EUROBANK S.A.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD 20 MARCH - 30 JUNE 2020

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Selected Explanatory Notes to the Interim Consolidated Financial Statements

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Independent Auditor's Report on Review of Condensed Interim Financial Information

To the Shareholders of
Eurobank S.A.

Report on the Review of Condensed Interim Financial Information

Introduction

We have reviewed the accompanying interim consolidated balance sheet of Eurobank S.A. (the "Bank") as at 30 June 2020 and the related interim consolidated statements of income and comprehensive income, changes in equity and cash flows for the six-month period then ended and the selected explanatory notes, which comprise the interim condensed financial information. Management is responsible for the preparation and presentation of this interim condensed financial information in accordance with the International Financial Reporting Standards adopted by the European Union and specifically with International Accounting Standard (IAS) 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial information as at 30 June 2020 is not prepared, in all material respects, in accordance with IAS 34 "Interim Financial Reporting".

Athens, 15 September 2020

KPMG Certified Auditors S.A.
A.M. SOEL 114

Harry Sirounis, Certified Auditor Accountant
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Interim Consolidated Balance Sheet

	Note	30 June 2020 € million
ASSETS		
Cash and balances with central banks		**3,943**
Due from credit institutions		**3,962**
Securities held for trading		**130**
Derivative financial instruments	15	**2,545**
Loans and advances to customers	16	**36,886**
Investment securities	17	**9,803**
Investments in associates and joint ventures	19	**301**
Property and equipment	20	**740**
Investment property	20	**1,370**
Goodwill and other intangible assets		**387**
Deferred tax assets	13	**4,719**
Other assets	21	**2,041**
Assets of disposal groups classified as held for sale	14	**55**
Total assets		**66,882**
LIABILITIES		
Due to central banks	22	**8,019**
Due to credit institutions	23	**1,914**
Derivative financial instruments	15	**3,211**
Due to customers	24	**45,180**
Debt securities in issue	25	**2,045**
Other liabilities	26	**1,151**
Total liabilities		**61,520**
EQUITY		
Share capital	27	**4,052**
Reserves and retained earnings		**1,310**
Total equity		**5,362**
Total equity and liabilities		**66,882**

Notes on pages 6 to 41 form an integral part of these interim consolidated financial statements

Interim Consolidated Income Statement

	Note	Period 20 March - 30 June 2020 [1] € million
Net interest income	8	**347**
Net banking fee and commission income	9	**82**
Income from non banking services	20	**22**
Net trading income/(loss)		**13**
Gains less losses from investment securities	17	**47**
Other income/(expenses)	13,14,20	**227**
Operating income		**738**
Operating expenses	10	**(222)**
Profit from operations before impairments, provisions and restructuring costs		**516**
Impairment losses relating to loans and advances to customers	11	**(147)**
Other impairment losses and provisions	12	**(7)**
Restructuring costs	12	**(7)**
Share of results of associates and joint ventures		**9**
Profit before tax		**364**
Income tax	13	**(74)**
Net profit attributable to shareholders		**290**
		€
Earnings per share		
-Basic earnings per share	7	**0.08**

[1] The results of Eurobank S.A. subsidiaries and the share of results of its associates/joint ventures are included from 1 April 2020 onwards.

Notes on pages 6 to 41 form an integral part of these interim consolidated financial statements

Interim Consolidated Statement of Comprehensive Income

		Period 20 March - 30 June 2020 [1]
		€ million
Net profit		**290**
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	(15)	
- transfer to net profit, net of tax	(1)	(16)
Debt securities at FVOCI		
- changes in fair value, net of tax	285	
- transfer to net profit, net of tax	(121)	164
Foreign currency translation		
- foreign operations' translation differences	(0)	(0)
Associates and joint ventures		
- changes in the share of other comprehensive income, net of tax	1	1
		149
Items that will not be reclassified to profit or loss:		
- Actuarial gains/(losses) on post employment benefit obligations, net of tax (note 26)	4	4
Other comprehensive income		**153**
Total comprehensive income attributable to shareholders		**443**

[1] The total comprehensive income of Eurobank S.A. subsidiaries and the share of the total comprehensive income of its associates/joint ventures are included from 1 April 2020 onwards.

Notes on pages 6 to 41 form an integral part of these interim consolidated financial statements

Interim Consolidated Statement of Changes in Equity

	Share capital € million	Reserves and retained earnings € million	Non controlling interests € million	Total € million
Balance at 20 March 2020 (note 4)	**4,052**	**867**	**0**	**4,919**
Net profit	-	290	0	**290**
Other comprehensive income	-	153	(0)	**153**
Total comprehensive income for the period ended 30 June 2020 [1]	**-**	**443**	**0**	**443**
Balance at 30 June 2020	**4,052**	**1,310**	**0**	**5,362**

[1] The total comprehensive income of Eurobank S.A. subsidiaries and the share of the total comprehensive income of its associates/joint ventures are included from 1 April 2020 onwards.

Notes on pages 6 to 41 form an integral part of these interim consolidated financial statements

Interim Consolidated Cash Flow Statement

	Note	Period 20 March - 30 June 2020 [1] € million
Cash flows from operating activities		
Profit before income tax		**364**
Adjustments for :		
Impairment losses relating to loans and advances to customers	11	**147**
Other impairment losses, provisions and restructuring costs	12	**14**
Depreciation and amortisation	10	**28**
Other (income)/losses on investment securities	29	**(89)**
Valuation of investment property	20	**(14)**
Other adjustments	29	**(226)**
		224
Changes in operating assets and liabilities		
Net (increase)/decrease in cash and balances with central banks		**402**
Net (increase)/decrease in securities held for trading		**(77)**
Net (increase)/decrease in due from credit institutions		**(17)**
Net (increase)/decrease in loans and advances to customers		**(662)**
Net (increase)/decrease in derivative financial instruments		**(15)**
Net (increase)/decrease in other assets		**(89)**
Net increase/(decrease) in due to central banks and credit institutions		**2,364**
Net increase/(decrease) in due to customers		**(257)**
Net increase/(decrease) in other liabilities		**23**
		1,672
Income tax paid		**(6)**
Net cash from operating activities		**1,890**
Cash flows from investing activities		
Acquisition of fixed and intangible assets		**(35)**
Proceeds from sale of fixed and intangible assets		**4**
(Purchases)/sales and redemptions of investment securities		**(973)**
Acquisition of holdings in associates and joint ventures and participations in capital increases	19	**(5)**
Disposal of subsidiaries, net of cash disposed	14	**211**
Net cash used in investing activities		**(798)**
Cash flows from financing activities		
(Repayments)/proceeds from debt securities in issue		**(372)**
Repayment of lease liabilities		**(10)**
Net cash used in financing activities		**(382)**
Effect of exchange rate changes on cash and cash equivalents		**(0)**
Net increase in cash and cash equivalents		**710**
Cash and cash equivalents at beginning of period		**3,765**
Cash and cash equivalents at end of period	29	**4,475**

[1] *The cash inflows/outflows of Eurobank S.A. subsidiaries are included from 1 April 2020 onwards.*

Notes on pages 6 to 41 form an integral part of these interim consolidated financial statements

1. General information

On 20 March 2020, the demerger of Eurobank Ergasias (Demerged Entity) through the banking sector's hive down and the establishment of a new company-credit institution ("Demerger") under the corporate name "Eurobank S.A." ("the Beneficiary") was completed. At the aforementioned date: a) the Demerged Entity became the shareholder of the Beneficiary by acquiring all the shares issued by the Beneficiary and b) the Beneficiary substituted the Demerged Entity, by way of universal succession, to all the transferred assets and liabilities.

Following the above, the corporate name of the Demerged Entity has been amended to "Eurobank Ergasias Services and Holdings S.A." (the Company or Eurobank Holdings).

Further information on the capital reorganization of Eurobank Ergasias, including the assets and liabilities contributed to Eurobank S.A. and a reconciliation both on standalone and consolidated basis between the equity of Eurobank Ergasias as of 1 January 2020 and that of Eurobank S.A. on the hive down date i.e. 20 March 2020, is provided in note 4 of these financial statements.

As a result of the hive down, Eurobank S.A. (hereafter the Bank) and the subsidiaries contributed by Eurobank Ergasias, form a new reporting entity Eurobank S.A. Group (hereafter the Group) that is 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 and its ultimate parent is Eurobank Holdings.

These interim consolidated financial statements were approved by the Board of Directors on 15 September 2020. The Independent Auditor's Report on Review of these interim consolidated financial statements is included in the Section I of this document.

2. Basis of preparation and principal accounting policies

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 'Interim Financial Reporting' as endorsed by the European Union (EU). The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the consolidated financial statements of Eurobank Ergasias S.A. for the year ended 31 December 2019. In particular, following the completion of the banking sector's hive down that was accounted for as a capital reorganization of the transferred business, on the basis that no substantive economic change has occurred, Eurobank S.A. incorporated in its consolidated financial statements the assets and liabilities of the pre existing business (including subsidiaries and associates) at their pre combination carrying amounts, i.e. using the carrying amounts in the consolidated financial statements of Eurobank Ergasias S.A. The period from 20 March to 30 June 2020 is the first reporting period of Eurobank S.A.'s group. No comparative information is presented for periods prior to the date of the reorganization (note 4). Accordingly, the accounting policies and methods of computation as well as the significant accounting estimates and judgements in these interim consolidated financial statements for the period 20 March 2020 (i.e. the date of Eurobank's S.A. formation) to 30 June 2020 are consistent with those in the consolidated financial statements of Eurobank Ergasias S.A. for the year ended 31 December 2019, except as described in notes 2.1 and 3, respectively. Unless indicated otherwise, financial information presented in Euro has been rounded to the nearest million.

Going concern considerations

The interim financial statements have been prepared on a going concern basis, as the Board of the Directors considered as appropriate, taking into consideration the following:

2020 had begun with positive medium-term prospects for the economy in Greece and the other countries where the Group has a substantial presence, however the coronavirus (Covid-19) outbreak posed substantial uncertainties and risks for both the macroeconomic environment and the ability of numerous businesses to operate under the restrictive measures, including lockdowns, adopted to contain the virus's expansion. The lockdown in Greece started in mid-March 2020 and was lifted through a gradual relief from 4 May 2020 onwards according to the Greek government's plan. Based on Hellenic Statistical Authority (ELSTAT) provisional data, the real GDP growth rate in the second quarter of 2020 decreased by 15.2% on an annual basis, as a result of a significant drop in total consumption expenditure, investments and exports, while the respective figure for the first quarter of 2020 was at -0.5%. The European Commission (EC), in its 2020 summer economic forecasts (July 2020), estimated a 9% drop of real GDP in Greece in 2020, followed by a 6% recovery in 2021. According to its spring economic forecasts (May 2020) the unemployment rate is projected to increase to 19.9% in 2020 and then to fall to 16.8% in 2021 from 17.3% in 2019, while the primary balance is expected to register a deficit of 3.4% of GDP in 2020 and a surplus of 0.6% of GDP in 2021, taking into account the public support measures as of early May 2020. The deviation from the Enhanced Surveillance (ES) primary surplus target of 3.5% of GDP for both 2020 and 2021 will not be considered a violation of Greece's commitments undertaken in the ES framework, on 4 March 2020 Eurogroup decided that non-permanent deviations from the agreed fiscal paths of the member-states, due to unusual effects outside the control of their governments (i.e. the effects of the pandemic), are acceptable. The primary balance figures might change significantly as a result of the actual size of the public sector's support measures and the reduction in tax revenues due to the Government's relevant moratoria and the decline of economic activity. On 15 April 2020, amid the Covid-19 lockdown, the Greek Public Debt Management Agency (PDMA) issued a seven-year bond of € 2 billion at a yield of 2.013% and on 9 June 2020, a 10-year bond of € 3 billion at a yield of 1.568%. On 2 September 2020, the PDMA raised € 2.5 billion via the re-opening of the aforementioned 10-year bond at a historic low yield of 1.187%.

