

CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
31 DECEMBER 2025**

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The current document is an extract of the Annual Financial Report in pdf, which is available on the Eurobank's website.

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Consolidated Balance Sheet

	Note	31 December	
		2025 € million	2024 € million
ASSETS			
Cash and balances with central banks	15	15,628	16,131
Due from credit institutions	17	2,356	2,196
Securities held for trading	18	516	285
Derivative financial instruments	19	780	838
Loans and advances to customers	20	54,663	50,953
Investment securities	22	24,884	22,184
Investments in associates and joint ventures	24	251	203
Property and equipment	26	1,067	975
Investment property	27	1,331	1,404
Intangible assets	28	511	415
Deferred tax assets	13.1	3,629	3,780
Other assets	29	2,032	1,695
Assets of disposal groups classified as held for sale	30	328	91
Total assets		107,976	101,150
LIABILITIES			
Due to central banks	31	1,001	-
Due to credit institutions	31	2,850	2,800
Derivative financial instruments	19	915	1,120
Due to customers	32	82,704	78,593
Debt securities in issue	33	7,352	7,056
Insurance contract liabilities	35.1	684	108
Other liabilities	34	1,847	2,574
Total liabilities		97,353	92,251
EQUITY			
Share capital	37	799	809
Share premium	37	1,140	1,145
Reserves and retained earnings	39	7,594	6,945
Additional Tier I capital instruments	40	1,090	-
Total equity		10,623	8,899
Total equity and liabilities		107,976	101,150

Note: Following the completion of the merger by absorption of Eurobank Holdings by Eurobank S.A. in December 2025, Eurobank S.A. Group represents the continuation of the Eurobank Holdings Group. Accordingly, the comparative information corresponds to that of the Eurobank Holdings Group.

Notes on pages 359 to 533 form an integral part of these consolidated financial statements.

Consolidated Income Statement

	Note	Year ended 31 December	
		2025	2024
		€ million	Restated ⁽¹⁾ € million
Interest income		4,850	5,096
Interest expense		(2,301)	(2,589)
Net interest income	6	2,549	2,507
Banking fee and commission income		793	705
Banking fee and commission expense		(162)	(144)
Net banking fee and commission income	7	631	561
Income from non banking services	8	139	105
Net trading income/(loss)	9	(26)	94
Gains less losses from investment securities	9	70	13
Other income/(expenses)	10	67	61
Operating income		3,430	3,341
Operating expenses	11	(1,285)	(1,099)
Impairment losses relating to loans and advances to customers	21	(379)	(303)
Other impairments, risk provisions and related costs	12	(35)	(60)
Restructuring costs	12	(62)	(168)
Special tax levy on credit institutions	13.2	(35)	(22)
Share of results of associates and joint ventures	24	47	161
Profit before tax from continuing operations		1,681	1,850
Income tax	13.1	(310)	(339)
Net profit from continuing operations		1,371	1,511
Net loss from discontinued operations	30	(9)	(7)
Net profit		1,362	1,504
Net profit attributable to non controlling interests		0	56
Net profit attributable to equity holders of the parent company		1,362	1,448
		€	€
Earnings per share			
-Basic earnings per share	14	0.37	0.40
-Diluted earnings per share	14	0.37	0.39
Earnings per share from continuing operations			
-Basic and diluted earnings per share	14	0.37	0.40

⁽¹⁾ Following the completion of the merger by absorption of Eurobank Holdings by Eurobank S.A. in December 2025, Eurobank S.A. Group represents the continuation of the Eurobank Holdings Group. Accordingly, the comparative information corresponds to that of the Eurobank Holdings Group. In addition, the special tax levy on credit institutions is presented separately, whereas it was previously included within Income tax.

Notes on pages 359 to 533 form an integral part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income

	Year ended 31 December	
	2025	2024
	€ million	€ million
Net profit	1,362	1,504
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	9	21
- transfer to net profit, net of tax	<u>(11)</u>	<u>(22)</u>
	(1)	(1)
Debt securities at FVOCI		
- changes in fair value, net of tax (note 22)	11	58
- transfer to net profit, net of tax (note 22)	<u>2</u>	<u>(36)</u>
	14	22
Foreign currency translation		
- foreign operations' translation differences	(0)	0
- transfer to net profit on the sale/liquidation of foreign subsidiaries (note 23.2)	<u>1</u>	<u>-</u>
	1	0
Associates and joint ventures		
- changes in the share of other comprehensive income, net of tax (note 24)	<u>1</u>	<u>(9)</u>
	1	(9)
	<u>14</u>	<u>12</u>
Items that will not be reclassified to profit or loss:		
- Gains/(losses) from equity securities at FVOCI, net of tax		(8)
- Actuarial gains/(losses) on post employment benefit obligations, net of tax		(2)
- Changes in the share of other comprehensive income of associates and Joint ventures, net of tax	<u>(0)</u>	<u>1</u>
	<u>(0)</u>	<u>(9)</u>
Other comprehensive income	<u>14</u>	<u>3</u>
Total comprehensive income attributable to:		
Equity holders of the parent company		
- from continuing operations	1,385	1,458
- from discontinued operations	(9)	(7)
Non controlling interests		
- from continuing operations	0	56
- from discontinued operations	<u>-</u>	<u>-</u>
	<u>1,376</u>	<u>1,507</u>

Note: Following the completion of the merger by absorption of Eurobank Holdings by Eurobank S.A. in December 2025, Eurobank S.A. Group represents the continuation of the Eurobank Holdings Group. Accordingly, the comparative information corresponds to that of the Eurobank Holdings Group

Notes on pages 359 to 533 form an integral part of these consolidated financial statements

Consolidated Statement of Changes in Equity

	Share capital € million	Share premium € million	Reserves and retained earnings € million	AT1 capital instruments € million	Non controlling interests € million	Total € million
Balance at 1 January 2024	818	1,161	5,920	-	0	7,899
Net profit	-	-	1,448	-	56	1,504
Other comprehensive income	-	-	3	-	0	3
Total comprehensive income for the year ended 31 December 2024	-	-	1,451	-	56	1,507
Dividend distribution to shareholders	-	-	(342)	-	-	(342)
Consolidation of Hellenic Bank group	-	-	-	-	696	696
Changes in participating interest/consolidation percentage in subsidiaries	-	-	(134)	-	(753)	(887)
Share options plan	3	0	18	-	-	20
Purchase/sale and cancellation of treasury shares	(12)	(16)	33	-	-	5
	(9)	(16)	(426)	-	(56)	(507)
Balance at 31 December 2024	809	1,145	6,945	-	0	8,899
Balance at 1 January 2025	809	1,145	6,945	-	0	8,899
Net profit	-	-	1,362	-	0	1,362
Other comprehensive income	-	-	14	-	0	14
Total comprehensive income for the year ended 31 December 2025	-	-	1,376	-	0	1,376
Dividend distribution to shareholders (note 39)	-	-	(556)	-	-	(556)
Issue of AT1 capital instruments (note 40)	-	-	-	1,090	-	1,090
Coupon payment to AT1 capital holders, net of tax	-	-	(12)	-	-	(12)
Share options plan (note 38)	2	0	14	-	-	16
Purchase/sale and cancellation of treasury shares (notes 37 and 39)	(12)	-	(172)	-	-	(184)
Other	-	(5)	(2)	-	(0)	(7)
	(10)	(5)	(727)	1,090	(0)	348
Balance at 31 December 2025	799	1,140	7,594	1,090	0	10,623
	Note 37	Note 37	Note 39	Note 40		

Note: Following the completion of the merger by absorption of Eurobank Holdings by Eurobank S.A. in December 2025, Eurobank S.A. Group represents the continuation of the Eurobank Holdings Group. Accordingly, the comparative information corresponds to that of the Eurobank Holdings Group.

Notes on pages 359 to 533 form an integral part of these consolidated financial statements.

Consolidated Cash Flow Statement

	Note	Year ended 31 December	
		2025	2024
		€ million	Restated ⁽¹⁾ € million
Cash flows from continuing operating activities			
Profit before income tax from continuing operations		1,681	1,850
Adjustments for :			
Impairment losses relating to loans and advances to customers	21	379	303
Other impairments, risk provisions and restructuring costs	12	97	228
Depreciation and amortisation	11	152	135
Other (income)/losses on investment securities	16	(223)	(123)
Valuation of investment property	10	(34)	(17)
(Income)/losses on debt securities in issue	16	57	1
Other adjustments	16	(88)	(254)
		2,021	2,123
Changes in operating assets and liabilities			
Net (increase)/decrease in cash and balances with central banks		(118)	(344)
Net (increase)/decrease in securities held for trading		(242)	125
Net (increase)/decrease in due from credit institutions		95	556
Net (increase)/decrease in loans and advances to customers		(4,297)	(3,476)
Net (increase)/decrease in other assets		(125)	(18)
Net (increase)/decrease in derivative financial instruments		225	(290)
Net increase/(decrease) in due to central banks and credit institutions		1,073	(4,140)
Net increase/(decrease) in due to customers		4,112	6,166
Net increase/(decrease) in other liabilities		346	(286)
		1,069	(1,707)
Income tax paid		(172)	(120)
Net cash from/(used in) continuing operating activities		2,918	296
Cash flows from continuing investing activities			
Acquisition of fixed and intangible assets	26,27,28	(278)	(197)
Proceeds from sale of fixed and intangible assets	26,27	24	42
(Purchases)/sales and redemptions of investment securities		(2,524)	(1,807)
Acquisition of subsidiaries, net of cash acquired	23	(210)	5,500
Acquisition of holdings in associates and joint ventures, participations in capital increases	24	1	(284)
Disposal of subsidiaries, net of cash disposed	10,23,30	12	11
Dividends from investment securities, associates and joint ventures	16,24	8	20
Net cash from/(used in) continuing investing activities		(2,967)	3,285
Cash flows from continuing financing activities			
(Repayments)/proceeds from debt securities in issue	16	266	1,860
Repayment of lease liabilities	42	(39)	(38)
Dividends Paid		(556)	(342)
Transactions with non-controlling interests	23.3	(885)	(6)
Proceeds from AT1 capital instruments		1,090	-
Coupon payment to AT1 capital holders		(17)	-
(Purchase)/sale of treasury shares and exercise of share options	37	(182)	8
Costs related to the issue of new shares		(7)	-
Net cash from/(used in) continuing financing activities		(330)	1,482
Net increase/(decrease) in cash and cash equivalents from continuing operations		(379)	5,063
Cash and cash equivalents at beginning of year	16	15,908	10,845
Cash and cash equivalents at end of year	16	15,529	15,908

⁽¹⁾ Following the completion of the merger by absorption of Eurobank Holdings by Eurobank S.A. in December 2025, Eurobank S.A. Group represents the continuation of the Eurobank Holdings Group. Accordingly, the comparative information corresponds to that of the Eurobank Holdings Group. In addition, the special tax levy on credit institutions previously included in income tax paid is included within Profit before tax from continued operations.

Notes on pages 359 to 533 form an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

1. General information

On 12 December 2025, the merger by absorption of “Eurobank Ergasias Services and Holdings S.A.” (Eurobank Holdings) by Eurobank S.A. (Eurobank or the Bank) was completed and Eurobank S.A. became the ultimate parent company of the Group (note 23.1). The Bank along with its subsidiaries (the Group) are active in retail, corporate and private banking, asset management, treasury, capital markets, insurance and other services (note 44). The Group operates mainly in Greece and in Bulgaria, Cyprus and Luxembourg. The Bank is incorporated in Greece, with its registered office at 8 Othonos Street, Athens 105 57 and its shares are listed on the Athens Stock Exchange and the Cyprus Stock Exchange.

These consolidated financial statements, which include the Appendix, were approved by the Board of Directors on 5 March 2026. The Independent Auditor’s Report of the Financial Statements is included in the section E.I of the Annual Financial Report.

The website address, where the annual financial statements of the consolidated non-listed Bank’s subsidiaries are uploaded, along with the independent Auditors’ reports and the Board of Directors’ Reports for these entities is: www.eurobank.gr.

2. Basis of preparation and material accounting policies

The consolidated financial statements of the Bank have been prepared on a going concern basis and in accordance with the material accounting policies set out below:

2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), as endorsed by the European Union (EU), and in particular with those standards and interpretations, issued and effective or issued and early adopted as at the time of preparing these consolidated financial statements.

The consolidated financial statements are prepared under the historical cost basis except for the financial assets measured at fair value through other comprehensive income, financial assets and financial liabilities (including derivative instruments) measured at fair-value-through-profit-or-loss and investment property measured at fair value.

The accounting policies for the preparation of the consolidated financial statements have been consistently applied to the years 2025 and 2024, after taking into account the amendments in IFRSs as described in section 2.1.1 (a) “New and amended standards adopted by the Group as of 1 January 2025”.

Following the completion of the merger in December 2025, the Bank became the ultimate parent of the entire Group and the Eurobank S.A. Group represents the continuation of the former Eurobank Holdings Group. Accordingly, taking into account the substance of the transaction in the context of Group’s reorganization, which reflects that no change in ownership interests or share value occurred, the retrospective approach has been adopted and the comparative information corresponds to that of the former Eurobank Holdings Group. In addition, where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

The preparation of financial statements in accordance with IFRS requires the use of estimates and judgements that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the consolidated financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management’s best knowledge of current events and conditions, actual results ultimately may differ from those estimates.

The Group’s presentation currency is the Euro (€) being the functional currency of the parent company. Except as indicated, financial information presented in Euro has been rounded to the nearest million. The figures presented in the primary financial statements and the notes may not sum precisely to the totals provided due to rounding.

Going concern considerations

The annual financial statements of the Group for the year ended 31 December 2025 have been prepared on a going concern basis, taking into consideration the following:

- a) The major macroeconomic risks and uncertainties in Greece and the region for the next 12 months, including (a) the elevated geopolitical and economic uncertainty stemming from the fragile situation in the Middle East, especially due to the war between Iran and USA/Israel, for which the assessment of any impact is premature, as well as the United States foreign and trade policy

Notes to the Consolidated Financial Statements

decisions and the ongoing war in Ukraine, (b) the persistent above target inflation in Greece and Bulgaria, and (c) the challenges in fully absorbing European Union (EU) funds and implementing structural reforms as the relevant deadlines approach. These factors may have adverse effects on financial volatility, economic growth, inflation, employment, competitiveness, international trade, and monetary policy outlook (further information is presented in the section “Macroeconomic Outlook and Risks” of the Report of the Directors for 2025). In 2025, amid a challenging international environment, the macroeconomic conditions remained supportive across the Group’s three core markets. The economies of Greece, Bulgaria and Cyprus exhibited remarkable resilience, sustaining their expansionary momentum and are expected to remain in positive growth territory in 2026, overperforming most of their EU peers. Growth in the Group’s three core markets is also supported by the mobilisation of the EU investment funds, mainly through the Recovery and Resilience Facility (RRF), with the deadline for completing the associated investments and reforms in August 2026.

- b) The Group’s profit generation capacity and capital adequacy; specifically in the year ended 31 December 2025, the net profit attributable to equity holders of the parent company amounted to € 1,362 million (2024: € 1,448 million). The adjusted net profit, which excludes the restructuring costs (note 12), the gain on the acquisition of CNP Cyprus Insurance Holdings (note 10), the impairment for the held for sale loans- related projects (note 21), the estimated cost for the contribution to Greek State’s infrastructure projects (note 11), the income related to recognition of deferred tax asset on previous years temporary differences (note 13.1), and the net loss from discontinued operations (note 30), amounted to € 1,412 million (2024: € 1,484 million), of which € 741 million profit was related to the international operations (2024: € 709 million profit). Further information is provided in the section “Financial Results Review and Outlook” of the Report of the Directors for 2025.

At 31 December 2025, the Group’s Total Capital Adequacy (total CAD) and Common Equity Tier 1 (CET1) ratios amounted to 19.5% (31 December 2024: 18.2%) and 15.2% (31 December 2024: 15.4%) respectively, including, inter alia, the impact of (a) the accrual for profit payout (subject to regulatory and AGM approvals in relation to 2025 financial year) and (b) the issuance of € 500 million and € 600 million of AT1 Capital instruments in June and November 2025 respectively (note 38). Pro-forma for the completion of the project “Sun (ex-Solar)” and “Wave III” upsize, the total CAD and CET1 ratios would be 20% and 15.6% respectively. At 31 December 2025, the Bank’s MREL ratio at consolidated level, including the impact of the accrual for profit payout, stands at 29.39% of RWAs (31 December 2024: 27.36%) (note 4).

- c) The Group’s liquidity position, with the Liquidity Coverage ratio (LCR) reaching 172.2% as at 31 December 2025 (31 December 2024: 188.2%). The Group’s (net) loans to deposits (L/D) ratio stood at 66.1% (31 December 2024: 64.8%). In the context of the 2025 ILAAP (Internal Liquidity Adequacy Assessment Process), the liquidity stress tests results indicate that the Bank has adequate liquidity buffer to cover the potential outflows that could occur in all scenarios regarding the short term (1 month), the 3-month and the medium-term horizon (1 year).
- d) The Group’s asset quality with the Group’s NPE ratio standing at 2.6%, (31 December 2024: 2.9%, excluding the NPE covered by the Asset Protection Scheme in Cyprus (APS)). The respective NPE coverage ratio improved to 95.2% (31 December 2024: 88.4%). In December 2025, in the context of the NPE deleveraging strategy, the Group initiated the disposal process for a secured retail NPE portfolio of € 126 million (note 20).

Notes to the Consolidated Financial Statements

2.1.1 New and amended standards and interpretations

(a) New and amended standards adopted by the Group as of 1 January 2025

The following amendments to existing standards as issued by the IASB and endorsed by the EU, that are relevant to the Group's activities apply as of 1 January 2025:

IAS 21, Amendments, Lack of Exchangeability

The amendment to IAS 21 "The Effects of Changes in Foreign Exchange Rates", specifies how an entity can determine whether a currency is exchangeable into another currency at the measurement date and when such exchangeability does not exist, how to determine the spot exchange rate to be applied. In addition, when a currency is not exchangeable an entity should disclose information that would enable users of its financial statements to understand the related effects and risks in the entity's financial performance, financial position and cash flows, as well as the estimated rates and techniques applied.

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

(b) New and amended standards not yet adopted by the Group

A number of new standards and amendments to existing standards are effective after 2025, as they have not yet been endorsed by the EU or have not been early applied by the Group. Those that may be relevant to the Group are set out below:

IFRS 18, Presentation and Disclosure in Financial Statements (effective 1 January 2027)

In April 2024, the IASB published the new standard IFRS 18 "Presentation and Disclosure in Financial Statements" which will replace IAS 1 "Presentation of Financial Statements" with many of the existing principles of IAS 1 retained with limited changes. The new standard sets out the requirements for presentation and disclosures in the financial statements with focus on the income statement and reporting of financial performance, in order to ensure that financial statements provide relevant information that faithfully represents an entity's financial position, performance, and cash flows.

Specifically, the main changes of the new standard relate to the presentation and structure of the income statement, by introducing specified totals and subtotals, new classification categories of income and expenses depending on the entity's specified main business activities, while it also introduces limited changes to other primary financial statements. The new standard requires disclosure of information for Management-defined Performance Measures (MPMs) and introduce new presentation options of the analysis of operating expenses on the face of income statement while it also includes new requirements for aggregation and disaggregation of financial information on the face of financial statements and in the notes.

The new standard is effective for annual periods beginning on or after January 1, 2027, with early adoption permitted and will also apply to comparative information.

The Group is currently assessing the effect of IFRS 18 on the presentation of its consolidated financial statements and relevant disclosures.

IFRS 9 & IFRS 7, Amendments to the Classification and Measurement of Financial Instruments (effective 1 January 2026)

In May 2024, the IASB issued "Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7". The amendments clarify the requirements related to the derecognition of financial liabilities settled through electronic payment systems, provide additional guidance for the SPPI assessment of financial instruments with contingent features, non-recourse features, as well as for transactions that are contractually linked instruments.

Additionally, the amendments introduce disclosure requirements regarding financial instruments with contingent features, as well as for investment in equity instruments designated at FVOCI.

The adoption of the amendments is not expected to have a significant impact to the consolidated financial statements.

Annual improvements to IFRSs - Volume 11 (effective 1 January 2026)

In July 2024, the IASB issued amendments to several IFRS standards, which resulted from the IASB's annual improvements process. This volume includes minor amendments to several standards namely:

- IFRS 1 "First-time Adoption of International Financial Reporting Standards" on Clarifications on hedge accounting for first-time adopters,

Notes to the Consolidated Financial Statements

- IFRS 7 “Financial Instruments: Disclosures” and its accompanying Guidance on implementing IFRS 7 in disclosures related to derecognition, fair value and credit risk,
- IFRS 9 “Financial Instruments” on clarifications about lessee derecognition of lease liabilities and on definition of transaction price over the initial measurement of trade receivables,
- IFRS 10 “Consolidated Financial Statements” on the determination of a 'De Facto Agent' and
- IAS 7 “Statement of Cash-Flows” on definition of cost method.

The adoption of the amendments is not expected to impact the consolidated financial statements.

2.2 Material accounting policies

2.2.1 Consolidation

(i) Subsidiaries

Subsidiaries are all entities controlled by the Group. The Group controls an entity when it is exposed, or has rights to, variable returns from its involvement with the entity, and has the ability to affect those returns through its power over the entity. The Group consolidates an entity only when all the above three elements of control are present.

Power over the entity may arise from voting rights granted by equity instruments such as shares or, in other cases, may result from contractual arrangements.

Where voting rights are relevant, the Group is deemed to have control where it holds, directly or indirectly, more than half of the voting rights over an entity, unless there is evidence that another investor has the practical ability to unilaterally direct the relevant activities.

The Group may have power, even when it holds less than a majority of the voting rights of the entity, through a contractual arrangement with other vote holders, rights arising from other contractual arrangements, substantive potential voting rights, ownership of the largest block of voting rights in a situation where the remaining rights are widely dispersed ('de facto power'), or a combination of the above. In assessing whether the Group has de facto power, it considers all relevant facts and circumstances including the relative size of the Group's holding of voting rights and dispersions of holdings of other vote holders to determine whether the Group has the practical ability to direct the relevant activities.

In assessing whether the Group has the ability to use its power to affect the amount of returns from its involvement with an entity, the Group determines whether in exercising its decision-making rights, it is acting as an agent or as a principal. The Group acts as an agent when it is engaged to act on behalf and for the benefit of another party, and as a result does not control an entity. Therefore, in such cases, the Group does not consolidate the entity. In making the above assessment, the Group considers the scope of its decision-making authority over the entity, the rights held by other parties, the remuneration to which the Group is entitled from its involvement, and its exposure to variability of returns from other interests in that entity.

The Group has interests in certain entities which are structured so that voting rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual rights. In determining whether the Group has control over such structured entities, it considers the following factors:

- The purpose and design of the entity;
- Whether the Group has certain rights that give it the ability to direct the relevant activities of the entity unilaterally, as a result of existing contractual arrangements that give it the power to govern the entity and direct its activities;
- In case another entity is granted decision making rights, the Group assesses whether this entity acts as an agent of the Group or another investor;
- The existence of any special relationships with the entity; and
- The extent of the Group's exposure to variability of returns from its involvement with the entity, including its exposure in the most subordinated securitization notes issued by the entity as well as subordinated loans or other credit enhancements that may be granted to the entity, and if the Group has the power to affect such variability.

Information about the Group's structured entities is set out in note 25.

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The Group reassesses whether it controls an entity if facts and circumstances indicate that there are changes to one or more elements of control. This includes circumstances in which the rights held by the Group and intended to be protective in nature become substantive upon a breach of a covenant or default on payments in a borrowing arrangement, and lead to the Group having power over the investee.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

In determining the proportion of profit or loss and changes in equity allocated to the Group and non-controlling interests, the Group takes into account current ownership interests, also including in-substance current ownership interests, after considering the eventual exercise of any potential voting rights and other derivatives that currently give the Group access to the returns associated with an ownership interest.

Changes in the Group's ownership interest in subsidiaries that do not result in a loss of control are recorded as equity transactions. Any difference between the consideration and the share of the new net assets acquired is recorded directly in equity. Gains or losses arising from disposals of ownership interests that do not result in a loss of control by the Group are also recorded directly in equity. For disposals of ownership interests that result in a loss of control, the Group derecognizes the assets and liabilities of the subsidiary and any related non-controlling interest and other components of equity and recognizes gains and losses in the income statement. When the Group ceases to have control, any retained interest in the former subsidiary is re-measured to its fair value, with any changes in the carrying amount recognized in the income statement. The Group considers the eventual exercise of any potential voting rights and other derivatives and whether they currently give the Group access to the returns associated with a retained ownership interest, in determining whether that ownership interest should be derecognised or not.

Intercompany transactions, balances and intragroup gains on transactions between Group entities are eliminated; intragroup losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred.

(ii) Business combinations

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The consideration transferred for an acquisition is measured at the fair value of the assets given, equity instruments issued or exchanged and liabilities undertaken at the date of acquisition, including the fair value of assets or liabilities resulting from a contingent consideration arrangement. Acquisition related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date irrespective of the extent of any non-controlling interest. Any previously held interest in the acquiree is remeasured to fair value at the acquisition date with any gain or loss recognized in the income statement. The Group recognizes on an acquisition-by-acquisition basis any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets of the subsidiary acquired, is recorded as goodwill. If this is less than the fair value of the net assets of the acquiree, the difference is recognized directly in the income statement.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which it occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted retrospectively during the measurement period to reflect the new information obtained about the facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. The measurement period adjustments, as mentioned above, affect accordingly the amount of goodwill that was initially recognized, while the measurement period cannot exceed one year from the acquisition date.

Commitments to purchase non-controlling interests through derivative financial instruments with the non-controlling interests, as part of a business combination are accounted for as a financial liability, with no non-controlling interest recognized for reporting purposes. The financial liability is measured at fair value, using valuation techniques based on best estimates available to Management. Any difference between the fair value of the financial liability upon initial recognition and the nominal non-controlling interest's share of net assets is recognized as part of goodwill. Subsequent revisions to the valuation of the derivatives are recognized in the income statement.

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Agreements to acquire or dispose shares in an entity that will be settled at a future date and will result in a business combination are accounted for by the Group as executory contracts and not as derivatives, under the relevant accounting standards. The term of such agreements should not exceed a reasonable period normally necessary to obtain any required approvals and complete the transaction.

For acquisitions of subsidiaries not meeting the definition of a business, the Group allocates the consideration to the individual identifiable assets and liabilities based on their relative fair values at the date of acquisition. Such transactions or events do not give rise to goodwill.

A listing of the Bank's subsidiaries is set out in note 23.

(iii) Business combinations involving entities under common control

Pursuant to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors', since business combinations between entities under common control are excluded from the scope of IFRS 3 'Business Combinations', such transactions are accounted for in the Group's financial statements by using the pooling of interests method (also known as merger accounting), with reference to the most recent pronouncements of other standard-setting bodies that use a similar conceptual framework and comply with the IFRSs general principles, as well as accepted industry practices.

Under the pooling of interests method, the Group incorporates the assets and liabilities of the acquiree at their pre-combination carrying amounts, as derived from the highest level of common control unless the substance of the transaction and the underlying facts and circumstances indicate a different value, without any fair value adjustments. Any difference between the cost of the transaction and the carrying amount of the net assets acquired is recorded in Group's equity.

The Group accounts for the cost of such business combinations at the fair value of the consideration given, being the amount of cash or shares issued or if that cannot be reliably measured, the consideration received.

Formation of a new Group entity to effect a business combination

Common control transactions that involve the formation of a new Group entity to effect a business combination by bringing together two or more previously uncombined businesses under the new Group entity are also accounted for by using the pooling of interests method.

Other common control transactions that involve the acquisition of a single existing Group entity or a single group of businesses by a new entity formed for this purpose are accounted for as capital reorganizations, on the basis that there is no business combination and no substantive economic change in the Group. Under a capital reorganization, the acquiring entity incorporates the assets and liabilities of the acquired entity at their carrying amounts, as presented in the books of that acquired entity, rather than those from the highest level of common control. Any difference between the cost of the transaction and the carrying amount of the net assets acquired is recognized in the equity of the new entity. Capital reorganization transactions do not have any impact on the Group's consolidated financial statements.

(iv) Associates

Investments in associates are accounted for using the equity method of accounting in the consolidated financial statements. These are undertakings over which the Group exercises significant influence but which are not controlled.

Equity accounting involves recognizing in the income statement the Group's share of the associate's profit or loss for the year. The Group's interest in the associate is carried on the balance sheet at an amount that reflects its share of the net assets of the associate and any goodwill identified on acquisition net of any accumulated impairment losses. If the Group's share of losses of an associate equals or exceeds its interest in the associate, the Group discontinues recognizing its share of further losses, unless it has incurred obligations or made payments on behalf of the associate.

When the Group obtains or ceases to have significant influence, any previously held or retained interest in the entity is remeasured to its fair value, with any change in the carrying amount recognized in the income statement, except in cases where an investment in associate becomes an investment in a joint venture where no remeasurement of the interest retained is performed and use of the equity method continues to apply.

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(v) Joint arrangements

A joint arrangement is an arrangement under which the Group has joint control with one or more parties. Joint control is the contractually agreed sharing of control and exists only when decisions about relevant activities require the unanimous consent of the parties sharing control. The Group evaluates the contractual terms of joint arrangements to determine whether a joint arrangement is a joint operation or a joint venture. All joint arrangements in which the Group has an interest are joint ventures.

As investments in associates, the Group's interest in joint ventures is accounted for by using the equity method of accounting. Therefore, the accounting policy described in note 2.2.1 (iv) applies also for joint ventures.

A listing of the Group's associates and joint ventures is set out in note 24.

2.2.2 Foreign currencies

(i) Translation of foreign subsidiaries

Assets and liabilities of foreign subsidiaries are translated into the Group's presentation currency at the exchange rates prevailing at each reporting date whereas income and expenses are translated at the average exchange rates for the period reported. Exchange differences arising from the translation of the net investment in a foreign subsidiary, including exchange differences of monetary items receivable or payable to the foreign subsidiary for which settlement is neither planned nor likely to occur that form part of the net investment in the foreign subsidiaries, are recognized in other comprehensive income. Exchange differences from the Group's foreign subsidiaries are released to the income statement on their disposal.

(ii) Transactions in foreign currency

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in the income statement.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rates prevailing at each reporting date and exchange differences are recognized in the income statement, except when deferred in equity as qualifying cash flow or net investment hedges.

Non-monetary assets and liabilities are translated into the functional currency at the exchange rates prevailing at initial recognition, except for non-monetary items denominated in foreign currencies that are measured at fair value which are translated at the rate of exchange at the date the fair value is determined. The exchange differences relating to these items are treated as part of the change in fair value and are recognized in the income statement or directly in other comprehensive income depending on the classification of the non-monetary item.

2.2.3 Derivative financial instruments and hedging

Derivative financial instruments that mainly include foreign exchange contracts, forward currency agreements, currency and interest rate options (both written and purchased), as well as currency and interest rate swaps are initially recognized in the balance sheet at fair value, on the date on which the derivative contracts are entered into, and subsequently are re-measured at their fair value. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

The principles for the fair value measurement of financial instruments, including derivative financial instruments, are described in notes 3.2 and 5.3.

Embedded derivatives

Embedded derivatives are components of hybrid contracts that also include non-derivative hosts with the effect that some of the cash flows of the combined instruments vary in a way similar to stand-alone derivatives.

Financial assets that contain embedded derivatives are recognised in the balance sheet in their entirety in the appropriate classification category, following the instruments' assessment of their contractual cash flows and their business model as described in note 2.2.9.

On the other hand, derivatives embedded in financial liabilities, such as bonds issued by the Group, are treated as separate derivatives when their risks and characteristics are assessed not to be closely related to those of the host contract and the host contract is not

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carried at fair value through profit or loss. These embedded derivatives are separated in the balance sheet and accounted for as stand-alone derivatives measured at fair value with changes in fair value recognized in the income statement.

Derivatives held for hedge accounting

The use of derivative financial instruments is inherent in the Group's activities and aims principally at managing risks effectively.

Accordingly, the Group, as part of its risk management strategy, may enter into transactions with external counterparties to hedge partially or fully its exposure to interest rates, foreign currency rates, equity prices and other market factors that are generated from its activities.

The objectives of hedging with derivative financial instruments include:

- Reduce interest rate exposure that is in excess of the Group's interest rate limits;
- Manage efficiently interest rate risk and achieve optimization and stabilization of the evolution of net interest margin and net interest income by tracking the evolution of interest rates and spreads and hedging the movements of the benchmark interest rates represented by the prevailing reference rates;
- Manage the overall fair value exposure on settled or unsettled (forward) transactions
- Reduce the variability deriving from the fair value changes of derivatives embedded in financial assets;
- Manage future variable cash flows;
- Reduce foreign currency or inflation risk;
- Reduce variability of the consideration to be paid/received to acquire/sell a debt security under a forward transaction,
- Reduce accounting exposure, i.e. the variability in the Group's equity arising from translating a foreign net investment at different exchange rates.

Hedge accounting

The Group has elected, as a policy choice permitted under IFRS 9, to continue to apply hedge accounting in accordance with IAS 39, as endorsed by the European Union (IAS 39 "carve out"). Under the EU carve-out version of IAS 39, certain requirements related to hedge accounting were removed, in order to facilitate (a) the application of fair value hedge accounting to the macro-hedges used for structural hedges including demand deposits and (b) the hedge effectiveness assessment by permitting the use of bottom layer approach for the determination of the fair value of hedged item, attributable to interest rate risk.

For hedge accounting purposes, the Group forms a hedging relationship between a hedging instrument or group of hedging instruments and a related item or group of items to be hedged. A hedging instrument is a designated derivative or group of designated derivatives, or a designated non-derivative financial asset or financial liability whose fair value or cash flows are expected to offset changes in the fair value or cash flows of a designated hedged item or group of hedged items. Specifically, the Group designates certain derivatives as: (a) hedges of the exposure to changes in the fair value of recognized assets or liabilities on a single or portfolio basis or unsettled forward transactions (fair value hedging), (b) hedges of the exposure to variability in cash flows of recognized assets or liabilities or unsettled forward transactions, or highly probable forecasted transactions (cash flow hedging) or, (c) hedges of the exposure to variability in the value of a net investment in a foreign operation which is associated with the translation of the investment's net assets in the Group's functional currency (net investment hedging).

In order to apply hedge accounting, specified criteria should be met. Accordingly, at the inception of the hedge accounting relationship, the Group documents the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking the hedge transaction, together with the method that will be used to assess the effectiveness of the hedging relationship. The Group also documents its assessment, both at inception of the hedge and on an ongoing basis, of whether the derivatives that are used in the hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items and whether the actual results of each hedge are within a range of 80-125%. If a relationship does not meet the abovementioned hedge effectiveness criteria, the Group discontinues hedge accounting prospectively. Similarly, if the hedging derivative expires or is sold, terminated or exercised, or the hedge designation is revoked, then hedge accounting is discontinued prospectively.

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(i) Fair value hedging

The Group applies fair value hedging primarily to hedge exposures to changes in the fair value attributable to interest rate risk with respect to the applicable benchmark rate and currency risk.

Hedged items

The items that qualify for fair value hedge accounting include financial assets and liabilities such as:

- fixed rate investment securities measured at AC or FVOCI,
- fixed rate term deposits and debt securities issued measured at AC;
- portfolios of floating-rate loans and debt securities with embedded interest rate options (such as purchased interest rate floors) measured at AC;
- portfolios of fixed rate amortizing loans (macro hedging) including securitization notes issued and held by the Group measured at AC.
- portfolios of liabilities (macro hedging) and more specifically demand deposits with interest rates determined by the Group and announced on its pricing list (sight/savings deposit rate) that are identified as interest rate-insensitive liabilities measured at AC. More specifically, demand deposits (sight or savings) are liabilities with no contractual maturity that the customers have the flexibility to withdraw at any time. Despite their contractual terms, and due to their nature, part of the demand deposits behaves as a portfolio of longer-term fixed rate liabilities, as they remain insensitive to interest rate movements. This part of demand deposits represents the core deposits.

Hedge effectiveness assessment

The Group uses predominantly the regression analysis at inception (prospective measurement) and on an ongoing basis (retrospective measurement), in order to assess the effectiveness of fair value hedges on a single or portfolio basis or portfolios hedging of interest rate risk (macro-hedging). Specifically, the regression analysis is the default method of assessing effectiveness which provides evidence of a strong historical economic relationship between the hedged item and the hedging instrument. Based on this evidence and the terms/characteristics of the hedged item and hedging instrument, the Group concludes that the hedge relationship is expected to be highly effective over the forthcoming hedge period. If the regression coefficient of the equation, that represents the effectiveness ratio, ranges between -0.8 to -1.25, the hedge relationship is expected to be highly effective, further supported by the coefficient of determination (R²) which should be greater than 80% to confirm the statistical level of high effectiveness. For hedging relationships, that regression analysis is not available the Group performs a comparison of the change in the fair value of the hedging instrument with the change in the fair value of the hedged item attributable to the hedged risk. The above comparison constitutes the dollar-offset ratio and should be within the range of 80% -125% for the hedge to be highly effective.

The Group may also apply the hypothetical derivative method, an approach to the dollar offset method, where the hedged risk is modelled through a hypothetical derivative, which replicate the embedded derivative. The fair value of the hypothetical derivative is used as a proxy for the net present value of the hedged future cash flows against which changes in value of the actual hedging instrument are compared to assess effectiveness and measure ineffectiveness. Hedge ineffectiveness may arise in case of potential differences in the critical terms between the hedged item and the hedging instrument such as maturity, interest rate reset frequency and discount curves as well as differences between expected and actual cash flows.

In addition, for portfolio hedges of assets with similar characteristics where the critical terms of the hedged items match the ones of the hedging instruments it is presumed that by construction, effectiveness is expected to be highly effective.

The Group has identified the following sources of ineffectiveness:

- Differences in the repricing frequency of the hedged items and hedging instruments
- The use of different interest rate curves applied to discount the hedged items and hedging instruments.

Fair value hedging adjustments and discontinuation of hedge accounting

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Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement line “net trading income/(loss)” together with the changes in the fair value of the hedged assets or liabilities that are attributable to the hedged risk (fair value hedging adjustments). Fair value hedging adjustments to the hedged items measured at amortised cost are recorded as part of their carrying value in the balance sheet, with the exception of hedging adjustments for portfolios of fixed rate assets in the context of macro-hedging (see below).

