

**AUDIT COMMITTEE ACTIVITY REPORT**  
**FOR THE YEAR 2023**

**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 2023 AC Activity Report of Eurobank Holdings which is also part of the 2023 Annual Financial Report, refers to the AC activity during 2023 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. It is noted that in line with the provisions of article 44 of law 4449/2017, as in force, and further to the decision of the HoldCo's Annual General Meeting of Shareholders as of 20.7.2023 regarding the recomposition of the Audit Committee and more specifically regarding its type, composition and term of office; and the BoD's decision of 23.06.2023 (in combination with 27.06.2023) and 20.07.2023 regarding the nomination and appointment of a new member to the AC respectively, and in particular of Mr. Burkhard Eckes, following relevant recommendations by the NomCos of 22.06.2023, the AC decided on its constitution and on the appointment of its Chairman.
5. In addition, following the Hellenic Financial Stability Fund's (HFSF) divestment from HoldCo, and taking into consideration that HoldCo is no longer subject to law 3864/2010 and to the special rights of the HFSF provided for in such law, including HFSF's right to appoint its representative in the HoldCo Board and Board Committees, the HFSF representative Mrs. Efthymia Deli in the HoldCo Board and Board Committees, submitted her resignation from HoldCo's BoD and HoldCo's Audit and Remuneration Committees (that was present at that time) on 26 October 2023, effective as of 7 November 2023.
6. Following the above, the AC consists exclusively of BoD members, four (4) in total, all of which are independent non-executive Directors, according to the provisions of article 9 of L. 4706/2020. In particular, the AC consists of the following members: **1. Jawaid Mirza (Chairperson of the Audit Committee, independent non-executive BoD member), 2. Burkhard Eckes (Vice-Chairperson of the Audit Committee, independent non-executive BoD member), 3. Irene Rouvitha-Panou (Audit Committee member, independent non-executive BoD member), and 4. Rajeev Kakar (Audit Committee member, independent non-executive BoD member).**
7. 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.
8. Information regarding current AC composition and short biographical details of its members may be found at the HoldCo's website ([www.eurobankholdings.gr](http://www.eurobankholdings.gr)).

**Meetings Held During the Period & Attendance**

9. During 2023, the Audit Committee held seventeen (17) meetings, including four (4) meetings by circulation, while during 2022, the Audit Committee held fourteen (14) meetings.

10. The average ratio of attendance at the meetings by the AC members stood at 100% (2022: 100%).
11. The 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.
12. The submissions for the AC meetings have become available to all BoD members through the Diligent platform.
13. 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.
14. The External Auditor of 2023 financial statements (i.e. KPMG) has been invited and attended meetings as required.
15. The AC Chair updated the Board members, at the quarterly meetings of the Board, on the material matters covered during the AC meetings.
16. In 2023, the members of the AC have been invited and participated in the Board Risk Committee (BRC) meetings and similarly the members of the BRC have been invited and participated in the Audit Committee meetings (joint Audit Committee and Board Risk Committee meetings) for the discussion / approval of items that fall under the responsibility of both Committees.

### **Highlights of Issues of Importance during 2023**

#### **Internal Controls System and Risk Management**

17. 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.
18. Throughout the year 2023:
  - the AC Members received update by IA and Compliance, covering matters of the System of Internal Controls, Risk Management, Compliance with rules and regulations and legal issues.
  - 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 2023.
  - in the context of the independent triennial Evaluation of the System of Internal Controls (SIC) per BoG Act 2577/9.3.2006, the AC approved the proposed scope of the assignment and the appointment of the firm
  - 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)

19. 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.

20. During 2023, the AC:

- approved the revised Internal Audit Mandate and Terms of Reference (ToR).
- received confirmation from the Chief Internal Auditor (CIA) regarding IA's independence for 2022.
- discussed the performance of the IA Annual Plan for 2022.
- approved and further submitted to the BoD for information the IA Annual Plan for 2024.
- monitored the progress of the IA Audit Plan for 2023 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).
- discussed the progress of the actions for resolution of a Very High risk finding identified in the beginning of 2022 (doValue Suspense Accounts).
- Carried out the assessment of the Internal Auditor's performance for 2022.

## Compliance

21. 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.

22. During 2023, the AC:

- approved the revised Compliance Mandate.
- approved and further submitted to the BoD for information the 2024 Compliance Annual Plan.
- at the Quarterly AC meetings, discussed the key highlights of the Compliance Activity Reports.
- reviewed and depending on the case, approved or approved and further submitted to the BoD for approval / information a) the revised Code of Conduct and Ethics, b) the revised Policy for Reporting Illegal or Unethical Conduct and the appointment of Report Receiving & Monitoring Officer in Greece, c) the revised Group Antitrust Compliance Policy, d) the revised Compliance Policy, e) the revised Conflict of Interest Group Policy, f) the revised Anti-bribery and Corruption Policy and g) the revised Insider Dealing Guideline.
- 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.
- Carried out the assessment of the performance of the Head of Compliance for 2022.

**Financial reporting**

23. 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.

24. During the AC meetings in 2023:

- 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**

25. 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.

26. During the AC meetings in 2023:

- KPMG presented its 2023 Audit Plan to the AC. The AC has also, in line with its ToR, reviewed the Engagement letter for the 2023 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.

27. The AC has received the 2022 KPMG Management Letter (ML) and has discussed the issues raised with KPMG and Management.

28. The annual assessment of the External Auditors for the 2022 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 separate and consolidated Financial Statements of Eurobank Holdings for the financial year of 2023.