In response to the Covid-19 outbreak, there has been a monetary, fiscal and regulatory support to the economy and the banking system by both Greek Government and European authorities. In particular, the Greek government as of mid-August 2020 planned measures aiming to address the economic effects of the Covid-19 pandemic which include, among others: (a) income subsidies for employees, the suspension of taxes and social security contributions for firms and free lancers during the lockdown period and the immediate period following it as well as the abolishment of the advance tax payment for 2021, (b) interest rates subsidies for firms that remained closed during the lock down period as well as mortgage loans subsidies to households, and (c) additional measures for the period June-October 2020 including employment subsidies, suspension of tax payments for businesses that remained closed by law during the said period and the reduction of VAT rates for certain goods and services. According to the January – July 2020 Budget execution data the actual cost of the measures implemented thus far was at € 5 billion. In addition, the liquidity support for the Greek economy via the various EC, European Stability Mechanism (ESM) and European Investment Bank (EIB) initiatives amounts to ca € 10.3 billion and includes, among others, loan guarantees (€ 7 billion) and SMEs loans (€ 1.3 billion). On top of the above, the European Council on 21 July 2020 agreed a recovery package amounted to € 750 billion under the EC's Next Generation EU framework in order to support the recovery and resilience of the member states' economies, out of which ca. € 32 billion will be available for Greece, provisionally divided to € 19.4 billion in grants and € 12.7 billion in loans. The respective amount for the Multiannual Financial Framework 2021-2027 (MFF) is at € 1,100 billion, of which ca € 40 billion will be available for Greece. Furthermore the ECB, on 24 March 2020 established a temporary Pandemic Emergency Purchase Programme (PEPP) with an overall financial envelope of € 750 billion which has increased to € 1,350 billion, out of which ca. € 28 billion will be available for the purchase of Greek public and private sector securities. The PEPP came on top of the ECB liquidity measures of 12 March 2020 (additional Long Term Financing operations, more favorable terms for the Targeted Long Term Operations, new Asset Purchase Programme of € 120 billion).

On 12 March 2020, the ECB announced a number of temporary capital and operational relief measures to ensure that its directly supervised banks can continue to fulfil their role in funding the real economy. Banks will be allowed to use capital and liquidity buffers and cover Pillar 2 requirements with other than CET 1 instruments. On the same date the EBA decided to postpone the EU-wide stress test exercise to 2021 to allow banks to focus on and ensure continuity of their core operations, including support for their customers. The ECB stated that it supports the above EBA decision and will extend the postponement to all banks (including Eurobank) subject to the 2020 stress test (note 4 in the interim consolidated financial statements of Eurobank Holdings). In addition, the EBA stated that there is flexibility in the implementation of the EBA Guidelines on management of non-performing and forborne exposures and called for a close dialogue between supervisors and banks, also on their non-performing exposure strategies, on a case by case basis (note 16). Furthermore, on 24 June 2020 the Regulation 2020/873 (CRR quick fix) introduced targeted amendments to the Capital Requirements Regulation (CRR) to encourage banks to continue lending during the Covid-19 pandemic (note 4 in the interim consolidated financial statements of Eurobank Holdings).

Regarding the outlook for the next 12 months, the major macroeconomic risks and uncertainties in Greece relate with the outbreak of Covid-19 pandemic and are as follows: (a) the evolution of the health crisis including the probability of a second, more severe, pandemic wave during 2020 or in early 2021, and its negative effect on the domestic, regional and / or global economy, despite the fact that a further country-wide lockdown is highly unlikely, b) the actual size of the fiscal measures aiming to address the effect of the pandemic on the real economy and their effect on the long-term sustainability of the country's public debt, (c) the pace of the economy's recovery in 2021 (d) the effective utilization of the NGEU and MFF funds and the attraction of new investments in the country, (e) the implementation of the reforms and privatizations' agenda in order to meet the ES targets and milestones, and (f) the geopolitical conditions in the near or in broader region.

Materialization of the above Covid-19 related and other risks would have potentially adverse effects on the fiscal planning of the Greek sovereign and on the liquidity, solvency and profitability of the Greek banking sector, as well as on the realization of their Non Performing Exposures (NPE's) reduction plans. The Group is continuously monitoring the developments on the Covid-19 front 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 for the quarters ahead, focusing primarily on the support of its clients to overcome the challenging juncture, the protection of its asset base and the resilience of its pre-provision profitability. In addition, the Group, under the extraordinary circumstances of the Covid-19 pandemic, has proceeded with the successful implementation of its Business Continuity Plan to ensure that business is continued and critical operations are unimpededly performed. In line with authorities' instructions and recommendations, the Group has taken all the required measures to ensure the health and safety of its employees and customers (e.g. implementation of teleworking, restrictions to business trips, and medical supplies for protective equipment).

Within this challenging external environment, the Group proceeded with the sale of 80% of Eurobank FPS in early June 2020 resulting in € 173 million gain after tax (note 14) (closing of "Europe" transaction) which together with the closing of "Cairo" transaction (sale of 20% of mezzanine/ 50.1% of junior Cairo securitizations' notes) by Eurobank Holdings signals the completion of the latter's accelerated NPE reduction plan announced in the fourth quarter of 2018. As a result, following the classification of the underlying securitised loan portfolio of € 7.3 billion (consisting primarily of NPEs) as held for sale, as at 30 June 2020 Eurobank Holdings Group NPEs were reduced to € 6.2 billion (31 December 2019: € 13 billion) driving the NPE ratio to 15.3% pro-forma with the recognition of Cairo senior notes (31 December 2019: 29%) and the NPE coverage ratio to 60.6% (31 December 2019: 54.5%).

Eurobank S.A. Group, which comprises the major part of Eurobank Holdings Group, is not separately supervised for regulatory purposes. As at 30 June 2020, the Common Equity Tier 1 (CET1) and Total Capital Adequacy (CAD) ratios of Eurobank Holdings Group are 13.3% and 15.8%, respectively (note 5). At the same date, the CET 1 and Total CAD ratios of the Bank amount to 11.9% and 14.6%, respectively. The Eurobank S.A. group's net profit for the period 20 March to 30 June 2020 amounted to € 290 million. As at 30 June 2020, the Group's deposits stood at € 45.2 billion and the funding from the targeted long term refinancing operations of the European Central Bank – TLTRO III programme at € 8 billion. In the context of the internal liquidity stress test framework, which is part of the 2020 ILAAP (Internal Liquidity Adequacy Assessment Process), the results of the short and medium term liquidity stress tests indicate that the Bank has adequate liquidity buffer to withstand to all of the stress test scenario effects.

Going concern assessment

The Board of Directors, acknowledging the risks of the Covid-19 outbreak to the economy and the banking system and taking into account the above factors relating to (a) the measures adopted by the Greek and European authorities to mitigate the negative economic impact, (b) the pre-provision income generating capacity and the adequacy of the capital and liquidity position for both Eurobank S.A. Group and parent company's (Eurobank Holdings) group and (c) the completion of the parent company's group NPE reduction acceleration plan, has been satisfied that the financial statements of the Group can be prepared on a going concern basis.

2.1 New and amended standards and interpretations adopted by the Group

The following amendments to standards and Conceptual Framework as issued by the International Accounting Standards Board (IASB) and endorsed by the European Union (EU), apply in these interim consolidated financial statements:

Amendments to the Conceptual Framework for Financial Reporting, including amendments to references to the Conceptual Framework in IFRS Standards

In March 2018, the IASB issued its revised "Conceptual Framework for Financial Reporting" (Conceptual Framework). The revised Conceptual Framework is not a standard nor overrides any requirements of individual standards. This replaces the previous version of the Conceptual Framework issued in 2010. Revisions performed by IASB introduced guidance on measurement, presentation and disclosure as well as on derecognition concepts. In addition, the revision includes updated definitions of an asset/liability and of recognition criteria, as well as clarifications on important areas.

Alongside the revised Conceptual Framework, the IASB has published an accompanying document "Amendments to References to the Conceptual Framework in IFRS Standards" which contains consequential amendments to affected standards so that they refer to the revised Framework.

The adoption of the amended Framework had no impact on the interim consolidated financial statements.

Interest Rate Benchmark Reform: Amendments to IFRS 9, IAS 39 and IFRS 7

In September 2019, the IASB issued amendments to IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement' and IFRS 7 'Financial Instruments: Disclosures' to address the implications for certain hedge accounting requirements related to the uncertainties arising from the market-wide reform of several interest rate benchmarks (referred to as 'IBOR reform'). As a result of the IBOR reform, there may be uncertainties about: a) the interest rate benchmark designated as a hedged risk and/or

b) the timing or amount of the benchmark-based cash flows of the hedged item or the hedging instrument, during the period before the replacement of an existing interest rate benchmark with an alternative nearly risk-free interest rate (an 'RFR'). The amendments modify certain hedge accounting requirements under IAS 39 or IFRS 9 in order to provide temporary reliefs from the potential effect of the uncertainty, during the transition period. These reliefs are related mainly to the highly probable requirement for the cash flow hedges, the compliance with the identifiable nature of the hedged risk component and the application of prospective and retrospective effectiveness tests.

The IASB addresses the IBOR reform and its potential effects on financial reporting in two phases. The first phase focuses on hedge accounting issues affecting financial reporting in the period before the interest rate benchmark reform, while the second phase focuses on potential issues that might affect financial reporting once the existing rates are replaced with alternative rates.

The Group has adopted Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7) in these financial statements, while amendments have been applied retrospectively to hedging relationships that existed upon adoption or were designated thereafter and that are directly affected by the IBOR reform.

As described in note 2.2.3 of the consolidated financial statements of Eurobank Ergasias S.A. for the year ended 31 December 2019, Eurobank Ergasias S.A. Group elected, as a policy choice permitted under IFRS 9, to continue to apply hedge accounting in accordance with IAS 39. Therefore, the amendments to IAS 39 and IFRS 7 are applicable to the Group.

Due to the adoption of the reliefs, the Group's hedging relationships affected by the IBOR reform continue to be accounted for as continuing hedges.

The Group will cease to apply the amendments regarding the reliefs in hedge accounting when the uncertainties arising from the IBOR reform are no longer present with respect to the timing and the amount of the interest rate benchmark rate-based cash flows of the hedged items or hedging instruments, or when the hedging relationships to which the reliefs apply are discontinued. The Group has assumed that this uncertainty will not end until the Group's contracts that reference IBORs are amended in order to specify the replacement of the interest rate benchmark as well as the date of such replacement and the cash flows of the RFR including the relevant spread adjustment.

As of 30 June 2020, the Group is exposed to a number of interest rate benchmarks within its hedge accounting relationships such as the Euribor, the USD Libor, the CHF Libor and the Euro Overnight Index Average (EONIA) with maturity beyond 2021, when the transition to the new RFRs is expected to be completed. The nominal amount of the hedging instruments designated in these hedge relationships approximates the extent of the risk exposure that the Group manages through hedging relationships.

Regarding Euribor rate, from July 2019, the index is EU Benchmarks Regulation (BMR) compliant as a critical benchmark. As of 30 June 2020, Euribor is not scheduled to be discontinued. However, contracts and financial instruments referencing Euribor need to incorporate new or improved fallback provisions in the context of the BMR, in order to reduce uncertainties in the event of a potential, temporary or permanent, index cessation. The Group monitors closely the market developments regarding the choice of Euribor fallbacks.

With respect to the EONIA transition to Euro short-term rate (€STR), the Group has assessed the required changes and has prepared detailed implementation plans for the necessary changes to its risk systems and valuation methodologies, in order to accommodate the transition to €STR and the related switch from EONIA to €STR of the discounting curves by central counterparties by end of July 2020, according to the ECB Working Group's on Euro Risk Free Rates recommendations.

The Group has set up an IBOR transition program to implement the transition to alternative interest rates that focuses on key areas of impact on customers' contracts, systems and processes, financial reporting, valuation, capital and liquidity planning and communication. In this context, an IBOR Working Group has been established (the "BR Working Group"), led by senior representatives from Units across the Bank including Economic Analysis and Research, Global Markets and Group Market and Counterparty Risk, and the participation of other Business Units and the support of Legal, Group Organization & Business Analysis (Regulatory Unit) and Group Finance Units, in order to manage the transition to the new RFRs, to mitigate any related risks and to comply with the regulatory requirements of the BMR regulation. The objectives of the BR Working Group relate mainly to the monitoring of the latest developments on the IBOR reform, assessment and evaluation of the related implications to the Group's activities, development of detailed business-level remediation plans for affected contracts, processes and systems including proper integration of the new calculation methodologies for the RFRs, transition of legacy contracts to the new IBORs and incorporation of fallback provisions in floating rate financial instruments.

In addition, the BR Working Group oversees the development of a communication strategy to all stakeholders regarding changes deriving from the IBOR Reform. The BR Working Group provides regular updates to the Group Assets Liabilities Committee and to the Board Risk Committee if required and collaborates with other business functions as needed.

The Group will continue to monitor the market developments and regulatory guidance relating to the IBOR Reform and adjust its implementation plans accordingly in order to achieve mitigation of the risks resulting from the transition.