The Group discontinues hedge accounting prospectively in case the hedging instrument expires or is sold, terminated or exercised, the hedge no longer meets the qualifying criteria for hedge accounting, or designation is revoked. In such cases, any adjustment to the carrying amount of the hedged item, for which the effective interest method is applied, is amortized to profit or loss in the income statement line interest income/expense over the remaining period to maturity with amortization commencing no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged. If the hedged item is derecognised, the unamortised fair value adjustment is recognised immediately in the income statement.

Portfolio hedging of interest rate risk (macro-hedging)

With reference to portfolio hedging of interest rate risk, a dynamic hedging strategy is applied according to which the Group voluntarily designates and de-designates the hedge relationship on a monthly basis or more frequently for portfolios where the Group applies a more active strategy to manage interest rate risk.

For portfolios of financial assets, the Group determines the designated hedged amount by identifying portfolios of homogenous fixed rate assets based on their contractual interest rates, maturity and other risk characteristics. Assets within the identified portfolios are allocated into repricing time periods based on their repricing/maturity dates with assumptions made for expected prepayments and principal repayments. The hedging instruments are groups of interest rate swaps replicating in aggregate the amortization profile of the assets and designated appropriately to their repricing time periods. Following the above allocation into time buckets, the designated hedged principal and the resulting percentage of the asset portfolio hedged (hedge ratio) for each time bucket are determined.

For the core deposits’ portfolios, the Group determines their aggregated balances and allocation into time buckets by applying a modelled approach that is based on regulatory standards. More specifically, the portfolio of core deposits to be hedged is determined by an internal designated behavioral model that utilizes a number of assumptions regarding the behavior and evolution of demand deposits balances, which are assessed, monitored and documented in accordance with the Group’s risk management framework. The approach involves the allocation of demand deposits in sub-categories considering their nature, i.e. retail and wholesale, their idiosyncratic behavioral analysis per portfolio, their sensitivity on interest rates and their withdrawal patterns and expected maturity profile analyzed in time buckets for a maximum period of ten years. Furthermore, the model performs a capacity check per time bucket to ensure that there is sufficient hedge capacity on the hedged item amortizing profile, compared to the hedging instruments’ profile in order to ensure that there is no over hedge.

Against this modelled interest rate exposure, the Group then uses groups of interest rate swaps with maturity up to ten years, that receive fixed interest rate and pay floating interest rate based on the benchmark rate hedged.

The groups of swaps are staggered to cover different periods in time replicating the estimated balances of the hedged core deposits per time bucket. Following the above allocation into time buckets, the designated hedged principal and the resulting percentage of the portfolio hedged (hedge ratio) for each time bucket are determined. In addition, in order to hedge the variability in the fair value exposure of the core deposits’ portfolio due to movements in the benchmark interest rate below a specified level (hedge of one-sided risk), the Group utilizes purchased swaptions (with underlying variable interest rate swaps) of short- to medium-term duration that are physically settled, providing the option at maturity to enter into interest rate swaps of one to ten years duration, depending on the target strategy, and having notional equal to the hedged core deposits. The underlying interest rate swaps receive a fixed interest rate equal to the strike price of the option and pay a floating interest rate based on the benchmark rate. The designation is performed for each swaption separately forming an individual hedge relationship for a period equal to the duration of the swaption and regards only their intrinsic value whereas their cost/premium and any subsequent changes in the time value are recognized in the profit or loss.

Fair Value hedging adjustments do not affect the carrying amount of the hedged assets or liabilities pool, but instead they are presented as a separate line item within balance sheet lines loans and advances to customers and due to customers respectively. Considering the designation and de-designation process for a portfolio hedging of interest rate risk is performed on a monthly or more frequent basis, the hedging adjustments are recorded in the income statement line “net trading income/(loss)”, begin

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amortization on the period they occur and are amortized per bucket, until the maturity of the last designated time bucket. For hedges with swaptions, any hedging adjustments occurring in the event the swaptions become in-the-money, begin amortization at the end of the hedge designation period which is the maturity of the swaptions and are fully amortized until the maturity of the underlying swaps.

Furthermore, the pool of hedging instruments is managed dynamically and therefore when new derivatives are added in the pool of hedging instruments, they are included in the next period's hedge assessment and consequently the change in fair value in the month of their inception affects the P&L. Similarly, when existing swaps are de-designated, either to improve expected hedge effectiveness or to be liquidated, the respective change in fair value from de-designation up to the next designation or liquidation date, affects the P&L.

(ii) Cash flow hedging

The Group applies cash flow hedging to hedge exposures to variability in cash flows primarily attributable to the interest rate risk and currency risk associated with a recognized asset or liability or a highly probable forecast transaction. Additionally, cash flow hedging may be applied to hedge the variability of the consideration to be paid in order to acquire assets under unsettled forward transactions (All-In-One Cash flow hedge).

The items that qualify for cash flow hedging include recognized assets and liabilities such as variable rate deposits or loans measured at amortized cost, variable rate debt securities in issue, foreign currency variable rate loans and fixed or variable rate debt securities to be purchased under unsettled forward transactions. The interest rate risk with respect to the applicable benchmark rate may be hedged using interest rate swaps and cross currency swaps. The foreign currency risk may be hedged using currency forwards and currency swaps. The variability of the consideration to be paid to acquire assets under unsettled forward transactions may be hedged using debt securities under forward transactions treated as derivatives and considered eligible hedging instruments.

Furthermore, cash flow hedging is used for hedging highly probable forecast transactions such as the anticipated future rollover of short-term deposits or repos measured at amortized cost. Specifically, the forecast variable interest payments of a series of anticipated rollovers of these financial liabilities are aggregated and hedged as a group with respect to changes in the benchmark interest rates, eliminating cash flow variability. In addition, cash flow hedging applies to hedges of currency risk arising from probable forecasted sales of financial assets or settlement of financial liabilities in foreign currency.

If the hedged item is documented as a forecast transaction, the Group assesses and verifies that there is a high probability of the transaction occurring.

In order to assess the effectiveness of cash flow hedges of interest rate risk, the Group uses regression analysis which provides evidence of a strong historical economic relationship between the hedged item and the hedging instrument. Based on this evidence and the terms/characteristics of the hedged item and hedging instrument, the Group concludes that the hedge relationship is expected to be highly effective over the forthcoming hedge period. For assessing the effectiveness of cash flow hedges of currency risk and debt securities under unsettled forward transactions, the Group uses the dollar-offset method as it is described in section (i) above.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income whereas the ineffective portion is recognized in the income statement line "net trading income/(loss)".

Amounts accumulated in equity are recycled to the income statement in the periods in which the hedged item will affect profit or loss (for example, when the forecast sale that is hedged takes place).

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, the cumulative gain or loss existing in equity at that time remains in equity until the hedged cash flows affect the income statement.

When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

(iii) Net investment hedging

The Group applies net investment hedging to hedge exposures to variability in the value of a net investment in foreign operation (including monetary items that form part of the net investment), such as foreign subsidiaries, associates or other foreign operations, associated with the translation of the net investment's carrying amount into the Group's presentation currency. Any exchange

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differences deriving from the translation are deferred in OCI until the net investment is disposed of or liquidated, at which time they are recognized in the profit or loss.

The foreign currency exposure that arises from the fluctuation in spot exchange rates between the net investment's functional currency and the Group's presentation currency may be hedged using currency swaps, currency forward contracts and their economic equivalents, as well as cash instruments.

The effectiveness of net investment hedges is assessed with the Dollar-Offset Method as described above for fair value hedge.

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognized in equity; the gain or loss relating to the ineffective portion is recognized in the income statement. Gains and losses accumulated in equity are included in the income statement when the foreign operation is disposed of as part of the gain or loss on the disposal.

Derivatives not designated as hedging instruments for hedge accounting purposes

Changes in the fair value of derivative financial instruments that are entered into for trading purposes or as economic hedges of assets, liabilities or net positions in accordance with the Group's hedging objectives and risk management policies that may not qualify for hedge accounting are recognized in the income statement.

The fair values of derivative instruments held for trading, including those entered into as economic hedges, and hedge accounting purposes are disclosed in note 19.

2.2.4 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the recognized amounts and intends either to settle them on a net basis, or to realize the asset and settle the liability simultaneously.

2.2.5 Income statement

(i) Interest income and expense

Interest income and expense are recognized in the income statement for all interest bearing financial instruments on an accrual basis, using the effective interest rate (EIR) method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the EIR for financial instruments other than purchased or originated credit-impaired, the Group estimates future cash flows considering all contractual terms of the financial instrument but does not consider expected credit losses. For purchased or originated credit impaired (POCI) financial assets, the Group calculates the credit-adjusted EIR, which is the interest rate that upon the original recognition of the POCI financial asset discounts the estimated future cash flows (including expected credit losses) to the fair value of the POCI asset.

The amortized cost of a financial asset or liability is the amount at which it is measured upon initial recognition minus principal repayments, plus or minus cumulative amortization using the EIR (as described above) and for financial assets it is adjusted for the expected credit loss allowance. The gross carrying amount of a financial asset is its amortized cost before adjusting for ECL allowance.

The EIR calculation includes fees and points paid or received that are an integral part of the effective interest rate, transaction costs, and other premiums or discounts. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or liability.

The Group calculates interest income and expense by applying the EIR to the gross carrying amount of non-impaired financial assets (exposures in Stage 1 and 2) and to the amortized cost of financial liabilities respectively.

For financial assets that have become credit-impaired subsequent to initial recognition (exposures in Stage 3), the Group calculates interest income by applying the effective interest rate to the amortized cost of the financial asset (i.e. gross carrying amount adjusted for the expected credit loss allowance). If the asset is no longer credit-impaired, then the EIR is applied again to the gross carrying amount with the exception of POCI assets for which interest income does not revert to gross basis calculation.

For inflation-linked instruments the Group recognizes interest income and expense by adjusting the effective interest rate on each reporting period due to changes in expected future cash flows, incorporating changes in inflation expectations over the term of the

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instruments. The adjusted effective interest rate is applied in order to calculate the new gross carrying amount on each reporting period.

Interest income and expense are presented separately in the income statement for all interest bearing financial instruments within net interest income.

(ii) Fees and commissions

Fee and commission received or paid that are integral to the effective interest rate on a financial asset or financial liability are included in the effective interest rate.

Other fee and commission income such as account servicing and asset management fees (including performance based fees) is recognised over time as the related services are being provided to the customer, to the extent that it is highly probable that a significant reversal of the revenue amount recognized will not occur. Transaction-based fees such as foreign exchange transactions, imports-exports, remittances, bank charges and brokerage activities are recognised at the point in time when the transaction takes place. Other fee and commission expenses relate mainly to transaction and service fees, which are expensed as the services are received.

In the case of a contract with a customer that results in the recognition of a financial instrument in the Group's financial statements which may be partially in the scope of IFRS 9 and partially in the scope of IFRS 15, the Group first applies IFRS 9 to separate and measure the part of the contract that is in the scope of IFRS 9 and subsequently applies IFRS 15 to the residual part.

2.2.6 Property, equipment and Investment property

(i) Property and equipment

Property and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Subsequent expenditure is recognized in the asset's carrying amount only when it is probable that future economic benefits will flow to the Group and the cost of the asset can be measured reliably. All other repair and maintenance costs are recognized in the income statement as incurred.

Depreciation is calculated using the straight-line method to write down the cost of property and equipment, to their residual values over their estimated useful life as follows:

- Land: no depreciation;
- Freehold buildings: 40-50 years and up to 70 years (for specific strategic properties constructed or heavily renovated according to the best practices and guidelines of sustainable construction and renovation, using resilient materials and designs);
- Leasehold improvements: over the lease term or the useful life of the asset if shorter;
- Computer hardware and related integral software: 4-10 years;
- Other furniture and equipment: 4-20 years; and
- Motor vehicles: 5-7 years.

(ii) Investment property

Property held for rental yields and/or capital appreciation that is not occupied by the Group's entities is classified as investment property.

Investment property is measured initially at its cost, including related transaction costs, and subsequently at fair value with any change therein recognized in income statement line "other income / (expenses)". Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Such expenditure includes enhancements that increase the value of the asset and its future income-earning potential, as well as costs to comply with environmental and other legal requirements. Repairs and maintenance costs are recognized to the income statement during the financial period in which they are incurred.

Any gain or loss on disposal (calculated as the difference between the net proceeds from disposal and the carrying amount of the asset) is recognized in income statement.

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If an investment property becomes owner-occupied, it is reclassified as property and equipment and its fair value at the date of reclassification becomes its deemed cost. If an item of property and equipment becomes an investment property because its use has changed, any resulting decrease between the carrying amount and the fair value of this item at the date of transfer is recognized in income statement while any resulting increase, to the extent that the increase reverses previous impairment loss for that property, is recognized in income statement while any remaining part of the increase is recognized in other comprehensive income and increases the revaluation surplus within equity.

If a repossessed asset becomes investment property, any difference between the fair value of the property at the date of transfer and its previous carrying amount is recognized in income statement.

Reclassifications among own used, repossessed assets and investment properties may occur when there is a change in the use of such properties. Additionally, an investment property may be reclassified to 'non-current assets held for sale' category to the extent that the criteria described in note 2.2.26 are met.

2.2.7 Intangible assets

(i) Goodwill

Goodwill arising on business combinations is included in 'intangible assets' and is measured at cost less accumulated impairment losses.

Goodwill arising on acquisitions of associates and jointly controlled entities is neither disclosed nor tested separately for impairment, but instead is included in 'investments in associates' and 'investments in jointly controlled entities'.

(ii) Computer software

Computer software is measured at cost less accumulated amortisation and accumulated impairment losses. Costs associated with the maintenance of existing computer software programs are expensed as incurred. Development costs associated with the production of identifiable assets controlled by the Group are recognized as intangible assets when they are expected to generate economic benefits and can be measured reliably. Internally generated computer software assets are amortized using the straight-line method over 4 to 15 years, except for core systems whose useful life may extend up to 20 years.

(iii) Other intangible assets

Other intangible assets are assets that are separable or arise from contractual or other legal rights and are amortized over their estimated useful lives. These include intangible assets acquired in business combinations.

Intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

2.2.8 Impairment of non-financial assets

(i) Goodwill

Goodwill is tested for impairment annually or more frequently if there are any indications that impairment may have occurred. The Group considers external information such as prevailing economic conditions, persistent slowdown in financial markets, volatility in markets and changes in levels of market and exchange risk, an unexpected decline in an asset's market value or market capitalization being below the book value of equity, together with a deterioration in internal performance indicators, in assessing whether there is any indication of impairment.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each Cash Generating Unit (CGU) or groups of CGUs that are expected to benefit from the synergies of the combination.

The Group impairment model compares the carrying value of a CGU or group of CGUs with its recoverable amount. The carrying value of a CGU is based on the assets and liabilities of each CGU. The recoverable amount is determined on the basis of the present value of the future cash flows expected to be derived from the CGU or group of CGUs. The estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU and the countries where the CGUs operate.

An impairment loss arises if the carrying amount of an asset or CGU exceeds its recoverable amount and is recognized in the income statement. Impairment losses are not subsequently reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

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Goodwill arising in a business combination is not tested for impairment during the measurement period extending up to one year from the acquisition date that is allowed for the completion of the purchase accounting and allocation of goodwill, unless there has been a triggering event or changes in other facts and circumstances, suggesting that the acquired goodwill might be impaired, even if the allocation process is not complete.

(ii) Other non-financial assets

Other non-financial assets, including property and equipment and other intangible assets, are assessed for indications of impairment at each reporting date by considering both external and internal sources of information such as a significant reduction in the asset's value and evidence that the economic performance of the asset is or will be worse than expected. When events or changes in circumstances indicate that the carrying amount may not be recoverable, an impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows, where applicable. Non-financial assets, other than goodwill, for which an impairment loss was recognized in prior reporting periods, are reviewed for possible reversal of such impairment at each reporting date.

Impairment losses arising from the Group's associates and joint ventures are determined in accordance with this accounting policy.

2.2.9 Financial assets

Financial assets - Classification and measurement

The Group classifies financial assets based on the business model for managing those assets and their contractual cash flow characteristics. Accordingly, financial assets on initial recognition are classified into one of the following measurement categories: amortized cost, fair value through other comprehensive income or fair value through profit or loss.

Purchases and sales of financial assets are recognized on trade date, which is the date the Group commits to purchase or sell the assets. Loans originated by the Group are recognized when cash is advanced to the borrowers.

Financial Assets measured at Amortized Cost ('AC')

The Group classifies and measures a financial asset at AC only if both of the following conditions are met and is not designated as at FVTPL:

- (a) The financial asset is held within a business model whose objective is to collect contractual cash flows (hold-to-collect business model) and
- (b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).

These financial assets are recognized initially at fair value plus or minus direct and incremental transaction costs and fees received that are attributable to the acquisition of these assets, and are subsequently measured at amortized cost, using the effective interest rate (EIR) method (as described in note 2.2.5 above).

Interest income, realized gains and losses on derecognition, and changes in expected credit losses from assets classified at AC, are included in the income statement.

Financial Assets measured at Fair Value through Other Comprehensive Income ('FVOCI')

The Group classifies and measures a financial asset at FVOCI only if both of the following conditions are met and is not designated as at FVTPL:

- (a) The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets (hold-to-collect-and-sell business model) and
- (b) The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

Financial assets that meet these criteria are debt instruments and are measured initially at fair value, plus or minus direct and incremental transaction costs that are attributable to the acquisition of these assets.

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Subsequent to initial recognition, FVOCI debt instruments are re-measured at fair value through OCI, except for interest income, related foreign exchange gains or losses and expected credit losses, which are recognized in the income statement. Cumulative gains and losses previously recognized in OCI are transferred from OCI to the income statement when the debt instrument is derecognised.

Equity Instruments designated at FVOCI

The Group may make an irrevocable election to designate an equity instrument at FVOCI. This designation, if elected, is made at initial recognition and on an instrument by instrument basis. Gains and losses on these instruments, including when derecognized, are recorded in OCI and are not subsequently reclassified to the income statement. Dividends received are recorded in the income statement. Equity instruments at FVOCI are not subject to an impairment assessment.

Financial Assets measured at Fair Value through Profit and Loss ("FVTPL")

The Group classifies and measures all other financial assets that are not classified at AC or FVOCI, at FVTPL. Derivative financial instruments are measured at FVTPL with changes in fair value recognized in the income statement, unless they are designated as effective hedging instruments, where hedge accounting requirements under IAS 39 apply (as described in note 2.2.3 above).

Furthermore, a financial asset that meets the above conditions to be classified at AC or FVOCI, may be irrevocably designated by the Group at FVTPL at initial recognition, if doing so eliminates, or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets measured at FVTPL are initially recorded at fair value and any unrealized gains or losses arising due to changes in fair value are included in the income statement.

Business model and contractual characteristics assessment

The business model assessment determines how the Group manages a group of assets to generate cash flows. That is, whether the Group's objective is solely to collect contractual cash flows from the asset, to realize cash flows from the sale of assets, or both to collect contractual cash flows and cash flows from the sale of assets. In addition, the business model is determined after aggregating the financial assets into groups (business lines) which are managed similarly rather than at an individual instrument's level.

The business model is determined by the Group's key management personnel consistently with the operating model, considering how financial assets are managed in order to generate cash flows, the objectives and how performance of each portfolio is monitored and reported and any available information on past sales and on future sales' strategy, where applicable.

Accordingly, in making the above assessment, the Group will consider a number of factors including the risks associated with the performance of the business model and how those risks are evaluated and managed, the related personnel compensation, and the frequency, volume and reasons of past sales, as well as expectations about future sales activity.

Types of business models

The Group's business models fall into three categories, which are indicative of the key strategies used to generate returns.

The hold-to-collect (HTC) business model has the objective to hold the financial assets in order to collect contractual cash flows. Financial assets classified within this business model include investment securities, due from banks and loans and advances to customers including securitization notes issued by special purpose entities established by the Group and recognized in its balance sheet, which are measured at amortized cost. Sales within this model are monitored per financial asset class and may be performed for reasons which are not inconsistent with this business model. More specifically, sales of financial assets due to credit deterioration, as well as sales close to the maturity are considered consistent with the objective of hold-to-collect contractual cash flows regardless of value and frequency. Sales for other reasons may be consistent with the HTC model such as liquidity needs in any stress case scenario or sales made to manage high concentration level of credit risk. Such sales are monitored and assessed depending on frequency and value to conclude whether they are consistent with the HTC model.

The hold-to-collect-and-sell business model (HTC&S) has the objective both to collect contractual cash flows and sell the assets. Activities such as liquidity management, interest yield and duration are consistent with this business model, while sales of assets are integral to achieving the objectives of this business model. Financial assets classified within this business model include investment securities which are measured at FVOCI, subject to meeting the SPPI assessment criteria.

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Other business models include financial assets which are managed and evaluated on a fair value basis as well as portfolios that are held for trading. This is a residual category for financial assets not meeting the criteria of the business models of HTC or HTC&S, while the collection of contractual cash flows may be incidental to achieving the business models' objective.

The Group's business models are reassessed at least annually or earlier, if there is a sales' assessment trigger or if there are any changes in the Bank's strategy and main activities, as evidenced by the Bank's business plan, budget and NPE strategy.

Cash flow characteristics assessment

For a financial asset to be measured at AC or FVOCI, its contractual terms must give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. For the purpose of this assessment principal is defined as the fair value of the asset at initial recognition and interest as the consideration for the time value of money, credit risk, other basic lending risks and a profit margin.

More specifically, at initial recognition of a financial asset, an assessment is performed of whether the financial asset contains a contractual term that could change the amount or timing of contractual cash flows in a way that it would not be consistent with the above condition. The Group considers the existence of various features, including among others, contractually linked terms, prepayment terms, deferred interest-free payments, extension and equity conversion options, terms that introduce leverage including index linked payments, as well as environmental, social and governance linked features (ESG) where the contractual interest rate is adjusted if the borrower meets, or fail to meet specific sustainability performance targets. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset does not meet the SPPI criterion and is measured at FVTPL.

In addition, if a contractual feature could have an effect that is de-minimis on the contractual cash flows of the financial asset, it does not affect its classification. Furthermore, a contractual feature is considered as not genuine by the Group, if it affects the instrument's contractual cash flows only on the occurrence of an event that is extremely rare, highly abnormal and very unlikely to occur. In such a case, it does not affect the instrument's classification.

Moreover, for the securitization notes issued by special purpose entities and held by the Group, the cash flow characteristics of the notes and the underlying pool of financial assets as well as the credit risk inherent in each securitization's tranche compared to the credit risk of all of the underlying pool of financial assets, are considered.

In case of special lending arrangements such as non-recourse loans, in its assessment of the SPPI criterion, the Group considers various factors such as the nature of the borrower and its business, the pricing of the loans, whether it participates in the economic performance of the underlying asset and the extent to which the collateral represents all or a substantial portion of the borrower's assets. Moreover, for non-recourse loans, the Group takes into consideration the borrower's adequacy of loss absorbing capital by assessing jointly the criteria of equity sufficiency, Loan to Value ratio (LTV), the Average Debt Service Coverage ratio (ADSCR) as well as the existence of corporate and personal guarantees.

In certain cases when the time value of money element is modified in that the financial asset's interest rate is periodically reset but the reset frequency does not match the tenor of the interest rate or when a financial asset's interest rate is periodically reset to an average of particular short-term and long-term interest rates, a quantitative assessment is performed (the "Benchmark Test") in order to determine whether the contractual cash flows are SPPI.

In particular, the Group assesses the contractual cash flows of the "real instrument", whose interest rate is reset with a frequency that does not match the tenor of the interest rate, and those of the "benchmark instrument", which are identical in all respects except that the tenor of the interest rate matches exactly the interest period. If the undiscounted cash flows of the former are significantly different from the benchmark cash flows due to the modified time value of money element, the financial asset does not meet the SPPI criterion. In its assessment, the Group considers both the effect of the modified time value of money element in each reporting period and cumulatively over the life of the instrument. This is done, as far as the lifetime of the instrument is concerned, by comparing the cumulative projected undiscounted cash flows of the real and the benchmark instrument, and for each quarterly reporting period, by comparing the projected undiscounted cash flows of the two instruments for that quarterly reporting period, based on predefined thresholds.

The Group performs the SPPI assessment for its lending exposures on a product basis for the retail and part of the wholesale portfolio where contracts are of standardized form, whereas for the remaining wholesale portfolio, securitization notes issued by special

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purpose entities, either established by the Group or third parties, and held by the Group, as well as for debt securities, the assessment is performed on an individual basis.

Derecognition of financial assets

The Group derecognizes a financial asset when its contractual cash flows expire, or the rights to receive those cash flows are transferred in an outright sale in which substantially all risks and rewards of ownership have been transferred. In addition, a financial asset is derecognized even if rights to receive cash flows are retained but at the same time the Group assumes an obligation to pay the received cash flows without a material delay (pass through agreement) or when substantially all the risks and rewards are neither transferred nor retained but the Group has transferred control of the asset. Control is transferred if, and only if, the transferee has the practical ability to sell the asset in its entirety to unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

The main transactions that are subject to the above de-recognition rules are securitization transactions, repurchase agreements and stock lending transactions. In the case of securitization transactions, in order to assess the application of the above mentioned de-recognition principles, the Group considers the structure of each securitization transaction including its exposure to the more subordinated tranches of the notes issued and/or credit enhancements provided to the special purpose entities, as well as the securitization's contractual terms that may indicate that the Group retains control of the underlying assets. In the case of repurchase transactions and stock lending, the assets transferred are not derecognised since the terms of the transaction entail the retention of all their risks and rewards.

On derecognition of a financial asset, the difference between the carrying amount of the asset and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognized in OCI for financial assets at FVOCI, is recognized in income statement, except for cumulative gains or losses of FVOCI equity instruments which are not reclassified from OCI to income statement at the date of derecognition.

Modification of financial assets that may result in derecognition

In addition, derecognition of financial asset arises when its contractual cash flows are modified and the modification is considered substantial enough so that the original asset is derecognized and a new one is recognised. Substantial modifications resulting in derecognition may include among others change in borrower, change in the asset's denomination currency, debt consolidation of unsecured exposure into a single new secured asset entailing significant impact on the variability of cash flows and the risk profile of the original instrument subject to modification. The Group records the modified asset as a 'new' financial asset at fair value plus any eligible transaction costs and the difference with the carrying amount of the existing one is recorded in the income statement as derecognition gain or loss.

The Group may modify the contractual terms of a lending exposure either as a concession granted to a client facing or that is about to face financial difficulties or due to other commercial reasons such as changes in market conditions, competition or customer retention.

In addition, the Group may occasionally enter, in the context of loans' modifications, into debt-for-equity transactions. These are transactions where the terms of a lending exposure are renegotiated and as a result, the borrower issues equity instruments (voting or no voting) in order to extinguish part or all of its financial liability to the Group. Such transactions may include also exercise of conversion rights embedded into convertible or exchangeable bonds and enforcement of shares held as collateral.

In debt-for-equity transactions, the modified loan is derecognized while the equity instruments received in exchange are recognized at their fair value, with any resulting gain or loss recognized in the Group's income statement.

2.2.10 Reclassifications of financial assets

The Group reclassifies a financial asset only when it changes its business model for managing financial assets. Generally, a change in the business model is expected to be rare and occurs when the Group either begins or ceases to perform an activity that is significant to its operations; for example, when a business line is acquired, disposed of or terminated. In the rare event when there is a change to the existing business models, the updated assessment is approved by the Group's competent Committees and the amendment is reflected appropriately in the Group's budget and business plan.

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Changes in intention related to particular financial assets (even in circumstances of significant changes in market conditions), the temporary disappearance of a particular market for financial assets or a transfer of financial assets between parts of the Group with different business models, are not considered by the Group changes in business model.

The reclassification is applied prospectively from the reclassification date, therefore previously recognized gains, losses (including impairment losses) or interest are not restated.

2.2.11 Financial liabilities

Financial liabilities - Classification and measurement

The Group classifies its financial liabilities in the following categories: financial liabilities measured at amortized cost and financial liabilities measured at fair-value-through-profit-or-loss (FVTPL).

Financial liabilities at FVTPL comprise two sub categories: financial liabilities held for trading and financial liabilities designated at fair-value-through-profit-or-loss upon initial recognition.

Financial liabilities held for trading, which include short positions of debt securities (sold but not yet purchased), are liabilities that the Group incurs principally for the purpose of repurchasing in the near term for short term profit or in the context of economic hedging strategies of groups of assets and/or liabilities or net positions for which hedge accounting is not applied.

Additionally, the Group may also, at initial recognition, irrevocably designate financial liabilities at fair-value-through-profit-or-loss when certain criteria are met.

Financial liabilities held for trading or designated at FVTPL are initially recognized at fair value. Changes in fair value are recognized in the income statement, except for changes in the fair value of liabilities designated at fair-value-through-profit-or-loss attributable to changes in the Group's own credit risk, which are recognised in OCI and are not subsequently reclassified to the income statement upon derecognition of the liabilities. However, if such treatment creates or enlarges an accounting mismatch in the income statement, all gains or losses of this financial liability, including the effects of changes in the credit risk, are recognized in the income statement.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability of the Group is replaced by another from the same counterparty on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as an extinguishment of the original liability and the recognition of a new liability and any difference arising is recognized in the income statement.

The Group considers the terms to be substantially different, if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability.

If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognized as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortized over the remaining term of the modified liability.

Similarly, when the Group repurchases any debt instruments issued by the Group, it accounts for such transactions as an extinguishment of debt.

2.2.12 Fair value measurement of financial instruments

Fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. If there is no quoted price in an active market, then the Group uses other valuation

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techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The Group has elected to use mid-market pricing as a practical expedient for fair value measurements within a bid-ask spread.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price, i.e. the fair value of the consideration given or received unless the Group determines that the fair value at initial recognition differs from the transaction price. In this case, if the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. Level 1 input) or based on a valuation technique that uses only data from observable markets, a day one gain or loss is recognized in the income statement. On the other hand, if the fair value is evidenced by a valuation technique that uses unobservable inputs, the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price (day one gain or loss). Subsequently the deferred gain or loss is amortized on an appropriate basis over the life of the instrument or released earlier if a quoted price in an active market or observable market data become available or the financial instrument is closed out.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole.

For assets and liabilities that are measured at fair value on a recurring basis, the Group recognizes transfers into and out of the fair value hierarchy levels at the beginning of the quarter in which a financial instrument's transfer was effected.

2.2.13 Impairment of financial assets

The Group recognizes allowance for expected credit losses (ECL) that reflect changes in credit quality since initial recognition to financial assets that are measured at AC and FVOCI, including loans, securitization notes issued by special purpose entities established by the Group, lease receivables, debt securities, as well as financial guarantee contracts and loan commitments. ECL are a probability-weighted average estimate of credit losses that reflects the time value of money. Upon initial recognition of the financial instruments in scope of the impairment policy, the Group records a loss allowance equal to 12-month ECL, being the ECL that result from default events that are possible within the next twelve months. Subsequently, for those financial instruments that have experienced a significant increase in credit risk (SICR) since initial recognition, a loss allowance equal to lifetime ECL is recognized, arising from default events that are possible over the expected life of the instrument. If upon initial recognition, the financial asset meets the definition of purchased or originated credit impaired (POCI), the loss allowance is based on the change in the ECL over the life of the asset.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECL. For all other financial assets subject to impairment, the general three-stage approach applies.

Accordingly, ECL are recognized using a three-stage approach based on the extent of credit deterioration since origination:

- Stage 1 – When there is no significant increase in credit risk since initial recognition of a financial instrument, an amount equal to 12-month ECL is recorded. The 12 – month ECL represent a portion of lifetime losses, that result from default events that are possible within the next 12 months after the reporting date and is equal to the expected cash shortfalls over the life of the instrument or group of instruments, due to loss events probable within the next 12 months. Not credit-impaired financial assets that are either newly originated or purchased, as well as assets recognized following a substantial modification accounted for as a derecognition, are classified initially in Stage 1.
- Stage 2 – When a financial instrument experiences a SICR subsequent to origination but is not considered to be in default, it is included in Stage 2. Lifetime ECL represent the expected credit losses that result from all possible default events over the expected life of the financial instrument.
- Stage 3 – Financial instruments that are considered to be in default are included in this stage. Similar to Stage 2, the allowance for credit losses captures the lifetime expected credit losses.
- POCI - Purchased or originated credit impaired (POCI) assets are financial assets that are credit impaired on initial recognition. They are not subject to stage allocation and are always measured on the basis of lifetime expected credit losses. Accordingly, ECL are only recognized to the extent that there is a subsequent change in the assets' lifetime expected credit losses. Any subsequent favorable change to their expected cash flows is recognized as impairment gain in the income statement even if the resulting expected cash flows exceed the estimated cash flows at initial recognition. Apart from purchased assets directly from the market or through a business combination, POCI assets may also include financial

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instruments that are considered new assets, following a substantial modification accounted for as a derecognition (see section 2.2.9).

Definition of default

To determine the risk of default, the Group applies a default definition for accounting purposes, which is consistent with the European Banking Authority (EBA) definition for non-performing exposure and regulatory definition of default as applied by the Group on 1 January 2021 (refer to note 5.2.1.2 (a)). The accounting definition of default is also consistent with the one used for internal credit risk management purposes.

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that exposure have occurred:

- The borrower faces a significant difficulty in meeting his financial obligations.
- There has been a breach of contract, such as a default or unpaid amounts, above specified materiality thresholds, for 90 consecutive days.
- The Group, for economic or contractual reasons relating to the borrower's financial difficulty, has granted to the borrower a concession(s) that the Group would not otherwise consider.
- There is a probability that the borrower will enter bankruptcy or other financial re-organization.
- For POCI financial assets, a purchase or origination at a deep discount that reflects incurred credit losses is considered a detrimental event. The Group assesses the deep discount criterion following a principle -based approach with the aim to incorporate all reasonable and supportable information which reflects market conditions that exist at the time of the assessment.

For debt securities, the Group determines the risk of default using an internal credit rating scale. The Group considers debt securities as credit impaired if the internal rating of the issuer/counterparty corresponds to a rating equivalent to "C" (Moody's rating scale) or the external rating of the issuer/counterparty at the reporting date is equivalent to "C" (Moody's rating scale) and the internal rating is not available.

Significant increase in credit risk (SICR) and staging allocation

Determining whether a loss allowance should be based on 12-month expected credit losses or lifetime expected credit losses depends on whether there has been a significant increase in credit risk (SICR) of the financial assets, issued loan commitments and financial guarantee contracts, since initial recognition.

At each reporting date, the Group performs an assessment as to whether the risk of a default occurring over the remaining expected lifetime of the exposure has increased significantly from the expected risk of a default estimated at origination for that point in time.

The assessment for SICR is performed using both qualitative and quantitative criteria based on reasonable and supportable information that is available without undue cost or effort including forward looking information and macroeconomic scenarios as well as historical experience. Furthermore, regardless of the outcome of the SICR assessment based on the above triggers, the credit risk of a financial asset is deemed to have increased significantly when contractual payments are more than 30 days past due.

As a primary criterion for SICR assessment, the Group compares the residual lifetime probability of default (PD) at each reporting date to the residual lifetime PD for the same point in time which was expected at the origination.

The Group may also consider as a SICR trigger when the residual lifetime PD at each reporting date exceeds certain predetermined values. The criterion may be applied in order to capture cases where the relative PD comparison does not result to the identification of SICR although the absolute value of PD is at levels which are considered high based on the Group's risk appetite framework.

Internal credit risk rating (on a borrower basis) is also used as a basis for the identification of SICR with regards to lending exposures of the Wholesale portfolio. Specifically, the Group takes into consideration the changes of internal ratings by a certain number of notches. In addition, a watchlist status is also considered by the Group as a trigger for SICR identification. Internal credit risk rating models include borrower specific information as well as, forward-looking information regarding the prospects of the industry in which it operates. For securitization notes issued by special purpose entities established by the Group, the SICR assessment is performed by considering the performance of the underlying assets, where the level of their expected cash flows is compared to the carrying

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amount of the securitized notes. In addition, the assessment of SICR for debt securities is performed on an individual basis based on the number of notches downgrade in the internal credit rating scale since the origination date.

Forbearance measures as monitored by the Group are considered as a SICR trigger and thus the exposures are allocated into Stage 2 upon forbearance, unless they are considered credit-impaired or the net present value of their cash flows before and after the restructuring exceed the threshold of 1%, in which cases they are classified as Stage 3. Furthermore, regardless of the outcome of the SICR assessment based on the above triggers, the credit risk of a financial asset is deemed to have increased significantly when contractual payments are more than 30 days past due.

Transfers from Stage 2 to Stage 1

A financial asset, which is classified to Stage 2 due to Significant Increase in Credit Risk (SICR), is reclassified to Stage 1, as long as it does not meet anymore any of the Stage 2 Criteria.

Where forbearance measures have been applied, the Group uses a probation period of two years, in order to fulfill the requirements for a transfer back to Stage 1. If at the end of that period the borrowers have made regular payments of a significant aggregate amount, there are no past due amounts over 30 days and the loans are neither credit impaired, nor any other SICR criteria are met, they exit forbore status and are classified as stage 1.

Transfers from Stage 3 to Stage 2

A financial asset is transferred from Stage 3 to Stage 2, when the criteria based on which the financial asset was characterized as credit impaired are no longer exist and the applicable probation period for the assets' return in non impaired status, ranging from three to twelve months, has passed.

Criteria for grouping of exposures based on shared credit risk characteristics

The assessment of loss allowance is performed either on an individual basis or on a collective basis for groups of similar items with homogeneous credit risk characteristics. The Group applies the same principles for assessing SICR since initial recognition when estimating ECL on a collective or on an individual basis.

The Group segments its lending exposures on the basis of shared credit risk characteristics for the purposes of both assessing significant increase in credit risk and measuring loan loss allowance on a collective basis. The different segments aim to capture differences in PDs and in the rates of recovery in the event of default.

The shared credit risk characteristics used for the segmentation of exposures include several elements such as: instrument type, portfolio type, asset class, product type, industry, originating entity, credit risk rating, remaining term to maturity, geographical location of the borrower, value of collateral to the financial asset, forbearance status and days in arrears.

The Group identifies individually significant exposures and performs the ECL measurement based on borrower specific information for both retail and wholesale portfolios. This measurement is performed at a borrower level, hence the criteria are defined at this level, while both qualitative and quantitative factors are taken into consideration including forward looking information.

For the remaining retail and wholesale exposures, ECL are measured on a collective basis. This incorporates borrower specific information, collective historical experience of losses and forward-looking information. For debt securities and securitization notes issued by special purpose entities established by the Group, the measurement of impairment losses is performed on an individual basis.

