy, food and other raw material prices, the continued disruptions in the supply chain and the rising nominal wages), alongside the steep post-pandemic recovery of domestic and external demand. The EC expects that the inflation rate will decline to 4.5% in 2023, and further de-escalate to 2.4% in 2024. Moreover, provisional ELSTAT data shows that the average monthly unemployment in 2022 decreased to 12.4%, from 14.8% in 2021, while the Organisation for Economic Co-operation and Development (OECD) in its latest report (January 2023) expects unemployment to decline to 11.5% in 2023. On the fiscal front, the general government primary balance was to post a deficit of 1.6% of GDP in 2022 according to the 2023 Budget (latest outlook point to a primary deficit of ca. 1% of GDP or even lower), and a surplus of 0.7% of GDP in 2023 (2021: deficit of 5%). The gross public debt-to-GDP ratio is expected to decline to 168.9% and 159.3% in 2022 and 2023 respectively (2021: 194.5%). The above forecasts may change in case of potential adverse international developments that could affect energy and other goods prices, interest rates, external and domestic demand, and bring about the need for additional fiscal support measures.

The Bulgarian economy expanded by 3.4% in 2022 (2021: 7.6%), based on data from the National Statistical Institute of Bulgaria, while inflation averaged at 15.3% in 2022 (2021: 3.3%). According to the EC's winter economic forecasts (February 2023), the real GDP in Bulgaria is expected to grow by 1.4% in 2023, while the HICP is expected at 7.8% in 2023. Respectively, in Cyprus the real GDP growth is forecasted at 5.8% in 2022 and 1.6% in 2023 (2021: 6.6%), while the CPI is estimated at 8.1% in 2022 and 4% in 2023 (2021: 2.3%).

A significant boost to growth in Greece and in other countries of presence is expected from European Union (EU) funding, mainly under the Next Generation EU (NGEU) instrument and the Multiannual Financial Framework (MFF) 2021–2027, EU's long-term budget. Greece shall receive EU funds of more than € 30.5 billion (€ 17.8 billion in grants and € 12.7 billion in loans) up to 2026 from NGEU's Recovery and Resilience Facility (RRF) to finance projects and initiatives laid down in its National Recovery and Resilience Plan (NRRP) titled "Greece 2.0". A pre-financing of € 4 billion was disbursed in August 2021, and the first two regular payments of € 3.6 billion each in April 2022 and January 2023 respectively. Greece has been also allocated about € 40 billion through MFF 2021-2027. On the monetary policy front, although net bond purchases under the temporary Pandemic Emergency Purchase Programme (PEPP) ended in March 2022, as scheduled, the European Central Bank (ECB) will continue to reinvest principal from maturing securities at least until the end of 2024, including purchases of Greek Government Bonds (GGBs) over and above rollovers of redemptions. Furthermore, the Governing Council of the ECB, in line with its strong commitment to its price stability mandate, has proceeded with six rounds of interest rate hikes (in July, September, October, December 2022, February and in March 2023), raising the three key ECB interest rates by 350 basis points in aggregate. Moreover, it approved a new instrument (the "Transmission Protection Instrument" – TPI) aimed at preventing fragmentation in the sovereign bonds market. Finally, following the expiration of the special terms and conditions applying to the TLTRO III (Targeted Longer-Term Refinancing Operations) on 23 June 2022, the ECB will keep assessing how targeted lending operations are contributing to its monetary policy stance.

In 2022, the Greek State proceeded with the issuance of nine bonds of various maturities (5-year, 10-year, 15-year and 20-year) through the Public Debt Management Agency (PDMA), raising a total of € 8.3 billion from international financial markets. On 17 January 2023, the PDMA issued a 10-year bond of € 3.5 billion at a yield of 4.279% and more recently, on 29 March 2023, issued a 5-year bond of € 2.5 billion at a yield of 3.919%. As of end 2022, the cash reserves of the Greek State stood in excess of € 30 billion, and as of early February 2023, its sovereign rating was one notch below investment grade by three of the four External Credit Assessment Institutions (ECAIs) accepted by the Eurosystem (DBRS Morningstar: BB (high); S&P Ratings, Fitch Ratings: BB+).

Regarding the outlook for the next 12 months the major macroeconomic risks and uncertainties in Greece and our region are as follows: (a) the ongoing Russia - Ukraine war and its ramifications on regional and global stability and security, as well as the European and Greek economy, (b) a potential prolongation of the ongoing inflationary wave and its impact on economic growth, employment, public finances, household budgets, firms' production costs, external trade and banks' asset quality, as well as any potential social and/or political ramifications these may entail, (c) the ongoing and potential upcoming central bank interest rate hikes worldwide, and in the euro area in particular, that may exert upwards pressures on sovereign and private borrowing costs, especially those of highly indebted borrowers, deter investments, increase volatility in the financial markets and lead economies to slow down or even a temporary recession, (d) the recent banking sector turmoil to continue and expand in the euro area, affecting customers' confidence, with a potential impact on assets under management levels and on liquidity, (e) the impact of a potential curtailment or discontinuation of the government energy support measures on growth, employment and the servicing of household and corporate debt, (f) the persistently large current account deficits and the prospect of them becoming once again a structural feature of the country's growth model, (g) the absorption capacity of the NGEU and MFF funds and the attraction of new investments in the country, (h) the effective and timely implementation of the reform agenda required to meet the RRF milestones and targets and to boost productivity, competitiveness, and resilience, (i) a delay in the implementation of planned reforms, projects and the budget's fiscal agenda due to the possibility of the 2023 national elections resulting in an inability or delay to form a government with solid Parliament majority, (j) the geopolitical developments in the near region, (k) the evolution of the pandemic and the probability of emergence of new Covid-19 variants that could further impact economic growth, fiscal balances and international trade by prolonging the disruptions in the global supply chain, and (l) the exacerbation of natural disasters due to the climate change and their effect on GDP, employment, fiscal balance and sustainable development in the long run.

Materialization of the above risks, would have potentially adverse effects on the fiscal planning of the Greek government, as it could decelerate the pace of expected growth and on the liquidity, asset quality, solvency and profitability of the Greek banking sector. The Group Management and Board, mindful of the recent banking turmoil across some markets, has done a proactive internal review to re-assure itself of the continued resilience of Eurobank business model to such possible external shocks and is pleased to report that this model is well supported by sound business practices, diversified activities and prudent risk management approaches. The resulting stability of the Group's business operating model is also further well-reflected by, among others, its financial position and performance as analysed below. In this context, the Group is continuously monitoring the developments on the macroeconomic, financial and geopolitical fronts as well as the evolution of its asset quality and liquidity KPIs and has increased its level of readiness, so as to accommodate decisions, initiatives and policies to protect its capital and liquidity standing as well as the fulfilment, to the maximum possible degree, of its strategic and business goals in accordance with the business plan for 2023–2025.

For the year ended 31 December 2022, at the Group level, the net profit attributable to shareholders amounted to € 1,330 million (2021: € 328 million), of which € 212 million (2021: € 143 million) was related to the international operations. The adjusted net profit, excluding the € 230.5 million gain (after tax) on sale of Bank's merchant acquiring business and the € 75 million restructuring costs (after tax), amounted to € 1,174 million (2021: € 424 million). The net loss for the company equals to € 8 million (2021: € 55 million profit). The Group's Total Adequacy Ratio (total CAD) and Common Equity Tier 1 (CET1) ratios stood at 19.2% (31 December 2021: 16.1%) and 16% (31 December 2021: 13.7%) respectively as at 31 December 2022. In January 2023, the European Banking Authority (EBA) launched the 2023 EU-wide stress test exercise which is designed to provide valuable input for assessing the resilience of the European banking sector, including the 4 Greek systemic banks, in the current uncertain and changing macroeconomic environment, covering the period of 2023-2025. The EBA expects to publish the results of the exercise at the end of July 2023.

With regards to asset quality, as at 31 December 2022 the Group's NPE stock, following the classification of project "Solar" underlying loan portfolio as held for sale and other initiatives, amounted to € 2.3 billion (31 December 2021: € 2.8 billion), driving the NPE ratio to 5.2% (31 December 2021: 6.8%), while the NPE coverage ratio stood at 74.6% (31 December 2021: 69.2%).

In terms of liquidity, as at 31 December 2022, the Group deposits increased to € 57.2 billion (31 December 2021: € 53.2 billion), while the funding from the targeted long term refinancing operations of the European Central Bank – TLTRO III programme decreased by € 2.9 billion amounting to € 8.8 billion (31 December 2021: € 11.7 billion). During the year, the Bank proceeded with the issuance of a preferred senior note of € 500 million and the Company completed the issuance of a Tier 2 instrument of € 300 million. More recently, in January 2023, the Bank successfully completed the issue of a € 500 million senior preferred note. The rise in high quality liquid assets of the Group led the respective Liquidity Coverage ratio (LCR) to 173% (31 December 2021: 152%).