Amendments to IFRS 3 Business Combinations

The IASB issued amendments to the definition of a business in IFRS 3 "Business Combinations" to help entities determine whether an acquired set of activities and assets is a business or not. They clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing inputs or processes and add guidance to help entities assess whether an acquired process is substantive. In addition, with the introduction of the amendments the definitions of a business and of outputs are narrowed, while an optional fair value concentration test is introduced.

The adoption of the amendment had no impact on the interim consolidated financial statements.

Amendments to IAS 1 and IAS 8: Definition of Material

The amendments to IAS 1 "Presentation of Financial Statements" and IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" aim to align the definition of 'material' across the standards and to clarify certain aspects of the definition. According to the new definition, information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments clarify that materiality depends on the nature or magnitude of information, or both, while an entity should assess whether information is material on its own or when combined with other information.

The definition of material in the Conceptual Framework was also amended in order to align with the revised definition in IAS 1 and IAS 8.

The adoption of the amendment had no impact on the interim consolidated financial statements.

3. Significant accounting estimates and judgments in applying accounting policies

In preparing these interim consolidated financial statements, the significant estimates, judgments and assumptions made by Management in applying the Group's accounting policies and the key sources of estimation uncertainty are the same as those applied in the consolidated financial statements of Eurobank Ergasias S.A. for the year ended 31 December 2019, except for those that relate to the impact of the Covid-19 pandemic to the estimation of the expected credit losses (ECL) on loans and advances to customers as analyzed below, as well as the deferred tax's recoverability assessment (note 13).

Further information about the key assumptions and sources of estimation uncertainty are set out in notes 11, 13, 14, 20, 26, 28 and 30.

Impairment losses on loans and advances to customers

The ECL measurement requires Management to apply significant judgment, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining the impairment losses and the assessment of a significant increase in credit risk. The Group's ECL calculations are outputs of various synthetic 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 risks models.

Although, the ECL calculation methodology as described in the consolidated financial statements of Eurobank Ergasias S.A. for the year ended 31 December 2019 regarding the application of three macroeconomic scenarios and their weights remained unchanged, the Group applied the updated forward-looking information incorporated in the above scenarios, in order to capture the negative impact of the Covid-19 pandemic, based on its best estimate regarding such economic forecasts as at 30 June 2020. In addition, Management applied the appropriate level of judgement regarding its expectations for the severity and the duration of the economy's negative outlook, in line with the IASB, the European Central Bank (ECB) and other banking regulators' statements, which emphasize the need for overlays where the risk models do not capture the specific circumstances.

The elements of the ECL models that represent significant accounting judgments and estimates and which were re-visited, in order to reflect the Covid-19 impact, include:

Determination of significant increase in credit risk - (SICR)

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.

As at 30 June 2020, the Group used the same ranges of lifetime PD thresholds with those applied at 31 December 2019, for the purposes of identification of SICR in its Retail lending portfolios. In the Wholesale lending portfolios, the Group, because of the expected lag in the issuance of 2020 financial statements, that will reflect the effect of the pandemic, supplemented its existing methodology for the identification of SICR (based on credit ratings' change) by performing an additional assessment on a borrower level. In particular, high and medium risk borrowers in stage 1 that are operating in highly affected by the Covid-19 pandemic industries of the economy, were assessed by the Group in order to identify those that should be moved to stage 2.

In addition, in order to address the model's limitations in assessing whether a SICR has occurred in the Retail lending portfolio, the Group applied overlays, where appropriate, in order to distinguish between borrowers that face or will face temporary liquidity needs or may be more permanently impacted. As such, certain performing, non-forborne Retail lending exposures that would have been transferred to stage 2 due to the impact of the post Covid-19 macroeconomic forward-looking information on the respective lifetime PDs but the borrowers have been assessed not to have experienced significant difficulties remained in stage 1 on the basis that they were neither Covid-19 affected nor high risk. Such overlays are in line with the regulators' and accounting bodies' guidance in relation to the estimation of the Covid-19 impact on ECL.

Moreover, Management continuously monitors the pandemic consequences to all sectors of the economy, in contemplation with the expected remedy effect of the government actions, in order to assess whether there is a significant increase in credit risk.

ECL measurement

Macroeconomic scenarios

The Group, in order to respond to the unprecedented circumstances of the Covid-19 crisis revised the forward-looking information used in all three macroeconomic scenarios, i.e. base, optimistic and adverse, regarding the key macroeconomic variables namely the real GDP growth rate, the unemployment rate and the property indices. The relevant weights of the above-mentioned three scenarios are 50% for base, 25% for optimistic and 25% for adverse.

Base scenario

The base scenario assumes for a gradual normalization of the economy as of the third quarter of 2020 A significant rebound of the economy has been assumed in 2021, also boosted by the use of the domestic but also EU funds, whereas on the longer term, the economy accelerates and gradually converges with the long-term potential GDP growth rates pre Covid-19. The unemployment rate remains at high level for 2020 and then starts to decrease smoothly.

Optimistic scenario

Under this scenario, the lockdown due to Covid-19 crisis is expected to be less pronounced compared to the base scenario. In particular, no second round of lockdowns are assumed both in Greece and abroad whereas a quick rebound of the economy in 2021 and a faster improvement of the unemployment ratio compared to the base scenario are considered, combined with a more efficient use of the domestic and EU funds for the economy's recovery.

Adverse scenario

The lockdown under this scenario is more pronounced than the base scenario, and either continues or is sporadically enacted throughout the following months. Consequently, the contraction of the economy in 2020 is deeper and the rebound is postponed to 2022.

Forward-looking information

For 2020, the IFRS 9 probability-weighted scenario provides for the updated macroeconomic variables for Greece and incorporates a sharp contraction in the real GDP growth rate, a significant increase in the unemployment rate and a decrease in the residential and commercial property indices. Conditional on no major negative effects in the productive capacity of the economy, and no further negative impact from the Covid-19 developments, a partial rebound in economic performance is expected in 2021. More specifically, for the period 2020-2021, the net decline in the real GDP growth rate stands at 2.5% and the net decrease in residential and commercial property indices at 3.0% and 4.0%, respectively, while the unemployment rate is expected at 18.7% at the end of 2021. For comparison purposes, the 2020-2021 forecasts in the pre-Covid-19 environment were for a net increase in real GDP growth rate, residential and commercial property indices of 4.7%, 7.9% and 8.3%, respectively, while the unemployment rate was expected at 15.1% at the end of 2021. Further information regarding the real GDP growth and unemployment rates based on the European Commission's 2020 Summer forecasts (7 July 2020) is provided in note 2.

Covid-19 relief measures ('moratoria')

Covid-19 relief measures provided by the Group to the eligible borrowers are mainly in the form of:

- arrears capitalization, payment holidays (installment for Mortgage/Consumer lending portfolios and capital re-payment for the SB/Wholesale portfolios) deferred from three to nine months and subject to renewal based on the outcome of the crisis, along with the extension of the respective loans' maturity and
- supporting measures specifically addressed to one of the most affected Greek industries - hoteling, the main features being the principal payments' deferral up to 31 December 2021, the disbursement of new working capital facilities and the continuation of the financing of the already approved capital investments.

As at 30 June 2020, the Group's approved moratoria on the performing (including performing forborne) Greek lending portfolio, amounted to € 5 billion, of which 47% relate to the Mortgage/Consumer lending portfolios, 23% to the Small Business and 30% to the Wholesale lending portfolio. In addition, as at 30 June 2020, for the Group's foreign subsidiaries (Cyprus, Bulgaria and Serbia), the public moratoria measures, as those were enacted by the local regulations, amounted to € 2.3 billion.

Based on recent banking regulators' and accounting guidance (European Banking Authority (EBA), ECB, IASB) Covid-19 relief measures should neither be treated as forbearance nor automatically trigger a significant increase in credit risk. Such measures are accounted for as modifications, granted for other than forbearance reasons.

Government support measures

In addition to the relief measures provided by the Bank (as described above), the government in the countries where the Group operates has initiated various programs, in order to stimulate liquidity and economic activity and to alleviate the consequences of the Covid-19 outbreak. Such measures involve the suspension of tax payments and social security contributions, financial compensations for employees from directly affected by the lockdown companies, as well as, government guarantees, co-financing and subsidized interest payments for new disbursements and subsidized installment payments on existing loans, secured with borrowers' primary residence collaterals.

The main programs to be extended to eligible borrowers in Greece include:

(i) State participation (40%) zero-interest bearing for newly disbursed loans, accompanied with a government-subsidy for the interest owed on the rest (60%) of the principal for the first 2 years, (ii) State aid in the form of a guarantee for the 80% of the principal and the accrued interest during a period of 90 consecutive days. The Bank participates into the newly established Guarantee Fund Covid-19, which is co-financed by the European Regional Development Fund (ERDF) and the Greek State, (iii) disbursement of new loans financed by the European Investment Bank (EIB) which has not been enacted yet, (iv) three-month government interest subsidy program to eligible corporate borrowers on existing lending facilities, which could be opted in combination with the other Covid-19 relief measures and (v) ''Bridge'' subsidy program, applicable to the Retail lending portfolio secured with prime residence collateral, involving 9-months installments' subsidy.

As of 30 June 2020, for the main government support measures mentioned above, the Bank has been allotted € 0.4 billion for new lending agreements where the government co-finance (40%) the loans' disbursement and subsidy interest (i. and iv. above) and € 0.8 billion for the new government guaranteed loans (ii. above).

Management takes into consideration the above measures when estimating the Covid-19 impact on the calculation of ECL, specifically for borrowers from the most vulnerable industries in the countries where the Group operates, which are mainly hoteling, airlines, transportation, construction companies and retail commerce.

4. Capital reorganization of Eurobank

In November 2018, Eurobank Ergasias announced its transformation plan aiming to enable the former to deal with the challenging non-performing loans (NPEs) reduction targets, achieve a significant balance sheet de-risking and focus on the core banking business. The aforementioned transformation plan included the merger with Grivalia, which was completed in April 2019, and the NPEs reduction Acceleration Plan including, among others:

a) the securitizations of ca. € 2 billion NPEs (project Pillar) and € 7.5 billion primarily NPEs (project Cairo), through the issue of senior, mezzanine and junior notes, the disposal of a portion of the mezzanine and junior notes to third party investors (completed in September 2019 and in June 2020 respectively) and the contribution of a portion of the mezzanine and junior notes of the Cairo securitization to its subsidiary Mairanus Ltd in exchange for shares to be distributed to Eurobank Holding's shareholders. Both securitizations will result in the derecognition of the underlying loan portfolios and

b) the legal separation of the core and non-core operations of Eurobank Ergasias through the hive-down of the core operations to a new company-credit institution (under the corporate name Eurobank S.A. as detailed in the hive down section below). Eurobank S.A. has recognized on its balance sheet the retained notes of the aforementioned securitisations, i.e. 100% of the senior and 5% of the mezzanine and junior notes.

Further information on the steps comprising Eurobank Ergasias NPEs acceleration plan, as well as the ownership distribution of Cairo notes after the completion of all steps involved, is provided in the note 31 of the consolidated financial statements of Eurobank Ergasias Services and Holdings S.A. for the six months ended 30 June 2020.

Hive down

On 28 June 2019, the BoD of Eurobank Ergasias ("Demerged entity) decided the initiation of the hive down process of the banking sector of the Demerged Entity and its transfer to a new company-credit institution that would be established ("the Beneficiary").

On 31 July 2019, the BoD of Eurobank Ergasias approved the Draft Demerger Deed through the aforementioned hive down and establishment of a new company-credit institution, pursuant to Article 16 of Law 2515/1997 and Articles 57 (3) and 59-74 of Law 4601/2019, as currently in force. In particular, the demerger would involve the hive-down of the banking sector of Eurobank Ergasias, to which the assets and the liabilities are included, as described on the transformation balance sheet of the hived-down sector as at 30 June 2019 ("Transformation Date"). In accordance with the Draft Demerger Deed, Eurobank Ergasias retained the 95% of the Pillar mezzanine and junior notes, which in September 2019 were sold to a third party investor, as well as the participation in the Pillar DAC and the related Pillar real estate entity.

On 31 January 2020, the Demerged Entity's Extraordinary General Shareholders' Meeting (EGM) resolved, among others: a) the approval of the aforementioned demerger of Eurobank Ergasias through the banking sector's hive down and the establishment of a new company-credit institution under the corporate name "Eurobank S.A.", b) the approval of the Draft Demerger Deed as well as the Articles of Association of the Beneficiary, as they were approved by the Demerged Entity's BoD and c) the adjustment of the Articles of Association of the Demerged Entity which would cease to be a credit institution by amending its object and corporate name, as was also approved by its BoD.