Measurement of Expected Credit Losses

The measurement of ECL is an unbiased probability-weighted average estimate of credit losses that reflects the time value of money, determined by evaluating a range of possible outcomes. A credit loss is the difference between the cash flows that are due to the Group in accordance with the contractual terms of the instrument and the cash flows that the Group expects to receive (i.e. cash shortfalls) discounted at the original effective interest rate (EIR) of the same instrument, or the credit-adjusted EIR in case of purchased or originated credit impaired assets (POCI). In measuring ECL, information about past events, current conditions and reasonable and supportable forecasts of future conditions are considered. For undrawn commitments, ECL are calculated as the present value of the difference between the contractual cash flows due if the commitment was drawn and the cash flows expected to be received, while for financial guarantees ECL are measured as the expected payments to reimburse the holder less any amounts that the Group expects to receive.

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The Group estimates expected cash shortfalls, which reflect the cash flows expected from all possible sources, including collateral, guarantees and other credit enhancements that are part of the contractual terms and are not recognized separately. In case of a collateralized financial instrument, the estimated expected cash flows related to the collateral reflect the amount and timing of cash flows that are expected from liquidation less the discounted costs of obtaining and selling the collateral, irrespective of whether liquidation is probable.

ECL are calculated over the maximum contractual period over which the Group is exposed to credit risk, which is determined based on the substantive terms of the instrument, or in case of revolving credit facilities and credit cards, by taking into consideration factors such as the Group's expected credit risk management actions to mitigate credit risk and past practice. More specifically, regarding Stage 2 exposures, the determination of period of exposure is based on an analysis of historic data regarding the behavioural characteristics of the facilities from the time a SICR has occurred until their exit from Stage 2. For lending exposures allocated to Stage 3 the period of exposure reflects the time to liquidation.

Receivables from customers arising from the Group's activities other than lending, are presented under Other Assets and are typically short term. Therefore, considering that usually there is no significant financing component, the loss allowance for such financial assets is measured at an amount equal to the lifetime expected credit losses under the simplified approach.

ECL Key Inputs

The ECL calculations are based on the term structures of the probability of default (PD), the loss given default (LGD), the exposure at default (EAD) and other input parameters such as the credit conversion factor (CCF) and the prepayment rate. Generally, the Group derives these parameters from internally developed statistical models and observed point-in-time and historical data, leveraging the existing infrastructure development for the regulatory framework and risk management practices.

The PD represents the likelihood of default assessed on the prevailing economic conditions at the reporting date, adjusted to take into account estimates of future economic conditions that are likely to impact the risk of default, over a given time horizon.

The Group uses Point in Time (PiT) PDs in order to remove any bias towards historical data thus aiming to reflect management's view of the future as at the reporting date, incorporating relevant forward looking information including macroeconomic scenarios.

Two types of PD are used for calculating ECL:

- 12-month PD, which is the estimated probability of default occurring within the next 12 months (or over the remaining life of the financial asset if this is less than 12 months). It is used to calculate 12-month ECL for Stage 1 exposures.
- Lifetime PD, which is the estimated probability of a default occurring over the remaining life of the financial asset. It is used to calculate lifetime ECL for Stage 2, Stage 3 and POCI exposures.

For debt securities, PDs are obtained by an international rating agency using risk methodologies that maximize the use of objective non-judgmental variables and market data. The Group assigns internal credit ratings to each issuer/counterparty based on these PDs. In case of counterparties for which no information is available, the Group assigns PDs which are derived from internal models.

The Exposure at default (EAD) is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest and expected drawdowns on committed facilities. The EAD includes both on and off balance sheet exposures. The on balance sheet exposure corresponds to the total amount that has been withdrawn and is due to be paid, which includes the outstanding principal, accrued interest and any past due amounts. The off balance sheet exposure represents the credit that is available to be withdrawn, in excess of the on balance sheet exposure.

Furthermore, the CCF factor is used to convert the amount of a credit facility and other off-balance sheet amounts to an EAD amount. It is a modelled assumption which represents a proportion of any undrawn exposure that is expected to be drawn prior to a default event occurring.

In addition, the prepayment rate is an estimate of early prepayments on loan exposure in excess of the contractual repayment according to the repayment schedule and is expressed as a percentage applied to the EAD at each period, reducing the latter amount accordingly.

LGD represents the Group's expectation of the extent of loss on a defaulted exposure and it is the difference between the contractual cash flows due and those that the Group expects to receive including any amounts from collateral liquidation. LGD varies by type of counterparty, type and seniority of claim, availability of collateral or other credit support, and is usually expressed as a percentage of

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EAD. The Group distinguishes its loan portfolios into two broad categories i.e. secured and unsecured. The Group estimates the LGD component using cure rates that reflect cash recoveries, estimated proceeds from collateral liquidation, estimates for timing realization, realization costs, etc. Where the LGD's component values are dependent on macro – economic data, such types of dependencies are reflected by incorporating forward looking information, such as forecasted price indices into the respective models. The estimation of the aforementioned component values within LGD reflects available historical data which cover a reasonable period, i.e. a full economic cycle.

For debt securities, the LGD is typically based on historical data derived mainly from rating agencies' studies but may also be determined considering the existing and expected liabilities structure of the obligor and macroeconomic environment.

Furthermore, the seniority of the debt security, any potential collaterals by the obligor or any other type of coverage is taken into account for the calculation.

Forward-looking information

The measurement of expected credit losses for each stage and the assessment of significant increases in credit risk consider information about reasonable and supportable forecasts of future events and macroeconomic conditions. The estimation and application of forward-looking information requires significant judgment.

The Group uses three macroeconomic scenarios (i.e. base, adverse and optimistic) to achieve the objective of measuring ECL in a way that reflects an unbiased and probability weighted outcome. The baseline scenario represents the most likely scenario and is aligned with the information used by the Group for strategic planning and budgeting purposes.

The scenarios are reflected in the risk parameters, and, namely 12-month PD, Lifetime PD and LGD, hence 3 sets of each of these parameters are used, in line with the scenarios developed.

The Group then proceeds to the calculation of weights for each scenario, which represent the probability of occurrence for each of these scenarios. These weights are applied on the 3 sets of calculations of the parameters in order to produce a single scenario weighted risk parameter value which is subsequently used in both SICR assessment and ECL measurement. ECL calculation incorporates forward-looking macroeconomic variables, including GDP growth rates, house price indices, unemployment rates, interest rates, inflation, etc. In order to capture material non – linearities in the ECL model, in the case of individually significant exposures, the Group considers the relevance of forward looking information to each specific group of borrowers primarily on the basis of the business sector they belong and other drivers of credit risk (if any).

Modified Financial Assets

In cases where the contractual cash flows of a financial asset have been modified and the modification is considered substantial enough (for the triggers of derecognition, refer to Derecognition of Financial assets in section 2.2.9 above), the modification date is considered to be the date of initial recognition for impairment calculation purposes, including for the purposes of determining whether a significant increase in credit risk has occurred. Such a modified asset is typically classified as Stage 1 for ECL measurement purposes. However, in some circumstances following a modification that results in derecognition of the original financial asset, there may be evidence that the new financial asset is credit-impaired at initial recognition, and thus, the financial asset is recognized as an originated credit-impaired financial asset (POCI).

In cases where the contractual cash flows of a financial asset have been modified and the modification is not considered substantial enough, the Group recalculates the gross carrying amount of the financial asset and recognizes the difference as a modification gain or loss in the income statement and determines if the financial asset's credit risk has increased significantly since initial recognition by comparing the risk of a default occurring at initial recognition based on the original unmodified contractual terms and the risk of a default occurring at the reporting date, based on the modified contractual terms.

Presentation of impairment allowance

For financial assets measured at amortized cost, impairment allowance is recognized as a loss allowance reducing the gross carrying amount of the financial assets in the balance sheet. For debt instruments measured at FVOCI, impairment allowance is recognized in other comprehensive income and does not reduce the carrying amount of the debt instruments in the balance sheet. For off-balance sheet financial items arising from lending activities, impairment allowance is presented in Other Liabilities. The respective ECL for the above financial items is recognised within impairment losses.

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Write-off of financial assets

Where the Group has no reasonable expectations of recovering a financial asset either in its entirety or a portion of it, the gross carrying amount of that instrument is reduced directly, partially or in full, against the impairment allowance. The amount written-off is considered as derecognized. Subsequent recoveries of amounts previously written off decrease the amount of the impairment losses in the income statement.

Financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

2.2.14 Sale and repurchase agreements, securities lending and borrowing

(i) Sale and repurchase agreements

Securities sold subject to repurchase agreements (repos) continue to be recorded in the Group's Balance Sheet as the Group retains substantially all risks and rewards of ownership, while the liability to the counterparty is included in amounts due to other banks or due to customers, as appropriate, and measured at amortized cost. Securities purchased under agreements to resell (reverse repos) are recorded as loans and advances to other banks or customers, as appropriate, and measured at amortized cost. The difference between the sale and repurchase price in case of repos and the purchase and resale price in case of reverse repos is recognized as interest and accrued over the period of the repo or reverse repo agreements using the effective interest method.

(ii) Securities lending and borrowing

Securities lent to counterparties against the receipt of a fee continue to be recognized in the financial statements. Securities borrowed are recognized as trading liabilities when sold to third parties and measured at fair value with any gains or losses included in the income statement.

2.2.15 Leases

The Group enters into leases either as a lessee or as a lessor. At inception of a contract, the Group assesses whether a contract is, or contains, a lease.

(i) Accounting for leases as lessee

When the Group becomes the lessee in a lease arrangement, it recognizes a lease liability and a corresponding right-of-use (RoU) asset at the commencement of the lease term when the Group acquires control of the physical use of the asset.

Lease liabilities are presented within Other liabilities and RoU assets within Property and equipment and investment property. Lease liabilities are measured based on the present value of the future lease payments over the lease term, discounted using an incremental borrowing rate. The interest expense on lease liabilities is presented within net interest income.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the Group's estimate of the amount expected to be payable under a residual value guarantee or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The RoU asset is initially recorded at an amount equal to the lease liability and is adjusted for rent prepayments, initial direct costs, or lease incentives received. Subsequently, the RoU asset is depreciated over the shorter of the lease term or the useful life of the underlying asset, with the depreciation presented within operating expenses.

When a lease contains extension or termination options that the Group considers reasonably certain to be exercised, the expected future lease payments or costs of early termination are included within the lease payments used to calculate the lease liability.

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) Accounting for leases as lessor

At inception date of the lease, the Group, acting as a lessor, classifies each of its leases as either an operating lease or a finance lease based on whether the lease transfers substantially all of the risks and rewards incidental to the ownership of the underlying asset. If

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this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

Finance leases

At commencement date, the Group derecognizes the carrying amount of the underlying assets held under finance lease, recognizes a receivable at an amount equal to the net investment in the lease and recognizes, in income statement, any profit or loss from the derecognition of the asset and the recognition of the net investment. The net investment in the lease is calculated as the present value of the future lease payments in the same way as for the lessee.

After commencement date, the Group recognizes finance income over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. The Group also recognizes income from variable payments that are not included in the net investment in the lease. After lease commencement, the net investment in a lease is not remeasured unless the lease is modified or the lease term is revised.

Operating leases

The Group continues to recognize the underlying asset and does not recognize a net investment in the lease on the balance sheet or initial profit (if any) on the income statement.

The Group recognizes lease payments from the lessees as income on a straight-line basis or another systematic basis considered as appropriate. Also it recognizes costs, including depreciation, incurred in earning the lease income as an expense. The Group adds initial direct costs incurred in obtaining an operating lease to the carrying amount of the underlying asset and recognizes those costs as an expense over the lease term on the same basis as the lease income.

Subleases

The Group, acting as a lessee, may enter into arrangements to sublease a leased asset to a third party while the original lease contract is in effect. The Group acts as both the lessee and lessor of the same underlying asset. The sublease is a separate lease agreement, in which the intermediate lessor classifies the sublease as a finance lease or an operating lease as follows:

- if the head lease is a short-term lease, the sublease is classified as an operating lease; or
- otherwise, the sublease is classified by reference to the right-of-use asset arising from the head lease, rather than by reference to the underlying asset.

2.2.16 Insurance and reinsurance contracts

Definition and classification of insurance and reinsurance contracts

The Group undertakes both life insurance and non-life insurance business and issues insurance (including unit linked) and investment contracts through its insurance subsidiaries.

Insurance contracts are contracts under which the Group (the insurer) accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder and/or the policyholder's beneficiaries if a specified uncertain future event adversely affects the policyholder.

In making the assessment of whether a contract transfers significant insurance risk, all substantive rights and obligations, including those arising from law or regulation, are considered.

Insurance contracts are classified as direct participating contracts or contracts without direct participation features. The unit-linked contracts issued by the Group are classified as direct participating contracts. Such contracts allow policyholders to participate in investment returns with the Group, in addition to compensation for losses from insured risk. These contracts are substantially investment service-related contracts where the returns on the underlying portfolios of investment assets are shared with policyholders.

Contracts that have a legal form of insurance but do not transfer significant insurance risk and expose the Group to financial risk are classified as investment contracts, and they follow financial instruments accounting under IFRS 9. These contracts are classified as financial liabilities and are measured at fair value, where the fair value is dependent on the fair value of the underlying financial assets which are linked to these contracts.

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In addition, the Group holds reinsurance contracts that transfer significant insurance risk or are deemed to transfer significant insurance risk since they transfer to the reinsurer substantially all the insurance risk relating to the reinsured portions of the underlying insurance contracts.

Separating components from insurance and reinsurance contracts

The Group assesses its insurance contracts to determine whether they contain any derivatives or investment components or promises to transfer to policyholders' distinct goods or services other than insurance coverage and investment services which must be accounted for under a different IFRS than IFRS 17. An investment component comprises of the amounts that an insurance contract requires the Group to repay to a policyholder in all circumstances, regardless of whether an insured event occurs. Investment components that are highly interrelated with the insurance contract of which they form a part of, are considered non-distinct and are not separately accounted for. Based on the Group's technical assessment and application on its existing groups of insurance and reinsurance contracts, the Group does not separate components from insurance and reinsurance contracts.

The Group issues some contracts which include an embedded derivative (surrender option) and/or investment component (account balance) under which the surrender value is paid to the policyholder on maturity or earlier lapse of the contract. These components have been assessed to meet the definition of a highly related and/or non-distinct component. The surrender option is interrelated with the value of the insurance contract and as such, is not separated. Concerning the account balance, the Group is unable to measure the investment component separately from the contract and the policyholder is unable to benefit from the investment component unless the insurance component is also present and as such they are not separated.

The Group issues certain contracts which include a promise to transfer a good or non-insurance service. These transfers of a good or non-insurance service are not distinct and therefore not separated from the contracts.

Once the embedded derivatives, investment components and the goods and services components are separated, the Group assesses whether the contract should be separated into several insurance components that, in substance, should be treated as separate contracts.

To determine whether a single legal contract does not reflect the substance of the transaction and its insurance components should be recognized and measured separately instead, the Group considers whether there is an interdependency between the different risks covered, whether components can lapse independently of each other and whether the components can be priced and sold separately.

When the Group enters into one legal contract with different insurance components operating independently of each other, insurance components are recognized and measured separately applying IFRS 17.

Concerning the contracts with supplementary benefits (riders) the Group has determined that the legal contract reflects the substance of the transaction and as such the insurance components are not separated.

Reinsurance contracts held, may provide cover for underlying contracts whose risks are not similar. Nevertheless, the Group concludes that the reinsurance contract's legal form of a single contract reflects the substance of the Group's contractual rights and obligations, considering that the different covers lapse together and are not sold separately. As a result, the reinsurance contract is not separated into multiple insurance components that relate to different underlying groups.

Aggregation level

For insurance contracts issued and reinsurance contracts held, the Group identifies and allocates these to portfolios of contracts for measurement purposes. A portfolio comprises contracts subject to similar risks and managed together.

The Group has defined portfolios of insurance contracts issued based on its product lines, due to the fact that the products are subject to similar risks and managed together. Reinsurance contracts held have been grouped into portfolios taking into consideration the nature of the risk and the type of reinsurance cover.

Each portfolio is sub-divided into groups of contracts (annual cohorts) to which the recognition and measurement requirements of IFRS 17 are applied. At initial recognition, the Group segregates contracts based on when they were issued. A portfolio contains all contracts that were issued within a 12-month period. Each annual cohort is then further disaggregated into three groups of contracts based on the profitability of contracts:

- any contracts that are onerous on initial recognition;

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- any contracts that, on initial recognition, have no significant possibility of becoming onerous subsequently; and
- any remaining contracts in the annual cohort.

If insurance contracts within a portfolio would fall into different groups only because law or regulation specifically constrains the Group's practical ability to set a different price or level of benefits for policyholders with different characteristics, the Group may include those contracts in the same group.

Portfolios of reinsurance contracts held are assessed for aggregation separately from portfolios of insurance contracts issued. Applying the grouping requirements to reinsurance contracts held, the Group aggregates reinsurance contracts held into groups of contracts:

- contracts for which there is a net gain at initial recognition, if any;
- contracts for which, at initial recognition, there is no significant possibility of a net gain arising subsequently; and
- remaining contracts in the portfolio, if any.

The Group makes an evaluation of whether a set of contracts can be treated together in making the profitability assessment based on reasonable and supportable information. In the absence of such information the Group assesses each contract individually. The determination of whether a contract or a group of insurance contracts issued is onerous is based on the expectations as at the date of initial recognition, with fulfilment cash flow expectations determined on a probability-weighted basis. The Group determines the appropriate level at which reasonable and supportable information is available to assess whether the contracts are onerous at initial recognition and whether the contracts not onerous at initial recognition have a significant possibility of becoming onerous subsequently. A similar assessment is done for reinsurance contracts held to determine the contracts for which there is a net gain at initial recognition or whether contracts for which there is not a net gain at initial recognition have a significant possibility of a net gain subsequently.

For contracts applying the Premium Allocation Approach ("PAA") the Group assumes that contracts are not onerous (for reinsurance contracts there is not a net gain) on initial recognition unless there are facts and circumstances indicating otherwise. The Group assesses the likelihood of changes in applicable facts and circumstances to determine whether contracts not onerous (for reinsurance contracts there is not a net gain) at initial recognition belong to a group with no significant possibility of becoming onerous (for reinsurance contracts no significant possibility of a net gain) in the future.

The composition of groups established at initial recognition is not subsequently reassessed, unless the contracts included are subsequently modified.

Initial Recognition

The Group recognizes groups of insurance contracts that it issues from the earliest of the following:

- The beginning of the coverage period of the group of contracts;
- The date when the first payment from a policyholder in the group is due, or when the first payment is received if there is no due date;
- When the Group determines that a group of contracts becomes onerous.

Concerning onerous contracts, such contracts expected on initial recognition to be loss-making are grouped together and such groups are measured and presented separately.

The Group recognizes initially a group of reinsurance contracts held as follows:

- If the reinsurance contracts provide proportionate coverage, at the later of the beginning of the coverage period of the group, or the initial recognition of any underlying contract;
- In all other cases, from the beginning of the coverage period of the first contract in the group.

If the Group entered into the reinsurance contract held at or before the date when an onerous group of underlying contracts is recognized prior to the beginning of the coverage period of the group of reinsurance contracts held, the reinsurance contract held is recognized at the same time as the group of underlying insurance contracts is recognized.

The Group adds new contracts to the group when they meet the recognition criteria.

An insurance or reinsurance contract acquired in a transfer of contracts or a business combination is recognized on the date of acquisition.

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Contract Boundaries

The measurement of a group of contracts includes all the future cash flows within the boundary of each contract in the group, determined as described below for insurance and reinsurance contracts.

Insurance Contracts

Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder to pay the premiums, or in which the Group has a substantive obligation to provide the policyholder with services.

Cash flows within the boundary of an insurance contract are those that relate directly to the fulfilment of the contract, including cash flows for which the Group has discretion over the amount or timing.

A substantive obligation to provide services ends when:

- The Group has the practical ability to reassess the risks of the particular policyholder and, as a result, can set a price or level of benefits that fully reflects those risks; or
- Both of the following criteria are satisfied:
 - the Group has the practical ability to reassess the risks of the portfolio of insurance contracts that contain the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio, and
 - the pricing of the premiums for coverage up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date.

Reinsurance contracts

For groups of reinsurance contracts held, cash flows are within the contract boundary if they arise from substantive rights and obligations of the cedant that exist during the reporting period in which the Group is compelled to pay amounts to the reinsurer or has a substantive right to receive insurance contract services from the reinsurer.

A substantive right to receive services from the reinsurer ends when the reinsurer:

- has the practical ability to reassess the risks transfer to it and can set a price or level of benefits that fully reflects those reassessed risks; or
- has a substantive right to terminate the coverage.

The boundary of a reinsurance contract held includes cash flows resulting from the underlying contracts covered by the reinsurance contract. This includes cash flows from insurance contracts that are expected to be issued by the Group in the future if these contracts are expected to be issued within the boundary of the reinsurance contract held.

Insurance acquisition cashflows

Insurance acquisition cash flows arise from the costs of selling, underwriting and starting a group of insurance contracts (issued or expected to be issued) that are directly attributable to the portfolio of insurance contracts to which the group belongs. Such cash flows include cash flows that are not directly attributable to individual contracts or groups of insurance contracts within the portfolio.

Insurance acquisition cash flows that are directly attributable to a group of insurance contracts are allocated to that group and to renewal groups of insurance contracts using a systematic and rational method and considering, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort.

A systematic and rational method is also used to allocate insurance acquisition cash flows directly attributable to a portfolio.

Measurement

The General Measurement Model (GMM) is the standard measurement model and the Premium Allocation Approach (PAA) is the simplified approach for the measurement of the contracts that fall under the scope of IFRS 17. The Variable Fee Approach (VFA) is mandatory to apply for insurance contracts with direct participation features upon meeting the eligibility criteria. While the GMM is the default measurement model, the Group applies the VFA primarily to insurance contracts in the unit-linked life portfolio. The PAA is an optional simplification applicable for measuring the Liability for Remaining Coverage (LRC) for contracts with coverage periods of one year or less, or when doing so approximates the GMM; it is primarily applied by the Group to non-life insurance contracts and to non-individual life insurance contracts. For the rest of the insurance contracts, the Group applies the GMM approach.

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Measurement of Insurance Contracts Issued

Insurance contract liabilities comprise:

- Liability for Remaining Coverage (LRC): obligation for insured events not yet occurred, including fulfilment cash flows and the unearned Contractual Service Margin (CSM).
- Liability for Incurred Claims (LIC): obligation for claims from past events, including reported and unreported claims. It also includes the Group's liability to pay amounts to the policyholder under the terms of a contract, including repayment of investment components, when a contract is derecognized.

The carrying amount of insurance contracts equals the sum of the LRC and LIC.

Fulfilment Cash Flows (FCF)

FCF represent unbiased, probability-weighted estimates of future cash inflows and outflows, discounted for the time value of money, including the financial risks related to future cash flows, to the extent that the financial risks are not included in the estimates of future cash flows, and adjusted for non-financial risk. Estimates include all relevant cash flows within the contract boundary (premiums, claims, benefits, expenses, and acquisition costs) and are updated at each reporting period based on current assumptions. Non-performance risk is excluded.

Risk Adjustment (RA)

The RA reflects compensation required for bearing uncertainty from non-financial risks, considering diversification and the Group's risk appetite. It is determined using a risk-based capital approach aligned with Solvency II principles.

Discount Rates

Discount rates reflect the time value of money, characteristics, and liquidity of the contracts, and are consistent with observable market data. A bottom-up approach is used for cash flows not varying with underlying returns.

Contractual Service Margin (CSM)

The CSM represents unearned profit and is released to income as coverage is provided, based on coverage units. On initial recognition, any net inflow creates a CSM; a net outflow indicates onerous contracts and an immediate loss. The amount of CSM at the end of the reporting period is adjusted in order to reflect the effect of any new contracts added to the group, changes to fulfilment cash flows relating to future service and the amount recognized as insurance revenue because of the transfer of services in the period.

Experience adjustments relating to current or past service are recognized in profit or loss as part of insurance service expenses. Experience adjustments relating to future service are included in the LRC by adjusting the CSM.

Premium Allocation Approach (PAA)

The PAA is applied to short-term contracts (coverage ≤ 1 year) or when it approximates the General Measurement Model (GMM). The LRC equals premiums received less revenue recognized. Acquisition costs are expensed as incurred for the life insurance company whereas deferred acquisition cost is applied for the non-life insurance company. Discounting is not applied due to immaterial time value effects.

Measurement of Reinsurance Contracts Held

Reinsurance contracts are measured analogously to insurance contracts, comprising an Asset for Remaining Coverage (ARC) and an Asset for Incurred Claims (AIC). The CSM for reinsurance reflects the net cost or gain on purchase and is released as reinsurance services are received. Risk adjustments represent the transfer of risk to the reinsurer. Gains are recognized immediately for coverage of past events.

For reinsurance covering onerous contracts, a loss-recovery component is recognized, reflecting expected recoveries from reinsurers. The PAA is also applied to certain short-term reinsurance contracts where appropriate.

Modifications and Derecognition

Contracts are derecognized when extinguished, cancelled, expired, or substantially modified (resulting in a new contract). Modifications not meeting these criteria are treated as changes in fulfilment cash flow estimates.

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Presentation

Portfolios of insurance and reinsurance contracts are presented separately as assets or liabilities. The statement of profit or loss disaggregates:

- Insurance service result: insurance revenue and service expenses, including the effect of changes in risk adjustment; and
- Insurance finance income or expense: effects of discounting and financial risk.

Reinsurance income and expenses are shown separately from direct insurance results.

Insurance Revenue

Revenue represents consideration for insurance services provided during the period, excluding investment components and financing effects. It includes the release of the CSM, expected claims and expenses for current services, and experience adjustments. For insurance contracts under the PAA, insurance revenue is based on the expected premium received for providing services in the period.

CSM Release

The CSM is recognized in profit or loss over the coverage period in proportion to coverage units, reflecting the quantity of benefits and duration of coverage.

Loss Component

If any onerous contracts arise, a loss component is established and adjusted prospectively for changes in expected future cash flows.

Insurance Service Expenses

Service expenses include incurred claims, acquisition cost amortization, losses on onerous contracts, changes in fulfilment cash flows, and impairment of acquisition cash flow assets. Insurance service expenses arising from insurance contracts are recognised in profit or loss generally as they are incurred.

Reinsurance Results

Net reinsurance expenses comprise premiums ceded less recoveries. Reinsurance commissions not contingent on claims are deducted from premiums paid.

Insurance Finance Income or Expense

Represents changes from the time value of money and financial risks. The Group presents insurance finance results partly in profit or loss and partly in other comprehensive income (OCI), depending on the portfolio. For VFA contracts, changes in the fair value of underlying items are recognised in insurance finance income or expenses.

2.2.17 Income tax

Income tax consists of current and deferred tax.

(i) Current income tax

Income tax payable on profits, based on the applicable tax law in each jurisdiction and the tax rate enacted at the reporting date, is recognized as an expense in the period in which profits arise.

(ii) Deferred tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The principal temporary differences arise from impairment/valuation and accounting write-offs relating to loans, Private Sector Initiative (PSI+) tax related losses, losses from disposals and crystallized write-offs of loans, depreciation of property and equipment, fair value adjustment of investment property, pension and other retirement benefit obligations, and revaluation of certain financial assets and liabilities, including derivative financial instruments.

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Deferred tax assets are recognized where it is probable that future taxable profit will be available against which the temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available. The Group recognises a previously unrecognised deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax related to debt securities at FVOCI and cash flow hedges is recognized to other comprehensive income, and is subsequently recognized in the income statement together with the deferred gain or loss.

The deferred tax asset on income tax losses carried forward is recognized as an asset when it is probable that future taxable profits will be available against which these losses can be utilized.

The Group has applied the mandatory temporary exception (relief) to the requirement of IAS 12 and does not recognise or disclose information about deferred taxes arising from the Pillar Two Income taxes.

(iii) Uncertain tax positions

The Group determines and assesses all material tax positions taken, including all, if any, significant uncertain positions, in all tax years that are still subject to assessment (or when the litigation is in progress) by relevant tax authorities. In evaluating tax positions in various states, local, and foreign jurisdictions, the Group examines all supporting evidence (Ministry of Finance circulars, individual rulings, case law, past administrative practices, ad hoc tax/legal opinions etc.) to the extent they are applicable to the facts and circumstances of the particular Group's case/ transaction.

In addition, judgments concerning the recognition of a provision against the possibility of losing some of the tax positions are highly dependent on advice received from internal/ external legal counselors. For uncertain tax positions with a high level of uncertainty, the Group recognizes, on a transaction by transaction basis, or together as a group, depending on which approach better predicts the resolution of the uncertainty using an expected value (probability-weighted average) approach: (a) a provision against tax receivable which has been booked for the amount of income tax already paid but further pursued in courts or (b) a liability for the amount which is expected to be paid to the tax authorities. The Group presents in its balance sheet all uncertain tax balances as current or deferred tax assets or liabilities.

The Group as a general rule has opted to obtain for the Group's Greek companies an 'Annual Tax Certificate', which is issued after a tax audit is performed by the same statutory auditor or audit firm that audits the annual financial statements. Further information in respect of the Annual Tax Certificate and the related tax legislation, as well as the unaudited tax years for the Group's companies is provided in note 13.

2.2.18 Employee benefits

(i) Short term benefits

Short term employee benefits are those expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related services and are expensed as these services are provided.

(ii) Pension obligations

The Group provides a number of defined contribution pension plans where annual contributions are invested and allocated to specific asset categories. Eligible employees are entitled to the overall performance of the investment. The Group's contributions are recognized as employee benefit expense in the year in which they are paid.

(iii) Standard legal staff retirement indemnity obligations (SLSRI) and termination benefits

The Group operates unfunded defined benefit plans in Greece and Bulgaria, under broadly similar regulatory frameworks. In accordance with the local labor legislation, the Group provides for staff retirement indemnity obligation for employees which are entitled to a lump sum payment based on a) the number of years of service, as of the date when employee service first leads to benefits under the plan until the date when further employee service will lead to no material amount of further benefits, and b) the level of remuneration at the date of retirement, if they remain in the employment of the Group until normal retirement age. More specifically, in line with the decision of IFRIC Committee for IAS 19 fact pattern issued in May 2021, the attribution of the benefit

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begins from the date when the employee service first leads to benefits under the terms of the plan, and not from the employment date, until the date when further employee service will lead to no material amount of further benefits.

In addition, the Group provides termination benefits mainly in respect of the Voluntary Exit Schemes (VES), which have been implemented through either lump-sum payments or long-term leaves during which the employees will be receiving a percentage of a monthly salary, or a combination thereof. Provision has been made for the actuarial value of the lump sum payable on retirement (SLSRI) and termination benefits using the projected unit credit method. Under this method the cost of providing retirement indemnities and termination benefits is charged to the income statement so as to spread the cost over the period of service of the employees, in accordance with the respective actuarial valuations, which are performed every year.

The SLSRI and termination benefits obligation is calculated as the present value of the estimated future cash outflows using interest rates of high quality corporate bonds. In countries where there is no deep market in such bonds, the yields on government bonds are used. The currency and term to maturity of the bonds used are consistent with the currency and estimated term of the retirement and termination benefit obligations. Actuarial gains and losses that arise in calculating the Group's SLSRI and termination benefits obligations are recognized directly in other comprehensive income in the period in which they occur and are not reclassified to the income statement in subsequent periods.

Interest cost on the staff retirement indemnity and termination benefits obligations, as well as service cost, consisting of current service cost, past service cost and gains or losses on settlement are recognized in the income statement.

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits (including those in the context of the VES implemented by the Group). The Group recognizes termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the Group recognizes costs for a restructuring that involves the payment of termination benefits. Any reversals of the SLSRI obligation arising from employees that are included in the long-term leaves scheme are accounted for as a curtailment gain recognized in the income statement. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Termination benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

(iv) Performance-based cash payments

The Group's Management awards high performing employees with bonuses in cash, from time to time, on a discretionary basis. Cash payments requiring only Management approval are recognized as employee benefit expenses on an accrual basis. Cash payments requiring General Meeting approval as distribution of profits to staff are recognized as employee benefit expense in the accounting period that they are approved by the Group's shareholders.

(v) Share-based payments

The Group's Management awards employees with bonuses in the form of shares and share options on a discretionary basis and after taking into account the current legal framework. Non-performance related shares vest in the period granted. Share based payments that are contingent upon the achievement of a performance and service condition, vest only if both conditions are satisfied.

The fair value of the share options granted is recognized as an employee benefit expense over the vesting period, with an equal credit in equity, i.e. no impact on the Group's equity. The amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

The fair value of the share options at grant date is determined by using an adjusted option pricing model which takes into account the exercise price, the exercise dates, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the options. The expected volatility is measured at the grant date of the options and is based on the historical volatility of the share price.

For share-based payment awards with non-vesting conditions, the fair value of the share-based payment at grant date also reflects such conditions and there is no true-up for differences between expected and actual outcomes.

When the options are exercised and new shares are issued, the proceeds received net of any directly attributable transaction costs are credited to share capital (par value) and share premium.

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2.2.19 Repossessed properties

Land and buildings repossessed through an auction process to recover impaired loans are, except where otherwise stated, included in 'Other Assets'. Assets acquired from an auction process are held temporarily for liquidation and are valued at the lower of cost and net realizable value, which is the estimated selling price, in the ordinary course of business, less costs necessary to make the sale.

In cases where the Group makes use of repossessed properties as part of its operations, they may be reclassified to own occupied or investment properties, as appropriate.

Any gains or losses on liquidation are included in the income statement.

2.2.20 Related party transactions

Related parties of the Group include:

- (a) an entity that has control over the Group and entities controlled, jointly controlled or significantly influenced by this entity, as well as members of its key management personnel and their close family members;
- (b) an entity that has significant influence over the Group and entities controlled by this entity,
- (c) members of key management personnel of the Group, their close family members and entities controlled or jointly controlled by the abovementioned persons;
- (d) associates and joint ventures of the Group;
- (e) fellow subsidiaries;
- (f) post-employment benefit plans established for the benefit of the Group's employees.

Transactions of similar nature are disclosed on an aggregate basis. All banking transactions entered into with related parties are in the normal course of business and are conducted on an arm's length basis.

2.2.21 Provisions and contingent liabilities

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and reliable estimates of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the expenditure required to settle a present obligation at each reporting date, taking into account the risks and uncertainties surrounding the amount of such expenditure. Where the effect of the time value of money is material, the amount of the provision is the present value of the estimated future expenditures expected to be required to settle the obligation.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If, subsequently, it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

A provision is not recognized and a contingent liability is disclosed when it is not probable that an outflow of resources will be required to settle the obligation, when the amount of the obligation cannot be measured reliably or in case that the obligation is considered possible and is subject to the occurrence or non-occurrence of one or more uncertain future events.

2.2.22 Operating segment

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses within a particular economic environment. Operating segments are identified on the basis of internal reports, regarding operating results, of components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. The chief operating decision maker has been identified as the Strategic Planning Committee that is responsible for strategic decision making. Segment revenue, segment expenses and segment performance include transfers between business segments. Such transfers are accounted for at competitive prices in line with charges to unaffiliated customers for similar services.

2.2.23 Share capital

Ordinary shares and preference shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax.

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Dividend distribution on shares is recognized as a deduction in the Group's equity when approved by the General Meeting of shareholders and the required regulatory approvals, if any, are obtained. Interim dividends are recognized as a deduction in the Group's equity when approved by the Board of Directors.

Intercompany non-cash distributions that constitute transactions between entities under common control are recorded in the Group's equity by reference to the book value of the assets distributed.

Where any Group entity purchases the Company's equity share capital (treasury shares), the consideration paid including any directly attributable incremental costs (net of income taxes), is deducted from shareholders' equity until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received is included in shareholders' equity.

2.2.24 Additional Tier 1 capital instruments

The Additional Tier 1 capital instruments issued by the Group are classified as equity once there is no contractual obligation to deliver to the holders cash or another financial asset.

The incremental costs directly attributable to the issue of Additional Tier 1 capital instruments are presented in the Group's equity as a deduction from the proceeds, net of tax. Moreover, the coupon payment on Additional Tier 1 capital instruments is recognized as a deduction in the Group's equity on the date it is due.

Where Additional Tier 1 capital instruments, issued by the Group, are repurchased, the consideration paid including any directly attributable incremental costs (net of income taxes), is deducted from shareholders' equity. Where such instruments are subsequently sold, any consideration received is included in shareholders' equity.

2.2.25 Financial guarantees and commitments to extend credit

Financial guarantees

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument. Financial guarantees granted by the Group to financial institutions and other bodies on behalf of customers to secure loans, overdrafts and other banking facilities, are initially recognized at fair value, being the premium received. Subsequent to initial recognition, such guarantees are measured at the higher of the amount of the ECL allowance, and the amount initially recognised less any cumulative amortization of the fee earned, where appropriate.

Financial guarantees purchased by the Group that are considered as integral to the contractual terms of the guaranteed instrument are not accounted for separately and the cash flows from the guarantee are taken into account in the measurement of the guaranteed instrument's expected credit losses, whereas any fees paid or transaction costs incurred for the acquisition of the financial guarantee are considered as part of the guaranteed asset's effective interest rate.

On the other hand, financial guarantees purchased that are not considered as integral to the contractual terms of the guaranteed instruments are accounted for separately where a reimbursement asset is recognized and included in Other Assets once it is virtually certain that, under the terms and conditions of the guarantee, the Group will be reimbursed for the credit loss incurred. The changes in the carrying amount of the above reimbursement asset arising from financial guarantees, entered into to mitigate the credit risk of lending exposures measured at amortized cost, are recognized under 'Impairment losses' in the Group's income statement.

Commitments to extend credit

Commitments represent off-balance sheet items where the Group commits, over the duration of the agreement, to provide a loan with pre-specified terms to the customer. Such contractual commitments represent commitments to extend credit and standby letters and they are part of the normal lending activities of the Group, for which an ECL allowance is recognised under IFRS 9.

ECL allowance for off-balance sheet exposures (financial guarantees granted and commitments) is included within Other Liabilities.

2.2.26 Non-current assets classified as held for sale and discontinued operations

Non-current assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. For a non-current asset to be classified as held for sale, it is available for immediate sale in its present condition, subject to terms that are usual and customary for sales of such assets, and the sale is considered to be highly probable. In such cases, management is committed to the sale and actively markets the asset for sale at a price that is reasonable in relation to

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the current fair value. The sale is also expected to qualify for recognition as a completed sale within one year from the date of classification. Before their classification as held for sale, such assets or disposal groups are remeasured in accordance with the respective accounting standard.