29. The AC has discussed and approved the Global Group Audit and assurance Fees of 2023.

30. The AC has received the External Auditors' Independence written confirmation, 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 that was also updated during 2023. In line with the Group External Auditor's Independence Policy, the AC in 2023 reviewed and approved all non-audit services including 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 31.12.2022, ensuring that the independence limits are complied with.
31. The AC met with the External Auditors (with and without Management present) to discuss issues related to the audit, in addition to any significant issues related to the External Auditors' audit plan.
32. The AC reviewed the External Auditor's Report and the Report on Key Audit Issues.
33. The AC approved the updated External Auditors Tendering Policy and Procedure, as well as the Key Audit Partner (KAP) selection/rotation policy as an addendum to it, based on market practices.
34. The AC discussed a 5-yr (2024-28) plan on the eligibility of audit firms for the statutory audit of the Group, including potential conflict of interest situations with eligible audit firms, based on Greek Law 4449/17 and EU Reg 537/14, and requirements of the International Code of Ethics for Professional Accountants of the International Ethics Standards Board for Accountants (IESBA)

### **AC's Evaluation**

35. 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 2023 self-evaluation, the AC members expressed satisfaction with the committee's effectiveness and leadership. They commented the AC's efficient use of time, well-planned meetings, and timely scheduling. The Chairperson of the AC was noted for being well-prepared and skilled in guiding discussions through the agenda, fostering critical dialogue, and ensuring all members could express their views freely. Participants were also acknowledged for their preparedness and active engagement in vital discussions, demonstrating a commendable level of challenge.
36. However, the evaluation identified areas for improvement, notably the need for enhanced oversight on critical audit and compliance issues within major subsidiaries. There was also a call for strengthening cybersecurity mechanisms and Anti-Money Laundering (AML) controls and measures. Additionally, the evaluation emphasized the importance of providing training in new areas to enhance the skills of the Internal Audit Team. These areas of improvement were highlighted to further enhance the effectiveness and capabilities of the AC in fulfilling its responsibilities.

### **Other AC Matters**

37. The AC has approved and notified the Board for further submission to the Annual General Meeting, the annual Activity Report for 2022.

38. The AC has discussed its annual Plan for 2024.

### **Sustainability Overview**

39. The Group supports the sustainable transition of the economy and considers sustainability and climate change as an opportunity. A key strategic objective is to adapt its business and operation in a way that addresses climate change challenges, accommodate social needs within its banking business model, and safeguard prudent governance for itself and its counterparties, in accordance with supervisory initiatives and following international standards/ best practices.
40. 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. In September 2019 Eurobank signed the UNEP FI Principles for Responsible Banking (PRB), affirming its commitment to play an active role in implementing the SDGs and the Paris Agreement on Climate Change. In full compliance with its obligations relating to implementing the Principles, Eurobank has issued its 3<sup>rd</sup> PRB Progress Report as part of the Annual Report 2022 – Business & Sustainability.
41. Eurobank has expressed the Environmental, Social, Governance (ESG) aspect of its business through the lens of Impact generation. The Sustainability Strategy has been defined across two pillars of impact: the operational impact arising from its own activities and the financed impact resulting from the Bank's lending and investing activities.
42. Eurobank has designed, approved and currently implements the Sustainability Strategy including targets and commitments along the two key pillars.
43. The Operational Impact Strategy comprises of 3 strategic pillars, namely:
- i. Environmental impact with the objective to minimize negative impact across the Bank's value chain to promote environmental stewardship. The aim is to minimize Scope 1 and 2 emissions, become a paperless banking network and extend circular economy practices.
  - ii. Employer's impact with the objective to empower people to perform at their best through an inclusive environment, promoting ethics and integrity. The aim is to embed a diverse and inclusive environment, encompass a wellbeing culture, along with stimulating an innovative environment.
  - iii. Social and business impact with the objective to drive positive change for entrepreneurs and wider communities to foster sustainable development and ensure social prosperity. The aim is to intensify sustainability in procurement practices, rationalize Socio-Economic Impact as well as boost transparency and ESG capacity.
44. The Financed Impact Strategy, applicable to lending and investment 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.
45. 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 the assessment and management of climate-related material exposures.

46. 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. In this context, a dedicated Climate-Related & Environmental Risks Materiality Assessment document was created, outlining the Climate-Related and Environmental (CR&E) Risks’ Materiality Assessment of Eurobank Group.
47. 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 2023 one consulting report in the area ( Pillar III disclosures on ESG risk).
48. The Group has updated its governance structure by introducing and defining the roles and responsibilities in relation to ESG and climate related and environmental risks, embedding regulatory guidelines and market practices (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 at least on a semi-annually basis.
49. Committed to being transparent and further enhancing its ESG approach as well as to ensure that the decision-making is in line with environmental protection and sustainability, Eurobank has established a monitoring dashboard with appropriate CR&E risks KPIs/ KRIs that are reported to the Senior Management, Management Body, as well as at Board level on a periodic basis, in order to safeguard efficient oversight of CR&E risks. The Group also developed and approved its CR&E Risks Management Policy which aims at fostering a holistic understanding of the effects of CR&E risks on its business model, as well as support decision-making regarding these matters and provide a robust governance under its Risk Management Framework. Moreover, the ESG Risk Assessment supports Eurobank’s business strategy and ESG risk awareness and ensures adherence to the Group’s risk appetite and credit policies.

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Jawaid Mirza  
AC Chairman  
March 20, 2024