On 20 March 2020, the demerger of Eurobank Ergasias through the banking sector's hive down and the establishment of a new company-credit institution ("Demerger") under the corporate name "Eurobank S.A." as well as the Articles of Association of the Beneficiary were approved by virtue of the decision of the Ministry of Development and Investments No 31847/20.03.2020, which was registered on the same day in the General Commercial Registry. At the aforementioned date: a) the Demerged Entity became the shareholder of the Beneficiary by acquiring all the shares issued by the Beneficiary and more specifically 3,683,244,830 common registered shares, of a nominal value of € 1.10 each and b) the Beneficiary substituted the Demerged Entity, by way of universal succession, to all the transferred assets and liabilities, as set out in the transformation balance sheet of the hived down sector as at 30 June 2019 and formed up to 20 March 2020, day of the Demerger's completion.

On 23 March 2020, the Articles of Association of the Demerged Entity were amended with the decision of the Ministry of Development and Investments Number 32403/23.03.2020, which was registered on the same day in the General Commercial Registry. According to article 1 of the Articles of Association, the corporate name and the distinctive title of the Demerged Entity is amended to "Eurobank Ergasias Services and Holdings S.A." and "Eurobank Holdings" respectively. The date of change of the Company's corporate name and distinctive title in the Athens Exchange was set for 24 March 2020.

The hive down of the banking sector (including subsidiaries/associates) constitutes a common control transaction, which involves a new entity to effect the combination of entities under common control. As a common control transaction, the hive down does not fall within the scope of the IFRS 3 'Business Combinations'; furthermore it is a common control transaction that involves the set-up of a new company which is neither the acquirer, nor a business and therefore it is not a business combination as defined by IFRS 3. Since IFRS 3 guidance does not apply and the hive down does not meet the definition of a business combination under common control, it is accounted for as a capital re-organisation of the transferred business on the basis that no substantive economic change has occurred. In line with the Group's accounting policy for business combinations that involve the formation of a new entity, in case of 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. In addition, the capital reorganization transactions do not have any impact on the Group's consolidated financial statements.

Accordingly, in the separate financial statements of Eurobank Holdings, the assets and liabilities of the business transferred (including investments in subsidiaries and associates) to Eurobank (Beneficiary) were derecognized and the investment in the Beneficiary was recognized at cost, which is the carrying value of the net assets given up. The Beneficiary respectively incorporated the assets and liabilities of the existing business at their pre-combination carrying amounts with a corresponding increase in share capital. Pre-existing valuation reserves under IFRS that were transferred to the Beneficiary were separately recognized in the Beneficiary's total equity.

In accordance with the Demerger Deed, Eurobank Holdings maintained activities and assets that are not related to the main banking activities but are mainly related to the strategic planning of the administration of non-performing loans and the provision of services to the Group companies and third parties. Furthermore, Eurobank Holdings retained the 95% of Cairo mezzanine and junior notes, the preferred securities and the participations in certain subsidiaries including Be Business Exchanges S.A., Cairo DACs and Cairo real estate entities. In case of any assets or liabilities that would not be possible to be transferred, in the context of the above mentioned Draft Demerger Deed, the Demerged Entity undertook the obligation to collect or liquidate the assets in accordance with the Beneficiary's instructions whereas the Beneficiary undertook the obligation to indemnify the Demerged Entity for the settlement of the liabilities including any arising costs or losses. Accordingly, the Beneficiary, received the remaining assets (including 100% of Cairo senior and 5% of mezzanine and junior notes that were recognized at fair value) and liabilities that constituted the banking sector, by issuing shares to the Demerged entity.

In addition, considering that the obligations of the Demerged Entity arising from the Tier 2 Subordinated Capital Instruments were not transferred to the Beneficiary, the latter pursuant to the terms of the Draft Demerger Deed has explicitly and irrevocably undertaken to fulfil the relevant obligations. In that context, on 20 March 2020, the Beneficiary issued a subordinated instrument of equivalent terms with those of TIER 2 mentioned above which was fully subscribed by the Demerged Entity.

The table below presents, both on standalone and consolidated basis, a reconciliation between the equity of Eurobank Ergasias S.A. as of 1 January 2020 and that of Eurobank S.A. on the hive down date of 20 March 2020:

	Standalone Equity € million	Consolidated Equity € million
Balance at 1 January 2020 Eurobank Ergasias S.A	5,857	6,667
P&L for the period from 1/1/20-20/3/20 [(1)]	(6)	40
OCI for the period from 1/1/20-20/3/20 [(1)]	(182)	(209)
Preferred securities' redemption and dividend paid, net of tax	(2)	(2)
Net Assets not included in the hived down sector (retained by Eurobank Holdings)	(1,577)	(1,577)
Balance at 20 March 2020 Eurobank S.A	**4,090**	**4,919**

[(1)] The *P&L and OCI of Eurobank S.A. subsidiaries and the share of P&L and OCI of its associates/joint ventures are included until 31 March 2020.*

The table below presents Eurobank Ergasias balance sheet at the hive down date, i.e. 20 March 2020 (before the hive down), and the adjustments made to derive both balance sheets of Eurobank and Eurobank Holdings on the same date.

	20 March 2020				
	(A) - Eurobank Ergasias S.A. € million	(B) - Intercompany (IC) net assets contributed to Eurobank S.A € million	(C) - Total net assets contributed to Eurobank S.A. € million	(D) - IC net assets of Eurobank Holdings & investment in Eurobank S.A. € million	(E) = (A) + (B) - (C) + (D) Eurobank Holdings S.A. € million
ASSETS					
Cash and balances with central banks	1,916		1,916		-
Due from credit institutions	3,887		3,817	103 [1]	173
Securities held for trading	28		28		-
Derivative financial instruments	2,381		2,381		-
Loans and advances to customers	30,023	2,425 [2]	28,592		3,856
Investment securities	6,995		6,995	950 [3]	950
Shares in subsidiaries	1,855		1,854	4,090 [4]	4,091
Investments in associates and joint ventures	101		101		-
Property and equipment	567		567		0
Investment property	873		873		-
Goodwill and other intangible assets	316		316		0
Deferred tax assets	4,832		4,832		-
Other assets	1,778	4	1,779		3
Assets of disposal groups classified as held for sale	41		41		-
Total assets	55,593	2,429	54,092	5,143	9,073
LIABILITIES					
Due to central banks	2,700		2,700		-
Due to credit institutions	7,677		7,677		-
Derivative financial instruments	2,904		2,904		-
Due to customers	33,169	103 [1]	33,272		-
Debt securities in issue	2,412	950 [3]	2,402	2,425 [2]	3,385
Other liabilities	1,064		1,047	4	21
Total liabilities	49,926	1,053	50,002	2,429	3,406
Total equity	5,667	1,376	4,090 [4]	2,714	5,667

Notes

1. € 103 million refer to deposits of Eurobank Holdings with Eurobank S.A.
2. € 2,425 million refer to the notes of Cairo securitizations retained by Eurobank S.A. (i.e. 100% senior notes, 5% of mezzanine and junior notes).
3. € 950 million refer to Tier 2 notes issued by Eurobank S.A. and retained by Eurobank Holdings.
4. € 4,090 million refer to the investment in Eurobank S.A. held by Eurobank Holdings corresponding to the net assets contributed to the former by Eurobank Ergasias S.A.; Eurobank S.A. total equity of € 4,090 million as at 20 March 2020 comprises (a) share capital of € 4,051.6 million as it has been determined based on the assets and liabilities included in the transformation balance sheet of the hived-down banking sector of Eurobank Ergasias S.A. as at 30 June 2019, (b) pre-existing valuation reserves of € 238.7 million and (c) retained losses of € 200.4 million.

5. Capital Management

The Bank has sought to maintain an actively managed capital base to cover risks inherent in the business. Following the demerger of Eurobank Ergasias S.A. on 20 March 2020, the capital adequacy of the Bank at standalone level and that of its parent company Eurobank Holdings at consolidated level are monitored for regulatory purposes 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);

Eurobank S.A. Group, which comprises the major part of Eurobank Holdings Group, is not separately supervised for regulatory purposes.

As at 30 June 2020, the Common Equity Tier 1 (CET1) and Total Capital Adequacy (CAD) ratios of Eurobank Holdings Group after taking into account the effect of the loss of € 1,509 million on "Cairo" transaction and the gain (after tax) of € 173 million on FPS disposal, are 13.3% (31 December 2019: 16.7%) and 15.8% (31 December 2019: 19.2%), respectively (pro-forma with the derecognition of the Cairo loans would be 13.0% and 15.5%, respectively). At the same date, the CET 1 and Total CAD ratios of the Bank amount to 11.9% and 14.6% respectively. Further information is presented in the note "Capital management" of the consolidated financial statements of Eurobank Holdings for the six months ended 30 June 2020.

6. 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, capital 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, cash management and trade services.
- Global, Capital Markets & Asset Management: incorporating investment banking services including corporate finance, merger and acquisitions advice, financial instruments trading and institutional finance to corporate and institutional entities, as well as, specialized financial advice and intermediation to private and large retail individuals and to small and large corporate entities. In addition, this segment incorporates mutual fund and investment savings products and institutional asset management and equity brokerage.
- International: incorporating operations in Bulgaria, Serbia, Cyprus, Luxembourg and Romania.
- Investment Property: the investment property activities (Bank, Eurobank Ergasias Leasing S.A. and former Grivalia group) relating to a diversified portfolio of commercial assets, with high yield on prime real estate assets, in the office, retail, logistics, infrastructure and hospitality sectors, are monitored as a separate Group segment.

Other operations of the Group refer mainly to property management (including repossessed assets), other investing activities and private banking services to medium and high net worth individuals and the Group's share of results of Eurolife Insurance group.

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.

Operating segments

	Period 20 March - 30 June 2020 [3]						
	Retail € million	Corporate € million	Global, Capital Markets & Asset Mngt € million	Investment Property € million	International € million	Other and Elimination center € million	Total € million
Net interest income	117	89	70	(8)	84	(5)	347
Net commission income	19	19	24	0	22	(2)	82
Other net revenue	(12)	2	52	34	5	228	309
Total external revenue	124	110	146	26	111	221	738
Inter-segment revenue	2	11	(5)	1	(0)	(9)	-
Total revenue	126	121	141	27	111	212	738
Operating expenses	(105)	(32)	(14)	(9)	(57)	(5)	(222)
Impairment losses relating to loans and advances to customers	(87)	(37)	-	-	(23)	-	(147)
Other impairment losses and provisions (note 12)	(1)	(1)	(2)	0	(1)	(2)	(7)
Share of results of associates and joint ventures	(0)	0	0	1	(0)	8	9
Profit/(loss) before tax before restructuring costs	(67)	51	125	19	30	213	371
Restructuring costs (note 12)	(1)	(0)	(0)	-	-	(6)	(7)
Profit/(loss) before tax	(68)	51	125	19	30	207	364
Non controlling interests	-	-	-	-	(0)	(0)	(0)
Profit/(loss) before tax attributable to shareholders	(68)	51	125	19	30	207	364

	30 June 2020						
	Retail € million	Corporate € million	Global, Capital Markets & Asset Mngt € million	Investment Property € million	International € million	Other and Elimination center [1] € million	Total € million
Segment assets	17,047	13,125	15,687	1,490	15,937	3,596	66,882
Segment liabilities	25,925	7,571	9,094	301	14,288	4,341	61,520

The International segment is further analyzed as follows:

	Period 20 March - 30 June 2020 [3]					
	Romania € million	Bulgaria € million	Serbia € million	Cyprus € million	Luxembourg € million	Total € million
Net interest income	1	43	13	19	8	84
Net commission income	(0)	12	3	6	1	22
Other net revenue	1	1	1	1	1	5
Total external revenue	2	56	17	26	10	111
Inter-segment revenue	-	0	(0)	(0)	(0)	(0)
Total revenue	2	56	17	26	10	111
Operating expenses	(1)	(28)	(12)	(11)	(5)	(57)
Impairment losses relating to loans and advances to customers	(1)	(19)	(2)	(1)	(0)	(23)
Other impairment losses and provisions	-	(1)	(0)	0	(0)	(1)
Share of results of associates and joint ventures	(0)	-	(0)	-	-	(0)
Profit/(loss) before tax	(0)	8	3	14	5	30
Non controlling interests	-	(0)	(0)	-	-	(0)
Profit/(loss) before tax attributable to shareholders	(0)	8	3	14	5	30

	30 June 2020					
	Romania € million	Bulgaria € million	Serbia € million	Cyprus € million	Luxembourg € million	International € million
Segment assets[2]	337	5,443	1,578	6,771	1,809	15,937
Segment liabilities[2]	507	4,826	1,163	6,176	1,619	14,288

(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.