Assets held for sale are subsequently remeasured at the lower of their carrying amount and fair value less cost to sell. Any loss arising from the above measurement is recorded in profit or loss and can be reversed in the future. When the loss relates to a disposal group, it is allocated to the assets within that disposal group. Those assets and liabilities that are not in the scope of the measurement requirements of IFRS 5 'Non-current assets held for sale and discontinued operations', such as financial instruments, investment properties measured at fair value and groups of insurance contracts continue to be measured in accordance with the Group's relevant accounting policies, despite their classification as held for sale.

The Group presents discontinued operations in a separate line in the consolidated income statement. If a Group entity or a component of a Group entity has been disposed of or is classified as held for sale and:

- (a) Represents a separate major line of business or geographical area of operations;
- (b) Is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- (c) Is a subsidiary acquired exclusively with a view to resale.

Profit or loss from discontinued operations includes the profit or loss before tax from discontinued operations, the gain or loss on disposal before tax or measurement to fair value less costs to sell and discontinued operations tax expense. Intercompany transactions between continuing and discontinued operations are presented on a gross basis in the income statement. Upon classification of a Group entity as a discontinued operation, the Group restates prior periods in the consolidated income statement.

2.2.27 Cash and cash equivalents

Cash and cash equivalents include cash in hand, unrestricted deposits with central banks, due from credit institutions that are all carried at amortised cost and other short-term highly liquid investments with original maturities of three months or less that are held for trading.

2.2.28 Government grants

Government grants are recognized when there is reasonable assurance that the grant will be received and the Group will comply with the conditions attached to it. The grants are recognized in the income statement on a systematic basis to match the way that the Group recognizes the expenses for which the grants are intended to compensate. In case of subsequent changes in the Group's expectations of meeting the conditions attached to the government grants, the effect of such changes is recognised in income statement.

2.2.29 Fiduciary activities

The Group provides custody, trustee, corporate administration, investment management and advisory services to third parties that result in the holding or investing of assets on behalf of its clients. Those assets that are held in a fiduciary capacity are not assets of the Group and are not recognized in the financial statements. In addition, the Group does not guarantee these investments and as a result it is not exposed to any credit risk in relation to them.

3. Critical accounting estimates and judgments in applying accounting policies

In the process of applying the Group's accounting policies, Management makes various judgments, estimates and assumptions that may affect the reported amounts of assets and liabilities, revenues and expenses recognized in the financial statements within the next financial year and the accompanying disclosures. Estimates and judgments are continually evaluated and are based on current conditions, historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are recognized prospectively. The most significant areas in which the Group makes judgments, estimates and assumptions in applying its accounting policies are set out below:

3.1 Impairment losses on loans and advances to customers

In 2025, amid the elevated geopolitical and economic uncertainty mainly stemming from US foreign and trade policy decisions, the on-going war in Ukraine and fragile situation in Middle East, the macroeconomic conditions remained supportive across the Group's three core markets. More specifically, the economies of Greece, Bulgaria and Cyprus exhibited remarkable resilience, sustaining their expansionary momentum in 2025 and are expected to remain in positive growth territory in 2026. In addition, the Group's asset

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quality continued its solid performance as demonstrated by the level of its credit quality indicators in terms of NPE ratio and NPE coverage (note 2).

In response to the heightened geopolitical risks mentioned above, the Group's risk management units perform ongoing assessments of potential impacts on the lending portfolios. These actions include enhanced monitoring of country and sector specific exposures, targeted reviews of borrowers operating in vulnerable industries or regions, inclusion of geopolitical risk element into the credit risk assessment process, and periodic reassessment of key assumptions used in expected credit loss estimates.

The Group remains cautious for any developments in the macroeconomic trends and geopolitical front and closely monitors all loan portfolios, focusing on most vulnerable sectors, so as to revise, if needed, the respective estimates and assumptions.

Expected Credit Loss (ECL) measurement

The ECL measurement requires Management to apply judgment, in particular, to the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in significant changes to the timing and amount of allowance for credit loss to be recognized.

The Group's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. In addition, temporary adjustments may be required to capture new developments and information available, which are not reflected yet in the ECL calculation through the risk models.

The elements of the ECL models that are considered significant accounting judgments and estimates include:

Determination of a significant increase of credit risk

IFRS 9 does not include a definition of what constitutes a significant increase in credit risk (SICR). An assessment of whether credit risk has increased significantly since initial recognition is performed at each reporting period by considering primarily the change in the risk of default occurring over the remaining life of the financial instrument. The Group assesses whether a SICR has occurred since initial recognition based on qualitative and quantitative reasonable and supportable forward-looking information that includes significant management judgment (note 2.2.13).

Retail lending

For retail lending exposures the primary criterion is the change in the residual cumulative lifetime Probability of Default (PD) above specified thresholds. These thresholds vary per portfolio, origination year, product type as well as origination PD level.

As at 31 December 2025 and 2024, the upper PD thresholds based on the above segmentation, that trigger the allocation to stage 2 for Greece's retail exposures are set out below:

Retail exposures	31 December 2025	31 December 2024
	Upper SICR threshold	
Mortgage	170%	170%
Home Equity	80%	80%
SBB	130%	130%
Consumer	100%	100%

Wholesale lending

For wholesale lending exposures, the origination PD curves and the residual lifetime PD curves at each reporting date are mapped to credit rating bands. Accordingly, SICR thresholds are based on the comparison of the origination and reporting date credit ratings, whereby rating downgrades represent changes in residual lifetime PD. Similar to retail exposures, the wholesale lending exposures are segmented based on asset class, loan type and credit rating at origination. In addition, for securitization notes issued by special purpose entities established by the Group, the SICR assessment is performed by considering the performance of the underlying assets.

As at 31 December 2025 and 2024, the credit rating deterioration thresholds per rating bands for Greece's wholesale lending exposures that trigger allocation to stage 2 are set out below. In addition, any downgrade to rating band 6 or high-risk rating bands (7,8 or 9) is considered as SICR event to all corporate lending portfolios:

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Wholesale internal rating bands	Minimum SICR threshold range
1	Five notches
2	Four notches
3	Three notches
4	Two notches
5-8	One notch

Determination of scenarios, scenario weights and macroeconomic factors

To achieve the objective of measuring ECL, the Group evaluates a range of possible outcomes in line with the requirements of IFRS 9 through the application of three macroeconomic scenarios, i.e. baseline, adverse and optimistic, in a way that reflects an unbiased and probability weighted outcome. As at 31 December 2025 and 2024, the probability weights for the above mentioned scenarios as assessed by the Bank, were as follows: adverse 30% - base 50% - optimistic 20%. The weight allocation among IFRS 9 ECL scenarios as assessed and applied by the Group subsidiaries is the same as the one applied by the Bank with the exception of Eurobank Bulgaria AD that applied the following weights: adverse 35% - base 40% - optimistic 25% (31 December 2024: adverse 30% - base 40% - optimistic 30%) considering macroeconomic, market and other country -specific factors.

The baseline scenario for Greek lending portfolios assumes broadly stable macroeconomic conditions, with real GDP growth easing gradually from 2.2% in 2025 to 1.9% in 2028, supported by sustained investment and labor market resilience, while external risks remain contained. Geopolitical tensions are assumed to remain manageable, with no material escalation in regional conflicts or global trade fragmentation, and only limited spillovers to energy markets, trade flows and financial conditions. RRF inflows, complemented by Multiannual Financial Framework and EIB funding, provide a steady 0.3–0.5pp annual growth contribution through 2028. GGB spreads continue narrowing post-investment grade upgrade, underpinned by primary surpluses above 2%. Private deposits remain on an upward though flattening- trend, reflecting RRF related activity and economic expansion. Credit growth is led by corporates benefiting from low cost RRF financing, while banks focus on volumes amid lower rates. Property prices (RRE and CRE) continue increasing moderately. Gross Value Added (GVA) grows steadily, driven by investment and services. Following rate cuts through mid-2025, the Deposit Facility Rate stabilises at 2% through 2028.

The adverse scenario reflects a moderate GDP slowdown due to weaker external demand, energy volatility and softer confidence. This environment is associated with a moderate escalation in geopolitical tensions-stemming from regional instability, trade frictions and renewed uncertainty in energy markets-which increases risk premia and temporarily weighs on cross-border flows and financing conditions, without triggering systemic financial stress. Temporary RRF delays dampen near-term growth, while sovereign yields rise modestly amid higher risk premia. Inflation moderates and unemployment increases temporarily. Deposit growth flattens, loan demand weakens-particularly for households-while RRF loans continue supporting corporates. Property prices decelerate sharply with mild declines, and GVA slows across cyclical sectors. The ECB cuts rates to 1.50% by Q2 2026, though transmission remains constrained by tighter financial conditions.

The optimistic scenario assumes slightly GDP growth supported by improved euro area conditions, easing energy pressures and firmer confidence. Geopolitical risks are assumed to ease gradually, with improved regional stability and reduced trade tensions supporting energy-market normalization and external demand, while uncertainty declines without giving rise to excessive risk-taking. Faster RRF implementation boosts investment, sovereign spreads compress mildly and funding conditions remain stable. Deposits increase more strongly, particularly from corporates, while loan demand recovers and household lending stabilizes. Property price rise at a solid but sustainable pace and GVA strengthens , led by investment and export-oriented sectors. The ECB adopts a mildly firmer stance gradually raising rates toward 2.50% by mid-2026.

Forward-looking information

The Group ensures that impairment estimates and macroeconomic forecasts applicable for business and regulatory purposes are fully consistent. Accordingly, the IFRS 9 baseline scenario applied in the ECL calculation coincides with the one used for ICAAP and business planning purposes. In addition, relevant experience gained from the stress tests imposed by the regulator, has been taken into account in the process of developing the macroeconomic scenarios, as well as impairments for stress testing purposes have been forecasted in line with IFRS 9 ECL methodology.

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In terms of macroeconomic assumptions, the Group assesses a number of indicators in projecting the risk parameters, namely Gross Domestic Product (GDP), Unemployment, Residential and Commercial Property Price Indices, inflation as well as interest and FX rates, considering portfolio, macroeconomic and other country -specific factors. The arithmetic averages of the key annual forecasts per macroeconomic scenario for the next four year period following the reporting date used in the ECL measurement of Greek lending portfolios for the year ended 31 December 2025 and 2024, are set in the following table:

Key macroeconomic indicators	31 December 2025 Average (2026-2029) annual forecast			31 December 2024 Average (2025-2028) annual forecast		
	Optimistic	Base	Adverse	Optimistic	Base	Adverse
Gross Domestic Product growth	3.37%	1.99%	0.57%	3.35%	2.15%	0.94%
Unemployment Rate	7.18%	7.97%	8.83%	7.04%	8.84%	10.72%
Residential property prices' index	8.42%	4.30%	0.19%	6.39%	4.20%	1.64%
Commercial property prices' index	7.06%	2.47%	-2.12%	4.05%	1.84%	-1.18%
Inflation rate	2.70%	2.28%	1.97%	1.50%	2.15%	1.55%

Note: The annual average forecasts for the medium to long-term horizon, i.e. from the fifth year and onwards, begin to present a stable trend.

The table below provides the respective arithmetic averages of the key annual forecasts used in the ECL measurement in the countries where the Group operates with a significant contribution to the Group ECL:

Key macroeconomic indicators	31 December 2025 Average (2026-2029) annual forecast			31 December 2024 Average (2025-2028) annual forecast		
	Optimistic	Base	Adverse	Optimistic	Base	Adverse
Bulgaria						
Gross Domestic Product growth	4.94%	2.78%	0.74%	5.18%	2.70%	0.61%
Unemployment Rate	3.15%	3.96%	4.85%	3.73%	4.57%	5.49%
Residential property prices' index	9.86%	4.49%	1.14%	9.87%	4.60%	1.33%
Cyprus						
Gross Domestic Product growth	4.04%	3.11%	0.70%	3.54%	2.91%	1.51%
Gross fixed capital formation	13.17%	9.70%	4.06%	6.70%	5.18%	2.38%
Real Consumption growth	3.95%	3.10%	0.64%	3.58%	3.08%	1.53%
Unemployment Rate	3.58%	4.29%	6.51%	4.48%	5.20%	6.35%
Residential property prices' index	4.13%	2.61%	-1.61%	2.60%	1.95%	0.22%
Commercial property prices' index	3.69%	1.60%	-3.79%	2.32%	1.66%	0.05%
Inflation rate	2.95%	2.04%	2.72%	1.99%	1.76%	2.86%

Changes in the scenarios and weights, the corresponding set of macroeconomic variables and the assumptions made around those variables for the forecast horizon would have a significant effect on the ECL amount. The Group independently validates all models and underlying methodologies used in the ECL measurement through competent resources, who are independent of the model development process.

Development of ECL models, including the various formulas, choice of inputs and interdependencies

For the purposes of ECL measurement the Group performs the necessary model parameterization based on observed point-in-time data on a granularity of monthly intervals. The ECL calculations are based on input parameters, i.e. exposure at default (EAD), PDs, loss given default (LGD), credit conversion factors (CCFs) etc. incorporating Management's view of the future. The Group also determines the links between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs.

Furthermore, the PDs incorporate relevant forward looking information including macroeconomic scenarios. The forecasting risk parameters models incorporate a number of macroeconomic variables, such as GDP, unemployment etc. and portfolio specific variables such as seasonal flag etc., which are used as independent variables for optimum predictive capability.

The ECL models are based on linear and logistic regressions and run under the different macroeconomic scenarios and relevant changes and shocks in the macro environment are reflected accordingly.

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Segmentation of financial assets when their ECL is assessed on a collective basis

The Group segments its exposures on the basis of shared credit risk characteristics upon initial recognition for the purposes of both assessing significant increase in credit risk and measuring loan loss allowance on a collective basis. The different segments aim to capture differences in PDs and in the rates of recovery in the event of default. On subsequent periods, the Group re-evaluates the grouping of its exposures at least on an annual basis, in order to ensure that the groups remain homogeneous in terms of their response to the identified shared credit risk characteristics. Re-segmentation reflects management's perception in respect to the change of credit risk associated with the particular exposures compared to initial recognition.

Modeling and Management overlays / adjustments

A number of sophisticated models have been developed or modified to calculate ECL, while temporary collective management adjustments may be required to capture new developments and information available, which are not yet adequately reflected in the ECL calculation through the credit risk models. Such adjustments are governed by the Group's IFRS9 ECL Model Adjustments' framework which aims to ensure timely identification of non-modeled risks, if any, that may have an impact on lending portfolios, as well as sufficient quantification of such risks based on sound methodologies and processes. As at 31 December 2025, the Group determined that no post-model adjustment was required for potentially adverse macroeconomic developments, including geopolitical risks and uncertainties, since these are reflected in the forward-looking information as applied to the IFRS 9 ECL models (2024: € 14 million).

The risk models are governed by the Group's validation framework which aims to ensure their independent verification. The risk models as well as the management adjustments, if any, are approved by the Board Risk Committee (BRC) as per the internal approval processes.

Sensitivity analysis on lending portfolios

The sensitivity analysis when performed on certain key parameters can provide meaningful information only for portfolios where the risk parameters have a significant impact on the overall credit risk of a lending portfolio, particularly where such sensitivities are also used for internal credit risk management purposes. Otherwise, a sensitivity analysis on certain combinations of some risk parameters may not produce meaningful results, as in reality there are interdependencies between the various economic inputs, rendering any changes in the parameters, changes correlated in other factors.

The sensitivity analysis presented in the tables below is applied in the modeled ECL output and assumes a favorable and an adverse shift in the scenario weighting, compared to the one applied in the ECL measurement. As at 31 December 2025 and 2024, the favorable shift assumes an increase in the weighting of the optimistic scenario at 50% and a stable weighting of the baseline scenario at 50%, while the adverse shift assumes an increase in the weighting of the adverse scenario at 50% and a stable weighting of the baseline scenario at 50%.

The tables below present the estimated effect in the ECL measurement (including off-balance sheet items) per stage and per country with significant contribution to the Group ECL, upon a positive and an adverse shift in the scenario weighting as described above :

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	Estimated effect per stage as at 31 December 2025							
	Positive change				Adverse change			
	12-month ECL - Stage 1	Lifetime ECL - Stage 2	Lifetime ECL credit-impaired	31 December 2025	12-month ECL - Stage 1	Lifetime ECL - Stage 2	Lifetime ECL credit-impaired	31 December 2025
Greece								
Impact in € million	(13)	(31)	(33)	(77)	10	27	23	60
Impact in % allowance	(8)	(7)	(7)	(7)	7	6	5	6
Bulgaria								
Impact in € million	(2)	(3)	(2)	(7)	2	2	2	6
Impact in % allowance	(8)	(6)	(2)	(4)	6	4	1	3
Cyprus								
Impact in € million	(5)	(1)	(3)	(9)	3	1	2	6
Impact in % allowance	(22)	(7)	(4)	(8)	15	5	3	5
Total								
Impact in € million	(20)	(35)	(38)	(93)	15	30	27	72
Impact in % allowance	(10)	(7)	(6)	(7)	7	6	4	5

	Estimated effect per stage as at 31 December 2024							
	Positive change				Adverse change			
	12-month ECL - Stage 1	Lifetime ECL - Stage 2	Lifetime ECL credit-impaired	31 December 2024	12-month ECL - Stage 1	Lifetime ECL - Stage 2	Lifetime ECL credit-impaired	31 December 2024
Greece								
Impact in € million	(12)	(38)	(20)	(70)	9	30	14	53
Impact in % allowance	(8)	(12)	(3)	(7)	6	10	2	5
Bulgaria								
Impact in € million	(1)	(1)	(2)	(4)	1	1	2	4
Impact in % allowance	(4)	(2)	(2)	(2)	4	2	2	2
Cyprus								
Impact in € million	(2)	(1)	(3)	(6)	2	0	3	5
Impact in % allowance	(13)	(6)	(4)	(5)	12	5	3	5
Total								
Impact in € million	(15)	(40)	(25)	(80)	12	31	19	62
Impact in % allowance	(7)	(11)	(3)	(6)	6	9	2	5

The Group updates and reviews the reasonability and performs back-testing of the main assumptions used in its methodology assessment for SICR and ECL measurement, at least on an annual basis or earlier, based on facts and circumstances. In this context, experienced and dedicated staff within the Group's Risk Management function monitor the risk parameters applied for the estimation of ECL. Furthermore, as part of the well-defined governance framework, any revisions to the methodology used are approved by the Group competent committees and ultimately the Board Risk Committee (BRC).

3.2 Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

The fair value of financial instruments that are not quoted in an active market is determined by using other valuation techniques including the use of valuation models. In addition, for financial instruments that trade infrequently and have little price transparency, fair value is less objective and requires varying degree of judgment depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument. In these cases, the fair values are estimated from observable data in respect of similar financial instruments or using other valuation techniques.

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The valuation models used include present value methods and other models based mainly on observable inputs and to a lesser extent to non-observable inputs, in order to maintain the reliability of the fair value measurement.

Where valuation models are used to determine the fair values of financial instruments that are not quoted in an active market, they are validated and periodically reviewed by qualified personnel independent of the personnel that created them. All models are certified before they are used and are calibrated to ensure that outputs reflect actual data and comparative market prices. The main assumptions and estimates, considered by management when applying a valuation model include:

- the likelihood and expected timing of future cash flows;
- the selection of the appropriate discount rate, which is based on an assessment of what a market participant would regard as an appropriate spread of the rate over the risk-free rate; and
- judgment to determine what model to use in order to calculate fair value.

To the extent practicable, models use only observable data, however areas such as credit risk (both own and counterparty), volatilities and correlations require Management to make estimates to reflect uncertainties in fair values resulting from the lack of market data inputs. Inputs into valuations based on unobservable data are inherently uncertain because there is little or no current market data available. However, in most cases there will be some historical data on which to base a fair value measurement and consequently even when unobservable inputs are used, fair values will use some market observable inputs.

Information in respect of the fair valuation of the Group's financial assets and liabilities is provided in note 5.3.

3.3 Classification of financial instruments

The Group applies significant judgment in assessing the classification of its financial instruments and especially, in the below areas:

Business model assessment

Judgment is exercised in order to determine the appropriate level at which to assess the business model. In assessing the business model of financial instruments, these are aggregated into groups (business lines) based on their characteristics, and the way they are managed in order to achieve the Group's business objectives. In general, the assessment is performed for lending exposures at the level of business units that manage the respective portfolio, including securitization notes issued by special purpose entities established by the Group and at the level of the measurement category for debt securities. However, further disaggregation may be performed by business strategy or region.

In assessing the business model for financial instruments, the Group performs a past sales evaluation of the financial instruments and assesses their expected evolution in the future. Judgment is exercised in determining the effect of sales to a "hold to collect" business model depending on their objective and their acceptable level of volume and frequency.

Contractual cash flow characteristics test (SPPI test)

The Group performs the SPPI assessment of lending exposures and debt securities by considering all the features which might potentially lead to SPPI failure. The above assessment may be particularly challenging for more complex instruments with contractual terms including leverage, prepayment or extension options, securitizations where the cash flows are linked to the underlying assets, non-recourse arrangements, as well as environmental, social and governance linked features (sustainability linked). Judgment is applied by the responsible business units when considering whether certain contractual features significantly affect future cash flows, are de-minimis or not genuine.

Accordingly, for non-recourse financial assets, the Group assesses jointly criteria such as the adequacy of equity, LTV (Loan-to-Value) and DSCR (Debt-Service-Coverage-Ratio) ratios as well as the existence of corporate and personal guarantees. For the securitization notes issued by special purpose entities, either established by the Group or third parties, and held by the Group, the cash flow characteristics of the notes and the underlying pool of financial assets as well as the credit risk inherent in each securitization's tranche compared to the credit risk of all of the underlying pool of financial assets, are assessed. Furthermore, in order to assess whether any variability in the cash flows is introduced by the modified time value of money element, the Group performs a quantitative assessment (as described in note 2.2.9). For the SPPI assessment of sustainability linked instruments that include features that may change the contractual cash flows, by reducing or increasing the interest rate depending on whether the borrower meets or fails to meet predetermined ESG targets, the Group considers whether such targets are referenced to an index that is not specific to the borrower, as well as whether the related contractual cash flows' change introduces compensation for non-basic lending risks (information about the Group's exposure in sustainability linked instruments is provided in note 20). Moreover, the Group evaluates

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certain cases on whether the existence of performance-related terms exposes the Group to asset risk rather to the borrower's credit risk.

The Group has established a comprehensive framework to perform the necessary assessments in accordance with Group's policies in order to ensure appropriate classification of financial instruments, including reviews by experienced staff for lending exposures and debt securities.

3.4 Assess control over investees

Management exercises judgment in order to assess if the Group has control over another entity based on the control elements set out in note 2.2.1 (i).

In particular, as part of its funding activity and non-performing loans' management strategy, the Group sponsors certain securitization vehicles, the relevant activities of which have been predetermined as part of their initial design by the Group. The Group is exposed to variability of returns from these vehicles through the holding of debt securities issued by them or by providing credit enhancements in accordance with the respective contractual terms. In assessing whether it has control, the Group considers whether it manages the substantive decisions that could affect these vehicles' returns. Accordingly, the Group assesses on a case-by-case basis the structure of securitization transaction, including the respective contractual arrangements, in order to conclude if it controls these vehicles.

In addition, the Group is involved in the initial design of various mutual funds in order to provide customers with investment opportunities. The Group primarily acts as an agent in exercising its decision making authority as it is predefined by the applicable regulated framework. As a result, the Group has concluded that it does not control these funds.

Further information in respect of the structured entities the Group is involved, either consolidated or not, is provided in note 25.

3.5 Income tax

The Group is subject to income taxes in various jurisdictions and estimates are required in determining the liability for income taxes. The Group recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due or for anticipated tax disputes. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax in the period in which such determination is made. Further information in relation to the above is provided in note 13.

In addition, the Group recognizes deferred tax assets to the extent that it is probable that sufficient taxable profit will be available against which unused tax losses and deductible temporary differences can be utilized. Recognition therefore involves judgment regarding the future financial performance of the particular Group legal entity in which the deferred tax asset has been recognized. Particularly, in order to determine the amount of deferred tax assets that can be recognized, significant management judgments are required regarding the likely timing and level of future taxable profits. In making this evaluation, the Group has considered all available evidence, including management's projections of future taxable income and the tax legislation in each jurisdiction.

The most significant judgment exercised by Management relates to the recognition of deferred tax assets in respect of losses realized in Greece. In the event that, the Group assesses that it would not be able to recover any portion of the recognized deferred tax assets in the future, the unrecoverable portion would impact the deferred tax balances in the period in which such judgment is made.

Further information in respect of the deferred tax assets recognized by the Group and the assessment for their recoverability is provided in note 13.

3.6 Retirement and termination benefit obligations

The present value of the retirement and termination benefits' obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions, such as the discount rate and future salary increases. Any change in these assumptions impacts the carrying amount of the respective benefits' obligations.

The Group determines the appropriate discount rate used to calculate the present value of the estimated retirement and termination benefits' obligations, at the end of each year with reference to interest rates of high-quality corporate bonds. In countries where there is no deep market in such bonds, the yields on government bonds are used. The currency and term to maturity of the bonds used are consistent with the currency and estimated average term to maturity of the retirement benefit obligations. The salary rate increase assumption is based on future inflation estimates reflecting also the Group's reward structure and expected market conditions.

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Other assumptions for retirement and termination benefits' obligations, such as future inflation estimates, are based in part on current and expected market conditions.

For information in respect of the sensitivity analysis of the Group's retirement and termination benefits' obligations to reasonably possible, at the time of preparation of these financial statements, changes in the abovementioned key actuarial assumptions, refer to note 36.

3.7 Investment properties

Investment property is carried at fair value, as determined by external, independent and certified valuers on an annual basis, or more frequently if deemed appropriate upon assessment of any relevant circumstances. The primary valuation method applied in determining the fair value of the Group's investment properties is the Discounted Cash Flow (DCF) method which is considered the most appropriate in cases of income generating assets. This method is based on discounting the net future cash flows generated by a property over the assumed holding period, by using an appropriate market derived discount rate.

Accordingly, the main factors underlying the determination of fair value under the DCF method, are related with rental income from current leases and assumptions about its future growth in the light of current market conditions, including CPI indexation that is based on CPI predictions for the next 10 years, as well as exit yields that are determined based on each property's characteristics/use, future prospects of the economy and property market in general as forecasted by the IMF or other internationally recognized institutions. In addition, potential legal or other restrictions on the aforementioned rental income levels are taken into account, where applicable. The present value of each property is derived by discounting the above projected net cash flows series with an appropriate, market-derived discount. Such discount rate is calculated by taking into consideration the initial yield of the investment property, the expected return, the real rental growth and annual obsolescence of the property.

Other assumptions incorporated in the valuations include future vacancy rates and periods, the level of future maintenance and other operating costs, as well as sustainability issues, where applicable.

Where the fair value is determined based on market prices of comparable transactions those prices are subject to appropriate adjustments, in order to reflect current economic conditions and Management's best estimate regarding the future trend of properties market based on advice received from its independent external valuers.

Further information in respect of the fair valuation of the Group's investment properties is provided in note 27.

3.8 Provisions and contingent liabilities

Considering the subjectivity and uncertainty inherent in the determination of the probability and amount of the abovementioned outflows, the Group takes into account a number of factors including primarily legal advice, the progress of the matter and historical evidence from similar cases. In the case of an offer made within the context of the Group's voluntary exit scheme, the number of employees expected to accept the abovementioned offer along with their age cluster is a significant factor affecting the measurement of the outflow for the termination benefits.

Further information in relation to the Group's provisions and contingent liabilities is provided in notes 34 and 43.

3.9 Share-based payments

The Group grants shares and share options to its employees as a common feature of employee remuneration. IFRS 2 requires the recognition of an expense for those shares and share options at their fair value on the grant date (equity-settled plans). For shares granted to employees, the fair value is measured directly at the market price of the entity's shares, adjusted to take into account the terms and conditions upon which the shares were granted. For share options granted to employees, in many cases market prices are not available because the options granted are subject to terms and conditions that do not apply to traded options. If this is the case, the Group estimates the fair value of the equity instruments granted using a valuation technique, which is consistent with generally accepted valuation methodologies.

The valuation method and the inputs used to measure the share options granted to employees of the Group are presented in note 38.

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3.10 Leases

The Group, as a lessee, determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease if it is reasonably certain not to be exercised.

The Group applies judgement in evaluating whether it is reasonably certain or not to exercise an option to renew or terminate the lease, by considering all relevant factors and economic aspects that create an economic incentive. The Group reassesses the lease term if there is a significant event or change in circumstances that is within its control that affects its ability to exercise or not to exercise the option to renew or to terminate, such as significant leasehold improvements or significant customization of the leased asset.

In measuring lease liabilities, the Group uses the lessees' incremental borrowing rate ('IBR') when it cannot readily determine the interest rate implicit in the lease. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Therefore, estimation is required when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as the Euro swap curves) as a starting point when available, and performs certain additional entity-specific adjustments, such as credit spread adjustments or adjustments to reflect the lease terms and conditions. For the Bank and Greek subsidiaries, the IBR is derived from the estimated covered bonds yield curve, which is constructed based on observable Euro swap rates, while for international subsidiaries the IBR is determined on a country basis, taking into consideration specific local conditions.

3.11 Insurance contracts

The measurement of insurance contract liabilities involves the exercise of judgment, estimates, and assumptions, especially in relation to mortality and morbidity rates, claims, lapse and surrender rates, and costs. Judgment is also applied in determining the discount rate in discounting the expected future cash flows, as well as in determining the techniques for estimating risk adjustment for non-financial risk and the coverage units provided under a contract.

The basic approaches used in the measurement of insurance contract liabilities are described in Note 2.2.16.

The following assumptions were used when estimating future cash flows:

Mortality and morbidity rates:

Mortality and morbidity risks are inherent in most lines of business. The Group performs an investigation, at least on an annual basis, to ensure the validity of the mortality assumptions, and when deemed necessary the assumptions are adjusted accordingly. The assumptions are set based on the internal experience of the Group when there are sufficient volumes of data to support a credible investigation.

When internal experience is not sufficient, the assumptions are set with reference to industry experience and commonly used tables.

Expenses:

Assessment of directly attributable cash flows

The Group applies judgement in assessing whether cash flows are directly attributable to a specific portfolio of insurance contracts. Insurance acquisition cash flows are included in the measurement of a group of insurance contracts only if they are directly attributable to either the individual contracts in a group, or to the group itself, or the portfolio of insurance contracts to which the group belongs. The Group also considers as attributable cash flows fixed and variable overheads directly attributable to the fulfilment of insurance contracts.

Expense basis for cashflow projections

The Group performs a detailed expense investigation, at least on an annual basis, to determine the expense assumptions used in the cashflow projections. The expense basis is set in accordance with the budgeted attributable expenses and the projected volumes of business. The Group also determines an assumption for the future expense inflation for the cashflow projections of life activities.

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Lapse and surrender rates:

Lapse and surrenders assumptions relate to the rate by which policyholders cancel/surrender their policies. The assumptions are set in line with recent Group experience, by adjusting for expected improvements/deteriorations where necessary.

Discount rates

The Group uses the bottom-up approach in determining the discount rates and hence uses a risk-free rate, plus an illiquidity premium for all entities.

For ERB Cyprialife, the risk free rates are determined by reference to the European Insurance and Occupational Pensions Authority (EIOPA) yields and an illiquidity premium calculated based on the entity's own portfolio data reflecting the characteristics of the entity's portfolio. For ERB Asfalistiki portfolio the EIOPA yields and EIOPA's volatility adjustment was used for 2025.

As at 31 December 2025, the ranges of yield curves used to discount the cash flows of insurance contracts per portfolios' duration are presented below:

ERB Cyprialife

1 year	3 years	5 years	10 years	20 years
2.22% - 2.64%	2.42% - 2.85%	2.62%- 3.05%	3.00 - 3.43%	3.35% - 3.78%

ERB Asfalistiki

1 year	3 years	5 years	10 years	20 years
2.22%	2.42%	2.62%	3.00%	3.35%

Risk adjustments for non-financial risk

The risk adjustment for non-financial risk represents the compensation that the Group requires for bearing the uncertainty about the amount and timing of the cash flows arising from insurance risk and other non-financial risks such as lapse risk and expense risk.

It measures the degree of variability of expected future cash flows and the Group-specific price for bearing that risk and reflects the degree of the Group's risk aversion.

The Group estimates the risk adjustment using a risk-based capital approach which is closely linked to the Solvency II standard formula.

The risk adjustment is determined subject to a confidence level of a range of 80% to 85% depending on the subsidiary.

CSM amortization

The CSM is a component of the measurement of the group of insurance contracts that represents the unearned profit the Group will recognise as it provides services in the future. An amount of the CSM for a group of insurance contracts is recognised in profit or loss as insurance revenue in each period to reflect the insurance contract services provided under the group of insurance contracts in that period. The amount is determined by:

- Identifying the coverage units in the group.
- Allocating the CSM at the end of the period (before recognising any amounts in profit or loss to reflect the insurance contract services provided in the period) equally to each coverage unit provided in the current period and expected to be provided in the future.
- Recognising in profit or loss the amount allocated to coverage units provided in the period

The number of coverage units in a group is the quantity of insurance contract services provided by the contracts in the group, determined by considering the quantity of the benefits provided and the expected coverage period. These are reassessed at each reporting period.

For reinsurance contracts held, the CSM amortisation reflects the level of service received and depends on the number of underlying contracts in-force.

The Group used significant judgement to determine adjustments required to reflect the market participant's view.

Liability for incurred claims

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The ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques such as Chain Ladder method and Bornhuetter-Ferguson Method. The main assumption underlying these techniques is that a Group's past claims development experience can be used to project future claims development and hence ultimate claims costs. These methods extrapolate the development of paid and incurred losses, average costs per claim (including claims handling costs), and claim numbers based on the observed development of earlier years and expected loss ratios.

Expected premiums receipts for insurance contracts measured under PAA

The Group assesses expected premiums receipts using past experience on loss rates i.e. amounts that have not been settled after the assessment period of 5 years. The Group assesses at each reporting date the current economic conditions, as well as any other internal or external factors and conditions that are relevant during the period over which the historical data has been collected and the Group's view of these conditions over the expected lives of the premiums due.

3.12 Other accounting estimates and judgments

Information in respect of other estimates and judgments that are made by the Group is provided in notes 20, 23.4, 24, 28, and 30.

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4. Capital Management

The Group's capital adequacy position is presented in the following table:

	31 December 2025 ⁽¹⁾ € million	31 December 2024 ⁽¹⁾ € million
Total equity before AT1 capital instruments	9,533	8,899
Less: Accrual for profit payout	(657)	(674)
Less: Other regulatory adjustments	(742)	(507)
Common Equity Tier 1 Capital	8,134	7,718
Add: AT1 capital instruments (note 40)	1,090	-
Total Tier 1 Capital	9,224	7,718
Tier 2 capital-subordinated debt (note 33)	1,215	1,375
Total Regulatory Capital	10,439	9,093
Risk Weighted Assets	53,646	49,977
Ratios:	%	%
Common Equity Tier 1	15.2	15.4
Pro-forma Common Equity Tier 1 ⁽²⁾	15.6	15.7
Tier 1	17.2	15.4
Pro-forma Tier 1 ⁽²⁾	17.7	15.7
Total Capital Adequacy	19.5	18.2
Pro-forma Total Capital Adequacy ⁽²⁾	20.0	18.5

⁽¹⁾ As at 31 December 2025, the above capital ratios include the profit attributable to the equity holders of the Parent Company for the year amounting to € 1,362 million (31 December 2024: € 1,448 million) less the payout accrual of € 547 million based on the profits for the financial year 2025 in accordance with the Group shareholders' remuneration policy (31 December 2024: € 674 million), subject to regulatory and AGM approval, and following the distribution of an interim cash dividend of € 170 million, in the fourth quarter of 2025. At the same date, the outstanding payout accrual from 2024 profits in the form of share buyback amounted to € 110.5 million (note 37). Comparative information has been adjusted accordingly to include the accrual for profit payout.

⁽²⁾ As of 31 December 2025, pro-forma with the completion of the project "Sun (ex-Solar)" and Wave III upside (note 20), and as of 31 December 2024, with the completion of the projects "Sun (ex-Solar)", "Leon" and "Wave VI".

Notes:

a) As of 31 December 2025, the decrease in CET1 ratio, compared to 31 December 2024, is mainly attributed to the Group's organic profitability which is offset by the payout accrual, the DTC acceleration and the increase of the RWAs mainly due to i) the new production of loans, ii) the acquisition of CNP Cyprus Insurance Holdings Limited and iii) the implementation of Basel IV, which is partially offset by the decrease in RWAs of Operational Risk.

b) As of the period ended 31 December 2025, in line with the Bank's initiative to enhance the quality of its regulatory capital, the amortisation of Deferred tax credits (DTC) against the Greek State amounting to € 2,832 million at the end of the period (note 13), is accelerated for regulatory purposes. As a result, as at 31 December 2025, the DTC included in the calculation of the Group's capital ratios stand at €2,624 million, representing 32.3% of CET 1 capital.

The Group has sought to maintain an actively managed capital base to cover risks inherent in the business. The adequacy of the Group's capital is monitored using, among other measures, the rules and ratios established by the Basel Committee on Banking Supervision (BIS rules/ratios) which have been incorporated in the European Union (EU) legislation through the Directive 2013/36/EU (known as CRD IV) along with the Regulation 575/2013/EU (known as CRR), as they are in force. The above Directive has been transposed into Greek legislation by Law 4261/2014, as in force.

On 19 June 2024, Regulation 2024/1623/EU and Directive 2024/1619/EU of the European Parliament and of the Council of 31 May 2024, amending Regulation 575/2013/EU and Directive 2013/36/EU, respectively, were published in the Official Journal of the European Union. The revised CRR (CRR3- Basel IV) became, in general, applicable from 1 January 2025, with a transitional period envisaged for certain rules set out therein. EU member states will need to transpose the revised CRDIV (CRD6) into national law, to be applied from 11 January 2026.

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Supplementary to the above, in the context of Internal Capital Adequacy Assessment Process (ICAAP), the Group considers a broader range of risk types and the Group's risk management capabilities. ICAAP aims ultimately to ensure that the Group has sufficient capital to cover all material risks that it is exposed to, over a three-year horizon.