Going concern assessment

The Board of Directors, acknowledging the geopolitical, macroeconomic and financial risks to the economy and the banking system and taking into account the above factors relating to (a) the idiosyncratic growth opportunities in Greece and the region for this and the next years, also underpinned by the mobilisation of the already approved EU funding mainly through the RRF, and (b) the Group's pre-provision income generating capacity, asset quality, capital adequacy and liquidity position, has been satisfied that the financial statements of the Company can be prepared on a going concern basis.

2.1.1 New and amended standards and interpretations

(a) New and amended standards adopted by the Company as of 1 January 2022

The following amendments to standards as issued by the IASB and endorsed by the EU, that are relevant to the Company, apply as of 1 January 2022:

IFRS 3, Amendments, Reference to the Conceptual Framework

The amendments to IFRS 3 "Business Combinations" updated a reference to the current version of Conceptual Framework while added a requirement that, for obligations within the scope of IAS 37 "Provisions, Contingent Liabilities and Contingent Assets", an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. In addition, for a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy exists at the acquisition date.

Moreover, the issued amendments added a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition in a business combination at the acquisition date.

The adoption of the amendments had no impact on the financial statements.

Annual improvement to IFRSs 2018-2020 cycle: IFRS 9 and IFRS 16

The improvements introduce changes to several standards. The amendments that are relevant to the Company's activities are set out below:

The amendment to IFRS 1 "First-time Adoption of International Financial Reporting Standards" provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result, the amendment allow entities that have elected to measure their assets and liabilities at carrying amounts recorded in their parent's books to also measure any cumulative translation differences using the amounts reported in the parent's consolidated financial statements. This amendment also applies to associates and joint ventures that have taken the same IFRS 1 exemption.

The amendment to IFRS 9 "Financial Instruments" clarifies which fees should be included in the 10% test for derecognition of financial liabilities. The fees to be included in the assessment are only those paid or received between the borrower (entity) and the lender, including fees paid or received by either the borrower or lender on the other's behalf. The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment.

The amendment to IFRS 16 "Leases" removes the illustration of the reimbursement of leasehold improvements, in order to avoid any potential confusion about the treatment of lease incentives.

The adoption of the amendments had no impact on the financial statements.

IAS 37, Amendments, Onerous Contracts – Costs of Fulfilling a Contract

The amendments to IAS 37 *'Provisions, Contingent Liabilities and Contingent Assets'* clarify which costs to include in determining the cost of fulfilling a contract when assessing whether a contract is onerous. In particular, the direct costs of fulfilling a contract include both the incremental costs and an allocation of other costs directly related to fulfilling contracts' activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The adoption of the amendments had no impact on the financial statements.

(b) New and amended standards not yet adopted by the Company

A number of amendments to existing standards are effective after 2022, as they have not yet been endorsed by the EU, or have not been early applied by the Company. Those that may be relevant to the Company are set out below:

IAS 8, Amendments, Definition of Accounting Estimates (effective 1 January 2023)

The amendments in IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" introduced the definition of accounting estimates and include other amendments to IAS 8 which are intended to help entities distinguish changes in accounting estimates from changes in accounting policies.

The amendments clarify (a) how accounting policies and accounting estimates relate to each other by (i) explaining that accounting estimates are used in applying accounting policies and (ii) making the definition of accounting policies clearer and concise and, (b) that selecting an estimation or valuation technique and choosing the inputs to be used constitutes making an accounting estimate.

The adoption of the amendments is not expected to impact the financial statements.

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (effective 1 January 2023)

IASB issued amendments to IAS 1 "Presentation of Financial Statements" that require entities to disclose their material accounting policies rather than their significant accounting policies.

According to IASB, accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

Furthermore, the amendments clarify how an entity can identify material accounting policy information, while provide examples of when accounting policy information is likely to be material. The amendments to IAS 1 also clarify that immaterial accounting policy information need not be disclosed. However, if it is disclosed, it should not obscure material accounting policy information. To support these amendments the Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2 Making Materiality Judgements to accounting policy disclosures, in order to support the amendments to IAS 1.

The adoption of the amendments is not expected to impact the financial statements.

IAS 12, Amendments, Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective 1 January 2023)

The amendments clarify that the exemption on initial recognition set out in IAS 12 'Income Taxes' does not apply for transactions such as leases and decommissioning obligations that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. Accordingly, for such transactions an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12. The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented.

The adoption of the amendments is not expected to impact the financial statements.

IAS 1, Amendments, Classification of Liabilities as Current or Non-Current (effective 1 January 2024, not yet endorsed by EU)

The amendments, published in January 2020, affect only the presentation of liabilities in the balance sheet and provide clarifications over the definition of the right to defer the settlement of a liability, while they make clear that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. In addition, it is clarified that the assessment for liabilities classification made at the end of the reporting period is not affected by the expectations about whether an entity will exercise its right to defer settlement of a liability. The Board also clarified that when classifying liabilities as current or non-current, an entity can ignore only those conversion options that are recognised as equity.

In October 2022, the IASB issued *Non-current Liabilities with Covenants (Amendments to IAS 1)* with respect to the classification (as current or non-current), presentation and disclosures of liabilities for which an entity's right to defer settlement for at least 12 months is subject to the entity complying with conditions after the reporting period. The amendments to IAS 1 specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the amendments require a company to disclose information about these covenants in the notes to the financial statements.

The adoption of the amendments is not expected to impact the financial statements.

2.2 Principal accounting policies

2.2.1 Investments in subsidiaries

Investments in subsidiaries, including investments acquired through common control transactions, are accounted at cost less any impairment losses. Cost is the fair value of the consideration given being the amount of cash or shares issued, or if that cannot be determined reliably, the consideration received together with any directly attributable costs.

As an exception to the above measurement basis, when the Company transfers an existing Group entity or business sector to a new subsidiary formed for this purpose in a share for share exchange that does not have commercial substance, the Company's investment in that newly formed subsidiary is recognized at the carrying amount of the transferred entity.

A listing of the Company's subsidiaries is set out in note 10.

2.2.2 Foreign currencies

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in the income statement.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rates prevailing at each reporting date and exchange differences are recognized in the income statement.

Non-monetary assets and liabilities are translated into the functional currency at the exchange rates prevailing at initial recognition.

2.2.3 Income statement

(i) Interest income and expense

Interest income and expense are recognized in the income statement for all interest bearing financial instruments on an accrual basis, using the effective interest rate (EIR) method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the EIR for financial instruments, the Company estimates future cash flows considering all contractual terms of the financial instrument but does not consider expected credit losses.

The EIR calculation includes fees and points paid or received that are an integral part of the effective interest rate, transaction costs, and other premiums or discounts. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or liability.

The amortized cost of a financial asset or liability is the amount at which it is measured upon initial recognition minus principal repayments, plus or minus cumulative amortization using the EIR (as described above) and for financial assets it is adjusted for the expected credit loss allowance. The gross carrying amount of a financial asset is its amortized cost before adjusting for ECL allowance.

The Company calculates interest income and expense by applying the EIR to the gross carrying amount of non-impaired financial assets (exposures in Stage 1 and 2) and to the amortized cost of financial liabilities respectively.

For financial assets that have become credit-impaired subsequent to initial recognition (exposures in Stage 3), the Company calculates interest income by applying the effective interest rate to the amortized cost of the financial asset (i.e. gross carrying amount adjusted for the expected credit loss allowance). If the asset is no longer credit-impaired, then the EIR is applied again to the gross carrying amount.

Interest income and expense are presented separately in the income statement for all interest bearing financial instruments within net interest income.

(ii) Fees and commissions

Fee and commission received or paid that are integral to the effective interest rate on a financial asset or financial liability are included in the effective interest rate.

Other fee and commission income is recognised over time as the related services are being provided to the customer, to the extent that it is highly probable that a significant reversal of the revenue amount recognized will not occur. Transaction-based fees are recognised at the point in time when the transaction takes place.

2.2.4 Property and equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Subsequent expenditure is recognized in the asset's carrying amount only when it is probable that future economic benefits will flow to the Company and the cost of the asset can be measured reliably. All other repair and maintenance costs are recognized in the income statement as incurred. Depreciation is calculated using the straight-line method to write down the cost of property and equipment, to their residual values over their estimated useful life.

2.2.5 Computer software

Costs associated with the maintenance of existing computer software programs are expensed as incurred. Development costs associated with the production of identifiable assets controlled by the Company are recognized as intangible assets when they are expected to generate economic benefits and can be measured reliably. Internally generated computer software assets are amortized using the straight-line method.

2.2.6 Impairment of subsidiaries

The Company assesses as at each reporting balance sheet date whether there is any indication that its investments in subsidiaries may be impaired by considering both external and internal sources of information, such as the net assets compared to the carrying value of each entity, as well as forward looking developments and/or economy sector in which they operate. In addition, the collection of dividends from subsidiaries is also a potential trigger that may indicate that the respective investments are impaired. In particular, when dividend is received from the Company's subsidiaries, it is also examined whether that dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared, to determine whether an indication of impairment exists.