(3) The results of Eurobank S.A. subsidiaries and the share of results of its associates/joint ventures are included from 1 April 2020, onwards.

7. Earnings per share

Basic earnings per share as presented below has been calculated by dividing the net profit attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the period (note 27).

		Period 20 March - 30 June 2020 [1]
Net profit for the period attributable to ordinary shareholders	*€ million*	**290**
Weighted average number of ordinary shares in issue for basic earnings per share	*Number of shares*	***3,683,244,830***
Earnings per share		
- Basic earnings per share	€	**0.08**

(1) The results of Eurobank S.A. subsidiaries and the share of results of its associates/joint ventures are included from 1 April 2020, onwards.

8. Net interest income

	Period 20 March - 30 June 2020 [1] € million
Interest income	
Customers	343
Banks and other assets	8
Securities	56
Derivatives	114
	521
Interest expense	
Customers	(31)
Banks	(13)
Debt securities in issue	(26)
Derivatives	(103)
Lease liabilities - IFRS 16	(1)
	(174)
Total	**347**

(1) The results of Eurobank S.A. subsidiaries are included from 1 April 2020, onwards.

9. 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 6).

	Period 20 March - 30 June 2020 [(1)]					
	Retail € million	Corporate € million	Global, Capital Markets & Asset Mngt € million	International € million	Other and Elimination center € million	Total € million
Lending related activities	2	15	1	2	(0)	20
Mutual funds and assets under management	(0)	1	12	1	1	15
Network activities and other [(2)]	17	2	6	18	(3)	40
Capital markets	(0)	1	5	1	(0)	7
Total	19	19	24	22	(2)	82

[(1)] *The results of Eurobank S.A. subsidiaries are included from 1 April 2020, onwards.*

[(2)] *Including income from credit cards related services.*

10. Operating expenses

	Period 20 March - 30 June 2020 [(1)] € million
Staff costs	111
Administrative expenses	63
Contributions to resolution and deposit guarantee funds	19
Depreciation of real estate properties and equipment	10
Depreciation of right of use assets	10
Amortisation of intangible assets	8
Operating lease rentals	1
Total	222

[(1)] *The results of Eurobank S.A. subsidiaries are included from 1 April 2020, onwards.*

The average number of employees of the Group during the period was 12,845. As at 30 June 2020, the number of branches and business/private banking centers of the Group amounted to 652.

11. Impairment allowance for loans and advances to customers

The following table presents the movement of the impairment allowance on loans and advances to customers (expected credit losses – ECL):

	30 June 2020			
	12-month ECL-Stage 1 € million	Lifetime ECL-Stage 2 € million	Lifetime ECL credit-impaired[1] € million	Total € million
Opening balance [3]	134	383	3,165	3,682
Transfers between stages	24	8	(32)	-
Impairment loss for the period	(9)	11	131	133
Recoveries from written - off loans	-	-	7	7
Loans and advances derecognised during the period[2]	(0)	(0)	(3)	(3)
Amounts written off	-	-	(108)	(108)
Unwinding of Discount	-	-	(17)	(17)
Foreign exchange and other movements	2	3	1	6
Impairment allowance as at 30 June 2020	**151**	**405**	**3,144**	**3,700**

[1] The impairment allowance for POCI loans of € 5 million is included in 'Lifetime ECL credit-impaired' stage.

[2] It represents the impairment allowance of loans derecognized during the period due to a) sale transactions and b) substantial modifications of the loans' contractual terms.

[3] The movement of impairment allowance is presented from 1 April 2020, onwards.

The impairment losses relating to loans and advances to customers recognized in the Group's income statement for the period ended 30 June 2020 amounted to € 147 million and are analyzed as follows:

	Period 20 March - 30 June 2020 [1] € million
Impairment loss on loans and advances to customers	**(133)**
Modification loss on loans and advances to customers	**(9)**
Impairment (loss)/ reversal for credit related commitments	**(5)**
Total	**(147)**

[1] The results of Eurobank S.A. subsidiaries are included from 1 April 2020, onwards.

Impairment losses reflect the impact from the deterioration of the forward-looking information applied to the measurement of the expected credit losses (ECL) due to the expected large-scale negative effect of the Covid-19 crisis to the economies in which the Group operates (note 3) and the prevailing uncertainties regarding the timing and the prospects of the economy's recovery (note 2).

The Group continues to monitor closely and constantly re-assesses all the latest available information due to the high uncertainty, arising from the possibility of a re-enactment of the lockdown measures, the nature, size and effectiveness of the government support measures, as well as, the consumer and investment post-crisis behavioral impact.

12. Other impairments, restructuring costs and provisions

	Period 20 March - 30 June 2020 [1] € million
Impairment and valuation losses on real estate properties	(3)
Impairment (losses)/ reversal on bonds	(3)
Other impairment losses and provisions [2]	(1)
Other impairment losses and provisions	**(7)**
Voluntary exit schemes and other related costs (note 26)	(2)
Other restructuring costs	(5)
Restructuring costs	**(7)**
Total	**(14)**

[1] The results of Eurobank S.A. subsidiaries are included from 1 April 2020, onwards.
[2] Includes impairment losses on other assets and provisions on litigations and other operational risk events.

13. Income tax

	Period 20 March - 30 June 2020 [1] € million
Current tax	(8)
Deferred tax	(66)
Total income tax	**(74)**

[1] The results of Eurobank S.A. subsidiaries are included from 1 April 2020, onwards.

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%. As of the year 2019 onwards, according to Law 4646/2019 which was enacted in December 2019 and amended Law 4172/2013, the Greek corporate tax rate for legal entities other than the above credit institutions decreased from 29% to 24%. In addition, according to the aforementioned Law 4646/2019, as of 1 January 2020 the withholding tax rate for dividends distributed, other than intragroup dividends, decreased from 10% to 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 6) are as follows: Bulgaria 10%, Serbia 15%, Cyprus 12.5% and Luxembourg 24.94%.

Tax certificate and open tax years

The first tax year of the Bank (i.e. the new credit institution that has been established and incorporated the hived down banking sector of Eurobank Ergasias - note 4) ends at 31 December 2020. The Bank's subsidiaries, associates and joint ventures, which operate in Greece (notes 18 and 19) have in principle 1 to 6 open tax years. For the open tax years 2014-2015 these entities, with annual financial statements audited compulsorily, were required to obtain an 'Annual Tax Certificate' pursuant to the Law 4174/2013, which is issued after a tax audit is performed by the same statutory auditor or audit firm that audits the annual financial statements. For fiscal years starting from 1 January 2016 onwards, the 'Annual Tax Certificate' is optional, however, the Bank and (as a general rule) the Group's Greek companies will continue to obtain such certificate.

The tax certificates, which have been obtained by the Bank's subsidiaries, associates and joint ventures, which operate in Greece, are unqualified for the open tax years 2014-2018. For the year ended 31 December 2019, 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 2013 (included) has been time-barred for the Group's Greek entities as at 31 December 2019.

The open tax years of the foreign banking entities of the Group are as follows: (a) Eurobank Cyprus Ltd, 2018-2019, (b) Eurobank Bulgaria A.D., 2014-2019, (c) Eurobank A.D. Beograd (Serbia), 2014-2019, and (d) Eurobank Private Bank Luxembourg S.A., 2015-2019. The remaining foreign entities of the Group (notes 18 and 19), which operate in countries where a statutory tax audit is explicitly stipulated by law, have 1 to 6 open tax years in principle, subject to certain preconditions of the applicable tax legislation of each jurisdiction.

Receivables from withholding taxes

Law 4605/2019 (article 93) provided clarifications regarding the treatment of the Bank's (transferred from Eurobank Ergasias) withholding tax amounts under Law 2238/1994 (amounting to € 50 million) in a manner that safeguards these tax amounts by providing for their offsetting with the Bank's corporate income tax whenever this becomes due.

Law 4605/2019 further addresses the treatment of tax receivables of Law 4046/2012 (for years 2010, 2011 and 2012), which provides for a five year settlement of tax withheld on interest from GGBs/Tbills/corporate bonds with the Greek State's guarantee against the banks' corporate income tax. In particular, Law 4605/2019 clarified that any remaining amounts (i.e. these withholding taxes that cannot be offset within the set five-year period) will be then offset against all taxes within ten years in equal installments starting from 1 January 2020. As at 30 June 2020, the remaining amount of the aforementioned Bank's receivables (transferred from Eurobank Ergasias) is € 12.3 million, while the first 1/10 of their initial amount of € 13.7 million was refunded to the Bank through offsetting with current tax liabilities within the second quarter of 2020.

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.

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 movement on deferred tax is as follows:

	30 June 2020 € million
Opening balance [1]	**4,834**
Income statement credit/(charge)	**(66)**
Investment securities at FVOCI	**(64)**
Cash flow hedges	**7**
Actuarial gain/losses	**(2)**
Balance at 30 June	**4,709**

[1] *The movement of deferred tax of Eurobank S.A. subsidiaries is included from 1 April 2020, onwards.*

Deferred tax assets/ (liabilities) are attributable to the following items:

	30 June 2020 € million
Impairment/ valuation relating to loans and accounting write-offs	1,621
PSI+ tax related losses	1,076
Losses from disposals and crystallized write-offs of loans	1,934
Other impairments/ valuations through the income statement	201
Unused tax losses	1
Costs directly attributable to equity transactions	12
Cash flow hedges	21
Defined benefit obligations	12
Real estate properties, equipment and intangible assets	(60)
Investment securities at FVOCI	(176)
Other	67
Net deferred tax	**4,709**

The net deferred tax is analyzed as follows:

	30 June 2020 € million
Deferred tax assets	4,719
Deferred tax liabilities	(10)
Net deferred tax	**4,709**

Deferred income tax (charge)/credit is attributable to the following items:

	Period 20 March - 30 June 2020 [(1)] € million
Impairment/ valuation relating to loans, disposals and write-offs	(32)
Unused tax losses	(0)
Tax deductible PSI+ losses	(25)
Change in fair value and other temporary differences	(9)
Deferred income tax (charge)/credit	**(66)**

[(1)] *The results of Eurobank S.A. subsidiaries are included from 1 April 2020, onwards.*

As at 30 June 2020, the Group recognized net deferred tax assets amounting to € 4.7 billion as follows:

(a) € 1,621 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) € 1,076 million refer to losses resulted from Eurobank Ergasias participation in PSI+ and the Greek's state debt buyback program which are subject to amortization (i.e. 1/30 of losses per year starting from year 2012 onwards) for tax purposes;

(c) € 1,934 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, according to the Greek tax law 4172/2013, as in force;

(d) € 12 million mainly refer to deductible temporary differences related to the (unamortized for tax purposes) costs directly attributable to Eurobank Ergasias share capital increases, subject to 10 years' amortization according to tax legislation in force at the year they have been incurred;

(e) € 1 million refer to unused tax losses mainly arising from the Bank's subsidiaries; and

(f) € 65 million refer to other taxable and deductible temporary differences (i.e. valuation gains/ losses, provisions for pensions and other post-retirement benefits, etc.) the majority of which can be utilized in future periods with no specified time limit and according to the applicable tax legislation of each jurisdiction.

Assessment of the recoverability of deferred tax assets

The recognition of the above presented 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, for the period ended 30 June 2020, the Group has conducted a deferred tax asset (DTA) recoverability assessment based on the three-year Business Plan of the Group of its parent entity (mainly comprises Eurobank S.A. Group) that was approved by the Board of Directors of Eurobank Holdings in May 2020, for the period up to the end of 2022, which included revised management projections due to Covid-19 outbreak for the Group's future profitability in Greece as well as in the countries it operates. The plan has also been submitted to the Single Supervisory Mechanism (SSM). Currently, the Group closely monitors and constantly assesses all the latest available data for the effect of Covid-19 outbreak and the relevant mitigating measures taken by the Greek Government and the European authorities, which were further shaped in the second quarter of 2020 (note 2) on the assumptions used in its plans and the projections for future profitability and will continue to update its estimates accordingly.

Deferred tax credit against the Greek State and tax regime for loan losses

As at 30 June 2020, pursuant to the Law 4172/2013, as in force, the Bank's eligible DTAs/deferred tax credits (DTCs) against the Greek State amounted to € 3,756 million. 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. In particular, DTCs are accounted for 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.