Based on Council Regulation No 1024/2013, the European Central Bank (ECB) conducts annually a Supervisory Review and Evaluation Process (SREP) in order to define the prudential requirements of the institutions under its supervision. The key purpose of the SREP is to ensure that institutions have adequate arrangements, strategies, processes and mechanisms as well as capital and liquidity to ensure a sound management and coverage of their risks, to which they are or might be exposed, including those revealed by stress testing and risks the institution may pose to the financial system.

According to the 2024 SREP decision, from December 2024 the P2R for the Group is set at 2.85% in terms of total capital (or at 1.60% in terms of CET1 capital). The change in the P2R is the outcome of the consolidation of Hellenic Bank. Based on the ECB's 'Guide on the supervisory approach to consolidation in the banking sector', in case of M&As, the P2R of the combined entity/group is determined based on the weighted average of the P2R (based on RWAs) of the two entities (i.e. Eurobank Group: 2.75%, Hellenic Bank: 3.45%). Based on the 2025 SREP decision, from 1 January 2026 the P2R is reduced to 2.75% (or 1.55% in terms of CET1 capital), reflecting the Group's progress in the areas assessed by the ECB, and particularly in the integration of Hellenic Bank into the Group.

Thus, as of 31 December 2025, the Group is required to meet a Common Equity Tier 1 Ratio of at least 10.98% (including Tier 2 shortfall) and a Total Capital Adequacy Ratio of at least 15.28% (Overall Capital Requirement or OCR) including Combined Buffer Requirement of 4.43%, which is covered with CET1 capital and sits on top of the Total SREP Capital Requirement (TSCR).

In addition, in accordance with the Executive Committee Act 235/07.10.2024 of the Bank of Greece, from 1 October 2025, a countercyclical capital buffer rate of 0.25% applies to banks' exposures to Greece, which has increased the Group's capital requirements by 15bps. The countercyclical capital buffer is updated on a quarterly basis in accordance with the countercyclical capital buffer rates applicable in each country to which the Group has exposures. Under Executive Committee Act 248/1/06.10.2025, the Bank of Greece has decided to set the CCyB rate for Greece at 0.5% from 1 October 2026, resulting in a further increase of the Group's capital requirements by 15bps.

The breakdown of the Group's CET1 and Total Capital requirements, as of 31 December 2025, is presented below:

	31 December 2025	
	CET1 Capital Requirements	Total Capital Requirements
Minimum regulatory requirement	4.50%	8.00%
Pillar 2 Requirement (P2R)	1.60%	2.85%
Total SREP Capital Requirement (TSCR)	6.10%	10.85%
Combined Buffer Requirement (CBR)		
Capital conservation buffer (CCoB)	2.50%	2.50%
Countercyclical capital buffer (CCyB)	0.68%	0.68%
Other systemic institutions buffer (O-SII)	1.25%	1.25%
Overall Capital Requirement (OCR), excluding shortfall	10.53%	15.28%
Tier 2 capital shortfall	0.45%	-
Overall Capital Requirement (OCR), including shortfall	10.98%	15.28%

The above CET1 capital requirement of 10.98% takes into account i) that the Group issued in June and in November 2025 AT1 instruments of € 500 and € 600 million, respectively, fully utilizing its capacity to issue AT1, as well as ii) the redemption, in September 2025, of the Tier 2 instrument of € 950 million issued to the Hellenic Republic (note 24), resulting in a Tier 2 shortfall of 45bps. Assuming the Group had fully utilized the Tier 2 capital capacity, the CET1 requirement would stand at 10.53% as of 31 December 2025.

Considering the reduction in P2R mentioned above, on 1 January 2026, the Group is required to meet a Common Equity Tier 1 Ratio of at least 10.89% (including Tier 2 shortfall) and a Total Capital Adequacy Ratio of at least 15.18% (Overall Capital Requirement or

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OCR) including Combined Buffer Requirement of 4.43%, which is covered with CET1 capital and sits on top of the Total SREP Capital Requirement (TSCR).

In November 2025, Eurobank Holdings successfully completed the issuance of € 600 million AT1 instrument, fully utilizing its capacity to issue AT1. The proceeds from the issue will support the Group's strategy to ensure ongoing compliance with its total capital adequacy and MREL.

Further disclosures regarding capital adequacy in accordance with the Regulation 575/2013 are provided in the Consolidated Pillar 3 Report on the Company's website.

Minimum Requirements for Eligible Own Funds and Eligible Liabilities (MREL)

Under the Directive 2014/59 (Bank Recovery and Resolution Directive) as in force, which was transposed into the Greek legislation pursuant to Law 4335/2015 as in force, European banks are required to meet the minimum requirement for own funds and eligible liabilities (MREL). The Single Resolution Board (SRB) has determined Eurobank S.A. as the Group's resolution entity and a Single Point of Entry (SPE) strategy for resolution purposes. The applicable MREL target for Eurobank S.A. on a consolidated basis is set at 27.88% of its total risk weighted assets (RWAs), including a combined buffer requirement (CBR) of 4.43%. The MREL target is updated by the SRB on an annual basis. As at 31 December 2025, the Bank's MREL ratio at consolidated level stands at 29.39% of RWAs including profit for the year ended 31 December 2025, after deducting payout accrual (31 December 2024: 27.36%), while, the Bank's MREL ratio at consolidated level, including profit for the year, after deducting aforementioned payout accrual, pro-forma with the completion of the projects "Sun (ex-Solar)" and "Wave III" stands at 30.17% of RWAs, exceeding the MREL target, as stated above.

In July 2025, the Bank successfully completed the issuance of € 500 million senior preferred notes. Furthermore, in September 2025, the Bank successfully completed, through a private placement, a tap of € 200 million to the aforementioned senior preferred notes of € 500 million, issued in July 2025. The proceeds from the issues will support the Group's strategy to ensure ongoing compliance with its MREL requirements (note 24).

Post balance sheet event

In January 2026, Eurobank S.A. successfully completed the issuance of € 400 million Subordinated Tier 2 debt instrument, fully utilizing its capacity to issue Tier 2. The proceeds from the issue will support the Group's strategy to ensure ongoing compliance with its total capital adequacy and MREL requirements (note 33).

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5. Financial risk management and fair value

5.1 Use of financial instruments

By their nature the Group's activities are principally related to the use of financial instruments including derivatives. The Group accepts deposits from customers, at both fixed and floating rates, and for various periods and seeks to earn above average interest margins by investing these funds in high quality assets. The Group seeks to increase these margins by consolidating short-term funds and lending for longer periods at higher rates, while maintaining sufficient liquidity to meet all claims that might fall due.

The Group also seeks to raise its interest margins by obtaining above average margins, net of provisions, through lending to commercial and retail borrowers within a range of credit standing. Such exposures include both on-balance sheet loans and advances and off-balance sheet guarantees and other commitments such as letters of credit.

The Group also trades in financial instruments where it takes positions in traded and over the counter financial instruments, including derivatives, to take advantage of short-term market movements in the equity and bond markets and in currency and interest rates.

5.2 Financial risk factors

Due to its activities, the Group is exposed to several financial risks, such as credit risk, market risk (including currency, interest rate, spread, equity and volatility risk), liquidity, non-financial risks such as operational (e.g. conduct, legal, cyber, outsourcing), reputational, as well as to sustainability risks. The Group's overall risk management strategy seeks to minimize any potential adverse effects on its financial performance, financial position and cash flows.

Financial risks undertaken by the Group's insurance entities are monitored separately and under a different regulatory framework (Solvency II). Specifically, information on the interest rate risk of the Group's insurance entities and the credit risk arising from their reinsurance contracts is presented in note 35.2. In addition, information on their exposure to liquidity risk, currency risk and credit risk from debt securities held is presented together with the other Group activities.

Risk Management objectives and policies

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

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

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

The amount of risk which the Group is willing to assume in the pursuit of its strategic objectives is articulated via a set of quantitative and qualitative statements for specific risk types, including specific tolerance levels as described in the Group's Risk Appetite Framework. The objectives are to support the Group's business growth, balance a strong capital position with higher returns on equity and to ensure the Group's adherence to regulatory requirements.

The Risk Appetite that is clearly communicated throughout the Group, determines risk culture and forms the basis on which the Group establishes its risk limits and risk policies. Aiming to identify its material risks, the Group maintains a well-defined Risk Identification and Materiality Assessment (RIMA) Framework.

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

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Board Risk Committee (BRC)

The Board Risk Committee (BRC) is a committee of the Board of Directors (BoD) and its task is to advise and support the BoD regarding the monitoring of Group's overall actual and future risk appetite and strategy, taking into account all types of risks to ensure that they are in line with the business strategy, objectives, corporate culture and values of the institution. The BRC assists the BoD in overseeing the implementation of Group's risk strategy and the corresponding limits set. It also oversees the implementation of the strategies for capital and liquidity risk management as well as for all material risks, including financial and non-financial risks, indicatively credit risk, market risk, interest rate risk and credit spread risk in the banking book, counterparty risk, operational risk, climate risk, country risk, reputational risks, conduct risk, risks stemming from strategic projects, in order to assess their adequacy against the approved risk appetite limits. The BRC consists of five (5) non-executive directors, meets at least 10 times per year and reports to the BoD on a quarterly basis and on ad hoc instances if it is needed.

Management Risk Committee

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

Group Risk Management

The Group's Risk Management Unit which is headed by the Group Chief Risk Officer (GCRO), operates independently from the business units and is responsible for the identification, assessment, monitoring, measurement and management of the risks that the Group is exposed to. It comprises of the Group Credit (GC), the Group Credit Control (GCC), the Group Credit Risk Capital Adequacy Control (GCRAC), the Group Market and Counterparty Risk (GMCR), the Group Operational and Non-Financial Risks (GONFR), the Group Model & Data Validation (GMDV), the Group Risk Management Strategy & Oversight (GRMS&O), the Group Sustainability Risk (GSR), the Supervisory Relations and Resolution Planning (SRRP), and the Risk Analytics (RA) Units.

Group Risk Management Strategy and Oversight

As part of the Group's ongoing commitment to strengthening its risk management framework, the Bank established in 2025 a dedicated Group Risk Management Strategy & Oversight (GRMS&O) Unit to further enhance the coordination and integration of risk management practices across the Group. The Unit serves as a central coordinating body, ensuring that all Risk Management units operate in a cohesive and aligned manner, creating synergies and promoting consistent standards across the organization. Its core objective is to implement and maintain a single, coherent governance framework that supports a holistic approach to risk management. This framework is designed to ensure that all material risks are identified, assessed, managed, and monitored in a comprehensive and integrated manner. Aligned with the best practices of Enterprise Risk Management, the Unit enhances risk culture, supports informed decision-making at all levels, and strengthens the Group's ability to anticipate and respond to risks in a proactive and coordinated manner.

Furthermore, the Group continues the process of aligning the former Hellenic Bank (currently Eurobank Ltd) risk management policies and practices with those of the Group across key risk types, following the acquisition of control in the third quarter of 2024 and the completion of the Take Over Bid process in the first half of 2025 which resulted in the acquisition of 100% of the entity's shares. This is in line with the policies alignment process that takes place with all international subsidiaries and includes harmonizing key risk policies, standardizing regulatory as well as internal risk reporting, and aligning risk methodologies.

Non-Performing Exposures (NPEs) management

The Bank realizes the NPE Strategy Plan through its implementation by doValue Greece for the assigned portfolio and the successful securitization transactions.

Troubled Assets Committee

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

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Remedial and Servicing Strategy (RSS)

The Remedial Servicing and Strategy (RSS) is responsible: a) for the management of the non-performing and early arrears loans of the Bank, b) for structured transactions which create capital (such as Synthetic SRT STS securitizations) and/or offer credit protection and c) for cooperation with the other units of Group Strategy for other transactions and initiatives.

RSS is closely monitoring the overall performance of the NPE portfolio as well as the relationship of the Bank with doValue Greece. Furthermore, following Eurobank's commitments against the significant risk transfer (SRT) monitoring regulatory requirements pertaining to Bank's concluded transactions, RSS has a pivotal role in ensuring that relevant process is performed smoothly and in a timely manner and that any shortcomings are appropriately resolved, while providing any required clarifications or additional material required by the regulatory authorities.

The Head of RSS reports to the General Manager of Group Strategy. In this context, RSS has been assigned inter alia with the following responsibilities:

- Structure new transactions and perform the execution of any transaction processes, by also establishing negotiation of Commercial / Legal Terms as well monitoring of these transactions
- Develop and actively monitor the NPE targets and reduction plan
- Set the strategic principles, priorities, policy framework and KPIs under which doValue Greece is servicing the portfolio
- Closely monitor the execution of the approved strategies, as well as all contractual provisions under the relevant contractual agreements for Eurobank's portfolio assigned to doValue Greece including the securitized portfolio of ERB Recovery DAC
- Monitoring of the performance of the senior notes of the securitizations in collaboration with Group Risk so as to ensure compliance to significant risk transfer (SRT) and to the Hellenic Asset Protection Scheme (HAPS)
- Budget and monitor the Bank's expenses and revenues associated with the assigned portfolio
- Cooperate closely with doValue Greece on a daily basis in achieving the Group's objectives
- Maintain supervisory dialogue

5.2.1 Credit Risk

Credit risk is the risk that a counterparty will be unable to fulfill its payment obligations in full when due. Credit risk is also related with country risk and settlement risk, specified below:

- a) Country risk is the risk of losses arising from cross-border lending and investment activities and refers to the uncertainty associated with exposure in a particular country. This uncertainty may relate to a number of factors including the risk of losses following nationalization, expropriation, debt restructuring and foreign exchange rates' movement.
- b) Settlement risk is the risk arising when payments are settled, for example for trades in financial instruments, including derivatives and currency transactions. The risk arises when the Group remits payments before it can ascertain that the counterparties' payments have been received.

Credit risk arises principally from the wholesale and retail lending activities of the Group, as well as from credit enhancements provided, such as financial guarantees and letters of credit. The Group is also exposed to credit risk arising from other activities such as investments in debt securities, trading, capital markets and settlement activities. Taking into account that credit risk is the primary risk the Group is exposed to, it is very closely managed and monitored by specialised risk units, reporting to the GCRO.

(a) Credit approval process

The credit approval and credit review processes are centralized both in Greece and in the International operations. Segregation of duties ensures independence among executives responsible for the customer relationship, the approval process and the loan disbursement, as well as monitoring of the loan during its lifecycle.

Credit Committees

The credit approval process in Corporate Banking is centralized through establishment of Credit Committees with escalating Credit Approval Levels. Main Committees of the Bank are the following:

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- Credit Committees (Central and Local) authorized to approve new financing, renewals or amendments mainly for domestic groups in the existing credit limits, in accordance with their credit approval authority, depending on total limit amount of the customer/group and risk category (i.e. high, medium or low), as well as the value and type of security;
- Special Handling Credit Committees authorized to approve credit requests and take actions for distressed clients;
- International Credit Committees (Regional and Country) established for the wholesale borrowers of the Group's international bank subsidiaries, authorized to approve new limits, renewals or amendments to existing limits, in accordance with their credit approval authority, depending on total customer exposure and risk category (i.e. high, medium or low), as well as the value and type of security; and
- International Special Handling Committees established for handling distressed wholesale borrowers of the Group's international bank subsidiaries.

The Credit Committees meet on a weekly basis or more frequently, if needed.

Group Credit (GC)

Within an environment of increased risk requirements, Group Credit (GC) mission is to safeguard the Group's asset side, by evaluating credit risk and making recommendations, so that borrower's credit exposure is acceptable and within the approved Risk Appetite Framework. GC is headed by the Group Chief Credit Officer (GCCO) with direct reporting to the Group Chief Risk Officer (GCRO).

GC operations are comprised of two functions, i.e. the Corporate Credit, including both the domestic and the foreign underwriting activities (the latter only for material exposures of International Subsidiaries), and Retail Credit respectively, covering the underwriting needs of the SBB portfolio and the Individuals Lending (mortgage, consumer loans, auto-moto loans and credit cards).

1. Corporate Credit

(a) Domestic and Greek related portfolio: the underwriting function includes the review of credit requests originating from Corporate Units handling large and medium scale corporate entities of every risk category and specialised lending units such as Shipping and Structured Finance (Commercial Real Estate, Hotels & Leisure, Project Finance, M&A Financing) and Private Banking. Major tasks of the respective workstream and involved credit units pertain to the following:

- Evaluation of credit applications and issuance of an independent Risk Opinion when required according to internal procedures, which includes:
 - (i) assessment of the customer credit profile based on the qualitative and quantitative risk factors identified (market, operational, structural and financial)
 - (ii) recommendations for the formulation of bankable, well-secured and well-controlled transactions (credit facility), as well as
 - (iii) review and confirmation of the ratings of each separate borrower to reflect the risks acknowledged
- Participation with voting right in all credit committees as per the Credit Approval procedures
- Active participation in the regulatory audits and major internal projects of the Bank, providing at the same time credit related knowledge, expertise and support to other Units
- Preparation of specialised reports to Management on a regular basis, with regards to the Top 25 largest, in terms of total exposure, borrower Groups, statistics on the new approved financings and leveraged transactions.

(b) International Subsidiaries' portfolio: The GC through its specialized International Corporate Credit Unit (IC) is responsible to actively participate in the evaluation of credit applications that exceed a certain threshold for the wholesale portfolio of the International Subsidiaries covering Bulgaria, Cyprus, and portion of the loan portfolio of Luxemburg (and London). Moreover, the respective unit's tasks and responsibilities are highlighted below:

- Participation with voting right in all International Committees (Regional and Special Handling) and Country Risk Committees (CRCs)
- Participation in the sessions of Special Handling Monitoring Committees for Bulgaria which monitor and decide on the strategy of problematic corporate relationships with loan outstanding exceeding a certain threshold, that is jointly set by ICC and Country TAG
- Advice on best practices to the Credit Risk Units of International Subsidiaries

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GC is also responsible for the preparation of all credit committees' agendas, distribution of the respective material and maintenance of the respective Credit Committees' minutes.

2. Retail Credit

The scope of the Retail Credit is the assessment of credit applications submitted by Retail Business Units, in relation to Borrowers of the performing retail credit portfolio (SBB loans and Individual Banking). Such applications refer to new loans, review / renewal of existing lines and after sales requests. The main tasks of Retail Credit function are outlined below:

- Assess credit requests in alignment with the credit risk assessment criteria and methodology provided in the appropriate Credit Policy Manual, in accordance with the defined approval levels.
- Analyze and evaluate risk factors depending on the type of credit request based on both financial and qualitative information
- Prepare an independent Credit Opinion ensuring that the risks identified are fully reflected in the Borrower's Rating
- Participate with voting rights in the credit committees as per the credit approval process, according to the Approval Levels defined in the CPM
- Active participation in the regulatory audits and major internal projects of the Bank, providing at the same time credit related knowledge, expertise and support to other units

(b) Credit risk monitoring

Group Credit Control

The Group Credit Control (GCC) monitors and assesses the quality of all of the Group's loan portfolios and operates independently from the business units of the Bank. The GCC reports directly to the GCRO.

The main responsibilities of the GCC are to:

- supervise, support and maintain the credit rating and impairment systems used to assess the wholesale and Large SB lending customers;
- monitor and review the performance of all of the Group's loan portfolios;
- supervise and control the foreign subsidiaries' credit risk management units;
- monitor on a regular basis and report on a quarterly basis to the Board of Directors and the BRC of risk exposures, along with accompanying analyses;
- monitor and evaluate the efficiency of adopted strategies and proposed solutions in terms of dealing with Non-Performing Exposures (NPEs) and the achievement of targets for NPEs reduction, as communicated and agreed with the Supervisory Authorities;
- conduct field reviews and prepare written reports to the Management on the quality of all of the Group's loan portfolios and adherence with EBA prevailing regulations;
- monitor the proper EBA classifications in accordance with the relevant provisions and guidelines;
- participate in the approval of new credit policies and new loan products;
- participate in the Troubled Asset Committee;
- attend meetings of Credit Committees and Special Handling Committees, without voting right;
- formulate the Group's credit impairment policy and measure the provisions of the Greek loan portfolios along with the relevant reporting to Management;
- regularly review the adequacy of provisions of all of the Group's loan portfolios;
- formulate, in collaboration with the responsible lending Units the credit policy manuals for performing borrowers;
- provide guidance and monitor the process of designing and reviewing credit policies before approved by Management.
- Through field / thematic reviews on a sample basis monitor the proper application of Real Estate collaterals' valuation, as per the Banks' Collateral Valuation policy and procedures;
- monitor the supervisory, regulatory developments, emerging trends and best practices within its purview in order to keep Management abreast and propose required actions;
- Lead or participate in various risk related projects including but not limited to supervisory investigations, stress tests, Asset Quality Reviews, process improvement projects etc.

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- Contribute to the overall credit risk management strategy of the Group, ensuring alignment with business objectives and regulatory requirements.

Group Credit Risk Capital Adequacy Control

The Group Credit Risk Capital Adequacy Control develops and maintains the credit risk assessment models for the loans portfolio and securitized exposures of the Group, performs capital adequacy calculations and assessment for the loan portfolios of the group, conducts internal & external stress test exercises as well as forecasting of risk parameters, impairments in the context of IFRS9 and RWAs and the three year business plan. In addition, prepares the Pillar 2 assessment for credit risk, foreign exchange risk, concentration risk and securitisation risk. The Unit reports directly to the GCRO.

Specifically, the main responsibilities of the Group Credit Risk Capital Adequacy Control are to:

- control, measure and monitor the capital requirements arising from the Group's loan portfolio along with the relevant reporting to Management and regulators (ECB/SSM);
- perform significant Risk Transfer (SRT) tests and monitor independent synthetic and traditional securitisations
- manage the models development, implementation and monitoring of the internal models and IFRS9 models of Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD) for evaluating credit risk
- measure and monitor the risk parameters (PD, LGD, EAD) for the purposes of internal capital adequacy assessment, as well as the estimation of risk related parameters (such as forecast 12-m PD, forecast lifetime PD) for IFRS 9 impairment calculation purposes;
- review the grouping of lending exposures and ensuring their homogeneity in accordance with the Group's IFRS accounting policies
- development and monitoring of the significant increase in credit risk (SICR) thresholds under IFRS9 standard;
- prepare monthly capital adequacy calculations (Pillar 1) and relevant management, as well as regulatory reports (COREPs, SREP) on a quarterly basis;
- projection of asset quality and capital requirements for the loan book (projected impairments and RWAs), in the context of the business plan, ICAAP and recovery plan and participation in the relevant committees;
- perform stress tests, both internal and external (EBA/SSM), and maintain the credit risk stress testing infrastructure;
- coordinate the stress testing exercises for the loan portfolios at Group Level;
- prepare the credit risk analyses for Internal Capital Adequacy Assessment (ICAAP)/ Pillar 2 purposes;
- prepare the Basel Pillar 3 and relevant IFRS9 disclosures for credit risk;
- regularly report to the GCRO, to the Management Risk Committee and to the Board Risk Committee on: risk models performance, risk parameters (PD, LGD, EAD), forbearance reporting, vintage analysis and default / redefault statistics portfolios forward looking analysis and new disbursements quality.
- guide, monitor and supervise the Credit Risk divisions of the subsidiaries on modelling, credit stress testing and other credit risk related regulatory issues.
- monitor and guide Group's international subsidiaries on credit risk related ICAAP, stress testing and other regulatory credit risk related issues, based on Group standards. Review of local credit risk stress test exercises;
- support the business units in the use of credit risk models in business decisions, for funding purposes, in the capital impact assessment of strategic initiatives and the development and usage of risk related metrics such as risk adjusted pricing, Risk Adjusted Return on Capital (RAROC) etc.; and
- assist Remedial Servicing Strategy in the risk assessment and risk impact of various programs and products.

Group Model & Data Validation

1. Group Model & Data Validation was set up with key mandates:

- the establishment of a comprehensive model validation and governance framework, and
- the independent validation of significant models (credit risk, pricing, profitability etc.) used by the Group, in order to ensure that the results produced are correct, cover fully business needs, as well as that the methodologies and tools applied are in alignment with industry standards and the corresponding regulatory requirements.

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2. In more detail, the tasks of the Unit are outlined as follows:

- Prepare and update the Group's Models Framework (to include model definition, roles involved per model, model classification principles and methodology, model validation principles, materiality classifications and thresholds, models' registry governance, etc)
- Establish and update the Group's Models Registry
- Review models' classification, in accordance with the methodology provided in the Group Models Framework
- Support and advise Group subsidiaries in the implementation of the Group Models Framework
- Prepare and update the Group Models Validation Framework
- Design and update the methodologies and procedures used for model validation tests, as defined in the Models Validation Framework.
- Prepare annual models' validation/revalidation plan.
- Propose and escalate for approval the quantitative thresholds, in order to assess the results of the validation tests.
- Conduct model validation tests in alignment with the Group Model Validation Framework and regulatory requirements.
- Prepare detailed reports with the model valuation results according to the specific requirements of the model validated, if any
- Support and advise Group subsidiaries with regards to the preparation and implementation of their model validation framework.
- Disseminate models' validation results within the Group, as appropriate.
- Prepare action plan for remediation actions, if any, as a result of the model validation tests implemented, and escalate the plan for its approval by the appropriate Management Authority
- Participate in the sign-off of new models for assessing ratings' system accuracy and suitability.
- Monitor industry practices on the development and use of models as well as related ECB guidelines and restrictions.
- Monitor changes in ECB guidelines on models' validation.

3. As of September 2024, the Unit has additionally assumed responsibility for the validation of Eurobank's compliance to the requirements of BCBS 239 (Risk Data Aggregation and Risk Reporting framework). In this context, the relevant tasks of the unit are outlined as follows:

- Design and maintain an effective RDARR Validation Framework describing the relevant methodologies and processes based on most recent relevant regulatory guidelines and other requirements.
- Prepare annual RDARR compliance validation plan.
- Perform Periodic validations of level of compliance with regards to the implementation of the BCBS 239 Principles in the Group's RDARR processes and systems, in a timely manner, in line with the RDARR Validation Framework
- Perform periodic reviews of the validation activities carried out by material subsidiaries.
- Report the Group's level of compliance with the BCBS 239 Principles in the annual validation report, in the form of an overall compliance score, reflecting the overall results derived following the completion of all its annual validation activities, as described in the RDARR Validation Framework
- Disseminate validation results within the Group, as appropriate.
- Prepare action plan for remediation actions, if any, as a result of the validation tests implemented, and escalate the plan for its approval by the appropriate Management Authority
- Supervise and review of changes in the BCBS 239 Overarching Framework, in order to proceed with the necessary amendments (if any) in the RDARR Validation Framework

Group Market and Counterparty Risk

Group Market and Counterparty Risk (GMCR) is responsible for the measurement, monitoring and periodic reporting of the Group's exposure to counterparty risk (issuer risk and market driven counterparty risk), which is the risk of loss due to the customer's failure to meet its contractual obligations in the context of treasury positions, such as debt securities, derivatives, repos, reverse repos, interbank placings, etc.

In addition, GMCR monitors, controls and regularly reports country limits, exposures and escalates breaches to the Management and to Committees. GMCR uses a comprehensive methodology approved by the BRC, for determining the acceptable country risk level, including the countries in which the Group has a strategic presence.

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The Group sets limits on the level of counterparty risk that are based mainly on the counterparty's credit rating, as provided by international rating agencies, the product type and the maturity of the transaction (e.g. control limits on net open derivative positions by both amount and term, sovereign bonds exposure, corporate securities, asset backed securities etc.).

GMCR maintains and updates the limits' monitoring systems and ensures the correctness and compliance of all financial institutions limits with the Bank's policies as approved by the Group's relevant bodies.

The utilization of the abovementioned limits, any excess of them, as well as the aggregate exposure per Group's entity, counterparty and product type are monitored by GMCR on a daily basis. Risk mitigation contracts are taken into account for the calculation of the final exposure.

Also, GMCR ensures that the exposure arising from counterparties complies with the approved country limits framework. The GMCR's exposure measurement and reporting tool is also available to the Group's subsidiaries treasury divisions, thus enabling them to monitor each counterparty's exposure and the limit availability.

Additionally, for the Banks' corporate bond portfolio, GMCR measures and monitors daily the total notional limits, the sectoral concentration and the maximum size per issuer. It uses a measurement tool for monitoring any downgrades and any idiosyncratic spread widening from purchase and any breach is communicated to the Management and to the relevant Committees.

GMCR implements the market's best practices and safeguards the compliance of all involved parties to limits' policies and procedures. To this direction, for various units and International subsidiaries, GMCR provides support and guidance for implementation of the limits' guidelines and policies.

Furthermore, GMCR prepares specialized reports for the Management/Committees along with regular reporting that includes the exposure to the Hellenic Republic and a report that is based on the calculation of the Lifetime Expected Losses for the exposure towards the Hellenic Republic (HR).

(c) Credit related commitments

The primary purpose of credit related commitments is to ensure that funds are available to a customer as agreed. Financial guarantee contracts carry the same credit risk as loans since they represent irrevocable assurances that the Group will make payments in the event that a customer cannot meet its obligations to third parties. Documentary and commercial letters of credit, which are written undertakings by the Group on behalf of a customer authorizing a third party to draw drafts on the Group up to a stipulated amount under specific terms and conditions, are secured by the underlying shipment of goods to which they relate and therefore carry less risk than a loan. Commitments to extend credit represent contractual commitments to provide credit under pre-specified terms and conditions (note 43) in the form of loans, guarantees or letters of credit for which the Group usually receives a commitment fee. Such commitments are irrevocable over the life of the facility or revocable only in response to a material adverse effect.

(d) Concentration risk

The Group structures the levels of credit risk it undertakes by placing exposure limits by borrower, or groups of borrowers, and by industry segments. The exposure to each borrower is further restricted by sub-limits covering on and off-balance sheet exposures, and daily delivery risk limits in relation to trading items such as forward foreign exchange contracts.

Such risks are monitored on a revolving basis and are subject to an annual or more frequent review. Risk concentrations are monitored regularly and reported to the BRC. Such reports include the 25 largest exposures, major watch list and problematic customers, industry analysis, analysis by rating/risk class, by delinquency bucket, and loan portfolios by country.

(e) Rating systems

Rating of wholesale lending exposures

The Group has decided upon the differentiation of rating models for wholesale lending activities, in order to reflect appropriately the risks arising from customers with different characteristics. Accordingly, the Group employs the following rating models for the wholesale portfolio:

- Moody's Risk Analyst model ("MRA" or "Fundamental Analysis"- "FA") is used to assess the risk of borrowers for Corporate Lending.

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- RiskCalc (international rating model) is used for assessing the creditworthiness of international lending - primarily companies located and operating abroad.
- Internal Credit Rating model ("ICR") is used for those customers that cannot be rated by MRA.
- Slotting rating models are employed in view of assessing the risk of specialized exposures, which are part of the Specialized Lending corporate portfolio.
- Transactional Rating model ("TR") has been developed in order to assess the risk of transactions taking into consideration their collaterals/guarantees.
- Finally, an assessment of the borrowers' viability and the identification of impairment triggers is performed using the "Unlikely to Pay" ("UTP") / impairment test.

MRA, ICR, Slotting and "UTP" functions are supported by the CreditLens ("CL") computing platform provided by an external provider (Moody's Analytics), while the TR is internally developed and is being supported by the core applications of the Bank.

MRA follows the Moody's fundamental analysis (FA) approach. The FA models belong to a family of models defined as Knowledge Based Systems and rely on a probabilistic reasoning approach. They use quantitative and qualitative information of individual obligors in order to assess their creditworthiness and determine their credit rating. In particular, MRA takes into account the company's balance sheets, profit & loss accounts and cash flow statements to calculate key ratios. Its ratio analysis includes assessments of each ratio's trend across multiple periods, both in terms of the slope and volatility of the trend. It also compares the value of the ratio for the most recent period with the quartile values for a comparable peer group. Moreover, MRA is supplied with a commonly used set of qualitative factors relating to the quality of the company's management, the standing of the company, including the company's transaction behavior towards the Bank, and the perceived riskiness of the industry. MRA is used for the assessment of all legal entities with full accountancy tax books irrespective of their legal form, and is calibrated on the Greek corporate environment.

The MRA is not employed for certain types of entities that use different accounting methods to prepare their financial statements, such as Insurance companies and brokerage firms. Moreover, entities such as start-ups that have not produced financial information for at least two annual accounting periods are not rated with MRA. In such cases, the Internal Credit Rating ("ICR") is utilized, which is a scorecard consisting of a set of factors grouped into 3 main sections corresponding to particular areas of analysis: Financial Information, Qualitative Criteria, and Behavior Analysis. In addition, the Group performs an overall assessment of wholesale customers, based both on their rating (MRA or ICR) and the collaterals and guarantees regularly at every credit assessment.

With reference to Specialized Lending portfolio (for which the Bank is using Slotting rating models) and in line with European Banking Authority (EBA) definitions, it comprises types of exposures towards entities specifically created to finance or operate physical assets, where the primary source of income and repayment of the obligation lies directly with the assets being financed. Accordingly, three of its product lines that are included in the Specialized Lending exposure class: Project Finance (assessed with the Project Finance Scorecard), Commercial Real Estate (assessed with the CRE investor & CRE Developer Scorecards) and Object Finance (assessed with the Object Finance Scorecard tailored for the Shipping portfolio).

In addition, the Group has developed an Unlikely to Pay/Impairment test. Unlikeliness to pay refers to circumstances when a Borrower is assessed as unlikely to pay its credit obligations in full without realization of collateral, regardless of the existence of any past due amount or of the days past due (i.e. to exposures less than 90 dpd). The impairment test, which is performed to all borrowers during every credit assessment is implemented in the CL platform and includes clearly defined indicators of unlikeliness to pay (UTP). These indicators are separated in "Hard" and "Soft" UTP triggers.

- Hard UTP indicators lead directly to a recognition of non-performing (automatic NPE classification), as in most cases these events, by their very nature, directly fulfil the definition of UTP and there is little room for interpretation.
- Soft UTP triggers when applied, do not automatically mean that an exposure is non-performing, but that a thorough assessment should be performed (assessment prior to NPE classification).

The Group has further enhanced its wholesale credit risk assessment models linking risk parameters estimation with macro-economic factors allowing the forecasting of rating transitions under different macroeconomic scenarios (base, adverse and optimistic).

The rating systems described above are an integral part of the wholesale banking decision-making and risk management processes:

- the credit approval or rejection, both at the origination and review process;
- the allocation of competence levels for credit approval;

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- risk-adjusted pricing;
- the calculation of Economic Value Added (EVA) and internal capital allocation; and
- the impairment calculation (staging criteria and subsequent ECL estimation of forecasted risk parameters).

Rating of retail lending exposures

The Group assigns credit scores to its retail customers using a number of statistically-based models both at the origination and on ongoing basis through behavioral scorecards. These models have been developed to predict, on the basis of available information, the probability of default, the loss given default and the exposure at default. They cover the entire spectrum of retail products (credit cards, consumer lending, unsecured revolving credits, car loans, personal loans, mortgages and small business loans).

The Bank's models were developed based on historical data and credit bureau data. Behavioral scorecards are calculated automatically on a monthly basis, thus ensuring that the credit risk assessment is up to date.

The models are applied in the credit approval process, the credit limits management, as well as the collection process for the prioritization of the accounts in terms of handling. Furthermore, the models are often used for the risk segmentation of the customers and the risk based pricing of particular segments or new products introduced as well as in the calculation of the Economic Value Added (EVA) and Risk Adjusted Return on Capital (RaRoC) measures.

In the context of IFRS9 implementation, the Bank has further enhanced its retail credit risk assessment models linking risk parameters estimation with macro-economic factors allowing their forecasting over one year and lifetime horizon under different macroeconomic scenarios (base, adverse and optimistic) and supporting the staging analysis and allocation to risk classes under homogeneous pools.

The Group Credit Risk Capital Adequacy Control monitors the capacity of rating models and scoring systems to classify customers according to risk, as well as to predict the probability of default and loss given default and exposure at default on an ongoing basis. The Group Model & Data Validation implements the Bank's validation policy which complies with international best practices and regulatory requirements. The Bank verifies the validity of the rating models and scoring systems on an annual basis and the validation includes both quantitative and qualitative aspects. The validation procedures are documented, and regularly reviewed and reported to the BRC.

The Group's Internal Audit also independently reviews the validation process in wholesale and retail rating systems annually.

(f) Credit risk mitigation

A key component of the Group's business strategy is to reduce risk by utilizing various risk mitigating techniques. The most important risk mitigating means are collaterals' pledges, guarantees and master netting arrangements.

Types of collateral commonly accepted by the Group

The Group has internal policies in place which set out the following types of collateral that are usually accepted in a credit relationship:

- residential real estate, commercial real estate (offices, shopping malls, etc.), industrial buildings and land;
- receivables (trade debtors) and post dated cheques;
- securities, including listed shares and bonds;
- deposits;
- guarantees and letters of support;
- insurance policies; and
- equipment, mainly, vehicles and vessels.

A specific coverage ratio is pre-requisite, upon the credit relationship's approval and on ongoing basis, for each collateral type, as specified in the Group's credit policy.

For exposures, other than loans to customers (i.e. reverse repos, derivatives), the Group accepts as collateral only cash or liquid bonds.

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Valuation principles of collaterals

In defining the maximum collateral ratio for loans, the Group considers all relevant information available, including the collaterals' specific characteristics, if market participants would take those into account when pricing the relevant assets. The valuation and hence eligibility is based on the following factors:

- the collateral's fair value, i.e. the exit price that would be received to sell the asset in an orderly transaction under current market conditions;
- the fair value reflects market participants' ability to generate economic benefits by using the asset in its highest and best use or by selling it;
- a reduction in the collateral's value is considered if the type, location or condition (such as deterioration and obsolescence) of the asset indicate so; and
- no collateral value is assigned if a pledge is not legally enforceable.

The Group performs collaterals' valuation in accordance with its processes and policies. The Group has an approved list of independent and qualified appraisers, which is updated on an annual basis or at shorter intervals if necessary. With the exception of special cases (e.g. syndicated loans), the real estate collaterals of all units are valued by Cerved Property Services S.A. ("CPS") who is the successor of the Bank's former subsidiary, Eurobank Property Services S.A. CPS is regulated by the Royal Institute of Chartered Surveyors and employs internal or external qualified appraisers based on predefined criteria (qualifications and expertise). All appraisals take into account factors such as the region, age and marketability of the property, and are further reviewed and countersigned by experienced staff. The valuation methodology employed is based on International Valuation Standards (IVS), while quality controls are in place, such as reviewing mechanisms, independent sample reviews by independent well established valuation companies.

In order to monitor the valuation of residential property held as collateral, the Group uses the Residential Property Index of the Bank of Greece. The index has been created by the Real Estate Market Analysis Section of BoG using detailed information collected from all Credit Institutions and Real Estate Investment Companies (REIC) operating in Greece. The Residential Property Index is used in combination with physical inspection and desktop valuation, depending on the EBA status and the balance of the loan.