If any indication of impairment exists at each reporting date, the Company estimates the recoverable amount of the investment, being the higher of its fair value less costs to sell and its value in use.

An impairment loss is recognized in profit or loss when the recoverable amount of the investment is less than its carrying amount.

Investments in subsidiaries for which an impairment loss was recognized in prior reporting periods, are reviewed for possible reversal of such impairment at each reporting date.

2.2.7 Impairment of non-financial assets

Non-financial assets are assessed for indications of impairment at each reporting date by considering both external and internal sources of information such as a significant reduction in the asset's value and evidence that the economic performance of the asset is or will be worse than expected. When events or changes in circumstances indicate that the carrying amount may not be recoverable, an impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows, where applicable. Non-financial assets for which an impairment loss was recognized in prior reporting periods, are reviewed for possible reversal of such impairment at each reporting date.

2.2.8 Financial assets

Financial assets - Classification and measurement

The Company classifies financial assets based on the business model for managing those assets and their contractual cash flow characteristics. Accordingly, financial assets are classified into one of the following measurement categories: amortized cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL).

Financial Assets measured at Amortized Cost ('AC')

The Company classifies and measures a financial asset at AC only if both of the following conditions are met and is not designated as at FVTPL:

(a) The financial asset is held within a business model whose objective is to collect contractual cash flows (hold-to-collect business model) and

(b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).

These financial assets are recognized initially at fair value plus or minus direct and incremental transaction costs that are attributable to the acquisition of these assets, and are subsequently measured at amortized cost, using the effective interest rate (EIR) method (as described in 2.2.3 above).

Interest income, realized gains and losses on derecognition, and changes in expected credit losses from assets classified at AC, are included in the income statement.

Equity Instruments designated at FVOCI

The Company may make an irrevocable election to designate an equity instrument at FVOCI. This designation, if elected, is made at initial recognition and on an instrument by instrument basis. Gains and losses on these instruments, including when derecognized, are recorded in OCI and are not subsequently reclassified to the income statement. Dividends received are recorded in the income statement.

Financial Assets measured at Fair Value through Profit and Loss ("FVTPL")

The Company classifies and measures all other financial assets that are not classified at AC or FVOCI, at FVTPL. Accordingly, this measurement category includes financial instruments that are held within the hold–to-collect (HTC) but fail the SPPI assessment, equities that are not designated at FVOCI and financial assets held for trading. Financial assets measured at FVTPL are initially recorded at fair value and any unrealized gains or losses arising due to changes in fair value are included in the income statement.

Business model and contractual characteristics assessment

The business model assessment determines how the Company manages a group of assets to generate cash flows. That is, whether the Company's objective is solely to collect contractual cash flows from the asset, to realize cash flows from the sale of assets, or both to collect contractual cash flows and cash flows from the sale of assets. In addition, the business model is determined after aggregating the financial assets into groups (business lines) which are managed similarly rather than at an individual instrument's level.

The business model is determined by the Company's key management personnel consistently with the operating model, considering how financial assets are managed in order to generate cash flows, the objectives and how performance of each portfolio is monitored and reported and any available information on past sales and on future sales' strategy, where applicable.

Accordingly, in making the above assessment, the Company will consider a number of factors including the risks associated with the performance of the business model and how those risks are evaluated and managed, the related personnel compensation, and the frequency, volume and reasons of past sales, as well as expectations about future sales activity.

Types of business models

The Company's business models fall into two categories, which are indicative of the key strategies used to generate returns.

The hold-to-collect (HTC) business model has the objective to hold the financial assets in order to collect contractual cash flows. Sales within this model are monitored and may be performed for reasons which are not inconsistent with this business model. More specifically, sales of financial assets due to credit deterioration, as well as sales close to the maturity are considered consistent with the objective of hold-to-collect contractual cash flows regardless of value and frequency. Sales for other reasons may be consistent with the HTC model such as liquidity needs in any stress case scenario or sales made to manage high concentration level of credit risk. Such sales are monitored and assessed depending on frequency and value to conclude whether they are consistent with the HTC model. Other business models include financial assets which are managed and evaluated on a fair value basis as well as portfolios that are held for trading. The Company's business models are reassessed at least annually or earlier, if there is a sales' assessment trigger or if there are any changes in the Company's strategy and main activities.

Cash flow characteristics assessment

For a financial instrument to be measured at AC, its contractual terms must give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

In assessing whether the contractual cash flows are SPPI, the Company will consider whether the contractual terms of the instrument are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin. On the initial recognition of a financial asset, an assessment is performed of whether the financial asset contains a contractual term that could change the amount or timing of contractual cash flows in a way that it would not be consistent with the above condition. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is considered to have failed the SPPI assessment and will be measured at FVTPL.

For the purpose of the SPPI assessment, the Company considers the existence of various features, including among others, contractually linked terms, prepayment terms, deferred interest-free payments, extension and equity conversion options and terms that introduce leverage including index linked payments, features that change contractual cash flows based on the borrower meeting certain contractually specified environmental, social and governance (ESG) targets. In addition, for the purposes of the SPPI assessment, if a contractual feature could have an effect that is de-minimis on the contractual cash flows of the financial asset, it does not affect its classification. Moreover, a contractual feature is considered as not genuine by the Company, if it affects the instrument's contractual cash flows only on the occurrence of an event that is extremely rare, highly abnormal and very unlikely to occur. In such a case, it does not affect the instrument's classification.

Derecognition of financial assets

The Company derecognizes a financial asset when its contractual cash flows expire, or the rights to receive those cash flows are transferred in an outright sale in which substantially all risks and rewards of ownership have been transferred. In addition, a financial asset is derecognized even if rights to receive cash flows are retained but at the same time the Company assumes an obligation to pay the received cash flows without a material delay (pass through agreement) or when substantially all the risks and rewards are neither transferred nor retained but the Company has transferred control of the asset. Control is transferred if, and only if, the transferee has the practical ability to sell the asset in its entirety to unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

On derecognition of a financial asset, the difference between the carrying amount of the asset and the consideration received (including any new asset obtained less any new liability assumed) is recognized in income statement.

Modification of financial assets that may result in derecognition

In addition, derecognition of financial asset arises when its contractual cash flows are modified and the modification is considered substantial enough so that the original asset is derecognized and a new one is recognised. The Company records the modified asset as a 'new' financial asset at fair value plus any eligible transaction costs and the difference with the carrying amount of the existing one is recorded in the income statement as derecognition gain or loss.

2.2.9 Reclassifications of financial assets

The Company reclassifies a financial asset only when it changes its business model for managing financial assets. Generally, a change in the business model is expected to be rare and occurs when the Company either begins or ceases to perform an activity that is significant to its operations. In the rare event when there is a change to the existing business model, the updated assessment is approved by the Company's competent Committees and the amendment is reflected appropriately in the Company's budget and business plan.

Changes in intention related to particular financial assets (even in circumstances of significant changes in market conditions) and the temporary disappearance of a particular market for financial assets, are not considered by the Company changes in business model.

The reclassification is applied prospectively from the reclassification date, therefore previously recognized gains, losses (including impairment losses) or interest are not restated.

2.2.10 Financial liabilities

Financial liabilities - Classification and measurement

The Company classifies its financial liabilities at amortized cost category.

These financial liabilities are recognized initially at fair value minus transaction costs that are attributable to the issue of these liabilities, and are subsequently measured at amortized cost, using the effective interest rate (EIR) method (as described in 2.2.3 above).

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability of the Company is replaced by another from the same counterparty on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as an extinguishment of the original liability and the recognition of a new liability and any difference arising is recognized in the income statement.

The Company considers the terms to be substantially different, if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability.

If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognized as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortized over the remaining term of the modified liability.

Similarly, when the Company repurchases any debt instruments issued by the Company, it accounts for such transactions as an extinguishment of debt.

2.2.11 Fair value measurement of financial instruments

Fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. If there is no quoted price in an active market, then the Company uses other valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The Company has elected to use mid-market pricing as a practical expedient for fair value measurements within a bid-ask spread.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price, i.e. the fair value of the consideration given or received unless the Company determines that the fair value at initial recognition differs from the transaction price. In this case, if the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. Level 1 input) or based on a valuation technique that uses only data from observable markets, a day one gain or loss is recognized in the income statement. On the other hand, if the fair value is evidenced by a valuation technique that uses unobservable inputs, the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price (day one gain or loss). Subsequently the deferred gain or loss is amortized on an appropriate basis over the life of the instrument or released earlier if a quoted price in an active market or observable market data become available or the financial instrument is closed out.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole.

For assets and liabilities that are measured at fair value on a recurring basis, the Company recognizes transfers into and out of the fair value hierarchy levels at the beginning of the quarter in which a financial instrument's transfer was effected.