In accordance with the tax regime, in force, the above crystallized tax losses arising from write-offs and disposals on customers' loans are amortised over a twenty-year period, maintaining the DTC status during all this period, while they are disconnected from the accounting write-offs. Accordingly, the recovery of the Bank's deferred tax asset recorded on loans and advances to customers and the regulatory capital structure are safeguarded, contributing substantially to the achievement of the NPEs reduction targets, through the acceleration of write-offs and disposals.

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 period from 20 March to 30 June 2020, an amount of € 1.7 million has been recognized in "Other income/(expenses)".

14. Disposal groups classified as held for sale

Eurobank FPS Loans and Credits Claim Management S.A., Greece

On 19 December 2019, the Eurobank Ergasias Group announced that it has reached an agreement with doValue S.p.A. ("doValue") to dispose 80% of its subsidiary Eurobank FPS Loans and Credits Claim Management S.A. ("FPS"), for a cash consideration of € 248 million, subject to certain adjustments.

As per the agreement, FPS, which was part of Eurobank Ergasias Troubled Asset Group ("TAG") - the unit responsible for the management of the troubled assets portfolio, would take over Eurobank Ergasias TAG unit in order for the sale to be completed. The relevant arrangements were completed at the end of March 2020.

After receiving all regulatory approvals, the above sale transaction completed on 5 June 2020.

Upon the completion of the transaction, the Group derecognized the assets and liabilities of FPS and recognized its retained 20% interest as an associate, to be accounted for using the equity method of accounting, at its fair value of € 62 million. The fair value was determined by reference to the implied enterprise value of € 310 million for 100% of the entity.

The terms of the transaction remained as per the binding agreement of 19 December 2019, which provided for certain adjustments related with the net cash position of the company, assets under management as of December 2019 and the net economic benefit accrued since 1 January 2020.

The cash consideration received, after the above consideration adjustments, amounted to € 211 million and the resulting gain on disposal was € 219 million before tax (€ 173 million after tax), including the costs directly attributable to the transaction and the remeasurement of the retained interest in FPS.

The transaction was capital accretive, as the effect on parent company's group Total Capital ratio amounted to approximately + 75 bps excluding transaction expenses and tax.

In the context of the strategic partnership with doValue for the management of its Non Performing Exposures ("NPEs"), the Group entered into a 14-year Service Level Agreement ("SLA") with FPS for the servicing of Eurobank's NPEs and retail early arrears, as well as any future production of them.

Real estate properties

In November 2019, the Eurobank Ergasias Group, in the context of its strategy for the active management of its real estate portfolio (repossessed, investment properties and own used properties) reached pre-sale agreements with prospective investors for the disposal of three pools of real estate assets amounting to a total value of ca. € 0.1 billion. Consequently, the disposal of these properties' portfolios was considered highly probable and they have been classified as held for sale (HFS) as of the end of November 2019. The fair value less cost to sell of these properties, based on the offer prices included in the pre-sale agreements, was lower than their carrying amount, therefore an impairment loss of € 24 million was recognized in the fourth quarter of 2019 upon their remeasurement in accordance with the IFRS 5 requirements. The above non-recurring fair value measurement is categorized as Level 3 of the fair value hierarchy due to the significance of the unobservable inputs used. After the completion of certain sales in the first half of 2020, the carrying amount of these real estate assets as at 30 June 2020 was reduced to € 55 million.

The closing date of the pre-sale agreement regarding one of the relevant portfolios of carrying value € 6.4 million as at 30 June 2020, lapsed on 30 April 2020 without being further extended. However, the Group remains committed to its plan to sell the aforementioned portfolio, which continues to be actively marketed for sale and as such remains classified as HFS as at 30 June 2020. Furthermore, the sale of the real estate assets, which was initially expected to be concluded within 2020, may be extended beyond this period due to current extraordinary conditions.

15. Derivative financial instruments

	30 June 2020	
	Fair values	
	Assets	Liabilities
	€ million	€ million
Derivatives for which hedge accounting is not applied/ held for trading	2,541	2,183
Derivatives designated as fair value hedges	2	918
Derivatives designated as cash flow hedges	2	110
Total derivatives assets/liabilities	**2,545**	**3,211**

As at 30 June 2020, the carrying value of the derivatives with the Hellenic Republic amounted to € 1,660 million.

16. Loans and advances to customers

	30 June 2020 € million
Loans and advances to customers at amortised cost	
- Gross carrying amount	40,557
- Impairment allowance	(3,700)
Carrying Amount	**36,857**
Loans and advances to customers at FVTPL	**29**
Total	**36,886**

The table below presents the carrying amount of loans and advances to customers per business unit and per stage as at 30 June 2020:

	30 June 2020			
	12-month ECL-Stage 1 € million	Lifetime ECL-Stage 2 € million	Lifetime ECL credit-impaired[1] € million	Total amount € million
Loans and advances to customers at amortised cost				
Mortgage lending:				
- Gross carrying amount	6,859	2,975	1,951	11,785
- Impairment allowance	(15)	(166)	(707)	(888)
Carrying Amount	6,844	2,809	1,244	10,897
Consumer lending:				
- Gross carrying amount	2,062	551	845	3,458
- Impairment allowance	(33)	(73)	(722)	(828)
Carrying Amount	2,029	478	123	2,630
Small Business lending:				
- Gross carrying amount	2,045	922	1,150	4,117
- Impairment allowance	(41)	(78)	(571)	(690)
Carrying Amount	2,004	844	579	3,427
Wholesale lending [2]:				
- Gross carrying amount	17,314	1,633	2,250	21,197
- Impairment allowance	(62)	(88)	(1,144)	(1,294)
Carrying Amount	17,252	1,545	1,106	19,903
Total loans and advances to customers at AC				
- Gross carrying amount	28,280	6,081	6,196	40,557
- Impairment allowance	(151)	(405)	(3,144)	(3,700)
Carrying Amount	**28,129**	**5,676**	**3,052**	**36,857**
Loans and advances to customers at FVTPL				
Carrying Amount				**29**
Total				**36,886**

[1] As at 30 June 2020, POCI loans of € 50 million gross carrying amount and € 5 million impairment allowance are presented in 'Lifetime ECL credit-impaired' stage.

[2] Includes € 3.5 billion related to the senior notes of the Pillar and Cairo securitization, which have been categorized in Stage 1.

Operational targets for Non-Performing Exposures (NPEs)

In March 2020, the SSM after taking into account the extraordinary circumstances due to the Covid-19 pandemic, informed Eurobank that the submission of its new NPE Management Strategy for the period 2020-22 has been postponed from end of March to end of September 2020.

In March and April 2020, EBA and the ECB announced guidelines aiming to mitigate the impact of the Covid-19 pandemic on the EU banking sector stating among others that there is flexibility in the implementation of the EBA Guidelines on management of non-performing and forborne exposures. Additionally, the EBA called for a close dialogue between supervisors and banks, also on their non-performing exposure strategies, on a case by case basis.

Legal Framework

The protection scheme on primary residence was voted by the Greek Parliament in March 2019 (Law 4605/2019), aimed to bolster the banks' efforts to reduce NPEs through a more effective mechanism to work out troubled loans, a restriction of strategic defaulters and, ultimately, an improvement in payment discipline. The scheme expired in July 2020, instead of April 2020 as initially scheduled, after which the Government has announced that it will duly devise a comprehensive individuals' and companies' Insolvency framework. The new code for insolvency, which integrates the existing corporate and personal insolvency regimes, is currently under consultation and is expected to be voted in October 2020 and be effective as of 1 January 2021.

17. Investment securities

	30 June 2020		
	12-month ECL-Stage 1 € million	Lifetime ECL-Stage 2 € million	Total € million
Investment securities at amortised cost			
-Gross carrying amount	3,019	-	3,019
-Impairment allowance	(7)	-	(7)
Carrying Amount	3,012	-	3,012
Investment securities at FVOCI			
Carrying Amount	6,660	10	6,670
Total	9,672	10	9,682
Investment securities at FVTPL			
Carrying Amount			121
Total Investment securities			9,803

The investment securities per category are analyzed as follows:

	30 June 2020			
	Investment securities at FVOCI € million	Investment securities at amortised cost € million	Investment securities at FVTPL € million	Total € million
Debt securities				
- Greek government bonds	3,080	2,267	-	5,347
- Greek government treasury bills	75	-	-	75
- Other government bonds	2,295	530	-	2,825
- Other issuers	1,220	215	3	1,438
	6,670	3,012	3	9,685
Equity securities	-	-	118	118
Total	6,670	3,012	121	9,803

During the period ended 30 June 2020, the Group recognized € 47 million gains presented in line 'Gains less losses from investment securities', of which € 46 million gains resulted from debt securities at FVOCI sale transactions.

18. Group composition

The following is a listing of the Bank's subsidiaries as at 30 June 2020, included in the interim consolidated financial statements for the period ended 30 June 2020:

Name	Note	Percentage holding	Country of incorporation	Line of business
Eurobank Asset Management Mutual Fund Mngt Company Single Member S.A. [(2)]		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 Ergasias Leasing Single Member S.A.		100.00	Greece	Leasing
Eurobank Factors Single Member S.A.		100.00	Greece	Factoring
Hellenic Post Credit S.A.		50.00	Greece	Credit card management and other services
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 Development S.A.		100.00	Greece	Real estate
Real Estate Management Single Member S.A.		100.00	Greece	Real estate services
Anchor Hellenic Investment Holding Single Member S.A.		100.00	Greece	Real estate
Vouliagmeni Residence Single Member S.A.		100.00	Greece	Real estate
Athinaiki Estate Investments Single Member S.A.		100.00	Greece	Real estate
Eurobank Bulgaria A.D.		99.99	Bulgaria	Banking
IMO 03 E.A.D.		100.00	Bulgaria	Real estate services
IMO Property Investments Sofia E.A.D.		100.00	Bulgaria	Real estate services
ERB Hellas (Cayman Islands) Ltd		100.00	Cayman Islands	Special purpose financing vehicle
Berberis Investments Ltd		100.00	Channel Islands	Holding company
ERB Hellas Funding Ltd [(1)]	b	100.00	Channel Islands	Special purpose financing vehicle
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
Staynia Holdings Ltd		100.00	Cyprus	Holding company
Zivar Investments Ltd		100.00	Cyprus	Real estate
Amvanero Ltd		100.00	Cyprus	Real estate
Ragisena 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	c	100.00	Cyprus	Real estate
Elerovio Holdings Ltd	c	100.00	Cyprus	Real estate
Eurobank Private Bank Luxembourg S.A.		100.00	Luxembourg	Banking
Eurobank Fund Management Company (Luxembourg) S.A.		100.00	Luxembourg	Fund management
Eurobank Holding (Luxembourg) S.A.		100.00	Luxembourg	Holding company

Name	Note	Percentage holding	Country of incorporation	Line of business
ERB Lux Immo S.A.		100.00	Luxembourg	Real estate
Grivalia New Europe S.A. (1)		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
Eurobank Finance S.A. (1)		100.00	Romania	Investment banking
IMO Property Investments Bucuresti S.A.		100.00	Romania	Real estate services
IMO-II Property Investments S.A.		100.00	Romania	Real estate services
Eliade Tower S.A.		99.99	Romania	Real estate
Retail Development S.A.		99.99	Romania	Real estate
Seferco Development S.A.		99.99	Romania	Real estate
Eurobank A.D. Beograd		99.99	Serbia	Banking
ERB Leasing A.D. Beograd (1)		99.99	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 Istanbul Holding A.S.		100.00	Turkey	Holding company
ERB Hellas Plc		100.00	United Kingdom	Special purpose financing vehicle
Anaptyxi SME I Plc (1)		-	United Kingdom	Special purpose financing vehicle
Karta II Plc		-	United Kingdom	Special purpose financing vehicle
Themeleion II Mortgage Finance Plc (1)		-	United Kingdom	Special purpose financing vehicle
Themeleion III Mortgage Finance Plc (1)		-	United Kingdom	Special purpose financing vehicle
Themeleion IV Mortgage Finance Plc (1)		-	United Kingdom	Special purpose financing vehicle
Themeleion Mortgage Finance Plc (1)		-	United Kingdom	Special purpose financing vehicle
Tegea Plc (1)		-	United Kingdom	Special purpose financing vehicle
Maximus Hellas Designated Activity Company		-	Ireland	Special purpose financing vehicle
Astarti Designated Activity Company		-	Ireland	Special purpose financing vehicle
ERB Recovery Designated Activity Company	d	-	Ireland	Special purpose financing vehicle

(1) Entity under liquidation at 30 June 2020.