For commercial real estates, the Group uses the Commercial Real Estate Index developed by CPS. This index is derived through a combination of CPS & BoG CRE indices and it is based on internationally accepted methodology. It constitutes a tool for the statistical monitoring of possible changes of the values of the commercial properties as well as for the trends in the particular market. The Commercial Real Estate Index is used in combination with physical inspection and desktop valuation, depending on the EBA status and the balance of the loan.

To ensure the quality of the post-dated cheques accepted as collateral, the Bank has developed a pre-screening system, which takes into account a number of criteria and risk parameters, so as to evaluate their eligibility. Furthermore, the post-dated cheques' valuation is monitored through the use of advanced statistical reports and through the review of detailed information regarding the recoverability of cheques, referrals and bounced cheques, per issuer broken down.

Collateral policy and documentation

Regarding collaterals, Group's policy emphasizes the need that collaterals and relevant processes are timely and prudently executed, in order to ensure that collaterals and relevant documentation are legally enforceable at any time. The Group holds the right to liquidate collateral in the event of the obligor's financial distress and can claim and control cash proceeds from the liquidation process.

Guarantees

The guarantees used as credit risk mitigation by the Group are largely issued by central and regional governments in the countries in which it operates. The Hellenic Development Bank (HDB) and similar funds, banks and insurance companies are also significant guarantors of credit risk.

Management of repossessed properties

The objective of the repossessed assets' management is to minimize the time cycle of the asset's disposal and to maximize the recovery of the capital engaged.

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To this end, the management of repossessed assets aims at improving rental and other income from the exploitation of such assets, and at the same time reducing the respective holding and maintenance costs. Additionally, the Group is actively engaged in identifying suitable potential buyers for its portfolio of repossessed assets (including specialized funds involved in acquiring specific portfolios of properties repossessed), both in Greece and abroad, in order to reduce its stock of properties with a time horizon of 3-5 years.

Repossessed assets are closely monitored based on technical and legal due diligence reports, so that their market value is accurately reported and updated in accordance with market trends.

Counterparty risk

The Group mitigates counterparty risk arising from treasury activities by entering into master netting arrangements and similar agreements, as well as collateral agreements with counterparties with which it undertakes a significant volume of transactions. The respective credit risk is reduced through a master netting agreement to the extent that if an event of default occurs, all amounts with the counterparty are terminated and settled on a net basis.

In the case of derivatives, the Group makes use of International Swaps and Derivatives Association (ISDA) contracts, which limit the exposure via the application of netting, and Credit Support Annex (CSAs), which further reduce the total exposure with the counterparty. Under these agreements, the total exposure with the counterparty is calculated on a daily basis taking into account any netting arrangements and collaterals.

The same process is applied in the case of repo transactions where standard Global Master Repurchase Agreements (GMRAs) are used. The exposure (the net difference between repo cash and the market value of the securities) is calculated on a daily basis and collateral is transferred between the counterparties thus minimizing the exposure.

Following the European Market Infrastructure Regulation (EMIR), the Bank performs centrally cleared transactions for eligible derivative contracts through an EU authorized European central counterparty (CCP), recorded in trade repositories. The use of CCP increases market transparency and reduces counterparty credit and operational risks inherent in derivatives markets.

The Bank uses a comprehensive collateral management system for the monitoring of ISDA, CSAs and GMRAs, i.e. the daily valuation of the derivatives and the market value of the securities are used for the calculation of each counterparty's exposure. The collateral which should be posted or requested by the relevant counterparty is calculated daily.

With this system, the Bank monitors and controls the collateral flow in case of derivatives and repos, independently of the counterparty. The effect of any market movement that increases the Bank's exposure is reported and the Bank proceeds to collateral call accordingly.

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5.2.1.1 Maximum exposure to credit risk before collateral held

	2025 € million	2024 € million	
Credit risk exposures relating to on-balance sheet assets are as follows:			
Due from credit institutions	2,357	2,197	
Less: Impairment allowance	<u>(1)</u>	<u>(1)</u>	2,196
Debt securities held for trading	180		186
Derivative financial instruments	780		838
Loans and advances to customers at amortised cost:			
- Wholesale lending ⁽¹⁾	34,670	31,663	
- Mortgage lending	12,925	12,466	
- Consumer lending	4,814	4,533	
- Small business lending	3,568	3,583	
Less: Impairment allowance	<u>(1,309)</u>	<u>(1,309)</u>	50,936
Fair value changes of loans in portfolio hedging of interest rate risk		(28)	(3)
Loans and advances to customers measured at FVTPL		23	19
Investment securities:			
- Debt securities measured at amortised cost	19,852	17,677	
Less: Impairment allowance	<u>(25)</u>	<u>(26)</u>	17,651
Debt securities measured at FVOCI ⁽⁵⁾		4,057	4,090
Debt securities measured at FVTPL ⁽⁴⁾		22	(11)
Other financial assets ⁽²⁾	387	149	
Less: Impairment allowance	<u>(29)</u>	<u>(23)</u>	126
Credit risk exposures relating to off-balance sheet items (note 43):			
- Loan commitments ⁽³⁾		15,511	13,653
- Financial guarantee contracts and other commitments		<u>4,255</u>	<u>3,517</u>
Total		<u>102,009</u>	<u>93,198</u>

⁽¹⁾ Includes loans to public sector.

⁽²⁾ Refers to financial assets subject to IFRS 9 impairment requirements, which are recognised within other assets

⁽³⁾ The comparative figures have been adjusted to include € 3.2 billion of unconditionally cancellable, undrawn overdraft facilities (note 43)

⁽⁴⁾ It presents debt securities at FVTPL, excluding those backing unit-linked insurance and investment contract liabilities of € 311 million (2024: € 18 million). Comparative information has been adjusted accordingly.

⁽⁵⁾ The comparative information has been adjusted to align with the current year presentation.

The above table represents the Group's maximum credit risk exposure as at 31 December 2025 and 31 December 2024 respectively, without taking account of any collateral held or other credit enhancements that do not qualify for offset in the Group's financial statements.

For on-balance sheet assets, the exposures set out above are based on the carrying amounts as reported in the balance sheet. For off-balance sheet items, the maximum exposure is the nominal amount that the Group may be required to pay if the financial guarantee contracts and other commitments are called upon and the loan commitments are drawn down. Off-balance sheet credit risk exposures presented above, include revocable loan commitments to extend credit of € 8.4 billion (2024: € 7.9 billion, containing € 3.2 billion undrawn overdraft facilities) that are subject to ECL measurement.

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5.2.1.2 Loans and advances to customers

The section below provides an overview of the Group's exposure to credit risk arising from its customer lending portfolios, in line with the guidelines set by the Hellenic Capital Markets Commission and the Bank of Greece (BoG) released on 30 September 2013, as updated by the Group in order to comply with the revised IFRS 7 'Financial Instruments: Disclosures', following the adoption of IFRS 9 from 2018. In addition, the types of the Group's forbearance programs are in line with the BoG's Executive Committee Act 42/30.05.2014 and its amendments.

(a) Credit quality of loans and advances to customers

Loans and advances to customers carried at amortised cost are classified depending on how ECL is measured.

Accordingly, loans reported as non-impaired include loans for which a '12-month ECL allowance' is recognized as they exhibit no significant increase in credit risk since initial recognition and loans for which a 'Lifetime ECL allowance' is recognized as they exhibit a significant increase in credit risk since initial recognition but are not considered to be in default.

Credit impaired loans category includes loans that are considered to be in default, for which a loss allowance equal to a 'Lifetime ECL' is recognized, and loans classified as 'Purchased or originated credit impaired' (POCI) which are always measured on the basis of a 'Lifetime ECL'. The Group applies a default definition for accounting purposes, which is consistent with the European Banking Authority (EBA) definition for non-performing exposure and regulatory definition of default.

Loans and advances to customers carried at FVTPL are not subject to ECL measurement and therefore are not included in the quantitative information provided in the below sections for loans and advances measured at amortised cost, except where indicated. The Group's accounting policy for impairment of financial assets is set out in note 2.2.13.

Quantitative information

The following quantitative analysis presents information about the total gross carrying amount of loans and advances including securitization notes issued by special purpose entities established by the Group, and the nominal amount of credit related commitments, that are classified as non-impaired (stage 1 and stage 2) and those classified as credit-impaired (stage 3 and POCI). It also presents the impairment allowance recognized in respect of all loans and advances and credit related commitments, analyzed into individually or collectively assessed, based on how the respective impairment allowance has been calculated, the carrying amount of loans and advances, as well as the value of collateral held to mitigate credit risk which is capped to the respective gross loan amount. In particular, the following four tables for 2025 and 2024 provide:

- a summary of the credit quality of lending exposures and credit related commitments, presenting product line, stage allocation, respective impairment allowance and collateral held
- the classification of lending exposures and credit related commitments into the internal credit rating categories,
- the movement of the gross carrying amounts for loans and advances to customers by product line and stage,
- the ageing analysis of credit impaired (Stage 3 and POCI) loans and advances to customers

Public Sector lending exposures include exposures to the central government, local authorities, state-linked companies and entities controlled and fully or partially owned by the state, excluding public and private companies with commercial activity. For credit risk management purposes, exposures to Public Sector are incorporated in wholesale lending.

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The following tables present summary information about the credit quality (stage analysis, impairment allowance and collateral held per product line) of loans and advances to customers carried at amortised cost and credit related commitments. In addition, they include the fair value changes of loans in portfolio hedging of interest rate risk and the loans and advances to customers carried at FVTPL for the purpose of reconciliation with the total carrying amount of loan and advances to customers:

	31 December 2025												
	Lifetime ECL - Stage 3					Total gross carrying amount/nominal exposure € million	Impairment allowance Lifetime ECL - Stage 3					Carrying amount € million	Value of collateral € million
	12-month ECL - Stage 1 € million	Lifetime ECL - Stage 2 € million	Individually assessed € million	Collectively assessed € million	POCI € million		12-month ECL - Stage 1 € million	Lifetime ECL - Stage 2 € million	Individually assessed € million	Collectively assessed € million	POCI € million		
Retail Lending	16,633	3,614	59	857	143	21,306	(121)	(444)	(35)	(340)	(9)	20,356	15,284
- Mortgage	9,841	2,560	34	422	68	12,925	(62)	(332)	(23)	(118)	(4)	12,386	
Value of collateral	9,759	2,383	23	359	66								12,590
- Consumer	3,345	391	1	142	66	3,945	(33)	(46)	(1)	(86)	(4)	3,776	
Value of collateral	701	11	0	6	65								782
- Credit card	767	62	0	39	1	869	(8)	(4)	(0)	(29)	(1)	826	
Value of collateral	28	1	0	0	1								30
- Small business	2,680	602	24	255	7	3,568	(18)	(62)	(11)	(107)	(1)	3,368	
Value of collateral	1,218	485	14	158	7								1,881
Wholesale Lending	32,689	1,243	307	140	55	34,435	(61)	(49)	(161)	(86)	(2)	34,077	20,924
- Large corporate	22,686	650	142	30	22	23,530	(46)	(30)	(61)	(23)	(0)	23,370	
Value of collateral	11,680	457	112	12	22								12,283
- SMEs	6,019	593	165	111	34	6,922	(16)	(19)	(100)	(63)	(1)	6,723	
Value of collateral	4,005	429	119	73	33								4,658
- Securitization notes ⁽¹⁾	3,984	-	-	-	-	3,984	-	-	-	-	-	3,984	
Value of collateral	3,984	-	-	-	-								3,984
Public Sector	235	-	-	0	1	236	(0)	-	-	(0)	(0)	235	6
- Greece	8	-	-	0	-	8	(0)	-	-	(0)	-	7	
Value of collateral	-	-	-	0	-								0
- Other countries	227	-	-	-	1	228	(0)	-	-	-	(0)	228	
Value of collateral	6	-	-	-	0								6
Fair value changes of loans in portfolio hedging of interest rate risk												(28)	-
Loans and advances to customers at FVTPL												23	23
Total	49,558	4,857	365	998	198	55,977	(183)	(493)	(196)	(426)	(11)	54,663	36,237
Total value of collateral	31,379	3,765	268	608	194								
Credit related commitments	19,167	524	37	26	11	19,766	(24)	(2)	(21)	(7)	(1)		
Loan commitments	15,016	472	9	7	7	15,511	(19)	(2)	0	(1)	(1)		
Financial guarantee contracts and other commitments	4,151	52	28	19	5	4,255	(6)	(1)	(21)	(7)	(1)		
Value of collateral	2,247	136	12	8	10								

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	31 December 2024											Carrying amount € million	Value of collateral € million
	12-month ECL - Stage 1 € million	Lifetime ECL - Stage 2 € million	Lifetime ECL - Stage 3		POCI € million	Total gross carrying amount/nominal € million	12-month ECL - Stage 1 € million	Lifetime ECL - Stage 2 € million	Impairment allowance		POCI € million		
			Individually assessed € million	Collectively assessed € million					Lifetime ECL - Stage 3				
									Individually assessed € million	Collectively assessed € million			
Retail Lending	15,743	3,733	62	715	329	20,582	(132)	(315)	(43)	(374)	(23)	19,695	14,806
- Mortgage	9,249	2,706	36	323	151	12,466	(64)	(218)	(30)	(147)	(10)	11,997	
Value of collateral	9,090	2,405	20	258	147								11,919
- Consumer	3,064	317	1	127	152	3,660	(42)	(42)	(0)	(90)	(10)	3,475	
Value of collateral	711	7	1	7	148								874
- Credit card	767	75	0	29	1	873	(8)	(5)	(0)	(23)	(1)	835	
Value of collateral	29	1	0	0	1								30
- Small business	2,663	635	24	237	24	3,583	(17)	(50)	(13)	(113)	(1)	3,389	
Value of collateral	1,296	507	13	142	24								1,982
Wholesale Lending	29,687	1,184	532	140	89	31,632	(58)	(39)	(244)	(77)	(4)	31,211	20,012
- Large corporate	20,189	568	272	17	38	21,082	(42)	(23)	(115)	(10)	(2)	20,889	
Value of collateral	10,637	372	152	9	36								11,206
- SMEs	5,130	617	260	124	51	6,182	(16)	(16)	(129)	(67)	(2)	5,953	
Value of collateral	3,653	468	188	78	51								4,438
- Securitization notes ⁽¹⁾	4,368	-	-	-	-	4,368	(0)	-	-	-	-	4,368	
Value of collateral	4,368	-	-	-	-								4,368
Public Sector	30	-	-	0	1	31	(0)	-	-	(0)	-	30	4
- Greece	12	-	-	0	-	13	(0)	-	-	(0)	-	12	
Value of collateral	-	-	-	0	-								0
- Other countries	18	-	-	-	1	18	(0)	-	-	-	-	18	
Value of collateral	3	-	-	-	0								4
Fair value changes of loans in portfolio hedging of interest rate risk												(3)	
Loans and advances to customers at FVTPL												19	19
Total	45,460	4,917	593	856	419	52,245	(191)	(354)	(287)	(451)	(27)	50,953	34,841
Total value of collateral	29,787	3,760	373	495	407								
Credit related commitments	16,810	263	40	26	33	17,170	(22)	(4)	(21)	(7)	(9)		
Loan commitments ⁽²⁾	13,420	212	8	7	6	13,653	(15)	(4)	(0)	(0)	(1)		
Financial guarantee contracts and other commitments	3,389	50	32	19	26	3,517	(7)	(1)	(21)	(6)	(8)		
Value of collateral	2,077	74	20	5	11								

⁽¹⁾ It refers to the notes of securitizations of loans originated by Group entities measured at amortised cost, that are collateralized by the underlying pool of loans held by the respective securitization vehicles (note 20). The amount of the securitized loan portfolios presented as collateral has been capped to the gross carrying amount of the senior notes. Moreover, the senior notes of the Cairo, Mexico and Leon securitizations are guaranteed by the Hellenic Republic in the context of Hellenic Asset Protection Scheme (note 20).

⁽²⁾ The comparative figures have been adjusted to include € 3.2 billion of unconditionally cancellable, undrawn overdraft facilities (note 43).

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The Group assesses the credit quality of its loans and advances to customers and credit related commitments that are subject to ECL using internal credit rating systems for the wholesale portfolio, which are based on a variety of quantitative and qualitative factors, while the credit quality of the retail portfolio is based on the allocation of risk classes into homogenous pools.

The following tables present the distribution of the gross carrying amount of loans and advances and the nominal exposure of credit related commitments based on the credit quality classification categories and stage allocation:

	31 December 2025					
	Internal credit rating	12-month ECL-Stage 1 € million	Lifetime ECL- Stage 2 € million	Lifetime ECL - Stage 3 € million	POCI € million	Total gross carrying amount € million
Retail Lending						
- Mortgage						
PD<2.5%		9,450	183	-	32	9,665
2.5%<=PD<4%		274	1,404	-	1	1,679
4%<=PD<10%		70	374	-	3	447
10%<=PD<16%		36	145	-	5	185
16%<=PD<99.99%		11	455	-	1	467
100%		-	-	456	26	481
- Consumer						
PD<2.5%		1,754	3	-	19	1,777
2.5%<=PD<4%		883	5	-	15	903
4%<=PD<10%		562	34	-	12	608
10%<=PD<16%		107	21	-	3	130
16%<=PD<99.99%		39	329	-	2	369
100%		-	-	143	15	158
- Credit card						
PD<2.5%		337	2	-	0	339
2.5%<=PD<4%		314	23	-	0	337
4%<=PD<10%		115	13	-	0	128
10%<=PD<16%		1	11	-	0	12
16%<=PD<99.99%		0	13	-	0	13
100%		-	-	39	1	40
- Small business						
PD<2.5%		1,752	9	-	1	1,761
2.5%<=PD<4%		543	26	-	1	570
4%<=PD<10%		324	176	-	0	501
10%<=PD<16%		44	194	-	0	237
16%<=PD<99.99%		17	197	-	0	214
100%		-	-	279	5	283
Wholesale Lending						
- Large corporate						
Strong		15,276	91	-	-	15,367
Satisfactory		6,957	364	-	4	7,325
Watch list		453	195	-	6	654
Impaired (Defaulted)		-	-	172	12	183
- SMEs						
Strong		1,831	20	-	-	1,851
Satisfactory		3,985	270	-	13	4,269
Watch list		203	303	-	7	514
Impaired (Defaulted)		-	-	275	13	288
- Securitization notes						
Strong		3,984	-	-	-	3,984
Public Sector						
All countries						
Strong		36	-	-	-	36
Satisfactory		199	-	-	1	199
Watch list		-	-	-	-	-
Impaired (Defaulted)		-	-	0	-	0
Total		49,558	4,857	1,363	198	55,977

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	31 December 2024					
	Internal credit rating	12-month ECL - - Stage 1 € million	Lifetime ECL - Stage 2 € million	Lifetime ECL - Stage 3 € million	POCI € million	Total gross carrying amount € million
Retail Lending						
- Mortgage						
PD<2.5%		8,905	1,534	-	33	10,471
2.5%<=PD<4%		197	18	-	0	215
4%<=PD<10%		93	754	-	7	854
10%<=PD<16%		43	148	-	3	194
16%<=PD<99.99%		12	252	-	4	269
100%		-	-	359	104	463
- Consumer						
PD<2.5%		995	2	-	15	1,012
2.5%<=PD<4%		1,484	4	-	14	1,502
4%<=PD<10%		443	34	-	20	497
10%<=PD<16%		103	12	-	4	119
16%<=PD<99.99%		38	264	-	8	310
100%		-	-	128	92	219
- Credit card						
PD<2.5%		353	2	-	0	355
2.5%<=PD<4%		381	25	-	-	406
4%<=PD<10%		31	16	-	0	47
10%<=PD<16%		1	4	-	0	5
16%<=PD<99.99%		0	28	-	0	28
100%		-	-	29	1	30
- Small business						
PD<2.5%		1,563	21	-	1	1,585
2.5%<=PD<4%		696	32	-	0	728
4%<=PD<10%		374	355	-	0	729
10%<=PD<16%		28	148	-	3	179
16%<=PD<99.99%		2	79	-	0	81
100%		-	-	261	20	280
Wholesale Lending						
- Large corporate						
Strong		14,005	29	-	-	14,034
Satisfactory		5,898	360	-	9	6,268
Watch list		285	178	-	12	475
Impaired (Defaulted)		-	-	288	17	305
- SMEs						
Strong		1,593	24	-	0	1,616
Satisfactory		3,334	312	-	14	3,661
Watch list		203	281	-	9	493
Impaired (Defaulted)		-	-	383	28	412
- Securitization notes						
Strong		4,368	-	-	-	4,368
Public Sector						
All countries						
Strong		13	-	-	-	13
Satisfactory		17	-	-	1	18
Watch list		-	-	-	-	-
Impaired (Defaulted)		-	-	0	-	0
Total		45,460	4,917	1,449	419	52,245

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Internal credit rating	31 December 2025				31 December 2024			
	12-month ECL- Stage 1 € million	Lifetime ECL- Stage 2 € million	Lifetime ECL - Stage 3 and POCI € million	Total nominal amount € million	12-month ECL- Stage 1 € million	Lifetime ECL- Stage 2 € million	Lifetime ECL - Stage 3 and POCI € million	Total nominal amount € million
Credit Related Commitments								
Retail Lending								
Loan commitments								
PD<2.5%	1,719	5	1	1,724	1,571	8	0	1,579
2.5%<=PD<4%	1,340	45	0	1,384	1,571	45	0	1,615
4%<=PD<10%	745	57	0	802	492	51	0	544
10%<=PD<16%	41	25	0	66	41	12	0	54
16%<=PD<99.99%	0	10	0	10	0	28	0	28
100%	-	-	5	5	-	-	4	4
Financial guarantee contracts and other commitments								
PD<2.5%	27	0	0	27	38	0	0	38
2.5%<=PD<4%	116	0	-	116	118	0	-	118
4%<=PD<10%	43	1	-	43	38	1	-	39
10%<=PD<16%	1	0	-	1	-	-	-	-
16%<=PD<99.99%	-	-	-	-	-	-	-	-
100%	-	-	5	5	-	-	6	6
Wholesale Lending								
Loan commitments								
Strong	7,555	24	0	7,579	6,601	2	-	6,603
Satisfactory	3,329	153	1	3,483	2,911	57	1	2,968
Watch list	287	154	1	442	233	9	0	242
Impaired (Defaulted)	-	-	14	14	-	-	16	16
Financial guarantee contracts and other commitments								
Strong	2,906	1	0	2,906	2,396	1	-	2,398
Satisfactory	1,003	30	1	1,034	728	27	-	755
Watch list	55	20	(1)	75	70	21	-	91
Impaired (Defaulted)	-	-	47	47	-	-	72	72
Total	19,167	524	75	19,766	16,810	263	98	17,170

The table below depicts the internal credit rating bands (MRA rating scale or equivalent) for the wholesale portfolio that correspond to the credit quality classification categories presented in the above tables:

Wholesale Lending		
Credit Quality classification categories	Internal Credit Rating	Internal Credit Rating
	Large Corporate	SMEs
Strong	1-4	1-3
Satisfactory	5-6	4-6
Watch list	7-9	7-9
Impaired (Defaulted)	10	10

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The following tables present the movement of the gross carrying amounts for loans and advances to customers by product line and stage and is calculated by reference to the opening and closing balances for the reporting years from 1 January 2025 to 31 December 2025 and 1 January 2024 to 31 December 2024:

	31 December 2025																Total € million
	Wholesale				Mortgage				Consumer				Small business				
	12-month ECL- Stage 1 € million	Lifetime ECL- Stage 2 € million	Lifetime ECL- Stage 3 € million	POCI € million	12-month ECL- Stage 1 € million	Lifetime ECL- Stage 2 € million	Lifetime ECL- Stage 3 € million	POCI € million	12-month ECL- Stage 1 € million	Lifetime ECL- Stage 2 € million	Lifetime ECL- Stage 3 € million	POCI € million	12-month ECL- Stage 1 € million	Lifetime ECL- Stage 2 € million	Lifetime ECL- Stage 3 € million	POCI € million	
Gross carrying amount at 1 January	29,717	1,184	672	90	9,249	2,706	359	151	3,831	392	157	153	2,663	635	261	24	52,245
New loans and advances originated or purchased	7,858	-	-	2	1,773	-	-	-	1,195	-	-	-	739	-	-	-	11,566
Transfers between stages																	
-to 12-month ECL	313	(304)	(9)	-	97	(87)	(11)	-	113	(104)	(9)	-	43	(37)	(6)	-	-
-to lifetime ECL	(558)	608	(50)	-	(360)	431	(71)	-	(275)	286	(10)	-	(128)	156	(28)	-	-
-to lifetime ECL credit-impaired loans	(49)	(26)	76	-	(81)	(248)	330	-	(71)	(57)	129	-	(46)	(90)	137	-	-
Loans and advances derecognised/ reclassified as held for sale during the year	(0)	-	(74)	(8)	(1)	(0)	(91)	(98)	(1)	(0)	(30)	(32)	(0)	-	(41)	(17)	(394)
Amounts written-off ⁽¹⁾	-	-	(55)	(1)	-	-	(32)	(2)	-	-	(47)	(2)	-	-	(18)	(1)	(157)
Repayments	(4,162)	(270)	(107)	(21)	(979)	(125)	(36)	(26)	(1,020)	(69)	(20)	(25)	(633)	(50)	(30)	(3)	(7,577)
Foreign exchange differences and other movements	(194)	52	(7)	(7)	144	(117)	7	42	340	7	13	(27)	43	(12)	4	4	293
Gross Carrying amount at 31 December	32,924	1,243	447	56	9,841	2,560	456	68	4,112	453	181	67	2,680	602	279	7	55,977
Impairment allowance	(62)	(49)	(247)	(2)	(62)	(332)	(142)	(4)	(41)	(50)	(116)	(5)	(18)	(62)	(118)	(1)	(1,309)
Carrying amount at 31 December	32,863	1,194	201	54	9,780	2,227	314	64	4,071	403	66	62	2,661	540	160	6	54,668

Notes to the Consolidated Financial Statements

	31 December 2024																Total € million
	Wholesale				Mortgage				Consumer				Small business				
	12-month ECL -Stage 1 € million	Lifetime ECL -Stage 2 € million	Lifetime ECL -Stage 3 € million	POCI € million	12-month ECL -Stage 1 € million	Lifetime ECL -Stage 2 € million	Lifetime ECL -Stage 3 € million	POCI € million	12-month ECL -Stage 1 € million	Lifetime ECL -Stage 2 € million	Lifetime ECL -Stage 3 € million	POCI € million	12-month ECL -Stage 1 € million	Lifetime ECL -Stage 2 € million	Lifetime ECL -Stage 3 € million	POCI € million	
Gross carrying amount at 1 January	24,005	1,198	688	21	6,909	2,618	411	4	2,942	369	119	5	2,480	728	276	0	42,773
New loans and advances originated or purchased	8,427	-	-	-	1,090	-	-	-	1,189	-	-	-	674	-	-	-	11,380
Arising from acquisition	2,593	-	-	71	2,229	-	-	159	617	-	-	160	111	-	-	-	5,965
Securitization notes	281	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	281
Transfers between stages																	
-to 12-month ECL	265	(257)	(8)	-	107	(97)	(10)	-	116	(105)	(10)	-	99	(91)	(9)	-	-
-to lifetime ECL	(672)	689	(17)	-	(354)	436	(82)	-	(218)	240	(22)	-	(110)	157	(47)	-	-
-to lifetime ECL credit-impaired loans	(82)	(54)	136	-	(66)	(136)	203	-	(75)	(49)	124	-	(59)	(89)	148	-	-
Loans and advances derecognised/ reclassified as held for sale during the year	(25)	-	(21)	-	(7)	(1)	(133)	-	(4)	(0)	(15)	(3)	(0)	(1)	(70)	-	(279)
Amounts written-off ⁽¹⁾	-	-	(14)	(0)	-	-	(9)	(1)	-	-	(47)	(1)	-	-	(13)	(0)	(84)
Repayments	(5,092)	(428)	(83)	(6)	(992)	(209)	(42)	(14)	(823)	(61)	(33)	(14)	(625)	(93)	(35)	(6)	(8,556)
Foreign exchange differences and other movements	17	36	(9)	5	334	96	21	3	88	(4)	41	7	93	23	11	4	766
Gross Carrying amount at 31 December	29,717	1,184	672	90	9,249	2,706	359	151	3,831	392	157	153	2,663	635	261	24	52,245
Impairment allowance	(58)	(39)	(321)	(4)	(64)	(218)	(177)	(10)	(51)	(48)	(114)	(11)	(17)	(50)	(126)	(1)	(1,309)
Carrying amount at 31 December	29,659	1,145	351	86	9,185	2,489	182	141	3,780	344	43	142	2,645	585	135	23	50,936

⁽¹⁾ The contractual amount outstanding on lending exposures that were written off during the year ended 31 December 2025 and that are still subject to enforcement activity is € 146 million (2024: € 68 million).

Note 1: Wholesale product line category includes also Public sector loans portfolio.

Note 2: "Loans and advances derecognised/ reclassified as held for sale during the year" presents loans derecognised due to a) sale and securitization transactions, b) debt to equity transactions and those that have been reclassified as held for sale during the year (notes 20 and 30).

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Credit impaired loans and advances to customers

The following tables present the ageing analysis of credit impaired (Stage 3 and POCI) loans and advances by product line at their gross carrying amounts, as well as the respective impairment allowance and the value of collaterals held to mitigate credit risk.

For denounced loans, the Group ceases to monitor the delinquency status and therefore the respective balances have been included in the 'over 360 days' time band, with the exception of consumer exposures which continue to be monitored up to 360 days past due.

	31 December 2025							
	Retail lending				Wholesale lending		Public sector	Lifetime ECL credit-impaired € million
	Mortgage € million	Consumer € million	Credit card € million	Small business € million	Large corporate € million	SMEs € million	Greece and other countries € million	
up to 90 days	337	103	5	139	139	154	1	
90 to 179 days	46	30	8	24	0	11	-	120
180 to 360 days	42	35	9	29	10	15	-	139
more than 360 days	99	41	18	94	44	128	0	424
Total gross carrying amount	524	209	40	286	193	309	1	1,562
Impairment allowance	(145)	(90)	(30)	(119)	(84)	(164)	(0)	(633)
Carrying amount	379	118	10	167	109	145	1	928
Value of Collateral	448	71	1	179	146	224	0	1,070

	31 December 2024							
	Retail lending				Wholesale lending		Public sector	Lifetime ECL credit-impaired € million
	Mortgage € million	Consumer € million	Credit card € million	Small business € million	Large corporate € million	SMEs € million	Greece and other countries € million	
up to 90 days	235	133	6	125	185	236	1	
90 to 179 days	43	25	7	21	0	7	-	103
180 to 360 days	76	38	10	49	6	13	-	192
more than 360 days	156	84	8	90	135	179	0	653
Total gross carrying amount	511	280	30	285	326	435	1	1,868
Impairment allowance	(188)	(101)	(24)	(127)	(127)	(197)	(0)	(765)
Carrying amount	323	179	6	158	199	238	1	1,103
Value of Collateral	425	156	1	179	198	316	0	1,275

Note: As at 31 December 2025, total gross carrying amount of credit impaired loans includes POCI loans of € 198 million (2024: € 419 million).

Notes to the Consolidated Financial Statements

(b) Collaterals and repossessed assets

Collaterals

The Loan-to-Value (LTV) ratio of the mortgage lending reflects the gross loan exposure at the balance sheet date over the market value of the property held as collateral.

The LTV ratio of the mortgage portfolio is presented below:

	2025 € million	2024 € million
Mortgages		
Less than 50%	4,963	4,740
50%-70%	3,486	3,221
71%-80%	1,876	1,689
81%-90%	1,285	1,041
91%-100%	493	599
101%-120%	397	502
121%-150%	189	333
Greater than 150%	236	343
Total exposure	12,925	12,466
Average LTV	43.07%	44.64%

The breakdown of collateral and guarantees for loans and advances to customers at amortised cost is presented below:

	31 December 2025				
	Value of collateral received				Guarantees received ⁽¹⁾ € million
	Real Estate € million	Financial € million	Other € million	Total € million	
Retail Lending	13,883	703	698	15,284	818
Wholesale Lending	7,522	1,498	11,904	20,924	413
Public sector	1	4	2	6	-
Total	21,405	2,205	12,604	36,214	1,232

	31 December 2024				
	Value of collateral received				Guarantees Received ⁽¹⁾ € million
	Real Estate € million	Financial € million	Other € million	Total € million	
Retail Lending	13,421	701	684	14,806	857
Wholesale Lending	6,864	1,601	11,547	20,012	613
Public sector	1	3	0	4	-
Total	20,285	2,306	12,231	34,822	1,470

⁽¹⁾ In addition to the above presented guarantees, the Group has entered into financial guarantees contracts (projects 'Wave') related to the portfolios of performing SME, SBB and large corporate loans of € 4.3 billion as at 31 December 2025 (31 December 2024: € 4.3 billion).

The collaterals presented in the above table under category "Other", include assigned receivables, equipment, inventories, vessels, etc. They also include the amount of the securitized loans held by the securitizations vehicles that issued the related senior notes. The amount of the securitized loans has been capped to the gross carrying amount of the senior notes. In addition, the senior notes of the Cairo, Mexico and Leon securitizations are guaranteed by the Hellenic Republic in the context of Hellenic Asset Protection Scheme (note 20).

Notes to the Consolidated Financial Statements

Repossessed assets

The Group recognizes collateral assets on the balance sheet by taking possession usually through legal processes or by calling upon other credit enhancements. As at 31 December 2025, the carrying amount of repossessed assets which are included in “Other assets” amounted to € 474 million (31 December 2024: € 527 million), note 29. These assets are carried at the lower of cost and net realizable value (note 2.2.19).

The main type of collateral that the Group repossesses against repayment or reduction of the outstanding loan is real estate. The below table presents the movement of repossessed real estate assets during the year, including a) those transferred to the appropriate category based on their use by the Group as part of its operations i.e. investment property or own-used (notes 2.2.6, 26, and 27) and b) those reclassified to “held for sale” category (notes 30).

	2025			2024		
	Real estate			Real estate		
	Residential	Commercial	Total	Residential	Commercial	Total
	€ million	€ million	€ million	€ million	€ million	€ million
Balance at 1 January	187	338	525	195	298	493
Arising from acquisition (note 23)	-	-	-	4	105	109
Additions ⁽¹⁾	10	13	23	7	26	33
Transfers to investment property	-	-	-	(2)	(18)	(20)
Disposals	(33)	(45)	(78)	(14)	(45)	(59)
Valuation losses	(1)	(7)	(8)	(2)	(26)	(28)
Held for Sale (note 30)	-	(0)	(0)	(1)	(0)	(1)
Other	(0)	10	10	(0)	(2)	(2)
Balance at 31 December	163	309	472	187	338	525

⁽¹⁾ The carrying amount of the real estate properties obtained during the year and held at the year ended 31 December 2025 amounted to € 22 million (31 December 2024: € 32 million).

In addition, the Group repossesses other types of collaterals mainly referring to equity positions due to the participation in debt for equity transactions as part of forbearance measures.

(c) Geographical and industry concentrations of loans and advances to customers

As described above in note 5.2.1, the Group holds diversified portfolios across markets and countries and implements limits on concentrations arising from the geographical location or the activity of groups of borrowers that could be similarly affected by changes in economic or other conditions, in order to mitigate credit risk.