2.2.12 Impairment of financial assets

The Company recognizes allowance for expected credit losses (ECL) that reflect changes in credit quality since initial recognition to financial assets that are measured at AC. ECL are a probability-weighted average estimate of credit losses that reflects the time value of money.

Upon initial recognition of the financial instruments, the Company records a loss allowance equal to 12-month ECL, being the ECL that result from default events that are possible within the next twelve months. Subsequently, for those financial instruments that have experienced a significant increase in credit risk (SICR) since initial recognition, a loss allowance equal to lifetime ECL is recognized, arising from default events that are possible over the expected life of the instrument.

Loss allowances for receivables presented under Other Assets are always measured at an amount equal to lifetime ECL under the simplified approach. For all other financial assets subject to impairment, the general three-stage approach applies.

Accordingly, ECL are recognized using a three-stage approach based on the extent of credit deterioration since origination:

- Stage 1 – When there is no significant increase in credit risk since initial recognition of a financial instrument, an amount equal to 12-month ECL is recorded. The 12 – month ECL represent a portion of lifetime losses, that result from default events that are possible within the next 12 months after the reporting date and is equal to the expected cash shortfalls over the life of the instrument or group of instruments, due to loss events probable within the next 12 months. Not credit-impaired financial assets that are either newly originated or purchased, as well as assets recognized following a substantial modification accounted for as a derecognition, are classified initially in Stage 1.
- Stage 2 – When a financial instrument experiences a SICR subsequent to origination but is not considered to be in default, it is included in Stage 2. Lifetime ECL represent the expected credit losses that result from all possible default events over the expected life of the financial instrument.
- Stage 3 – Financial instruments that are considered to be in default are included in this stage. Similar to Stage 2, the allowance for credit losses captures the lifetime expected credit losses.

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that exposure have occurred:

- The borrower faces a significant difficulty in meeting his financial obligations.
- There has been a breach of contract, such as a default or past due event.
- The Company, for economic or contractual reasons relating to the borrower’s financial difficulty, has granted to the borrower a concession(s) that the Company would not otherwise consider.
- There is a probability that the borrower will enter bankruptcy or other financial re-organization.

For investment securities, the Company determines the risk of default using an internal credit rating scale. The Company considers debt securities as credit impaired if the internal rating of the issuer/counterparty corresponds to a rating equivalent to "C" (Moody's rating scale) or the external rating of the issuer/counterparty at the reporting date is equivalent to “C” (Moody’s rating scale) and the internal rating is not available.

Significant increase in credit risk (SICR) and staging allocation

Determining whether a loss allowance should be based on 12-month expected credit losses or lifetime expected credit losses depends on whether there has been a significant increase in credit risk (SICR) of the financial assets since initial recognition.

At each reporting date, the Company performs an assessment as to whether the risk of a default occurring over the remaining expected lifetime of the exposure has increased significantly from the expected risk of a default estimated at origination for that point in time.

Specifically, the assessment of SICR for investment securities is performed on an individual basis based on the number of notches downgrade in the internal credit rating scale since the origination date.

Transfers from Stage 2 to Stage 1

A financial asset, which is classified to Stage 2 due to Significant Increase in Credit Risk (SICR), is reclassified to Stage 1, as long as it does not meet anymore any of the Stage 2 Criteria.

Transfers from Stage 3 to Stage 2

A financial asset is transferred from Stage 3 to Stage 2, when the criteria based on which the financial asset was characterized as credit impaired, are no longer valid.

Measurement of Expected Credit Losses/ECL Key Inputs

The ECL calculations are based on the term structures of the probability of default (PD), the loss given default (LGD) and the exposure at default (EAD). Generally, these parameters are based on observed point-in-time and historical data, derived by international rating agencies.

For investment securities, PDs are obtained by an international rating agency using risk methodologies that maximize the use of objective non-judgmental variables and market data. The Company assigns internal credit ratings to each issuer/counterparty based on these PDs. In case of counterparties for which no information is available, the Company assigns PDs which are derived from internal models.

The Exposure at default (EAD) is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date.

For investment securities, the LGD is typically based on historical data derived mainly from rating agencies' studies but may also be determined considering the existing and expected liabilities structure of the obligor and macroeconomic environment.

Furthermore, the seniority of the debt security, any potential collaterals by the obligor or any other type of coverage is taken into account for the calculation.

Presentation of impairment allowance

For financial assets measured at amortized cost, impairment allowance is recognized as a loss allowance reducing the gross carrying amount of the financial assets in the balance sheet.. The respective ECL is recognised within impairment losses.

Write-off of financial assets

Where the Company has no reasonable expectations of recovering a financial asset either in its entirety or a portion of it, the gross carrying amount of that instrument is reduced directly, partially or in full, against the impairment allowance. The amount written-off is considered as derecognized. Subsequent recoveries of amounts previously written off decrease the amount of the impairment losses in the income statement.

2.2.13 Income tax

Income tax consists of current and deferred tax.

(i) Current income tax

Income tax payable on profits, based on the applicable tax law and the tax rate enacted at the reporting date, is recognized as an expense in the period in which profits arise.

(ii) Deferred tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets are recognized where it is probable that future taxable profit will be available against which the temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available. The Company recognises a previously unrecognised deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. The deferred tax asset on income tax losses carried forward is recognized as an asset when it is probable that future taxable profits will be available against which these losses can be utilized.

(iii) Uncertain tax positions

The Company determines and assesses all material tax positions taken, including all, if any, significant uncertain positions, in all tax years that are still subject to assessment (or when the litigation is in progress) by relevant tax authorities. In evaluating tax positions, the Company examines all supporting evidence (Ministry of Finance circulars, individual rulings, case law, past administrative practices, ad hoc tax/legal opinions etc.) to the extent they are applicable to the facts and circumstances of the particular Company's case/ transaction.

In addition, judgments concerning the recognition of a provision against the possibility of losing some of the tax positions are highly dependent on advice received from internal/ external legal counselors. For uncertain tax positions with a high level of uncertainty, the Company recognizes, on a transaction by transaction basis, or together as a group, depending on which approach better predicts the resolution of the uncertainty using an expected value (probability-weighted average) approach: (a) a provision against tax receivable which has been booked for the amount of income tax already paid but further pursued in courts or (b) a liability for the amount which is expected to be paid to the tax authorities. The Company presents in its balance sheet all uncertain tax balances as current or deferred tax assets or liabilities.

The Company as a general rule has opted to obtain an 'Annual Tax Certificate', which is issued after a tax audit is performed by the same statutory auditor or audit firm that audits the annual financial statements. Further information in respect of the Annual Tax Certificate and the related tax legislation, is provided in note 8.

2.2.14 Employee benefits

(i) Short term benefits

Short term employee benefits are those expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related services and are expensed as these services are provided.

(ii) Pension obligations

The Company provides a number of defined contribution pension plans where annual contributions are invested and allocated to specific asset categories. Eligible employees are entitled to the overall performance of the investment. The Company's contributions are recognized as employee benefit expense in the year in which they are paid.

(iii) Standard legal staff retirement indemnity obligations (SLSRI) and termination benefits

The Company operates unfunded defined benefit plans, under the regulatory framework. In accordance with the local labor legislation, the Company provides for staff retirement indemnity obligation for employees which are entitled to a lump sum payment based on the number of years of service, as of the date when employee service first leads to benefits under the plan until the date when further employee service will lead to no material amount of further benefits, and the level of remuneration at the date of retirement, if they remain in the employment of the Company until normal retirement age. Provision has been made for the actuarial value of the lump sum payable on retirement (SLSRI) using the projected unit credit method. Under this method the cost of providing retirement indemnities is charged to the income statement so as to spread the cost over the period of service of the employees, in accordance with the actuarial valuations which are performed every year.

The SLSRI obligation is calculated as the present value of the estimated future cash outflows using interest rates of high quality corporate bonds. The currency and term to maturity of the bonds used are consistent with the currency and estimated term of the retirement benefit obligations. Actuarial gains and losses that arise in calculating the Company's SLSRI obligations are recognized directly in other comprehensive income in the period in which they occur and are not reclassified to the income statement in subsequent periods.

Interest on the staff retirement indemnity obligations and service cost, consisting of current service cost, past service cost and gains or losses on settlement are recognized in the income statement. In calculating the SLSRI obligation, the Company also considers potential separations before normal retirement based on the terms of previous voluntary exit schemes.

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits (including those in the context of the Voluntary Exit Schemes implemented by the Company). The Company recognizes termination benefits at the earlier of the following dates: (a) when the Company can no longer withdraw the offer of those benefits; and (b) when the Company recognizes costs for a restructuring that involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Termination benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

(iv) Performance-based cash payments

The Company's Management awards high performing employees with bonuses in cash, from time to time, on a discretionary basis. Cash payments requiring only Management approval are recognized as employee benefit expenses on an accrual basis. Cash payments requiring General Meeting approval as distribution of profits to staff are recognized as employee benefit expense in the accounting period that they are approved by the Company's shareholders.