(2) In the context of the Greek Law 4548/2018, the legal name of the company has been amended with the inclusion of the term "Single member".

The following entities are not included in the interim consolidated financial statements mainly due to immateriality:

(i) Holding and other entities of the Group's special purpose financing vehicles: (a) Themeleion III Holdings Ltd, Themeleion IV Holdings Ltd, Themeleion V Mortgage Finance Plc, Themeleion VI Mortgage Finance Plc, Anaptyxi APC Ltd, Byzantium II Finance Plc, Tegea Holdings Ltd and Anaptyxi SME I Holdings Ltd, which are under liquidation and (b) Karta II Holdings Ltd.

(ii) Dormant entity: Enalios Real Estate Development S.A.

(iii) Entities controlled by the Group pursuant to the terms of the relevant share pledge agreements: Finas S.A., Rovinvest S.A., Provet S.A. and Promivet S.A.

(a) Eurobank FPS Loans and Credits Claim Management S.A., Greece

In June 2020, in the context of the binding agreements that Eurobank Ergasias had entered into with doValue S.p.A. in December 2019, the Bank sold 80% of its subsidiary Eurobank FPS Loans and Credits Claim Management S.A. - project "Europe". Further information for the transaction is provided in note 14.

(b) ERB Hellas Funding Ltd, Channel Islands

In June 2020, the liquidation of the company was decided.

(c) Adariano Investments Ltd and Elerovio Holdings Ltd, real estate companies, Cyprus

In the context of the management of its NPEs, in the second quarter of 2020, the Bank's subsidiary Eurobank Cyprus Ltd established the wholly owned subsidiaries, Adariano Investments Ltd and Elerovio Holdings Ltd, to operate as real estate companies in Cyprus.

(d) ERB Recovery Designated Activity Company, Ireland

In June 2020, the Bank established ERB Recovery Designated Activity Company, a special purpose financing vehicle for the securitization of a portfolio of mortgage, consumer, SME (small and medium enterprise) and corporate loans.

Post balance sheet events

Eurobank Finance S.A., Romania

In July 2020, the distribution of the company's surplus assets to its shareholders was completed.

Sagiol Ltd, Cyprus and Piraeus Port Plaza 2, Greece

In July 2020, the Bank acquired 100% of the shares and voting rights of Sagiol Ltd, which held 51% of the shares and voting rights of the Group's joint venture, Piraeus Port Plaza 2. Consequently, as of July 2020, Piraeus Port Plaza 2 became a wholly owned subsidiary of the Bank.

19. Investments in associates and joint ventures

As at 30 June 2020, the carrying amount of the Group's investments in associates and joint ventures amounted to € 301 million. The following is the listing of the Group's associates and joint ventures as at 30 June 2020:

Name	Note	Country of incorporation	Line of business	Group's share
Femion Ltd		Cyprus	Special purpose investment vehicle	66.45
Tefin S.A. (1)		Greece	Dealership of vehicles and machinery	50.00
Sinda Enterprises Company Ltd		Cyprus	Special purpose investment vehicle	48.00
Singidunum - Buildings d.o.o. Beograd	a	Serbia	Development of building projects	21.43
Alpha Investment Property Kefalariou S.A.		Greece	Real estate	41.67
Global Finance S.A. (2)		Greece	Investment financing	33.82
Rosequeens Properties Ltd (3)		Cyprus	Special purpose investment vehicle	33.33
Famar S.A. (1)		Luxembourg	Holding company	23.55
Odyssey GP S.a.r.l.		Luxembourg	Special purpose investment vehicle	20.00
Eurolife FFH Insurance Group Holdings S.A. (2)		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
Piraeus Port Plaza 2		Greece	Real estate	49.00
Piraeus Port Plaza 3		Greece	Real estate	49.00
Value Touristiki S.A.		Greece	Real estate	49.00
Grivalia Hospitality S.A. (3)		Luxembourg	Real estate	25.00
Information Systems Impact S.A.		Greece	Information systems services	15.00
doValue Greece Loans and Credits Claim Management S.A	b	Greece	Loans and Credits Claim Management	20.00

(1) Entity under liquidation at 30 June 2020.

(2) Eurolife Insurance group (Eurolife ERB Insurance Group Holdings S.A., which as of 18 May 2020 was renamed to Eurolife FFH Insurance Group Holdings S.A, and its subsidiaries) and Global Finance group (Global Finance S.A. and its subsidiaries) are considered as Group's associates.

(3) Rosequeens Properties Ltd (including its subsidiary Rosequeens Properties SRL) and Grivalia Hospitality group (Grivalia Hospitality S.A. and its subsidiaries) are considered as Group's joint ventures.

(a) Singidunum - Buildings d.o.o. Beograd, Serbia

In the second quarter of 2020, the Group's participation in Singidunum decreased from 21.65% to 21.43%, following a share capital increase in favor of the other shareholder.

(b) doValue Greece Loans and Credits Claim Management S.A., Greece

On 5 June 2020, Eurobank Holdings announced the completion of the sale of 80% of Eurobank FPS Loans and Credits Claim Management S.A. (note 14). Hence, as of June 2020 the company is considered as a Group's associate and accordingly is accounted under the equity method in the consolidated financial statements. Also, in June 2020, the company was renamed to "doValue Greece Loans and Credits Claim Management S.A.".

Post balance sheet events

Piraeus Port Plaza 2, Greece

As of July 2020, Piraeus Port Plaza 2 ceased to be a Group's joint venture and became a wholly owned subsidiary of the Bank (note 18).

Singidunum - Buildings d.o.o. Beograd, Serbia

In August 2020, the Group's participation in Singidunum decreased from 21.43% to 21.20%, following an additional share capital increase in favor of the other shareholder.

20. Property and equipment and Investment property

The carrying amounts of property and equipment and investment property are analyzed as follows:

	30 June 2020 € million
Land, buildings, leasehold improvements	447
Furniture, equipment, motor vehicles	38
Computer hardware, software	62
Right of use of assets [(1)]	193
Total property and equipment	**740**
Investment property	**1,370**
Total	**2,110**

(1) The respective lease liabilities are presented in "other liabilities" (note 26).

The movement of investment property is as follows:

	30 June 2020 € million
Opening balance [(1)]	1,330
Additions	5
Transfers	23
Disposals	(2)
Net gain/(loss) from fair values adjustments	14
Balance at 30 June	**1,370**

(1) The movement of investment property is presented from 1 April 2020, onwards.

In the period ended 30 June 2020, the Group recognized rental income of € 20 million from real estate properties in the income statement line 'income from non banking services'.

The valuation methods and key assumptions required under each method, based on which the carrying value of investment property portfolio is determined as at 30 June 2020 as well as the sensitivity analysis on key assumptions, are described in the consolidated financial statements of Eurobank Ergasias S.A. for the year ended 31 December 2019.

As the Covid-19 pandemic still evolves, its duration and the full scope of its economic impact is still unknown at this time. Considering that there is no solid market information and sufficient number of comparable transactions to quantify any relevant effects or determine their nature as well as the fact that these effects are usually incorporated gradually and with a time lag in real-estate market valuations, investment property portfolio has not been revalued since 31 December 2019 due to Covid-19 pandemic.

The Group will continue to monitor closely the effect of the economic environment on the valuation of its investment properties.

21. Other assets

	30 June 2020 € million
Receivable from Deposit Guarantee and Investment Fund	707
Repossessed properties and relative prepayments	611
Pledged amount for a Greek sovereign risk financial guarantee	238
Balances under settlement [(2)]	15
Prepaid expenses and accrued income	119
Other guarantees	95
Income tax receivable [(1)]	49
Other assets	207
Total	**2,041**

[(1)] *Includes withholding taxes, net of provisions.*
[(2)] *Includes settlement balances with customers and brokerage activity.*

As at 30 June 2020, other assets net of provisions, amounting to € 207 million include, among others, receivables related to (a) prepayments to suppliers, (b) public entities, (c) property management activities and (d) legal cases.

22. Due to central banks

	30 June 2020 € million
Secured borrowing from ECB	8,019

The European Central Bank (ECB) has introduced a series of measures since March 2020 in order to further support the liquidity conditions of the banking system, the money market activity and the lending to the real economy in the face of the effects of the Covid-19 pandemic. A series of additional longer term refinancing operations (LTROs) entered into force until 24 June 2020, while the terms and conditions of targeted longer-term refinancing operations (TLTRO III) have been modified to facilitate the provision of credit to households and firms. In particular, the interest rate on TLTRO III has been reduced to -0.5% for the period from June 2020 to June 2021, while for banks meeting the eligible lending threshold of 0% between 1 March 2020 and 31 March 2021, the interest rate may even reach at minimum -1%. In the context of the aforementioned measures, the Group increased the borrowing from ECB's longer-term refinancing operations by € 5.32 billion from 31 March 2020, reaching € 8.02 billion at the end of June 2020, using as collaterals, among others, Greek government bonds which became eligible for such financing following the temporary pandemic emergency purchase programme (PEPP) announced by ECB in March 2020.

23. Due to credit institutions

	30 June 2020 € million
Secured borrowing from credit institutions	1,124
Borrowings from international financial and similar institutions	694
Current accounts and settlement balances with banks	93
Interbank takings	3
Total	**1,914**

As at 30 June 2020, secured borrowing from credit institutions refers mainly to transactions with foreign institutions, which were conducted with collaterals government – mainly Greek - and corporate securities (note 17). As at 30 June 2020, borrowings from international financial and similar institutions include borrowings from European Investment Bank, European Bank for Reconstruction and Development and other similar institutions.

24. Due to customers

	30 June 2020 € million
Savings and current accounts	27,699
Term deposits	17,271
Repurchase agreements	200
Other term products (note 25)	10
Total	**45,180**

Other term products relate to senior medium-term notes held by the Bank's customers.

For the period ended 30 June 2020, due to customers for the Greek and International operations amounted to € 32,741 million and € 12,439 million, respectively.

25. Debt securities in issue

	30 June 2020 € million
Securitisations	571
Subordinated notes (Tier 2)	950
Covered bonds	509
Medium-term notes (EMTN) (note 24)	15
Total	**2,045**

Securitisations

The carrying value of the asset backed securities issued by the Bank's special purpose financing vehicles Maximus Hellas DAC and Astarti DAC and held by an international institutional investor (Class A notes), as at 30 June 2020 amounted to € 346 million and € 225 million, respectively.

Tier 2 Capital instruments

In January 2018, Eurobank Ergasias 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.

In the context of the hive down (note 4), considering that the obligations of Eurobank Ergasias (' Demerged Entity') arising from the Tier 2 Subordinated capital instruments were not transferred to Eurobank SA ('the Beneficiary'), the latter pursuant to the terms of the Draft Demerger Deed has explicitly and irrevocably undertaken to fulfil the relevant obligations. Accordingly, on 20 March 2020, the Beneficiary issued a subordinated instrument of equivalent terms with those of TIER 2 mentioned above which was fully subscribed by the Demerged Entity. As at 30 June 2020, the carrying amount of the subordinated instrument issued amounted to € 950 million, including accrued interest of € 166 thousand.

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).

Post balance sheet event

On 13 July 2020 the Bank, through its special purpose financing vehicle ERB Recovery Designated Activity Company, issued asset backed securities of total face value of € 9.6 billion, collateralized by a portfolio of mortgage, consumer, SME (small and medium enterprise) and corporate loans, which consisted of two classes of notes: (a) a senior class of notes of face value of € 1 billion and (b) junior class of variable funding notes of face value of € 8.6 billion. The aforementioned notes were fully retained by the Bank.

26. Other liabilities

	30 June 2020 € million
Balances under settlement [1]	**274**
Lease liabilities	**212**
Deferred income and accrued expenses	**164**
Other provisions	**95**
ECL allowance for credit related commitments	**57**
Standard legal staff retirement indemnity obligations	**44**
Employee termination benefits	**28**
Sovereign risk financial guarantee	**39**
Acquisition obligation	**15**
Income taxes payable	**15**
Deferred tax liabilities (note 13)	**9**
Other liabilities	**199**
Total	**1,151**

[1] *Include settlement balances relating to bank cheques and remittances, credit card transactions, other banking and brokerage activities.*

As at 30 June 2020, other liabilities amounting to € 199 million mainly consist of payables relating with (a) suppliers and creditors, (b) contributions to insurance organizations, (c) duties and other taxes and (d) trading liabilities.