Notes to the Consolidated Financial Statements

The following tables break down the Group's exposure into loans and advances to customers and credit related commitments at their gross carrying amount and nominal amount respectively by stage, product line, industry and geographical region and impairment allowance by product line, industry and geographical region:

	31 December 2025														
	Greece					Rest of Europe					Other Countries				
	Gross carrying/nominal amount					Gross carrying/nominal amount					Gross carrying/nominal amount				
	12-month ECL -Stage 1	Lifetime ECL -Stage 2	Lifetime ECL -Stage 3	POCI	Impairment allowance	12-month ECL -Stage 1	Lifetime ECL -Stage 2	Lifetime ECL -Stage 3	POCI	Impairment allowance	12-month ECL -Stage 1	Lifetime ECL -Stage 2	Lifetime ECL -Stage 3	POCI	Impairment allowance
€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	
Retail Lending	8,114	3,053	749	0	(769)	8,430	561	166	140	(181)	90	0	0	2	(0)
-Mortgage	4,338	2,415	397	-	(490)	5,477	145	58	67	(50)	27	0	-	1	(0)
-Consumer	1,164	61	60	0	(62)	2,117	330	82	65	(107)	63	0	0	2	(0)
-Credit card	580	34	33	-	(34)	187	28	6	1	(8)	0	0	0	0	(0)
-Small business	2,032	544	259	-	(183)	648	58	20	7	(17)	-	-	-	-	-
Wholesale Lending	15,893	699	293	3	(209)	12,598	520	148	52	(144)	4,198	24	6	0	(5)
-Commerce and services ⁽¹⁾	6,172	278	158	0	(108)	7,318	120	80	24	(78)	434	17	1	0	(2)
-Manufacturing	3,148	232	74	3	(65)	899	99	12	7	(18)	57	-	-	-	(0)
-Shipping	109	-	-	-	(0)	655	8	-	7	(1)	3,321	-	1	-	(2)
-Construction	1,504	50	18	-	(14)	1,379	52	15	12	(15)	228	7	4	-	(1)
-Tourism	1,672	125	38	-	(13)	555	106	9	1	(10)	30	-	-	-	(0)
-Energy	3,242	1	4	-	(7)	473	43	-	0	(3)	9	-	-	-	(0)
-Other	46	14	1	-	(2)	1,319	92	32	2	(18)	119	-	-	-	(0)
Public Sector	8	-	0	-	(0)	82	-	-	1	(0)	145	-	-	-	(0)
Total	24,014	3,752	1,042	3	(979)	21,110	1,081	314	193	(325)	4,434	24	6	2	(6)
<i>Of which:</i>															
<i>Cyprus</i>	-	-	-	-	-	6,592	263	91	186	(101)	-	-	-	-	-
<i>Bulgaria</i>	-	-	-	-	-	7,869	772	207	4	(198)	-	-	-	-	-
Credit related Commitments	12,817	413	44	-	(45)	5,304	111	19	11	(11)	1,047	0	0	0	0
-Loan commitments	10,156	371	0	-	(14)	3,858	101	16	7	(7)	1,002	0	0	-	0
-Financial guarantee contracts and other commitments	2,661	42	44	-	(31)	1,446	10	3	5	(4)	44	-	0	0	(0)

Notes to the Consolidated Financial Statements

	31 December 2024														
	Greece					Rest of Europe					Other Countries				
	Gross carrying/nominal amount					Gross carrying/nominal amount					Gross carrying/nominal amount				
	12-month ECL -Stage 1 € million	Lifetime ECL -Stage 2 € million	Lifetime ECL -Stage 3 € million	POCI € million	Impairment allowance € million	12-month ECL -Stage 1 € million	Lifetime ECL -Stage 2 € million	Lifetime ECL -Stage 3 € million	POCI € million	Impairment allowance € million	12-month ECL -Stage 1 € million	Lifetime ECL -Stage 2 € million	Lifetime ECL -Stage 3 € million	POCI € million	Impairment allowance € million
Retail Lending	8,038	3,324	624	0	(683)	7,625	408	153	327	(203)	80	0	0	2	(1)
-Mortgage	4,476	2,595	302	0	(410)	4,759	111	57	150	(59)	14	0	0	1	(0)
-Consumer	986	72	55	0	(68)	2,012	244	72	151	(117)	66	0	0	1	(0)
-Credit card	568	41	23	0	(28)	199	34	6	1	(9)	0	0	0	0	(0)
-Small business	2,008	615	243	-	(177)	655	20	18	24	(17)	0	-	-	-	(0)
Wholesale Lending	14,000	622	518	12	(298)	11,579	551	151	77	(120)	4,107	11	3	0	(4)
-Commerce and services ⁽¹⁾	5,717	271	248	9	(136)	7,000	104	83	39	(50)	580	3	1	0	(2)
-Manufacturing	2,927	204	182	3	(119)	839	52	19	9	(14)	69	-	0	-	(0)
-Shipping	76	-	-	-	(0)	589	1	3	8	(1)	3,112	-	1	-	(2)
-Construction	1,318	30	24	-	(16)	1,192	59	11	10	(9)	217	7	0	-	(0)
-Tourism	1,406	110	59	-	(18)	472	159	11	1	(9)	-	-	-	-	-
-Energy	2,505	0	4	-	(6)	249	7	0	0	(3)	-	-	-	-	-
-Other	51	8	1	-	(3)	1,238	169	24	10	(34)	130	-	-	-	(0)
Public Sector	12	-	0	-	(0)	18	-	-	1	(0)	-	-	-	-	-
Total	22,051	3,947	1,142	12	(982)	19,222	959	304	404	(323)	4,188	11	3	2	(4)
Of which:															
Cyprus						6,319	221	113	389	(108)					
Bulgaria						6,802	695	182	12	(197)					
Credit related Commitments	11,761	144	47	0	(44)	4,583	116	18	32	(19)	465	3	0	0	(0)
-Loan commitments	9,620	119	1	0	(12)	3,347	91	14	6	(8)	453	3	0	0	(0)
-Financial guarantee contracts and other commitments	2,141	25	47	-	(32)	1,236	25	4	26	(11)	12	0	0	0	(0)

⁽¹⁾ The operations in Rest of Europe include € 3,984 million related to the notes of securitizations of loans originated by Group entities (2024: € 4,368 million).

As at 31 December 2025, the carrying amount of Group's loans measured at FVTPL of € 23 million was included in Wholesale lending portfolio, which was held by operations in Rest of Europe (2024: € 19 million).

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(d) Forbearance practices on lending activities

Modifications of the loans' contractual terms may arise due to various factors, such as changes in market conditions, customer retention and other factors as well as due to the potential deterioration in the borrowers' financial condition. The Group has employed a range of forbearance solutions in order to enhance the management of customer relationships and the effectiveness of collection efforts, as well as to improve the recoverability of cash flows and minimize credit losses for both retail and wholesale portfolios.

Forbearance practices' classification

Forbearance practices as monitored and reported by the Group, based on the European Banking Authority Implementing Technical Standards (EBA ITS) guidelines, occur only in the cases where the contractual payment terms of a loan have been modified, as the borrower is considered unable to comply with the existing loan's terms due to apparent financial difficulties, and the Group grants a concession by providing more favorable terms and conditions that it would not otherwise consider had the borrower not been in financial difficulties.

All other types of modifications granted by the Group, where there is no apparent financial difficulty of the borrower and may be driven by factors of a business nature are not classified as forbearance measures.

Forbearance solutions

Forbearance solutions are granted following an assessment of the borrower's ability and willingness to repay and can be of a short or longer term nature. The objective is to assist financially stressed borrowers by rearranging their repayment cash outflows into a sustainable modification, and at the same time, protect the Group from suffering credit losses. The Group deploys targeted segmentation strategies with the objective to tailor different short or long term and sustainable management solutions to selected groups of borrowers for addressing their specific financial needs.

The nature and type of forbearance options may include but is not necessarily limited to, one or more of the following:

- arrears capitalization;
- arrears repayment plan;
- reduced payment above interest only;
- interest-only payments;
- reduced payment below interest only;
- grace period;
- interest rate reduction;
- loan term extensions;
- split balance;
- partial debt forgiveness/write-down;
- operational restructuring; and
- debt to equity swaps.

Specifically for unsecured consumer loans (including credit cards), forbearance programs (e.g. term extensions), are applied in combination with debt consolidation whereby all existing consumer balances are pooled together. Forbearance solutions are applied in order to ensure a sufficient decrease on installment and a viable solution for the borrower. In selected cases, the debt consolidations may be combined with mortgage prenotations to convert unsecured lending exposures to secured ones.

In the case of mortgage loans, a decrease of installment may be achieved through forbearance measures such as extended payment periods and capitalization of arrears.

Wholesale exposures are subject to forbearance when there are indications of financial difficulties of the borrower, evidenced by a combination of factors including the deterioration of financials, credit rating downgrade, payment delays and other.

i. Classification of Forborne loans

Loans for which forbearance measures have been applied after origination or acquisition, are classified either as non-impaired (stage 2), or impaired (stage 3) by assessing their delinquency and credit quality status.

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Credit impaired forbore loans enter initially a probation period of one year where the borrowers' payment performance is closely monitored. If at the end of the abovementioned period, the borrowers have complied with the terms of the program and there are no past due amounts and concerns regarding the loans' full repayment, the loans are then reported as non-impaired forbore loans (stage 2). In addition, non-impaired forbore loans, including those that were previously classified as credit impaired and complied with the terms of the program, are monitored over a period of two years. If, at the end of that period, the borrowers have made regular payments of a significant aggregate amount, there are no past due amounts over 30 days and the loans are neither credit impaired nor any other SICR criteria are met they exit forbore status and are classified as stage 1.

Particularly, the category of credit impaired forbore loans includes those that (a) at the date when forbearance measures were granted, were more than 90 days past due or assessed as unlikely to pay, (b) at the end of the one year probation period met the criteria of entering the non-impaired status and during the two years monitoring period new forbearance measures were extended or became more than 30 days past due, and (c) were initially classified as non-impaired and during the two years monitoring period met the criteria for entering the credit impaired status.

Furthermore, forbore loans that fail to perform under the new modified terms and are subsequently denounced cease to be monitored as part of the Group's forbearance activities and are reported as denounced credit impaired loans (stage 3) consistently with the Group's management and monitoring of all denounced loans.

ii. Impairment assessment

Where forbearance measures are extended, the Group performs an assessment of the borrower's financial condition and its ability to repay, under the Group's impairment policies, as described in notes 2.2.13 and 5.2.1. Accordingly, forbore loans to wholesale customers, retail individually significant exposures and financial institutions are assessed on an individual basis. Forbore retail lending portfolios are generally assessed for impairment separately from other retail loan portfolios on a collective basis as they consist of large homogenous portfolio.

iii. Loan restructurings

In cases where the contractual cash flows of a forbore loan have been substantially modified, the original forbore loan is derecognized and a new loan is recognized. The Group records the modified asset as a 'new' financial asset at fair value and the difference with the carrying amount of the existing one is recorded in the income statement as derecognition gain or loss. In the case that the new financial asset is credit impaired at initial recognition, it is recognized as an originated credit-impaired financial asset (POCI).

In cases where the modification as a result of forbearance measures is not considered substantial, the Group recalculates the gross carrying amount of the loan and recognizes the difference as a modification gain or loss in the income statement. The Group continues to monitor the modified forbore loan in order to determine if the financial asset exhibits significant increase in credit risk since initial recognition during the forbearance period.

As at 31 December 2025, the carrying amount of Group's forbore loans measured at FVTPL was nil (2024: nil).

The following tables present an analysis of Group's forbore activities for loans measured at amortised cost. In order to align with the quantitative information provided in section (a) based on IFRS 7 requirements, the relevant tables below are presented on a gross carrying amount basis, while cumulative impairment allowance is presented separately, in line with the Group's internal credit risk monitoring and reporting.

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The following table presents a summary of the types of the Group's forbore activities:

	2025 € million	2024 € million
Forbearance measures:		
Split balance	194	275
Loan term extension	744	693
Arrears capitalisation	56	77
Reduced payment below interest owed	33	34
Interest rate reduction	104	153
Reduced payment above interest owed	67	98
Arrears repayment plan	25	56
Interest only	39	27
Grace period	58	92
Partial debt forgiveness/Write-down	1	19
Operational restructuring	9	11
Other	46	55
Total gross carrying amount	1,376	1,588
Less: cumulative impairment allowance	(270)	(321)
Total carrying amount	1,106	1,267

The following tables present a summary of the credit quality of forbore loans and advances to customers:

	31 December 2025		
	Total loans & advances at amortised cost € million	Forborne loans & advances € million	% of Forborne loans & advances
Gross carrying amounts:			
12-month ECL-Stage 1	49,558	24	0.0
Lifetime ECL-Stage 2	4,857	674	13.9
Lifetime ECL-Stage 3	1,363	629	46.2
POCI	198	49	24.6
Total Gross Amount	55,977	1,376	2.5
Cumulative ECL Loss allowance:			
12-month ECL-Stage 1	(183)	(0)	
Lifetime ECL-Stage 2	(493)	(41)	
Lifetime ECL-Stage 3 of which:	(622)	(226)	
- Individually assessed	(196)	(93)	
- Collectively assessed	(426)	(133)	
POCI	(11)	(3)	
Total carrying amount	54,668	1,106	2.0
Collateral received	36,214	1,077	

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	31 December 2024		
	Total loans & advances at amortised cost € million	Forborne loans & advances € million	% of Forborne loans & advances
<i>Gross carrying amounts:</i>			
12-month ECL-Stage 1	45,460	50	0
Lifetime ECL-Stage 2	4,917	788	16.0
Lifetime ECL-Stage 3	1,449	559	38.6
POCI	419	191	45.6
Total Gross Amount	52,245	1,588	3.0
<i>Cumulative ECL Loss allowance:</i>			
12-month ECL-Stage 1	(191)	(0)	
Lifetime ECL-Stage 2	(354)	(49)	
Lifetime ECL-Stage 3 of which:	(738)	(258)	
- Individually assessed	(287)	(118)	
- Collectively assessed	(451)	(140)	
POCI	(27)	(13)	
Total carrying amount	50,936	1,267	2.5
Collateral received	34,822	1,211	

Note: As at 31 December 2024, performing forborne loans of € 50 million acquired from Hellenic Bank, are presented at stage 1.

The following table presents the movement of forborne loans and advances:

	2025 € million	2024 € million
Gross carrying amount at 1 January	1,588	1,509
Arising from acquisition	-	275
Forbearance measures in the year	532	377
Forborne loans derecognised/ reclassified as held for sale during the year ⁽¹⁾	(109)	(29)
Write-offs of forborne loans	(52)	(5)
Repayment of loans	(340)	(310)
Loans & advances that exited forbearance status ⁽²⁾	(322)	(328)
Other	78	99
Less: cumulative impairment allowance	(270)	(321)
Carrying amount at 31 December	1,106	1,267

⁽¹⁾ "Forborne loans derecognised/ reclassified as held for sale during the year" presents loans derecognized during the year due to sale and securitization transactions and those that have been reclassified as held for sale during the year (notes 20 and 30).

⁽²⁾ In 2025, an amount of € 74 million loans and advances that exited forbearance status refers to loans that were denounced (2024: € 46 million).

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The following table presents the Group's exposure to forborne loans and advances by product line:

	2025	2024
	€ million	€ million
Retail Lending	764	813
- Mortgage	458	437
- Consumer	121	183
- Credit card	3	4
- Small business	181	188
Wholesale Lending	612	775
- Large corporate	277	282
- SMEs	336	493
Total gross carrying amount	1,376	1,588
Less: cumulative impairment allowance	(270)	(321)
Total carrying amount	1,106	1,267

The following table presents the Group's exposure to forborne loans and advances by geographical region:

	2025	2024
	€ million	€ million
Greece	958	947
Rest of Europe	415	636
Other countries	3	6
Total gross carrying amount	1,376	1,588
Less: cumulative impairment allowance	(270)	(321)
Total carrying amount	1,106	1,267

The following table provides information on modifications due to forbearance measures on lending exposures which have not resulted in derecognition. Such financial assets were modified while they had a loss allowance measured at an amount equal to lifetime ECL.

	2025	2024
	€ million	€ million
Modified lending exposures		
Loans modified during the year with loss allowance measured at an amount equal to lifetime ECL		
Gross carrying amount at 31 December	629	396
Modification gain / (loss)	1	(5)
Loans modified since initial recognition at a time when loss allowance was based on lifetime ECL		
Gross carrying amount at 31 December for which loss allowance has changed to 12-month ECL measurement	149	244

In the year ended 31 December 2025, the gross carrying amount of loans previously modified for which the loan allowance has reverted to being measured at an amount equal to lifetime ECL amounted to € 403 million (2024: € 300 million).

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5.2.1.3 Debt Securities

The following tables present an analysis of debt securities by external credit rating agency designation at 31 December 2025 and 2024, based on Moody's ratings or their equivalent:

	31 December 2025			
	12-month ECL- Stage 1 € million	Lifetime ECL- Stage 2 € million	Lifetime ECL- Stage 3 € million	Total € million
Debt securities at amortised cost				
Aaa	5,194	-	-	5,194
Aa1 to Aa3	2,368	-	-	2,368
A1 to A3	3,359	-	-	3,359
Lower than A3	8,715	23	-	8,738
Unrated	165	-	27	192
Gross Carrying Amount	19,802	23	27	19,852
Impairment Allowance	(15)	(0)	(10)	(25)
Carrying Amount	19,787	23	17	19,827
Debt securities at FVOCI				
Aaa	488	-	-	488
Aa1 to Aa3	328	-	-	328
A1 to A3	955	-	-	955
Lower than A3	2,197	19	-	2,216
Unrated	70	-	-	70
Carrying Amount	4,038	19	-	4,057
	31 December 2024			
	12-month ECL- Stage 1 € million	Lifetime ECL- Stage 2 € million	Lifetime ECL- Stage 3 € million	Total € million
Debt securities at amortised cost				
Aaa	6,661	-	-	6,661
Aa1 to Aa3	855	-	-	855
A1 to A3	1,833	4	-	1,837
Lower than A3	8,110	15	-	8,125
Unrated	163	-	36	199
Gross Carrying Amount	17,621	20	36	17,677
Impairment Allowance	(15)	(1)	(9)	(26)
Carrying Amount	17,606	19	26	17,651
Debt securities at FVOCI				
Aaa	514	-	-	514
Aa1 to Aa3	551	-	-	551
A1 to A3	546	-	-	546
Lower than A3	2,385	28	-	2,414
Unrated	64	-	-	64
Carrying Amount	4,061	28	-	4,090

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	31 December 2025	
	Debt securities held for trading	Debt securities measured at FVTPL⁽¹⁾
	€ million	€ million
Debt securities at FVTPL		
Aaa	22	4
Aa1 to Aa3	-	3
A1 to A3	10	7
Lower than A3	147	7
Carrying Amount	180	22

	31 December 2024	
	Debt securities held for trading	Debt securities measured at FVTPL⁽¹⁾
	€ million	€ million
Debt securities at FVTPL		
Aaa	19	5
Aa1 to Aa3	-	5
A1 to A3	10	1
Lower than A3	158	0
Carrying Amount	186	11

⁽¹⁾ Debt securities of €311 million (2024: €7 million) that are backing unit-linked insurance and investment contract liabilities are not included. Comparatives have been adjusted accordingly.

The carrying amount of debt securities rated lower than A3, amounting to € 11,097 million (2024: € 10,684 million), is analyzed as follows:

	2025		2024	
	Sovereign	Banks and Corporate	Sovereign	Banks and Corporate
	€ million	€ million	€ million	€ million
Debt securities				
Greece	5,795	1,374	5,919	1,399
Other Eurozone members	988	927	762	775
Other EU members ⁽¹⁾	1,131	98	990	73
Other countries	219	564	240	527
Carrying Amount	8,133	2,964	7,911	2,773

⁽¹⁾ It includes debt securities with carrying value of € 719 million issued by Bulgaria, Eurozone member as of January 1, 2026 (note 5.2.2) (2024: € 660 million).

Following a series of sovereign rating upgrades between 2023 and 2025, the Greek government’s long-term debt securities were rated as investment grade by all five Eurosystem approved External Credit Assessment Institutions (DBRS: BBB, stable outlook; Fitch: BBB, stable outlook; Scope: BBB, positive outlook; S&P: BBB, stable outlook; Moody’s: Baa3, stable outlook) as of end January 2026.

The carrying amount of unrated debt securities of € 253 million (2024: € 254 million) comprise € 204 million Greek corporate bonds (2024: € 188 million), € 35 million Cyprus corporate bonds (2024: € 42 million) and € 14 million corporate bonds issued in other European countries (2024: € 24 million).

As at 31 December 2025, the nominal value of the Group’s Russian debt exposures, which have been classified as credit impaired, amounted to € 26 million, with an impairment allowance of € 8 million (2024: € 39 million nominal value with an impairment allowance of € 7 million).

For the year ended 31 December 2025, the Group proceeded with the divestment of debt securities of face value of € 514 million measured at amortized cost, resulting in a derecognition gain of € 17 million. The sale was assessed to be consistent with the held to collect business model in accordance with the Group’s accounting policy.

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The following tables present the Group's exposure in debt securities, as categorized by stage, counterparty's geographical region and industry sector:

	31 December 2025							Total € million
	Greece		Other European countries			Other countries		
	12-month ECL- Stage 1 € million	Lifetime ECL- Stage 3 € million	12-month ECL- Stage 1 € million	Lifetime ECL- Stage 2 € million	Lifetime ECL- Stage 3 € million	12-month ECL- Stage 1 € million	Lifetime ECL- Stage 2 € million	
Debt securities at amortised cost								
Sovereign	5,052	-	6,360	-	-	1,287	-	12,698
Banks	1,133	-	2,664	-	-	716	-	4,513
Corporate	310	5	1,390	17	22	891	6	2,641
Gross Carrying Amount	6,495	5	10,413	17	22	2,894	6	19,853
Impairment Allowance	(8)	(2)	(6)	(0)	(8)	(1)	(0)	(25)
Net Carrying Amount	6,487	3	10,407	17	14	2,893	6	19,827
Debt securities at FVOCI								
Sovereign	670	-	1,527	-	-	343	-	2,540
Banks	17	-	208	-	-	9	-	234
Corporate	122	-	721	19	-	421	-	1,283
Carrying Amount	809	-	2,456	19	-	773	-	4,057

	31 December 2024							Total € million
	Greece		Other European countries			Other countries		
	12-month ECL- Stage 1 € million	Lifetime ECL- Stage 3 € million	12-month ECL- Stage 1 € million	Lifetime ECL- Stage 2 € million	Lifetime ECL- Stage 3 € million	12-month ECL- Stage 1 € million	Lifetime ECL- Stage 2 € million	
Debt securities at amortised cost								
Sovereign	5,039	-	4,004	-	-	1,434	-	10,477
Banks	1,097	-	2,621	-	-	832	-	4,551
Corporate	304	5	1,499	14	31	791	6	2,649
Gross Carrying Amount	6,440	5	8,124	14	31	3,057	6	17,677
Impairment Allowance	(9)	(2)	(5)	(1)	(7)	(1)	(0)	(26)
Net Carrying Amount	6,431	3	8,119	13	24	3,056	6	17,651
Debt securities at FVOCI								
Sovereign	803	-	1,566	-	-	449	-	2,817
Banks	16	-	164	-	-	-	-	179
Corporate	177	-	612	28	-	276	-	1,093
Carrying Amount	995	-	2,342	28	-	725	-	4,090

	31 December 2025			
	Greece € million	Other European countries € million	Other countries € million	Total € million
Debt securities at FVTPL⁽¹⁾				
Sovereign	-	9	-	9
Banks	-	7	-	7
Corporate	0	5	-	6
Carrying Amount	0	21	-	22
Debt securities held for trading				
Sovereign	76	34	-	110
Corporate	-	62	8	70
Carrying Amount	76	96	8	180

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	31 December 2024			Total € million
	Greece € million	Other European countries € million	Other countries € million	
Debt securities at FVTPL				
Sovereign	-	10	-	10
Banks	-	0	-	0
Corporate	0	0	-	0
Carrying Amount	0	11	-	11
Debt securities held for trading				
Sovereign	80	19	19	118
Corporate	-	62	6	69
Carrying Amount	80	81	25	186

⁽¹⁾ Debt securities of €311 million (2024: €7 million) that are backing unit-linked insurance and investment contract liabilities are not included. Comparatives have been adjusted accordingly.

5.2.1.4 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset according to IAS 32 'Financial Instruments and the net amount is presented in the balance sheet when, there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously (the offsetting criteria), as also set out in Group's accounting policy 2.2.4.

Financial instruments that meet the offsetting criteria include the eligible repos and reverse repos under global master repurchase agreements (GMRAs) and the CCP (Central Counterparty) cleared OTC derivative financial instruments. Regarding the latter, the Group has assessed the terms of the clearing agreements for the derivatives entered into with Clearing Members and has concluded that the offsetting criteria are met, in respect of the cash accounts used for variation margin purposes for such derivatives, which are also used for the settlement of all payments thereunder. Accordingly, derivative assets of € 652 million (2024: € 619 million) and derivative liabilities of € 349 million (2024: € 420 million) (note 19) were offset against € 363 million (2024: € 240 million) cash collateral received (note 31) and € 60 million (2024: € 42 million) cash collateral pledged (note 17).

Financial instruments under master netting arrangements and similar agreements that do not meet the criteria for offsetting in the balance sheet include derivatives (bilateral agreements) as well as repos and reverse repos, for which a) the right of set-off is enforceable only following an event of default, insolvency or bankruptcy of the Group or the counterparties or following other predetermined events and/or b) the Group and its counterparties may not intend to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

The following tables present financial assets and financial liabilities that meet the criteria for offsetting and thus are presented on a net basis in the balance sheet, as well as amounts that are subject to enforceable master netting arrangements and similar agreements for which the offsetting criteria mentioned above are not satisfied. In respect of the latter, the Group may receive and provide collateral in the form of marketable securities and cash that are included in the tables below under columns 'financial instruments' and 'cash collateral'.

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	31 December 2025					
	Gross amounts of recognised financial assets	Gross amounts of recognised financial liabilities offset in the balance sheet	Net amounts of financial assets presented in the balance sheet	Related amounts not offset in the BS		
				Financial instruments (incl. non-cash collateral)	Cash collateral received	Net amount
€ million	€ million	€ million	€ million	€ million	€ million	
Financial Assets						
Reverse repos with banks	1,742	(1,280)	462	(460)	-	2
Derivative financial instruments	1,408	(652)	756	(434)	(225)	97
Other financial assets	1	(1)	-	-	-	-
Deposits to banks pledged as collateral	586	(60)	526	(53)	-	474
Total	3,737	(1,993)	1,744	(947)	(225)	572

	31 December 2025					
	Gross amounts of recognised financial liabilities	Gross amounts of recognised financial assets offset in the balance sheet	Net amounts of financial liabilities presented in the balance sheet	Related amounts not offset in the BS		
				Financial instruments (incl. non-cash collateral)	Cash collateral pledged	Net amount
€ million	€ million	€ million	€ million	€ million	€ million	
Financial Liabilities						
Derivative financial instruments	1,237	(349)	888	(745)	(53)	90
Repurchase agreements with banks	3,185	(1,280)	1,905	(1,905)	-	0
Other financial liabilities	1	(1)	-	-	-	-
Deposits from banks received as collateral	702	(363)	339	(225)	-	115
Total	5,125	(1,993)	3,132	(2,875)	(53)	205

	31 December 2024					
	Gross amounts of recognised financial assets	Gross amounts of recognised financial liabilities offset in the balance sheet	Net amounts of financial assets presented in the balance sheet	Related amounts not offset in the BS		
				Financial instruments (incl. non-cash collateral)	Cash collateral received	Net amount
€ million	€ million	€ million	€ million	€ million	€ million	
Financial Assets						
Reverse repos with banks	481	(447)	34	(32)	-	2
Derivative financial instruments	1,447	(619)	828	(550)	(153)	125
Other financial assets	4	(4)	-	-	-	-
Deposits to banks pledged as collateral	622	(42)	580	(150)	-	430
Total	2,554	(1,112)	1,442	(732)	(153)	557

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	31 December 2024					
	Gross amounts of recognised financial liabilities	Gross amounts of recognised financial assets offset in the balance sheet	Net amounts of financial liabilities presented in the balance sheet	Related amounts not offset in the BS		
				Financial instruments (incl. non-cash collateral)	Cash collateral pledged	Net amount
€ million	€ million	€ million	€ million	€ million	€ million	
Financial Liabilities						
Derivative financial instruments	1,510	(420)	1,090	(783)	(150)	157
Repurchase agreements with banks	2,399	(447)	1,952	(1,952)	-	-
Other financial liabilities	4	(4)	-	-	-	-
Deposits from banks received as collateral						
	358	(240)	118	(118)	-	-
Total	4,271	(1,111)	3,160	(2,853)	(150)	157

Derivative financial assets and liabilities not under master netting arrangements and similar agreements of carrying value of € 24 million and € 27 million, respectively, (2024: € 10 million and € 30 million, respectively) are not presented in the above tables.

Financial assets and financial liabilities are disclosed in the above tables at their recognized amounts, either at fair value (derivative assets and liabilities) or amortized cost (all other financial instruments), depending on the type of financial instrument.

5.2.2 Market risk

The Group takes on exposure to market risk, which is the risk of potential financial loss due to an adverse change in market variables. Changes in interest rates, foreign exchange rates, credit spreads, equity prices, commodity prices and other relevant factors, such as the implied volatilities, can affect the Group's income or the fair value of its financial instruments. The market risks, the Group is exposed to, are monitored, controlled and estimated by Group Market and Counterparty Risk (GMCR).

GMCR is responsible for the measurement, monitoring, control and reporting of all market risks, including the interest rate risk in the Banking Book (IRRBB) and the credit spread risk in the Banking Book (CSRBB) of the Group. GMCR reports to the GCRO and its main responsibilities include:

- Monitoring of all key market, IRRBB and CSRBB risk indicators;
- Implementation of Stress Testing methodologies for market risk, IRRBB and CSRBB (historical and hypothetical);
- Monitoring and reporting of market and IRRBB and CSRBB risk limits utilization;
- Development, maintenance and expansion of risk management infrastructure.

The market risks the Group is exposed to, are the following:

(a) Interest rate risk

The Group takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on its cash flows and the fair value of its financial positions. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is further split into 'General' and 'Specific'. The former refers to changes in the fair valuation of positions due to the movements of benchmark interest rates, while the latter refers to changes in the fair valuation of positions due to the movements of specific issuer yields and credit spreads.

(b) Currency risk

The Group takes on exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows.

(c) Equity risk

Equity price risk is the risk of the decrease of fair values as a result of changes in the levels of equity indices and the value of individual stocks. The equity risk that the Group undertakes arises mainly from the investment portfolio.

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(d) Commodity risk

The Group is exposed to a very limited level of commodity risk, arising primarily from effectively facilitating clients’ requests and hedging purposes of the relevant exposures.

(e) Implied volatilities

The Group carries limited implied volatility (vega) risk, mainly as a result of open positions on options.

The BoD and Board Risk Committee set limits on the level of exposure to market risks, which are monitored on a daily basis.

Market risk in Greece and International Subsidiaries is managed and monitored mainly using Value at Risk (VaR) methodology. Sensitivity and stress test analysis is additionally performed.

(i) VaR summary for 2025 and 2024

VaR is a methodology used in measuring financial risk by estimating the potential negative change in the market value of a portfolio at a given confidence level and over a specified time horizon. The VaR that the Group measures is an estimate based upon a 99% confidence level and a holding period of 1 day and the methodology used for the calculation is Monte Carlo simulation (full re-pricing of the positions is performed).

The VaR models are designed to measure market risk in a normal market environment. It is assumed that any changes occurring in the risk factors affecting the normal market environment will follow a normal distribution.

Although VaR is an important tool for measuring market risk, the assumptions on which the model is based do give rise to certain limitations. Given this, actual outcomes are monitored regularly, via back testing process, to test the validity of the assumptions and the parameters used in the VaR calculation.

The perimeter of the VaR analysis includes Eurobank S.A. and its banking subsidiaries, taking into account the FVTPL, including trading and FVOCI portfolios. Consequently, the potential impact as it is depicted in the VaR figures would directly affect Group’s Capital (income statement or equity).

Since VaR constitutes an integral part of the Group's market risk control regime, VaR limits have been established for all the above operations (trading and investment portfolios measured at fair value) and actual exposure is reviewed daily by management. However, the use of this approach does not prevent losses outside of these limits in the event of extraordinary market movements.

VaR by risk type - Greece and International Subsidiaries ⁽¹⁾

	2025 (Average) € million	2025 € million	2024 (Average) € million	2024 € million
Interest Rate Risk	6	4	6	6
Foreign Exchange Risk	1	0	0	1
Equities Risk	1	0	1	1
Total VaR	6	4	6	6

⁽¹⁾ Includes all portfolios measured at fair value.

The aggregate VaR of the interest rate, foreign exchange and equities VaR benefits from diversification effects. The largest portion of the Group’s Interest Rate VaR figures is attributable to the risk associated with interest rate and credit spread sensitive debt securities and derivatives. The average VaR of 2025 remains relatively stable at low levels, consistent with the average VaR observed in 2024.

(ii) Interest rate gap and sensitivity

The following table provides the interest rate repricing gap of the Group, excluding insurance companies (presented separately in note 35.2) which analyses the structure of interest rate mismatches within the balance sheet. The Group’s financial assets/liabilities are included at their notional/outstanding amounts and categorized based on either (i) the next contractual repricing date if floating rate or (ii) the maturity/call date (whichever is first) if fixed rate. The below analysis provides an approximation of the interest rate risk exposure since transactions with different duration are aggregated together per time bucket.

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	31 December 2025 ⁽²⁾				
	less than 1 month	1-3 months	3-12 months	1-5 years	More than 5 years
	€ million	€ million	€ million	€ million	€ million
Balances with central banks	14,604	-	-	-	-
Due from credit institutions	2,034	879	580	60	-
Debt securities ⁽¹⁾	1,545	833	1,232	8,047	11,845
Loans and advances to customers	16,234	14,765	13,268	7,211	3,998
	34,417	16,477	15,080	15,318	15,843
Due to central banks	(1,000)	-	-	-	-
Due to credit institutions	(3,106)	(776)	(591)	(17)	-
Due to customers	(65,355)	(7,299)	(9,325)	(552)	-
Debt securities in issue	(580)	(433)	(1,018)	(4,196)	(1,008)
	(70,041)	(8,508)	(10,934)	(4,765)	(1,008)
Derivative financial instruments	(8,547)	(511)	495	16,375	(7,961)
Interest rate gap	(44,171)	7,458	4,641	26,928	6,874
	31 December 2024 ⁽²⁾				
	less than 1 month	1-3 months	3-12 months	1-5 years	More than 5 years
	€ million	€ million	€ million	€ million	€ million
Balances with central banks	15,512	-	-	-	-
Due from credit institutions	2,185	355	7	60	-
Debt securities ⁽¹⁾	1,518	1,086	1,532	8,121	8,988
Loans and advances to customers	18,023	11,724	12,563	6,225	3,510
	37,238	13,165	14,102	14,407	12,499
Due to credit institutions	(2,936)	(596)	(0)	(10)	-
Due to customers	(53,944)	(8,155)	(11,024)	(3,157)	(2,071)
Debt securities in issue	(660)	(0)	(335)	(3,771)	(2,165)
	(57,540)	(8,752)	(11,360)	(6,938)	(4,237)
Derivative financial instruments	(6,382)	(776)	(171)	11,573	(4,375)
Interest rate gap	(26,684)	3,638	2,571	19,042	3,887

⁽¹⁾ Including short positions in debt securities (note 34).

⁽²⁾ Amounts are before offsetting (note 5.2.1.4).

The Group performs a sensitivity analysis to assess the impact on net interest income (NII) and on other comprehensive income (OCI), to a hypothetical change in the market interest rates. The sensitivity analysis of the Group's insurance companies is presented in note 35.2.

The impact on NII is calculated under the scenario of an instantaneous parallel shift of all interest rates by +/- 100bps, for a 1-year period, assuming a static balance sheet approach. As at 31 December 2025 the impact on NII, under the scenario of a parallel shift in the yield curves, stands at € 85 million (+100bps) and € -122 million (-100bps) (31 December 2024: € 122 million and € -167 million, respectively).

The impact on OCI is calculated as the fair value movement of all financial assets measured at FVOCI, net of hedging and of any hedging instruments designated in qualifying cash flow hedge relationships. As at 31 December 2025 the impact on OCI, under the scenario of a parallel shift in the yield curves, stands at € -92 million (+100bps) and € 99 million (-100bps) (31 December 2024: € -71 million and € 75 million, respectively).

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(iii) Foreign exchange risk

The following tables present the Group's exposure to foreign currency exchange risk as at 31 December 2025 and 2024:

	31 December 2025							Total € million
	USD € million	CHF € million	GBP € million	RON € million	BGN € million	OTHER € million	EUR € million	
ASSETS								
Cash and balances with central banks	18	2	9	0	1,276	3	14,320	15,628
Due from credit institutions	676	30	31	21	-	86	1,512	2,356
Securities held for trading	0	-	3	-	2	-	510	516
Derivative financial instruments	9	0	1	-	-	1	769	780
Loans and advances to customers	4,110	1,455	1,090	4	6,690	5	41,308	54,663
Investment securities	1,746	0	87	-	88	0	22,963	24,884
Other assets ⁽¹⁾	11	2	2	2	390	0	8,414	8,822
Assets of disposal groups classified as held for sale (note 30)	-	37	-	-	-	0	292	328
Total Assets	6,570	1,526	1,223	27	8,446	95	90,088	107,976
LIABILITIES								
Due to central banks and credit institutions	24	0	1	0	1	-	3,824	3,851
Derivative financial instruments	10	2	1	0	0	-	902	915
Due to customers	7,116	86	632	3	6,909	162	67,797	82,704
Debt securities in issue	25	-	-	-	-	-	7,328	7,352
Other liabilities ⁽²⁾	29	1	8	0	83	2	2,407	2,531
Total Liabilities	7,204	89	643	3	6,993	163	82,257	7,353
Net on balance sheet position	(634)	1,437	581	23	1,453	(68)	7,831	10,623
Derivative forward foreign exchange position	678	(1,439)	(566)	(14)	-	80	646	(615)
Total Foreign Exchange Position	44	(2)	15	9	1,453	12	8,477	10,008

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	31 December 2024							Total € million
	USD € million	CHF € million	GBP € million	RON € million	BGN € million	OTHER € million	EUR € million	
ASSETS								
Cash and balances with central banks	18	2	7	0	684	2	15,417	16,131
Due from credit institutions	641	47	62	27	0	70	1,349	2,196
Securities held for trading	19	-	28	-	20	-	219	285
Derivative financial instruments	29	0	1	0	-	1	808	838
Loans and advances to customers	3,936	1,690	985	6	6,078	6	38,251	50,953
Investment securities	1,985	-	121	-	103	190	19,784	22,184
Other assets ⁽¹⁾	12	2	1	19	308	0	8,130	8,472
Assets of disposal groups classified as held for sale (note 30)	-	0	-	5	-	-	85	91
Total Assets	6,641	1,743	1,205	56	7,193	269	84,043	101,150
LIABILITIES								
Due to central banks and credit institutions	32	3	4	0	2	3	2,755	2,800
Derivative financial instruments	10	3	1	0	0	2	1,104	1,120
Due to customers	7,489	80	610	6	5,541	165	64,702	78,593
Debt securities in issue	76	-	-	-	-	-	6,980	7,056
Other liabilities ⁽²⁾	47	1	6	37	99	1	2,491	2,682
Total Liabilities	7,654	87	621	43	5,643	171	78,032	92,251
Net on balance sheet position	(1,013)	1,656	583	13	1,550	98	6,011	8,899
Derivative forward foreign exchange position	1,040	(1,705)	(571)	(7)	(439)	(107)	1,777	(12)
Total Foreign Exchange Position	27	(49)	12	6	1,112	(9)	7,788	8,887

⁽¹⁾ Other assets include Investments in associates and joint ventures, Property and equipment, Investment property, Intangible assets, Deferred tax assets and Other assets.

⁽²⁾ Other liabilities include liabilities of disposal group classified as held for sale (note 30) and Insurance contract liabilities (note 35.1).

Post Balance Sheet Event

On 1 January 2026, Bulgaria adopted the euro as its official currency. Following this, the functional currency of the Group's entities in Bulgaria - which were primarily associated with the Group's exposure in BGN presented above - has changed from BGN to the euro.

Notes to the Consolidated Financial Statements

5.2.3 Liquidity risk

The Group is exposed to daily calls on its available cash resources due to deposits withdrawals, maturity of medium or long-term notes, maturity of secured or unsecured funding (interbank repos and money market takings), loan drawdowns and forfeiture of guarantees. Furthermore, margin calls on secured funding transactions (with ECB and the market), on risk mitigation contracts (CSAs, GMRAs) and on centrally cleared transactions (CCPs) result in liquidity exposure. The Group maintains cash resources to meet all of these needs. The Board Risk Committee sets liquidity limits to ensure that sufficient funds are available to meet such contingencies.

Past experience shows that liquidity requirements to support calls under guarantees and standby letters of credit are considerably less than the amount of the commitment. This is also the case with credit commitments where the outstanding contractual amount to extend credit does not necessarily represent future cash requirements, as many of these commitments will expire or terminate without being funded.