(v) Share-based payments

The Company's Management awards employees with bonuses in the form of shares and share options on a discretionary basis and after taking into account the current legal framework. Non-performance related shares vest in the period granted. Share based payments that are contingent upon the achievement of a performance and service condition, vest only if both conditions are satisfied.

The fair value of the share options granted is recognized as an employee benefit expense over the vesting period, with an equal credit in equity i.e. no impact on the Company's equity. The amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

The fair value of the share options at grant date is determined by using an adjusted option pricing model which takes into account the exercise price, the exercise dates, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the options. The expected volatility is measured at the grant date of the options and is based on the historical volatility of the share price.

For share-based payment awards with non-vesting conditions, the fair value of the share-based payment at grant date also reflects such conditions and there is no true-up for differences between expected and actual outcomes.

When the options are exercised and new shares are issued, the proceeds received net of any directly attributable transaction costs are credited to share capital (par value) and share premium.

Share options granted by the Company to employees of group entities are treated as a contribution by the Company to these entities, thus increasing the investment cost in them.

2.2.15 Related party transactions

Related parties of the Company include:

(a) an entity that has control over the Company and entities controlled, jointly controlled or significantly influenced by this entity, as well as members of its key management personnel and their close family members;

(b) an entity that has significant influence over the Company and entities controlled by this entity,

(c) members of key management personnel of the Company, their close family members and entities controlled or jointly controlled by the abovementioned persons;

(d) associates and joint ventures of the Company

(e) subsidiaries; and

(f) post-employment benefit plans established for the benefit of the Group's employees.

Transactions of similar nature are disclosed on an aggregate basis. All banking transactions entered into with related parties are in the normal course of business and are conducted on an arm's length basis.

2.2.16 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and reliable estimates of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at each reporting date, taking into account the risks and uncertainties surrounding the amount of such expenditure.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If, subsequently, it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

2.2.17 Share capital

Ordinary shares and preference shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax.

Dividend distribution on shares is recognized as a deduction in the Company's equity when approved by the General Meeting of shareholders and the required regulatory approvals, if any, are obtained. Interim dividends are recognized as a deduction in the Company's equity when approved by the Board of Directors.

Intercompany non-cash distributions that constitute transactions between entities under common control are recorded in the Company's equity by reference to the book value of the assets distributed.

Where the Company purchases own shares (treasury shares), the consideration paid including any directly attributable incremental costs (net of income taxes), is deducted from shareholders' equity until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received is included in shareholders' equity.

2.2.18 Hybrid capital

Hybrid capital issued by the Company is classified as equity when there is no contractual obligation to deliver to the holder cash or another financial asset. Incremental costs directly attributable to the issue of new hybrid capital are shown in equity as a deduction from the proceeds, net of tax.

Dividend distribution on hybrid capital is recognized as a deduction in the Company's equity on the date it is due.

Where hybrid capital, issued by the Company, is repurchased, the consideration paid including any directly attributable incremental costs (net of income taxes), is deducted from shareholders' equity. Where such securities are subsequently called or sold, any consideration received is included in shareholders' equity.

2.2.19 Non-current assets classified as held for sale and discontinued operations

Non-current assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. For a non- current asset to be classified as held for sale, it is available for immediate sale in its present condition, subject to terms that are usual and customary for sales of such assets, and the sale is considered to be highly probable. In such cases, management is committed to the sale and actively markets the property for sale at a price that is reasonable in relation to the current fair value. The sale is also expected to qualify for recognition as a completed sale within one year from the date of classification. Before their classification as held for sale, assets are remeasured in accordance with the respective accounting standard.

Assets held for sale are subsequently remeasured at the lower of their carrying amount and fair value less cost to sell. Any loss arising from the above measurement is recorded in profit or loss and can be reversed in the future. When the loss relates to a disposal group, it is allocated to the assets within that disposal group.

The Company presents discontinued operations in a separate line in the income statement if a component of the Company's operations has been disposed of or is classified as held for sale and:

(a) Represents a separate major line of business or geographical area of operations;
(b) Is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations;

Profit or loss from discontinued operations includes the profit or loss before tax from discontinued operations, the gain or loss on disposal before tax or measurement to fair value less costs to sell and discontinued operations tax expense. Upon classification of a component of the Company's operations as a discontinued operation, the Company restates prior periods in the income statement.

2.2.20 Cash and cash equivalents

Cash and cash equivalents include cash in hand, unrestricted deposits with central banks and due from credit institutions that are all carried at amortised cost.

3. Critical accounting estimates and judgments in applying accounting policies

In the process of applying the Company's accounting policies, the Management makes various judgments, estimates and assumptions that may affect the reported amounts of assets and liabilities, revenues and expenses recognized in the financial statements within the next financial year and the accompanying disclosures. Estimates and judgments are continually evaluated and are based on current conditions, historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are recognized prospectively.

The most significant areas in which the Company makes judgments, estimates and assumptions in applying its accounting policies are set out below:

3.1 Impairment losses on investment securities

The expected credit losses (ECL) measurement of the Tier 2 subordinated instruments requires management to apply judgement relating to the risk parameters used in the calculation of the ECL and in assessing whether a significant increase of credit risk (SICR) event has occurred since initial recognition. These estimates are based on quantitative and qualitative information reasonable and supportable forward looking information. A degree of uncertainty is involved in making estimations using assumptions that may be subjective and sensitive to the risk factors.

Specifically, the assessment of SICR is performed on an individual basis based on the number of notches downgrade in the internal credit rating scale since the origination date while the PD used for the ECL measurement is received by an international rating agency using risk methodologies that maximize the use of observable variables and market data. Furthermore, the LGD used is based on historical data derived from rating agencies' studies that present the recoveries on such instruments taking into account the seniority of the exposure.

The Company independently validates all ECL key inputs and underlying assumptions used in the ECL measurement through competent resources.

3.2 Impairment losses on investment in subsidiaries

The Company assesses for impairment its investment in subsidiaries at each reporting date as described in note 2.2.6. If an indication of impairment exists, the Company performs an impairment test by comparing the carrying value of the investment in the subsidiary with its estimated recoverable amount, determined as the higher of its fair value less cost to sell and its value in use, based on reasonable and supportable information. The calculation of the recoverable amount involves the exercise of judgement in selecting the appropriate parameters, such as the applicable discount and growth rates.

3.3 Income tax

The Company is subject to income taxes and estimates are required in determining the liability for income taxes. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due or for anticipated tax disputes. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax in the period in which such determination is made.

In addition, the Company recognizes deferred tax assets to the extent that it is probable that sufficient taxable profit will be available against which unused tax losses and deductible temporary differences can be utilized. Recognition therefore involves judgment regarding the future financial performance of the Company. As at 31 December 2022, based on the Management's assessment the Company is not expected to have sufficient future taxable profits, against which the unused tax losses can be utilized (note 8).

3.4 Retirement benefit obligations

The present value of the retirement benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions, such as the discount rate and future salary increases. Any changes in these assumptions impact the carrying amount of the pension obligations.

The Company determines the appropriate discount rate used to calculate the present value of the estimated retirement obligations, at the end of each year based on interest rates of high quality corporate bonds. The currency and term to maturity of the bonds used are consistent with the currency and estimated average term to maturity of the retirement benefit obligations. The salary rate increase assumption is based on future inflation estimates reflecting also the Company's reward structure and expected market conditions.

Other assumptions for pension obligations, such as future inflation estimates, are based in part on current and expected market conditions.

For information in respect of the Company's retirement benefit obligations refer to note 13.

3.5 Share-based payments

The Company grants shares and share options to its employees as well as the employees of the Group's entities, as a common feature of employee remuneration.

For shares granted to employees, the fair value is measured directly at the market price of the entity's shares, adjusted to take into account the terms and conditions upon which the shares were granted. For share options granted to employees, in many cases market prices are not available because the options granted are subject to terms and conditions that do not apply to traded options. If this is the case, the Company estimates the fair value of the equity instruments granted using a valuation technique, which is consistent with generally accepted valuation methodologies.

The valuation method and the inputs used to measure the share options granted to employees of the Company and its Group entities are presented in note 16.

4. Financial risk management and fair value

The Company is exposed to financial risks such as credit risk, market risk (including currency and interest rate risk) liquidity risk and operational risks.

4.1 Financial risk factors and risk management

As part of its overall system of internal controls the Company has engaged in a Service Level Agreement (SLA) with Eurobank S.A. in order to receive supporting and advisory services in all applicable areas of risk management (credit, market, liquidity and operational risks) undertaken by the Company.

The Company's overall risk management strategy seeks to minimize any potential adverse effects on its financial performance, financial position and cash flows.

The main financial risks to which the Company is exposed relate to:

(a) Credit risk

The Company takes on exposure to credit risk which is the risk that a counterparty will be unable to fulfill its payment obligations in full when due. The Company is mainly exposed to subordinated instruments (note 9) issued by its subsidiary Eurobank S.A. and € 57 million deposits that are placed with the latter. Accordingly, the aggregate carrying amount of the above financial assets approximates the maximum credit risk exposure of the Company.