As at 30 June 2020, other provisions amounting to € 95 million mainly include: (a) € 55 million for outstanding litigations against the Group (note 30), (b) € 32 million for other operational risk events, of which € 22 million is related to the Romanian subsidiaries disposed in 2018 and (c) € 4 million for restructuring costs mainly relating to the acquisition of Piraeus Bank Bulgaria A.D.

For the period ended 30 June 2020, an amount of € 1.8 million has been recognized in the Group's income statement for employee termination benefits. The Voluntary Exit Scheme (VES) has been offered to employees 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.

Additionally, pursuant to the arrangements of the agreement for the disposal of Eurobank FPS Loans and Credits Claim Management S.A. (FPS), the reorganization of the Bank's TAG unit has been completed since the end of March 2020 (note 14). Following the above, the defined benefit obligations of the Bank and FPS were remeasured at the end of March 2020 using updated actuarial assumptions, which mainly referred to the change of the discount rate from 0.89% as at 31 December 2019 to 1.75% as at 31 March 2020. As a result, in the period ended 30 June 2020, actuarial gains of € 4 million, net of tax, relating to the Bank, were recognized directly in the Group's other comprehensive income.

Post balance sheet event

In July 2020, Eurobank decided to launch a new VES for eligible units in Greece, which will be offered to employees over a specific age limit. The estimated cost of the new VES, which will be implemented through either lump-sum payments or long term leaves during which they will be receiving a percentage of a monthly salary, or a combination thereof, amounts to ca. € 72 million, pre-tax. The estimated saving in personnel expenses amounts to € 25 million on an annual basis.

27. Share capital

As at 30 June 2020, following the demerger of Eurobank Ergasias through the banking sector's hive down (note 4), the Bank's total share capital amounts to € 4,052 million divided into 3,683,244,830 common voting shares of nominal value of € 1.10 each. All shares are fully paid.

28. 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 loans issued by special purpose entities established by the Group and recognized in financial assets and debt securities 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:

	30 June 2020			
	Level 1 € million	Level 2 € million	Level 3 € million	Total € million
Securities held for trading	130	0	-	130
Investment securities at FVTPL	39	14	68	121
Derivative financial instruments	0	2,543	2	2,545
Investment securities at FVOCI	6,585	85	-	6,670
Loans and advances to customers mandatorily at FVTPL	-	-	29	29
Financial assets measured at fair value	**6,754**	**2,642**	**99**	**9,495**
Derivative financial instruments	0	3,211	-	3,211
Trading liabilities	59	-	-	59
Financial liabilities measured at fair value	**59**	**3,211**	**-**	**3,270**

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. There were no material transfers between levels during the period ended 30 June 2020.

Reconciliation of Level 3 fair value measurements

	30 June 2020 € million
Opening balance [(1)]	**97**
Transfers into Level 3	**2**
Additions, net of disposals and redemptions	**(1)**
Total gain/(loss) for the period included in profit or loss	**2**
Foreign exchange differences and other	**(1)**
Balance at 30 June	**99**

[(1)] *The Level 3 movement is presented from 1 April 2020, onwards.*

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.

OTC derivative financial instruments are fair valued 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 which contractual cash flows 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. 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 following tables present the carrying amounts and fair values of the Group's financial assets and liabilities which are not carried at fair value on the balance sheet:

	30 June 2020	
	Carrying amount € million	Fair value € million
Loans and advances to customers	**36,857**	**36,753**
Investment securities at amortised cost	**3,012**	**2,873**
Financial assets not measured at fair value	**39,869**	**39,626**
Debt securities in issue	**2,045**	**1,972**
Financial liabilities not measured at fair value	**2,045**	**1,972**

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 loans issued by special purpose entities established by the Group: for loans and advances to customers, 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 incorporate inputs for expected credit losses and interest rates, as appropriate;

(b) Investment securities measured at amortized cost: the fair values of financial investments 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; and

(c) Debt securities in issue: the fair values of the debt securities in issue are determined using quoted market prices, if available. If quoted prices are not available, fair values are determined based on 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.

29. Cash and cash equivalents and other information on interim 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:

	30 June 2020 € million
Cash and balances with central banks (excluding mandatory and collateral deposits with central banks)	3,467
Due from credit institutions	1,008
Total	**4,475**

Other (income)/losses on investment securities are analyzed as follows:

	30 June 2020 € million
Amortisation of premiums/discounts and accrued interest	(42)
(Gains)/losses from investment securities	(47)
Total	**(89)**

In the period ended 30 June 2020, other adjustments of € 226 million include € 219 million gain on the disposal of FPS (note 14).

30. Contingent liabilities and 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:

	30 June 2020 € million
Financial guarantee contracts	623
Commitments to extend credit	1,205
Other credit related commitments	449
Total	**2,277**

The credit related commitments within the scope of IFRS 9 impairment requirements amount to € 5.4 billion, including revocable loan commitments of € 3 billion while the corresponding allowance for impairment losses amounts to € 57 million.

In addition, the Group has issued a sovereign risk financial guarantee of € 0.24 billion for which an equivalent amount has been deposited under the relevant pledge agreement (note 21).

Legal proceedings

As at 30 June 2020, a provision of € 55 million has been recorded for a number of legal proceedings outstanding against the Group. The said amount includes € 34 million for an outstanding litigation related to the acquisition of New TT Hellenic Postbank S.A. in 2013.

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, 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.

Following the completion of the banking sector's hive down of Eurobank Ergasias S.A. (Demerged entity) the Beneficiary (i.e. Eurobank S.A., "Bank") substitutes the Demerged Entity (currently Eurobank Holdings), by way of universal succession, to all the transferred assets and liabilities (note 4), while pending lawsuits where the Demerged entity was an involved party and are related to the hived down banking sector, will continue ipso jure by the Bank or against it.

Against the Bank various legal remedies and redresses have been filed amongst others in the form of lawsuits, applications for injunction measures, motions to vacate payment orders and appeals in relation to the validity of clauses for the granting of loans in Swiss Francs. To date the vast majority of the judgments issued by the first instance and the appellate Courts have found in favour of the Bank's positions. As to certain aspects of Swiss Francs loans there was a lawsuit before the Supreme Court at plenary session which was initiated from an individual lawsuit. The Decision issued on 18 April 2019 was in favour of the Bank.

On the class action that has been filed by a consumer union, a judgment of the Athens Court of Appeals was issued in February 2018, which was in favour of the Bank and rejected the lawsuit on its merits. The judgment has been challenged by the consumer unions with a petition of cassation which was heard on 13 January 2020 after cancellation due to elections and the decision is pending to be issued.

In any event, the Management of the Bank is closely monitoring the developments to the relevant cases so as to ascertain potential accounting implications in accordance with the Group's accounting policies.

31. Post balance sheet events

Details of post balance sheet events are provided in the following notes:

Note 2 - Basis of preparation and principal accounting policies
Note 3 - Significant accounting estimates and judgments in applying accounting policies
Note 16 - Loans and advances to customers
Note 18 - Group composition
Note 19 - Investments in associates and joint ventures
Note 25 - Debt securities in issue
Note 26 - Other liabilities

32. Related parties

On 20 March 2020, Eurobank Ergasias S.A. ("Demerged Entity") announced that the demerger of Eurobank Ergasias S.A. through the banking sector's hive down and the establishment of a new company-credit institution ("Demerger") under the corporate name "Eurobank S.A." (the Bank) were approved, while on 23 March 2020 "the Demerged Entity" was renamed to "Eurobank Ergasias Services and Holdings S.A." ("Eurobank Holdings'') (note 4). Following the demerger, Eurobank Holdings is considered to be the parent company of Eurobank S.A. In respect of the key management personnel (KMP) of Eurobank Ergasias S.A., it remained as Eurobank S.A.'s KMP. Furthermore, the Board of Directors (BoD) of Eurobank Holdings is the same as the BoD of Eurobank S.A. and part of the KMP of Eurobank S.A. provides services to Eurobank Holdings according to the terms of the relevant agreement between the two entities. As at 30 June 2020, the percentage of the Eurobank Holdings' 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 Eurobank S.A. pursuant to the provisions of the Law 3864/2010, as in force the Relationship Framework Agreement (RFA) Eurobank Ergasias S.A. has entered into with the HFSF on 4 December 2015 and the Tripartite Relationship Framework Agreement (TRFA) between Eurobank S.A., the Company and the HFSF signed on 23 March 2020. 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 of Eurobank Ergasias for the year ended 31 December 2019.

In addition, as of December 2019, Fairfax Financial Holdings Limited has obtained the required regulatory approvals in relation to the increase of its shareholding in Eurobank Ergasias S.A., which arose from the merger of the latter with Grivalia Properties REIC in the same year. Accordingly Fairfax Group, which as at 30 June 2020 holds 31.27% in the parent company's share capital, is considered to have significant influence over Eurobank S.A.

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) Eurobank Holdings, (b) Fairfax Group, (c) the key management personnel (KMP) and the entities controlled or jointly controlled by KMP and (d) the associates and joint ventures, as well as the relating income and expenses are as follows:

	30 June 2020			
	Eurobank Holdings [2] € million	Fairfax Group € million	KMP[1] and Entities controlled or jointly controlled by KMP € million	Associates and joint ventures € million
Loans and advances to customers	-	7.00	3.98	26.08
Other assets	0.04	0.40	-	54.52
Due to customers	22.79	0.98	20.49	131.30
Debt securities in issue	950.17	-	-	-
Derivative financial instruments liabilities	-	0.01	-	-
Other liabilities	1.13	-	0.33	15.31
Guarantees issued	-	-	0.01	2.00
Guarantees received	-	-	0.02	-
	Period 20 March - 30 June 2020			
Net interest income	(4.89)	0.08	-	(0.81)
Net banking fee and commission income	(0.06)	-	0.01	4.35
Net trading income	0.19	-	-	-
Impairment losses relating to loans and advances including relative fees	-	-	-	(2.38)
Other operating income/(expenses) [3]	(1.39)	0.71	(3.66)	(6.62)

[1] Includes the KMP of Eurobank S.A. Group, the KMP of the parent company and their close family members.

[2] Includes also Eurobank S.A. fellow subsidiaries.

[3] The amount of € 3.66 million relates to the services agreement with Grivalia Management Company S.A. for the management of the Group's real estate properties.

For the period ended 30 June 2020, there were no material transactions with the HFSF. In addition, as at 30 June 2020 the loans, net of provisions, granted to non consolidated entities controlled by the Bank pursuant to the terms of the relevant share pledge agreements amounted to € 2 million.

For the period ended 30 June 2020, a reversal of impairment of € 0.3 million has been recorded against loan balances with Group's associates and joint ventures, while the respective impairment allowance amounts to € 0.1 million. In addition, as at 30 June 2020, the fair value adjustment for loans to Group's associates and joint ventures measured at FVTPL amounts to € 17.7 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 € 1.72 million and long-term employee benefits of € 0.25 million. In addition, as at 30 June 2020, the defined benefit obligation for the KMP amounts to € 1.52 million, while the respective cost for the period through the income statement amounts to € 0.02 million and the actuarial gain through the other comprehensive income amounts to € 0.22 million.

33. Board of Directors

On 20 March 2020 the demerger of Eurobank Ergasias S.A. through the banking sector's hive down and the establishment of the new company credit institution under the corporate name Eurobank S.A. were approved by the Ministry of Development and Investments.

In the article 18 of the final and transitional provisions of the articles of association of "Eurobank S.A." it is provided, among others, the composition and term of office of its first Board of Directors.

Further to that:

- Mr. Theodoros Kalantonis, submitted his resignation, effective as of 3 April 2020.
- The BoD by its decision dated 8 April 2020, appointed Ms. Alice Gregoriadi and Ms. Irene Rouvitha Panou as their new independent non-executive members, in replacement of the resigned independent non-executive members Mr. Richard Boucher and Mr. Nikolaos Bertsos, and their term of office will expire concurrently with the term of office of the other members of the BoD.

Following the above, the BoD is as follows:

G. Zanias	Chairman, Non-Executive
G. Chryssikos	Vice Chairman, Non-Executive
F. Karavias	Chief Executive Officer
S. Ioannou	Deputy Chief Executive Officer
K. Vassiliou	Deputy Chief Executive Officer
B. P. Martin	Non-Executive
A. Gregoriadi	Non-Executive Independent
I. Rouvitha- Panou	Non-Executive Independent
R. Kakar	Non-Executive Independent
J. Mirza	Non-Executive Independent
G. Myhal	Non-Executive Independent
D. Miskou	Non-Executive (HFSF representative under Law 3864/2010)

Athens, 15 September 2020

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 GROUP CHIEF FINANCIAL OFFICER