(b) Market risk

The Company takes on exposure to market risk, which is the risk of potential financial loss due to an adverse change in market variables, such as interest rates and foreign exchange rates.

The Company's interest rate risk, which mainly arises from the position in the aforementioned subordinated fixed rate instruments, is eliminated by the subordinated Tier II debt instruments issued by the Company, which have equivalent terms with those of the former.

The Company's financial assets and liabilities are in Euro, therefore, currency risk is eliminated.

(c) Liquidity risk

The maturity of the Company's main assets and liabilities, which relate to the aforementioned subordinated instruments, match, and the underlying cash flows are the same. Accordingly, the Company's liquidity or cash flow risk is substantially eliminated.

4.2 Fair value of financial assets and liabilities

The Company's financial instruments carried at amortized cost are categorised into the three levels of fair value hierarchy based on whether the inputs to their fair values are market observable or unobservable, as follows:

- Level 1 - Financial instruments are measured based on quoted prices (unadjusted) in active markets for identical financial instruments that the Company can access at the measurement date. A market is considered active when quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and represent actually and regularly occurring transactions. None of the Company's financial instruments is categorised into Level 1 of the fair value hierarchy.
- Level 2 – Financial instruments are measured using valuation techniques with inputs other than level 1 quoted prices, observable either directly or indirectly, such as (i) quoted prices for similar financial instruments in active markets (ii) quoted

prices for identical financial instruments in markets that are not active, (iii) inputs other than quoted prices that are directly or indirectly observable, mainly interest rates and yield curves observable at commonly quoted intervals, forward exchange rates, equity prices, credit spreads and implied volatilities obtained from internationally recognised market data providers and (iv) other unobservable inputs which are insignificant to the entire fair value measurement. Level 2 financial instruments include the subordinated instruments (note 9) issued by its subsidiary Eurobank S.A. and the subordinated Tier II debt instruments (note 12) issued by the Company.

- Level 3 - Financial instruments are measured using valuation techniques with significant unobservable inputs. When developing unobservable inputs, best information available is used, including own data, while at the same time market participants' assumptions are reflected (e.g. assumptions about risk). The Company's financial instruments, which are categorised into Level 3 of the fair value hierarchy refer mainly to the sight deposits with Eurobank S.A.

The fair value of the subordinated Tier II debt instruments issued by the Company (note 12) were determined by using quotes for identical financial instruments in non-active markets obtained from Bloomberg and amounted to € 1,188 million (2021: € 974 million). The fair value of the subordinated instruments issued by the Company's subsidiary Eurobank S.A. (note 9) and held by the Company were determined based on the aforementioned instruments, which have equivalent terms, therefore, amounted also to € 1,188 million (2021: € 974 million).
Moreover, the carrying amount of the Company's sight deposits with Eurobank S.A. represents reasonable approximation of their fair value.

5. Net interest income

	31 December 2022 € million	31 December 2021 € million
Interest income		
Securities	63	61
	63	61
Interest expense		
Debt securities in issue	(63)	(61)
	(63)	(61)
Total	(0)	(0)

In the year ended 31 December 2022, the interest expense that was recognised in the income statement relates to the subordinated Tier II instruments issued by the Company, while the interest income of a similar amount relates to the subordinated Tier II notes issued by Eurobank S.A. and held by the Company.

6. Other income/(expenses)

In the year ended 31 December 2022, other income/(expenses), amounting to € 3 million, consist of € 1.7 million income from IT services and € 1.6 million income regarding loan portfolio's related services provided to the Bank.

In the year ended 31 December 2021, other income/(expenses), amounting to € 57 million, consist of € 54.4 million income resulting from distribution in kind -Project 'Mexico', € 1.7 million income from IT services and € 1.5 million income regarding loan portfolio's related services provided to the Bank. Specifically, in the context of Project 'Mexico', in June 2021 the General Shareholders' Meeting (GM) of Eurobank S.A (Bank) approved the distribution of the 95% of the mezzanine and junior notes of Mexico securitization to the Company through the decrease in kind of the Bank's share capital. Following the receipt of the respective regulatory approvals, the settlement of the distribution in kind took place in September 2021 and resulted in the recognition of the distributed notes at fair value in the Company's balance-sheet. In particular, the Company accounted for the distribution in kind as dividend, recognizing in profit and loss the fair value of the distributed notes of € 54 million. In September 2021, the BoD of the Company approved to proceed with the sale of 95% of the mezzanine and junior notes of Mexico securitization and the ongoing servicing of the portfolio by doValue Group. After the fulfilment of all conditions and having received all appropriate approvals, the aforementioned sale transaction was concluded in December 2021.

Further information about the NPE securitisation transaction (Project "Mexico") is provided in the note 20 of the consolidated financial statements of the Company for the year ended 31 December 2022.

7. Operating expenses

In the year ended 31 December 2022, the operating expenses of € 10 million (2021: € 9 million) mainly consist of: a) € 4.1 million staff cost (2021: € 3.7 million) and b) € 5.2 million other administrative expenses (2021: € 5.1 million). Administrative expenses include € 4.5 million (2021: € 4.4 million) insurance premiums relating to the Group's financial lines insurance, including protection for professional liability.

8. Income tax

According to Law 4172/2013 currently in force, the Greek corporate tax rate for legal entities other than credit institutions (i.e. credit institutions that fall under the requirements of article 27A of Law 4172/2013 regarding eligible DTAs/deferred tax credits) is 22%. In addition, the withholding tax rate for dividends distributed, other than intragroup dividends, is 5%. In particular, the intragroup dividends under certain preconditions are relieved from both income and withholding tax.

Current income tax for the year ended 31 December 2022 amounted to € 5 thousand, mainly referring to non-recoverable withholding tax for IT services provided to a Group's entity (2021: € 1 thousand). Based on the management's assessment the Company is not expected to have sufficient future taxable profits against which the unused tax losses can be utilized and accordingly, in the year ended 31 December 2022, no deferred tax has been recognized in the income statement.

Tax certificate and open tax years

For fiscal years starting from 1 January 2016 onwards, pursuant to the Tax Procedure Code, an 'Annual Tax Certificate' on an optional basis, is provided for the Greek entities, with annual financial statements audited compulsorily, which is issued after a tax audit is performed by the same statutory auditor or audit firm that audits the annual financial statements. The Company has opted to obtain such certificate.

Following the completion in 2022, of the tax audit of the Company by the tax authorities for the tax year 2016, its open tax years are 2017-2022. The tax certificates, which have been obtained by the Company are unqualified for the open tax years until 2021, while for the year ended 31 December 2022, the tax audit from external auditor is in progress.

In accordance with the Greek tax legislation and the respective Ministerial Decisions issued, additional taxes and penalties may be imposed by the Greek tax authorities following a tax audit within the applicable statute of limitations (i.e. five years as from the end of the fiscal year within which the relevant tax return should have been submitted), irrespective of whether an unqualified tax certificate has been obtained from the tax paying company.

In reference to its total uncertain tax positions, the Company assesses all relevant developments (e.g. legislative changes, case law, ad hoc tax/legal opinions, administrative practices) and raises adequate provisions.

Unused tax losses

As at 31 December 2022, the Company has not recognised deferred tax asset (DTA) on unused tax losses amounted to € 380 million (2021: € 378 million). The analysis of unrecognized DTA on unused tax losses of the Company per year of maturity of related tax losses is presented in the table below:

	Unrecognised DTA € million
Year of maturity of unused tax losses	
2023	44
2024	62
2025	261
2026	12
2027	1
Total	380

9. Investment securities

In November 2022, Eurobank S.A. (the Bank) issued subordinated Tier II debt instruments of equivalent terms with those of the subordinated Tier II debt instruments issued by the Company (note 12), which were fully subscribed by the latter. As at 31 December 2022, the carrying amount of the said subordinated debt instruments held by the Company and categorised at amortised cost, was € 297 million.

As at 31 December 2022, the total carrying amount of the subordinated debt instruments held by the Company and categorised as at amortised cost, amounted to € 1,275 million (31 December 2021: € 949 million), including accrued interest of € 32.8 million (31 December 2021: € 0.2 million), € 5.2 million unamortized issuance costs (31 December 2021: nil) and impairment allowance of € 2.7 million (31 December 2021: € 1.5 million) (12-month ECL). In particular, in the year ended 31 December 2022, the Company recognised in the income statement € 1.2 million loss, in relation to impairment allowance (2021: € 6.8 million gain). The fair value of the said debt instruments held by the Company, that have been issued by the Bank, was determined based on quotes for the related subordinated Tier II debt instruments issued by the Company (note 12) and amounted to € 1,188 million (31 December 2021: € 974 million).

10. Shares in subsidiaries

The following is a listing of the Company's subsidiaries held directly at 31 December 2022:

Name	Percentage holding	Country of Incorporation	Line of business
Eurobank S.A.	100,00	Greece	Banking
Be Business Exchanges S.A. of Business Exchanges Networks and Accounting and Tax Services	98,01	Greece	Business-to-business e-commerce, accounting, tax and sundry services

11. Other assets

As at 31 December 2022, other assets amounting to € 5 million (31 December 2021: € 5 million) primarily consist of (a) € 2 million (31 December 2021: € 1.9 million) prepaid expenses mainly for insurance premiums, (b) € 1.7 million (31 December 2021: € 1 million) receivables for IT services provided to the Group companies and third parties, (c) € 0.4 million (31 December 2021: € 0.3 million) receivables from Fairfax Group relating to financial consulting services, (d) € 0.4 million (31 December 2021: € 0.2 million) receivable regarding loan portfolio's related services provided to the Bank and (e) € 0.3 million in relation to property and equipment and intangible assets (31 December 2021: € 0.07 million). In addition, in the year ended 31 December 2022, the Company's receivable from withholding taxes amounting to € 1.4 million, which was outstanding as of 31 December 2021, was settled in cash.

12. Debt securities in issue

In November 2022, the Company announced that it had successfully completed the issuance of €300 million subordinated Tier II debt instruments. The said instruments, mature in December 2032, are callable in December 2027 offering a coupon of 10% per annum and are listed on the Luxembourg Stock Exchange's Euro MTF market. Their carrying amount was € 297 million, as at 31 December 2022, including € 5.2 million unamortized issuance costs and € 2.1 million accrued interest. Their fair value, at the same date, which was determined by using quotes for identical financial instruments in non-active markets, amounted to € 302 million.

The proceeds from the above issue will support Eurobank Holdings' Group strategy to ensure ongoing compliance with its total capital adequacy ratio requirements and will be used for the Bank's general funding purposes.

In January 2018, Eurobank Ergasias S.A. issued subordinated Tier II debt instruments of face value of € 950 million, in replacement of the preference shares, which had been issued in the context of the first stream of Hellenic Republic's plan to support liquidity in the Greek economy under Law 3723/2008. The said instruments, mature in January 2028 and pay fixed nominal interest rate of 6.41%, that shall be payable semi-annually. Their carrying amount, as at 31 December 2022, was € 978 million (31 December 2021: € 947 million), including € 2.2 million unamortized issuance costs (31 December 2021: € 2.6 million) and 30.6 million accrued interest (31 December 2021: 0.2 million). Their fair value, at the same date, which was determined by using quotes for identical financial instruments in non-active markets, amounted to € 886 million (31 December 2021: € 974 million).

13. Other liabilities

As at 31 December 2022, other liabilities amounting to € 3 million (31 December 2021: € 2 million) primarily consist of (a) € 0.8 million (31 December 2021: € 0.6 million) accrued expenses, (b) € 1 million (31 December 2021: € 0.9 million) current payables to suppliers and (c) € 0.2 million (31 December 2021: € 0.2 million) Standard legal staff retirement indemnity obligations.

Standard legal staff retirement indemnity obligations

The Company provides for staff retirement indemnity obligation for its employees, who are entitled to a lump sum payment based on the number of years of service and the level of remuneration at the date of retirement, if they remain in the employment of the Company until normal retirement age, in accordance with the local labor legislation. The above retirement indemnity obligations typically expose the Company to actuarial risks such as interest rate risk and salary risk. Therefore, a decrease in the discount rate used to calculate the present value of the estimated future cash outflows or an increase in future salaries will increase the staff retirement indemnity obligations of the Company.

The movement of the liability for standard legal staff retirement indemnity obligations is as follows:

	2022 € million	2021 € million
Balance at 1 January	**0.2**	0.2
Current service and interest cost	**0.04**	0.03
Past service cost and (gains)/losses on settlements	**-**	-
Remeasurements:		
Actuarial (gains)/losses arising from changes in financial assumptions	**(0.04)**	(0.01)
Actuarial (gains)/losses arising from experience adjustments	**0.03**	0.02
Benefits paid	**-**	-
Balance at 31 December	**0.2**	0.2

The significant actuarial assumptions (expressed as weighted averages) were as follows:

	2022 %	2021 %
Discount rate	**3.2**	0.5
Future salary increases	**2.8**	1.8

As at 31 December 2022, the assumption for the price inflation (weighted average) is 2.6% (2021: 2%) and has been taken into account in determining the above actuarial assumptions for future salaries increases

As at 31 December 2022, the average duration of the standard legal staff retirement indemnity obligation was 9 years (31 December 2021: 9 years).

A quantitative sensitivity analysis based on reasonable changes to significant actuarial assumptions as at 31 December 2022 is as follows:

An increase/(decrease) of the discount rate assumed, by 50 bps/(50 bps), would result in a (decrease)/ increase of the standard legal staff retirement obligations by (€ 0.01 million)/ € 0.01 million.

An increase/(decrease) of the future salary growth assumed, by 0.5%/(0.5%), would result in an increase /(decrease) of the standard legal staff retirement obligations by € 0.01 million/ (€ 0.01 million).

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

The methods and assumptions used in preparing the above sensitivity analysis were consistent with those used to estimate the retirement benefit obligation and did not change compared to the previous year.

14. Share capital and share premium

As at 31 December 2022, the par value of the Company's shares is € 0.22 per share (2021: € 0.22). All shares are fully paid. The movement of share capital, share premium and number of shares issued are as follows:

	Share capital € million	Share premium € million	Number of issued shares
Balance at 1 January 2021	816	8,056	3,709,161,852
Balance at 31 December 2021	816	8,056	3,709,161,852
Balance at 1 January 2022	**816**	**8,056**	**3,709,161,852**
Share capital increase following the exercise of share options	0	0	1,515,656
Offsetting of equity accounts (note 15)	-	(6,895)	-
Balance at 31 December 2022	**816**	**1,161**	**3,710,677,508**

Share capital increase

Following the exercise of share options granted to key executives of the Group under the current share options' plan (note 16), and by virtue of the decision of the Board of Directors of the Company on 30 August 2022, the Company's share capital increased by € 333,444.32 through the issue of 1,515,656 new common voting shares of a nominal value of € 0.22 per share and exercise price of € 0.23 per share. The difference between the exercise price of the new shares and their nominal value, net of the expenses directly attributable to the equity transaction, amounted to € 2,136 and was recorded in the account "Share premium". Following the above increase, as at 31 December 2022, the share capital of the Company amounts to € 816,349,051.76, divided into 3,710,677,508 common shares with a nominal value of € 0.22 each. The new shares were listed on the Athens Exchange on 14 September 2022.

Treasury shares

According to paragraph 1 of Article 16c of Law 3864/2010, during the period of the participation of the HFSF in the share capital of the Company, the Company is not permitted to purchase treasury shares without the approval of the HFSF.

15. Reserves and retained earnings/(losses)

	31 December 2022 € million	31 December 2021 € million
Corporate law reserves	-	6,919
Special reserves	**1,004**	1,004
Non-taxed reserves	**770**	770
Other reserves	**408**	409
Retained earnings/(losses)	**(3)**	(13,814)
Total	**2,179**	**(4,712)**

As of 31 December 2022 and 2021, 'Special reserves' of € 1,004 million relate to dividends from participations.

Offsetting of equity accounts

On 21 July 2022, the Annual General Meeting (AGM) of the shareholders of Eurobank Holdings approved, among others, the offsetting of a) the total of the account "Corporate law Reserves" amounting to € 6,919.3 million and b) part of the account "Share Premium" amounting to €6,894.4 million with accumulated losses of equivalent value amounting to €13,813.7 million, included in the account "Retained earnings/(losses)". The above offsetting, which was approved by the competent Supervisory Authorities in October 2022, did not affect the Company's own and regulatory capital.

Dividends

Pursuant to the provisions of the Company Law 4548/2018, companies are required to pay dividends of at least 35% of after-tax profit, after necessary deductions for the formation of the statutory reserve and other credit balances in the income statement that do not arise from realized earnings.

For the financial year 2022, Eurobank Holdings has no profits and therefore will not distribute minimum dividend. Furthermore, in 2023 the Company has announced that the amount earmarked for dividend distribution will be used in an optimal way to bid for the 1.4% HFSF stake through a share buyback scheme (note 19).

16. Share options

The Annual General Meeting of the shareholders of Eurobank Holdings held on 28 July 2020 approved the establishment of a five year shares award plan, starting from 2021, in the form of share options rights by issuing new shares with a corresponding share capital increase, in accordance with the provisions of article 113 of law 4548/2018, awarded to executives and personnel of Eurobank Holdings and its affiliated companies according to article 32 of law 4308/2014. The maximum number of rights that can be approved was set at 55,637,000 rights, each of which would correspond to one new share. The exercise price of each new share would be equal to € 0.23. The Annual General Meeting authorized the Board of Directors of Eurobank Holdings to define the eligible staff and determine the remaining terms and conditions of the plan.

The final terms and the implementation of the share options plan, which is a forward-looking long-term incentive aiming at the retention of key executives, are defined and approved annually by the Board of Directors in accordance with the applicable legal and regulatory framework, as well as the policies of the Company and the Group.

The options are exercisable in portions, annually during a period from one to five years. Each portion may be exercised wholly or partly and converted into shares at the employees' option, provided that they remain employed by the Group until the first available exercise date. The corporate actions that adjust the number and the price of shares also adjust accordingly the share options.

In addition, the share options also comply with the restrictions regarding remuneration of Law 3864/2010, as each time in force.

The movement of share options during the period is analysed as follows:

Share options granted	2022
Balance at 1 January 2022	12,374,561
Options awarded during the year	11,654,117
Options cancelled during the year	(244,700)
Options exercised during the year	(1,515,656)
Balance at 31 December 2022	22,268,322

The share options outstanding at the end of the period have the following expiry dates:

Expiry date [1]	Share options 31 December 2022
2023	5,551,925
2024	7,131,580
2025	3,120,978
2026	2,595,139
2027	2,595,139
2028	1,273,561
Weighted average remaining contractual life of share options outstanding at the end of the period	24 months

[1] *Based on the earliest contractual exercise date.*

In accordance with the Company's accounting policy on employees' share based payments, the grant date fair value of the options is recognized as an expense with a corresponding increase in equity over the vesting period. The share options granted by the

Company to employees of Group entities, were treated as a contribution by the Company to the Bank, being their parent entity, thus increasing the investment cost of the Company in the latter.

The fair value at grant date is determined using an adjusted form of the Black-Scholes model for Bermudan equity options which takes into account the exercise price, the exercise dates, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the options.

Furthermore, additional conditions on certain share options granted to key executives who are subject to any remuneration restrictions of Law 3864/2010 at the time of grant, are treated as non-vesting conditions. Accordingly, the fair value measurement at grant date of such share options takes into consideration the probability that the relevant restrictions will be lifted, based on Management judgement, and is not subsequently revised regardless of whether the condition is eventually satisfied.

The weighted average fair value of the share options granted in December 2022 was € 0.63 (2021: € 0.42). The significant inputs into the model were a share price of € 1.021 (2021: € 0.7823) at the grant date, exercise price of € 0.23, annualized dividend yield of 3% (2021: 3%), expected average volatility of 38% (2021: 68%), expected option life of 1-5 years, and a risk-free interest rate corresponding to the options' maturities, based on the Euro swap yield curve. The expected volatility is measured at the grant date of the options and is based on the average historical volatility of the share price over the last one and a half year.

17. Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents with original maturities of three months or less, as at 31 December 2022, amount to € 57 million (31 December 2021: € 62 million):

For the year ended 31 December 2022, changes in debt securities in issue arising from accrued interest and amortisation of debt issuance costs amount to € 33 million (31 December 2021: € nill). In addition, changes in income/(losses) on investment securities arising from amortization of discounts and accrued interest amount to € 33 million (31 December 2021: € nill).

18. Post balance sheet events

Details of post balance sheet events are provided in the following notes:

Note 2.1 - Basis of preparation
Note 19 - Related parties

19. Related parties

Eurobank Ergasias Services and Holdings S.A. (the Company or Eurobank Holdings) is the parent company of Eurobank S.A. (the Bank).

The Board of Directors (BoD) of Eurobank Holdings is the same as the BoD of the Bank and part of the key management personnel (KMP) of the Bank provides services to Eurobank Holdings according to the terms of the relevant agreement between the two entities. As at 31 December 2022, the percentage of the Company's ordinary shares with voting rights held by the Hellenic Financial Stability Fund (HFSF) stands at 1.40%. The HFSF is considered to have significant influence over the Company pursuant to the provisions of the Law 3864/2010, as in force, including the amendments under law 4941/2022, and the Tripartite Relationship Framework Agreement (TRFA) between the Bank, the Company and the HFSF signed on 23 March 2020 and amended on 3 February 2022. Further information in respect of the HFSF rights based on the aforementioned framework is provided in the section "Report of the Directors and Corporate Governance Statement" of the Annual Financial Report for the year ended 31 December 2022.

In 2023, Eurobank Holdings announced its intention to submit an offer for the buyback of its 52.08m shares (corresponding to a participation of 1.4%), presently owned by the HFSF, subject to the receipt of the required approvals from the regulator and the General Meeting of the Company's Shareholders.

Fairfax Group, which holds 32.99% of Eurobank Holdings voting rights as of 31 December 2022 (31 December 2021: 33%), is considered to have significant influence over the Company.

In January 2022, an occupational insurance fund ("Institution for occupational retirement provision-occupational insurance fund Eurobank's Group personnel" henceforth "the Fund") was established as a not-for-profit legal entity under Law 4680/2020, for the benefit of the employees of the Company, the Bank and certain other Greek entities of the Group, which constitute the sponsoring employers of the Fund. Accordingly, in line with IAS 24 Related Parties, the Fund is considered to be related party to the Company. For the year ended 31 December 2022, the Company has no related party transactions with the Fund.

A number of transactions are entered into with related parties in the normal course of business and are conducted on an arm's length basis. The outstanding balances of the transactions with the Company's subsidiaries are as follows:

	31 December 2022	31 December 2021
	Subsidiaries [1] € million	Subsidiaries € million
Due from credit institutions	**56.67**	62.39
Investment securities	**1,274.92**	948.63
Other assets	**1.87**	1.01
Other liabilities	**0.63**	0.29
Net interest income	**63.11**	60.87
Other operating income/(expense)	**2.00**	56.29
Impairment losses	**(1.23)**	6.78

[1] The expenses in relation to KMP services provided by the Company's subsidiary Eurobank S.A. are included in Key management compensation disclosed below.

As at 31 December 2022, the Company has recognised receivables and operating income of amount € 0.35 million related to financial consulting services with Fairfax group (31 December 2021: € 0.33 million). In addition, for the year ended 31 December 2022 the Company has recognized operating income of € 0.12 million (2021: € 0.09 million) related to the Group's associate Eurolife FFH Insurance Group Holdings S.A., which is also a member of Fairfax Group.

Key management compensation

In the year ended 31 December 2022, the Company recognized Key management compensation amounting to € 0.2 million that is referring mainly to KMP services provided by Eurobank S.A. in accordance with the relevant agreement (2021: €0.2 million).

20. External Auditors

The Company has adopted a Policy on External Auditors' Independence which provides amongst others, for the definition of the permitted and non-permitted services the Company's auditors may provide further to the statutory audit. For any such services to be assigned to the Company's auditors there are specific controlling mechanisms in order for the Company's Audit Committee to ensure that a) the non-audit services assigned to "KPMG Certified Auditors S.A.", along with the KPMG network (KPMG), have been reviewed and approved as required and b) there is proper balance between audit and permitted non-audit work.

The total fees of the Company's independent auditor KPMG for audit and other services provided are analyzed as follows:

	2022 € million	2021 € million
Statutory audit [1]	**(0.2)**	(0.2)
Tax certificate	**(0.0)**	(0.0)
Other audit related assignments	**(0.3)**	(0.3)
Non audit assignments	**(0.0)**	-
Total	**(0.6)**	(0.5)

[1] Includes fees for statutory audit of the Company's annual financial statements.

It is noted that the non-audit assignment fees of "KPMG Certified Auditors S.A." Greece, statutory auditor of the Company, amounted to € 0.01 million.

21. Board of Directors

The Board of Directors (BoD) was elected by the Annual General Meeting (AGM) of the Shareholders held on 23 July 2021 for a three years term of office that will expire on 23 July 2024, prolonged until the end of the period the AGM for the year 2024 will take place.

Following the aforementioned AGM decision, the BoD was constituted as a body at the BoD meeting of 23 July 2021, as follows:

G. Zanias	Chairman, Non-Executive Member
G. Chryssikos	Vice Chairman, Non-Executive Member
F. Karavias	Chief Executive Officer
S. Ioannou	Deputy Chief Executive Officer
K. Vassiliou	Deputy Chief Executive Officer
A. Athanasopoulos	Deputy Chief Executive Officer
B.P. Martin	Non-Executive Member
A. Gregoriadi	Non-Executive Independent Member
I. Rouvitha Panou	Non-Executive Independent Member
R. Kakar	Non-Executive Independent Member
J. Mirza	Non-Executive Independent Member
C. Basile	Non-Executive Independent Member
E. Deli	Non-Executive Member (HFSF representative under Law 3864/2010)

Athens, 6 April 2023

Georgios P. Zanias	**Fokion C. Karavias**	**Harris V. Kokologiannis**
I.D. No AI - 414343	I.D. No AI - 677962	I.D. No AN - 582334
CHAIRMAN OF THE BOARD OF DIRECTORS	CHIEF EXECUTIVE OFFICER	GENERAL MANAGER OF GROUP FINANCE CHIEF FINANCIAL OFFICER