The matching and controlled mismatching of the maturities and interest rates of assets and liabilities is fundamental to the management of the Group. It is unusual for banks to be completely matched, as transacted business is often of uncertain term and of different types. An unmatched position potentially enhances profitability, but also increases the risk of losses.

The maturities of assets and liabilities and the ability to replace, at an acceptable cost, interest bearing liabilities as they mature, are important factors in assessing the liquidity of the Group.

Liquidity Risk Management Framework

The Group's Liquidity Risk Policy defines the following supervisory and control structure:

- Board Risk Committee's role is to approve all strategic liquidity risk management decisions and to monitor the quantitative and qualitative aspects of liquidity risk;
- Group Assets and Liabilities Committee has the mandate to form and implement the liquidity policies and guidelines in conformity with Group's risk appetite, and to review at least monthly the overall liquidity position of the Group;
- Group Treasury is responsible for the implementation of the Group's liquidity strategy, taking into account the latest funding plan and for the daily management of the Group's liquidity;
- Group Market and Counterparty Risk Sector is responsible for measuring, controlling, monitoring and reporting the liquidity risk of the Group.

The main items related to liquidity risk that are monitored on a periodic basis are summarized as follows:

- The analysis of liquidity buffer held on Group level per asset type and per subsidiary;
- The Liquidity Coverage Ratio (LCR) both in solo and group level;
- The Net Stable Funding Ratio (NSFR) both in solo and group level;
- Liquidity stress test scenarios. These scenarios evaluate the impact of a number of stress events on the Group's liquidity position;
- Market sensitivities affecting liquidity;
- The Additional Liquidity Monitoring Metrics (ALMM) both in solo and group level;
- The Asset Encumbrance (AE) both in solo and group level;
- Monitoring and implementation of the funding plan.

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Maturity analysis of assets

The following tables present maturity analysis of Group assets as at 31 December 2025 and 2024, based on their carrying values. The Group has established credit risk mitigation contracts with its interbank counterparties (ISDA/CSA). Under these contracts the Group has posted or received collateral, which covers the corresponding net liabilities or net assets from derivative transactions. The collateral posted is not presented in the below tables. For derivative assets not covered by ISDA/CSA agreements the positive valuation is presented at fair value in the 'over 1 year' time bucket.

	31 December 2025				
	Less than 1	1 - 3	3 months	Over 1	Total
	month	months	to 1 year	year	
	€ million	€ million	€ million	€ million	€ million
- Cash and balances with central banks	15,628	-	-	-	15,628
- Due from credit institutions	1,488	153	100	137	1,878
- Loans and advances to customers	4,082	1,572	4,202	44,807	54,663
- Debt Securities	61	423	907	23,006	24,397
- Equity securities	-	-	-	1,003	1,003
- Derivative financial instruments	-	-	-	20	20
- Other assets ⁽¹⁾	322	22	58	8,419	8,821
- Assets of disposal groups classified as held for sale (note 30)	117	-	211	-	328
Total	21,698	2,170	5,478	77,392	106,738

	31 December 2024				
	Less than 1	1 - 3	3 months	Over 1	Total
	month	months	to 1 year	year	
	€ million	€ million	€ million	€ million	€ million
- Cash and balances with central banks	16,131	-	-	-	16,131
- Due from credit institutions	1,275	121	50	250	1,696
- Loans and advances to customers	3,304	1,557	3,894	42,198	50,953
- Debt Securities	246	332	1,275	20,092	21,945
- Equity securities	-	-	-	524	524
- Derivative financial instruments	-	-	-	6	6
- Other assets ⁽¹⁾	60	16	8	8,388	8,472
- Assets of disposal groups classified as held for sale	-	12	79	-	91
Total	21,016	2,038	5,306	71,458	99,818

⁽¹⁾ Other assets include Investments in associates and joint ventures, Property and equipment, Investment property, Intangible assets, Deferred tax assets and Other assets.

Notes to the Consolidated Financial Statements

Liquidity reserves

The Group holds a diversified portfolio of cash and highly liquid assets to support payment obligations and contingent deposit withdrawals in a stressed market environment. The Group's assets held for managing liquidity risk (cash value) are analyzed below.:

	2025	2024
	€ million	€ million
Cash and balances with Central Banks in excess of MRR	13,631	14,475
Securities and other assets eligible for ECB funding ⁽¹⁾	21,325	19,537
Debt securities eligible for funding under repurchase agreements	7,046	6,774
Due from banks maturing within one month	901	1,216
Liquidity reserves – highly liquid assets	42,903	42,002
Other unencumbered assets eligible as collateral for funding	5,760	4,785

⁽¹⁾ For 2025, it includes € 9 billion (cash value) (2024: € 7 billion) held by Group's subsidiaries for which regulatory restrictions are applied and currently limit the level of its transferability between group entities.

The above liquidity reserves include High Quality Liquid Assets (HQLAs) of € 24.2 billion (2024: € 23.7 billion), which are used in the calculation of the Group's Liquidity Coverage Ratio (LCR). As at 31 December 2025, the Group's LCR stood at 172.2% (31 December 2024: 188.2%), significantly above the minimum regulatory threshold of 100%.

Further disclosures regarding liquidity risk management are provided in the Consolidated Pillar 3 Report on the Bank's website.

Maturity analysis of liabilities

The amounts disclosed in the tables below are the contractual undiscounted cash flows for the years 2025 and 2024. Liabilities without contractual maturities (sight and saving deposits) are presented in the 'less than 1 month' time bucket. The Group has established credit risk mitigation contracts with its interbank counterparties (ISDA/CSA). Due to these contracts the Group has already posted collateral which covers the valuation of its net liabilities from interbank derivatives. For derivative liabilities not covered by ISDA/CSA agreements the negative valuation is presented at fair value in the 'less than 1 month' time bucket.

It should be noted that this table represents the worst case scenario since it is based on the assumption that all liabilities will be paid at maturity and they will not be rolled over (e.g. all term deposits are withdrawn at their contractual maturity. Even in an adverse scenario of a systemic financial crisis the likelihood of such an event is remote.

	31 December 2025				
	Less than 1 month	1 - 3 months	3 months to 1 year	Over 1 year	Gross nominal (inflow)/ outflow
	€ million	€ million	€ million	€ million	€ million
Non-derivative liabilities:					
- Due to central banks and credit institutions	1,681	949	706	577	3,913
- Due to customers	65,323	7,098	9,756	587	82,764
- Debt securities in issue	98	370	786	7,426	8,680
- Lease liabilities	3	7	29	167	206
- Insurance contract liabilities	12	4	91	577	684
- Other liabilities	562	654	385	71	1,672
	67,679	9,082	11,753	9,405	97,919
Derivative financial instruments	4	-	-	-	4

Off-balance sheet items

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	Less than 1 year € million	Over 1 year € million
Credit related commitments	7,809	11,957
Contractual commitments ⁽¹⁾	57	
Total	7,866	11,957

	31 December 2024				Gross nominal (inflow)/ outflow € million
	Less than 1 month € million	1 - 3 months € million	3 months to 1 year € million	Over 1 year € million	
Non-derivative liabilities:					
- Due to credit institutions	992	1,032	251	1,109	3,384
- Due to customers	59,640	7,912	10,166	984	78,702
- Debt securities in issue	90	36	478	8,096	8,700
- Lease liabilities	4	7	29	181	221
- Insurance contract liabilities	-	5	15	88	108
- Other liabilities	482	1,471	433	-	2,386
	61,208	10,463	11,372	10,458	93,501
Derivative financial instruments	6	-	-	-	6
Off-balance sheet items					

	Less than 1 year € million	Over 1 year € million
Credit related commitments ⁽²⁾	9,405	7,767
Contractual commitments ⁽¹⁾	51	
Total	9,456	7,767

⁽¹⁾ It refers to contractual commitments for the purchase of own used, investment property and intangible assets (note 43).

⁽²⁾ The comparative figures have been adjusted to include € 3.2 billion of unconditionally cancellable, undrawn overdraft facilities (note 43).

5.2.4 Sustainability risks

Sustainability risks are neither new nor stand-alone risks, rather they are transverse risks, manifesting through existing risk types. As sustainability risks interact with other risks and result in direct distributional impacts and indirect macroeconomic impacts, the Group understands that careful consideration of the cross-cutting nature thereof is necessary in order to ensure the optimal implementation of adaptation activities.

Specifically, sustainability risks are defined as potential losses arising from any negative financial impact for the Group, stemming from current or prospective impacts of any climate-related & environmental, social or governance factors on the Group's counterparties or invested assets.

Definitions of sustainability risks include the following:

- **Climate-Related and Environmental risks:** Climate-related and environmental risks are defined as the risks deriving from potential loss or negative impact to the Group, including loss/ damage to physical assets, disruption of business or system failures, transition expenditures and reputational effects from the adverse consequences of climate change and environmental degradation.
- **Social risk:** Social risk refers to potential losses arising from any negative financial impact on the Group stemming from the current or prospective impacts of social factors (such as human rights violation, income inequality, customer safety & protection and consumers' changing preferences) on the Group's counterparties or invested assets.

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- Governance risk: Governance risk refers to potential losses arising from any negative financial impact on the Group stemming from the current or prospective impacts of governance factors (such as anti-financial crime, non-compliance with policies or regulations and governance practices) on the Group's counterparties or invested assets.

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

- Client engagement and awareness – Helping clients transition to more sustainable business models by raising awareness of climate change challenges and opportunities.
- Supporting clients in transition – Facilitating the transition of clients towards sustainable practices by offering eligible financing solutions under the Bank's Sustainable Finance Framework (SFF).
- Enablers and tools for sustainable financing – Providing frameworks, tools, and products to underpin sustainable financing.
- Assessment and management of sustainability-related risks – Identifying and managing the sustainability-related risks within its loan and investment portfolios, including assessing exposure to transition and physical risks linked to climate change.

To facilitate the classification of sustainable/green financing opportunities in a structural manner, the Group has developed its SFF. Through its SFF, the Group is able to classify sustainable lending solutions offered to its clients, specifying the applied classification approach and the activities defined as eligible to access sustainable financing (eligible green and social assets). Moreover, the Group maintains a Sustainable Investment Framework (SIF), which outlines the Group's various sustainable investment approaches/strategies based on criteria observed as per international market practices, the process for the selection of eligible investments, as well as the monitoring frequency applicable to the sustainable portfolio.

Furthermore, the Group maintains its Sustainability Governance structure with clearly defined roles and responsibilities supporting the roll-out of the Sustainability Strategy and the integration of sustainability risks, through the involvement of various key stakeholders (i.e. Business & Risk Units, Committees, etc.). The Group applies an established model of defined roles and responsibilities regarding the management of sustainability risks and aspects across the 3 Lines of Defense.

Taking into account the significant impact of sustainability risks both on financial institutions and on the global economy, the Group also maintains a Sustainability Risk Management Policy which aims at fostering a holistic understanding of the effects of sustainability risks on its business model, as well as support decision-making regarding these matters and provide a robust governance under its Risk Management Framework. The purpose of the Policy is to provide an overview and a common understanding of Group's main governance arrangements, as well as roles & responsibilities undertaken by the Group Sustainability Risk (GSR), in the context of the Group's overall Sustainability risks management activities.

GSR has the overall responsibility for overseeing, monitoring, and managing sustainability risks. More specifically, GSR:

- prepares and maintains the Bank's Sustainability Risk Management Policy, as well as relevant policies, processes and methodologies (e.g. ESG Risk Assessment (see below), Climate Risk Scorecard, exclusion lists) in collaboration with the Group Sustainability Unit, Business & Risk Units.
- leads the development and implementation of the Sustainability risk related framework, as well as relevant policies and processes (e.g., Sustainability Risk Management Framework, Climate Risk Stress Test Framework documents) across the

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Group, in coordination with other involved units, as well as the development and update of the Sustainable Finance Frameworks.

- monitors and reports to the Group Senior Sustainability Officer (GSSO) the progress of the implementation of the developed Climate Risk action plan and reports to the Board for Sustainability Risk matters.
- monitors and challenges the involved stakeholders in setting Net Zero targets and the Financed Impact Strategy and reports financial targets and KPIs.
- leads the 2nd Line of Defense independent sustainable lending re-assessment process (i.e. provides opinion on sustainable financings regarding the CIB Portfolio, as part of a bespoke process and the characterization of products of the Retail Portfolio as sustainable) against the Sustainable Finance criteria (as per pre-determined thresholds).
- develops and maintains the Climate Risk Stress Testing (CRST) Framework, as well as scenario analysis and stress testing methodologies, and coordinates the performance of sustainability risk scenario analysis and relevant stress test exercises at Group level.

ESG Risk Assessment

Eurobank has developed an ESG Risk Assessment to assess and classify the Group's clients based on ESG criteria, in line with regulatory requirements. The Bank uses an internal ESG Risk Scoring method, resulting in one of three ESG risk categories: High, Medium, or Low. This assessment informs credit decisions, by incorporating ESG risks, potential mitigation actions and due diligence considerations. The framework includes ESG due diligence triggers and escalation mechanisms, with the Bank providing recommendations for appropriate mitigating actions. Obligors are expected to submit an ESG action plan within 12 months to address identified risks and opportunities.

Eurobank's ESG Risk Assessment framework determines whether mitigation actions are required based on the borrowers' overall ESG score and transaction characteristics such as tenor and exposure. Based on these factors, ESG mitigation actions are mandatory for high-risk borrowers, while medium-risk borrowers may also undergo this process.

The overall approach, which is presented in detail in section 2.4.4 of the Sustainability Statement, aligns with Eurobank's business strategy, enhances ESG risk awareness, supports sustainable financing, and ensures compliance with the Group's risk appetite and credit policies. This process has been fully adopted by the Group's relevant entities in Greece and Cyprus, while in 2025, the similar processes and tools for the monitoring and management of sustainability risks were incorporated in Bulgaria.

Further information on sustainability risks is provided in the Group's Sustainability Statement as at 31 December 2025.

5.3 Fair value of financial assets and liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price). When a quoted price for an identical asset or liability is not observable, fair value is measured using another valuation technique that is appropriate in the circumstances and maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. Observable inputs are developed using market data, such as publicly available information about actual events or transactions, and reflect assumptions that market participants would use when pricing financial instruments, such as quoted prices in active markets for similar instruments, interest rates and yield curves, implied volatilities and credit spreads.

The Group's financial instruments measured at fair value or at amortized cost for which fair value is disclosed are categorized into the three levels of the fair value hierarchy based on whether the inputs to the fair values are observable or unobservable, as follows:

- (a) Level 1-Financial instruments measured based on quoted prices (unadjusted) in active markets for identical financial instruments that the Group can access at the measurement date. A market is considered active when quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and represent actually and regularly occurring transactions. Level 1 financial instruments include actively quoted debt instruments held or issued by the Group, equity and derivative instruments traded on exchanges, investment contract liabilities, as well as mutual funds that have regularly and frequently published quotes.

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- (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, investment contract liabilities 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 securitization notes of loan portfolios originated by the Group and recognized in financial assets and certain debt securities held or issued by the Group.

Financial instruments carried at fair value

The fair value hierarchy categorization of the Group's financial assets and liabilities measured at fair value is presented in the following tables:

	31 December 2025			
	Level 1 € million	Level 2 € million	Level 3 € million	Total € million
Securities held for trading	514	2	-	516
Investment securities at FVTPL	637	216	99	952
Derivative financial instruments ⁽¹⁾	2	777	1	780
Investment securities at FVOCI	3,848	206	52	4,105
Loans and advances to customers mandatorily at FVTPL	-	-	23	23
Financial assets measured at fair value	5,001	1,200	174	6,376
Derivative financial instruments ⁽¹⁾	1	914	-	915
Trading liabilities	76	-	-	76
Investment contract liabilities	52	20	-	72
Financial liabilities measured at fair value	129	933	-	1,062

	31 December 2024			
	Level 1 € million	Level 2 € million	Level 3 € million	Total € million
Securities held for trading	285	0	-	285
Investment securities at FVTPL	259	33	92	384
Derivative financial instruments ⁽¹⁾	0	838	-	838
Investment securities at FVOCI	3,881	191	77	4,148
Loans and advances to customers mandatorily at FVTPL	-	-	19	19
Financial assets measured at fair value	4,425	1,062	188	5,675
Derivative financial instruments ⁽¹⁾	1	1,119	-	1,120
Trading liabilities	43	-	-	43
Financial liabilities measured at fair value	44	1,119	-	1,163

⁽¹⁾ Amounts are presented after offsetting € 652 million and € 349 million level 2 derivative financial assets and liabilities, respectively, against cash collateral received/pledged (2024: after offsetting € 619 million and € 420 million derivative financial assets and liabilities, respectively) (note 5.2.1.4).

The Group recognizes transfers into and out of the fair value hierarchy levels at the beginning of the quarter in which a financial instrument's transfer was effected. During the year ended 31 December 2025, the Group transferred debt securities measured at FVOCI of € 21 million from level 3 to level 2, due to availability of observable data.

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Reconciliation of Level 3 fair value measurements

	2025 € million	2024 € million
Balance at 1 January	188	132
Arising from acquisition ⁽²⁾	-	20
Transfers into Level 3	2	27
Transfers out of Level 3	(21)	(0)
Additions, net of disposals and redemptions ⁽¹⁾	9	12
Total gain/(loss) for the year included in profit or loss	0	1
Total gain/(loss) for the year included in other comprehensive income	(2)	1
Foreign exchange differences and other	(3)	(4)
Balance at 31 December	174	188

⁽¹⁾ Including capital returns on equity instruments.

⁽²⁾ It refers to Level 3 fair value measurements of Hellenic Bank group, which was consolidated as of the third quarter of 2024 (note 23.3).

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. For the classification of debt securities into the three levels of the fair value hierarchy, the Group also assigns a rating scale for each debt security, based on the quality and quantity of the market data inputs used to calculate its fair value at a specific date. The debt securities are then allocated into levels based on specific rating thresholds representing highly liquid to thinly traded debt securities.

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 and the counterparty, where appropriate.

Valuation controls applied by the Group may include verification of observable pricing, re-performance of model valuations, review and approval process for new models and/or changes to models, calibration and back-testing against observable market transactions, where available, analysis of significant valuation movements, etc. Where third parties' valuations are used for fair value measurement, these are reviewed in order to ensure compliance with the requirements of IFRS 13.

The fair values of OTC derivative financial instruments are estimated by discounting expected cash flows using market interest rates at the measurement date. Counterparty credit risk adjustments and own credit risk adjustments are applied to OTC derivatives, where appropriate. Bilateral credit risk adjustments consider the expected cash flows between the Group and its counterparties under the relevant terms of the derivative instruments and the effect of the credit risk on the valuation of these cash flows. As appropriate in circumstances, the Group considers also the effect of any credit risk mitigating arrangements, including collateral agreements and master netting agreements on the calculation of credit risk valuation adjustments (CVAs). CVA calculation uses probabilities of default (PDs) based on observable market data such as credit default swaps (CDS) spreads, where appropriate, or based on internal rating models. The Group applies similar methodology for the calculation of debit-value-adjustments (DVAs), when applicable. Where valuation techniques are based on internal rating models and the relevant CVA is significant to the entire fair value measurement, such derivative instruments are categorized as Level 3 in the fair value hierarchy. A reasonably possible change in the main unobservable input (i.e. the recovery rate), used in their valuation, would not have a significant effect on their fair value measurement.

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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, included in Level 3, are estimated using mainly (i) third parties' valuation reports based on investees' net assets, where management does not perform any further significant adjustments, and (ii) net assets' valuations, adjusted where considered necessary.

Loans and advances to customers including securitization notes of loan portfolios originated by the Group with contractual cash flows that do not represent solely payments of principal and interest (SPPI failures), are measured mandatorily at fair value through profit or loss. Quoted market prices are not available as there are no active markets where these instruments are traded. Their fair values are estimated on an individual loan basis by discounting the future expected cash flows over the time period they are expected to be recovered, using an appropriate discount rate or by reference to other comparable assets of the same type that have been transacted during a recent time period. Expected cash flows, which incorporate credit risk, represent significant unobservable input in the valuation and as such, the entire fair value measurement is categorized as Level 3 in the fair value hierarchy.

The fair values of investment contract liabilities are determined by reference to the financial assets held within the relevant investment portfolios linked to the financial liabilities.

Financial instruments not measured at fair value

The fair value hierarchy categorization of the Group's financial assets and liabilities not measured at fair value on the balance sheet, is presented in the following tables:

	31 December 2025				
	Level 1	Level 2	Level 3	Fair value	Carrying amount
	€ million	€ million	€ million	€ million	€ million
Loans and advances to customers	-	-	55,490	55,490	54,640
Investment securities at amortised cost	15,988	2,613	1,167	19,768	19,827
Financial assets not measured at fair value	15,988	2,613	56,657	75,258	74,467
Debt securities in issue	6,807	126	680	7,613	7,352
Financial liabilities not measured at fair value	6,807	126	680	7,613	7,352

	31 December 2024				
	Level 1	Level 2	Level 3	Fair value	Carrying amount ⁽¹⁾
	€ million	€ million	€ million	€ million	€ million
Loans and advances to customers	-	-	51,923	51,923	50,934
Investment securities at amortised cost	12,716	3,237	1,313	17,267	17,651
Financial assets not measured at fair value	12,716	3,237	53,236	69,190	68,585
Debt securities in issue	5,371	351	1,588	7,310	7,056
Financial liabilities not measured at fair value	5,371	351	1,588	7,310	7,056

⁽¹⁾ In the comparative period, provisional fair value adjustments resulting from the acquisition of Hellenic Bank (note 23.2), are not reflected in the carrying amount of the acquired financial assets and liabilities.

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 securitization notes of loan portfolios originated by the Group: quoted market prices are not available as there are no active markets where these instruments are traded. The fair values are estimated by discounting future expected cash flows over the time period they are expected to be recovered, using appropriate risk-adjusted rates (i.e., discounted expected cash flows technique). More specifically, loans to customers are grouped into homogenous assets with similar characteristics, as monitored by Management, such as lending business unit, products' characteristics, and performing/nonperforming status, in order to improve the accuracy of the estimated valuation outputs. In estimating the future

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cash flows of lending portfolios, the Group makes assumptions on expected prepayments, products' spreads over risk-free interest rates, where applicable. The discount rates applied for the discounting of loans' expected cash flows incorporate inputs that would be taken into account by independent market participants, such as risk-free interest rates, expected credit losses, cost of equity requirements and funding. For credit impaired-loans, the timing of collateral realization is taken into account for the estimation of the future cash flows which are discounted by non-credit risk adjusted rates. In addition, the fair value of securitization senior notes of loan portfolios originated by the Group is estimated by discounting the expected cash flows using appropriate market interest rates of other comparable assets with similar quality and duration;

- (b) Investment securities measured at amortized cost: the fair values are determined using prices quoted in an active market when these are available. In other cases, fair values are determined using quoted market prices for securities with similar credit risk, maturity and yield, quoted market prices in non active markets for identical or similar financial instruments, or by using the discounted cash flows method. In addition, for certain high quality corporate bonds for which quoted prices are not available, fair value is determined using prices that are derived from reliable data management platforms while part of them is verified by market participants (e.g. brokers). In certain cases, prices are implied by liquidity agreements (e.g. repos, pledges) with other financial institutions; and
- (c) Debt securities in issue: the fair values are determined using quoted market prices, if available. If quoted prices are not available, fair values are determined based on third party valuations, quotes for similar debt securities or by discounting the expected cash flows at a risk-adjusted rate, where the Group's own credit risk is determined using inputs indirectly observable, i.e. quoted prices of similar securities issued by the Group or other Greek issuers.

For other financial instruments, which are short term or re-price at frequent intervals (cash and balances with central banks, due from credit institutions, due to central banks, due to credit institutions and due to customers), the carrying amounts represent reasonable approximations of fair values.

6. Net interest income

	2025 € million	2024 € million
Interest income		
Customers	2,332	2,479
- measured at amortised cost	2,332	2,479
- measured at FVTPL	-	0
Banks and other assets ⁽¹⁾	382	583
Securities	770	618
- measured at amortised cost	627	492
- measured at FVOCI	134	119
- measured at FVTPL	9	7
Derivatives (hedge accounting)	539	507
Derivatives (no hedge accounting)	827	909
	4,850	5,096
Interest expense		
Customers ⁽¹⁾	(552)	(655)
Banks ⁽¹⁾	(111)	(291)
Debt securities in issue ⁽¹⁾	(369)	(300)
Derivatives (hedge accounting)	(490)	(454)
Derivatives (no hedge accounting)	(776)	(886)
Lease liabilities - IFRS 16	(3)	(3)
	(2,301)	(2,589)
Total from continuing operations	2,549	2,507

⁽¹⁾ Measured at amortized cost.

Interest income and expense by major type of financial asset and liability reported above, have been recognized on an accrual basis using the effective interest rate (EIR) method (note 2.2.5(i)).

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In 2025, the increase of circa 2% in net interest income against the comparative period is primarily attributable to the consolidation of the former Hellenic Bank group as of the third quarter 2024 and the loan growth partly offset by the lower average interest rates.

Interest income recognized by quality of Loans and Advances and Product Line is further analyzed below:

	31 December 2025		
	Interest income on non-impaired loans and advances € million	Interest income on impaired loans and advances € million	Total € million
Retail lending	952	31	983
Wholesale lending ⁽¹⁾	1,322	27	1,349
Total interest income from customers	2,274	58	2,332

	31 December 2024		
	Interest income on non-impaired loans and advances € million	Interest income on impaired loans and advances € million	Total € million
Retail lending	1,007	36	1,043
Wholesale lending ⁽¹⁾	1,408	28	1,436
Total interest income from customers	2,415	64	2,479

⁽¹⁾ Including interest income on loans and advances to Public Sector.

7. Net banking fee and commission income

The following tables include banking fee and commission income and expenses from contracts with customers in the scope of IFRS 15, disaggregated by major type of services and operating segments (note 44). The fees and commissions are recognized over time as the respective service such as accounts servicing and management, asset management is being provided to the customers. Moreover, the transaction-based fees including those from foreign currency transactions and remittances, imports-exports activities, security brokerage services are recognized at the point in time when the transaction takes place. The fee and commission expense relate mainly to transaction and service fees, which are recognized as the service is received:

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	31 December 2025					
	Retail	Corporate	Markets	International	Asset management & other ⁽²⁾	Total
	€ million	€ million	€ million	€ million	€ million	€ million
Lending related activities	10	113	30	39	3	195
Asset management ⁽¹⁾	25	3	5	21	81	136
Network activities and other ⁽³⁾	122	25	21	221	2	391
Capital markets	-	19	41	9	4	72
Commission income from continuing operations	156	160	98	289	90	793

	31 December 2025					
	Retail	Corporate	Markets	International	Asset management & other ⁽²⁾	Total
	€ million	€ million	€ million	€ million	€ million	€ million
Lending related activities	(2)	(10)	(1)	(5)	(2)	(20)
Asset management ⁽¹⁾	(4)	(1)	(1)	(4)	(12)	(21)
Network activities and other ⁽³⁾	(42)	(8)	(3)	(45)	0	(98)
Capital markets	-	(10)	(11)	(3)	1	(23)
Commission expense from continuing operations	(48)	(28)	(15)	(57)	(13)	(162)

	31 December 2025					
	Retail	Corporate	Markets	International	Asset management & other ⁽²⁾	Total
	€ million	€ million	€ million	€ million	€ million	€ million
Net banking fees and commission income	108	132	83	232	77	631

	31 December 2024					
	Retail	Corporate	Markets	International	Asset management & other ⁽²⁾	Total
	€ million	€ million	€ million	€ million	€ million	€ million
Lending related activities	9	128	33	28	5	204
Asset management ⁽¹⁾	24	3	2	18	61	108
Network activities and other ⁽³⁾	127	8	41	165	2	343
Capital markets	-	15	26	8	1	50
Commission income from continuing operations	160	154	103	219	69	705

	31 December 2024					
	Retail	Corporate	Markets	International	Asset management & other ⁽²⁾	Total
	€ million	€ million	€ million	€ million	€ million	€ million
Lending related activities	(2)	(8)	(1)	(4)	(4)	(18)
Asset management ⁽¹⁾	(2)	(1)	(1)	(4)	(9)	(16)
Network activities and other ⁽³⁾	(51)	(0)	(9)	(34)	0	(94)
Capital markets	-	(8)	(7)	(2)	0	(16)
Commission expense from continuing operations	(54)	(17)	(17)	(43)	(12)	(144)

	31 December 2024					
	Retail	Corporate	Markets	International	Asset management & other ⁽²⁾	Total
	€ million	€ million	€ million	€ million	€ million	€ million
Net banking fees and commission income ⁽⁴⁾	106	137	86	176	57	561

⁽¹⁾ It includes mutual funds, assets under management and bank assurance.

⁽²⁾ Includes "Remedial and Servicing Strategy" and "Other and elimination center" segments.

⁽³⁾ Including income from credit cards related services.

⁽⁴⁾ It includes the effect from the former Hellenic Bank group, which was consolidated as of the third quarter of 2024 (note 44).

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8. Income from non banking services

Income from non banking services from continuing operations includes (a) net insurance income of € 43.9 million (see below) (31 December 2024: € 8.1 million), attributable to the insurance operations of i) ERB Cyprus Insurance Holdings Ltd and its subsidiaries, which were consolidated as of the second quarter of 2025 (note 23.4) and ii) former Hellenic Life and Pancyprian insurance companies, which were consolidated as of the third quarter of 2024 (note 23.3), (b) rental income of € 94.5 million (31 December 2024: € 95.8 million) from real estate properties and (c) income of € 0.8 million (31 December 2024: € 1.1 million) from IT services provided by the Group entities.

The breakdown of the net insurance income is set out below.

	31 December 2025		
	Life insurance	Non-Life insurance	Total
	€ million	€ million	€ million
Insurance revenue	68	118	186
Insurance service expenses	(36)	(72)	(108)
Insurance service result from insurance contracts issued	32	46	78
Allocation of reinsurance premiums	(15)	(36)	(51)
Amounts recoverable from reinsurers	12	6	17
Net expense from reinsurance contracts held	(3)	(30)	(33)
Net insurance service result	29	16	45
Finance income/(expense) from insurance/reinsurance contracts	(29)	(1)	(30)
Return on assets backing insurance contract liabilities	29	-	29
Total	29	15	44

	31 December 2024		
	Life insurance	Non-Life insurance	Total
	€ million	€ million	€ million
Insurance revenue	11	22	33
Insurance service expenses	(5)	(19)	(24)
Insurance service result from insurance contracts issued	6	3	9
Allocation of reinsurance premiums	(4)	(10)	(14)
Amounts recoverable from reinsurers	5	9	14
Net expense from reinsurance contracts held	1	(1)	(0)
Net insurance service result	7	2	9
Finance income/(expense) from insurance/reinsurance contracts	(1)	(0)	(1)
Total	6	2	8

Return on assets backing insurance contract liabilities refers to € 29 million investment income on assets backing insurance contract liabilities measured under the VFA comprising € 20 million realized/unrealized gains/losses, € 6 million interest income, € 2 million dividend income from investment securities and € 1 million income from investment properties.

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Insurance service expenses include operating expenses directly attributable to insurance operations, which are analysed as follows:

	2025
	€ million
Staff costs	(22)
Administrative expenses	(7)
Depreciation of real estate properties and equipment	(1)
Amortisation of intangible assets	(1)
Other expenses	-
Total	(31)

9. Net trading income and gains less losses from investment securities

	2025	2024
	€ million	€ million
Net trading income/(loss)		
Debt securities, including short positions	(4)	(3)
Derivative financial instruments	(28)	84
Equity securities ⁽¹⁾	3	8
Revaluation on foreign exchange positions	3	5
Total	(26)	94
Gains less losses from investment securities		
Debt securities	52	2
- measured at FVOCI ⁽²⁾	34	13
- measured at AC (note 5.2.1.3)	19	(12)
- measured at FVTPL	(1)	1
Equity securities	18	11
Total from continuing operations	70	13

⁽¹⁾ Includes € 63 million loss relating to derivatives on equity instruments which is presented along with equity securities that hedge economically (2024: € 16 million loss).

⁽²⁾ It includes termination fees from related derivatives in single hedging relationships amounting to € 12 million income (2024: € 5 million income).

Loss from derivative financial instruments of € 28 million comprise mainly of a) € 10 million loss resulting from fair value changes of derivatives not designated in hedge accounting relationships (31 December 2024: € 6 million loss) and b) € 15 million loss from interest rate risk hedge ineffectiveness of single fair value hedge relationships (31 December 2024: € 88 million gains from portfolio hedging of interest rate risk) (notes 2.2.3(i) and 19).

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10. Other income/ (expenses)

	2025 € million	2024 € million
Gain from change in fair value of investment property (note 27)	34	17
Gain from acquisition/increase in shareholding ⁽¹⁾	58	99
Derecognition gain/(loss) on loans measured at amortised cost (note 20)	(30)	5
Loss on loans' modifications and related adjustments	(33)	(97)
Fee expense related to the deferred tax credits (note 13.1)	(5)	(5)
Dividend and related income	34	8
Gains/(losses) on loans at FVTPL	5	8
Gain on sale of real estate properties	16	12
Change in provisional fair value adjustments related to the acquisition of subsidiaries ⁽²⁾	(6)	17
Buy back loss for subordinated Tier 2 notes (note 33)	(10)	-
Other ⁽³⁾	4	(3)
Total from continuing operations	67	61

⁽¹⁾ For 2025, it reflects the provisional gain on acquisition of CNP Cyprus Insurance Holdings Limited (note 23.4), while for 2024 it reflects the gain from the increase in ownership interest in Hellenic Bank as an associate (note 23.3).

⁽²⁾ The change in provisional fair value adjustments due to subsequent measurement of the related assets and liabilities, is reflected from the acquisition date of CNP Cyprus Insurance Holdings Limited in 2025 and Hellenic Bank in 2024 until the reporting dates.

⁽³⁾ Includes € 10 million income related to the transaction with KEDIPEs (note 20).

In December 2025, Eurobank Limited distributed to its sole shareholder, the Bank, a net dividend of € 133 million. Following this distribution, the Bank, as a non Cypriot tax resident, claimed an amount of € 25.9 million related to the Special Defense Contribution (SDC) that had been withheld and paid in Cyprus by the former Hellenic Bank (currently Eurobank Limited) on the underlying retained earnings out of which the dividend was distributed, in accordance with Cypriot tax legislation. The amount claimed has been recognized in other assets with the corresponding income within the line "Dividend and related income" presented above.

In the context of the increased interest rates environment, the Bank had introduced since 2023 the probability of prepayment on its floating rate loans, focusing on long term retail portfolios with increasing interest rate spread (step-up) over the next years. Accordingly, the Bank had assessed that the combined increase of the reference interest rates and the pre-determined client spreads, increased the probability of the borrowers' prepaying or refinancing their loans at prevailing market rates earlier than their contractual maturity. The prepayment probability incorporated in the aforementioned retail loans' expected cash flows, as revised in the first half of 2025, resulted in the recognition of ca. € 14 million loss that is presented under "Loss on loans' modification and related adjustments" (31 December 2024: € 86 million).

In the fourth quarter of 2025, the Bank, aiming to address the structural weaknesses of retail loans with embedded step-up in interest rate spread and aligning their pricing with the Bank's current pricing levels, introduced a new product that was offered horizontally to the perimeter of euro denominated loans in performing status that had an increasing interest rate spread over the next years. In accordance with the terms of the new product, the converted loans have an interest rate cap, throughout their life, which limits significantly the interest rate risk undertaken by the borrowers, reduces the volatility of the underlying cash flows, which become more predictable, and removes any prepayment/repricing risk. In line with the Group's accounting policy for modifications of lending exposures' contractual terms, the aforementioned change introduced by the new product was accounted as derecognition and thus, resulted in the recognition of a derecognition loss of € 35.6 million that is presented under "Derecognition gain/(loss) on loans measured at amortized cost".

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11. Operating expenses

	2025	2024
	€ million	€ million
Staff costs	(707)	(601)
Administrative expenses	(367)	(315)
Regulatory contributions and charges	(32)	(21)
Depreciation of real estate properties and equipment	(54)	(47)
Depreciation of right of use assets	(38)	(37)
Amortisation of intangible assets	(60)	(51)
Contribution to Greek State's infrastructure projects	(27)	(27)
Total from continuing operations ⁽¹⁾	<u>(1,285)</u>	<u>(1,099)</u>

⁽¹⁾ It includes the effect from the former Hellenic Bank group, which was consolidated as of the third quarter of 2024 (note 44).

In the third quarter of 2025, as part of its corporate social responsibility initiatives, the Bank recognized a provision of € 27 million for its contribution to infrastructure projects of the Greek State. This primarily relates to the Bank's € 25 million share in the expansion of systemic banks' participation in the Greek State's school renovation program, which was launched in 2024.

Furthermore, the four Greek systemic banks announced that, as part of their activities of giving back to society, intend, based on a relevant evaluation that will take place, to make a corresponding additional contribution for the two-year period 2026-2027, depending on the progress of the above program, its requirements, and the prevailing financial conditions.

According to the announcement of the Single Resolution Board on 10 February 2025, the target level of at least 1% of covered deposits held in Banking Union Member States remains reached at the end of 2024, similarly to the end of 2023. As a result, no regular annual contributions were collected also in 2025 from the institutions falling within the scope of the Single Resolution Fund.

As of the period ended 30 September 2025, expenses related to third-party personnel engaged by the Group to cover operational needs, which were previously presented under administrative expenses, have been reclassified under staff costs. In addition, supervisory fees that were previously presented under administrative expenses, have been classified under regulatory contributions and charges. Comparative figures have been adjusted accordingly, reflecting an increase in staff costs and in regulatory contributions and charges of € 13 million and € 10 million respectively and a corresponding decrease in administrative expenses of € 23 million.

Staff costs

	2025	2024
	€ million	€ million
Wages, salaries and performance remuneration	(540)	(459)
Social security costs	(70)	(62)
Additional pension and other post employment costs	(34)	(27)
Other	(63)	(53)
Total from continuing operations	<u>(707)</u>	<u>(601)</u>

Operating expenses of € 31 million, of which € 22 million relates to staff costs, are directly attributable to insurance operations and are included in insurance service expenses (Note 8).

The average number of employees during the year was 12,393 (2024: 11,810). As at 31 December 2025, the number of branches and business/private banking centers of the Group amounted to 562 (2024: 568).

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12. Other impairments, risk provisions and restructuring costs

	2025 € million	2024 € million
Impairment and valuation losses on real estate properties ⁽¹⁾	(7)	(21)
Impairment losses on computer hardware and software (notes 26, 28)	(15)	(19)
Impairment (losses)/reversal on bonds	(6)	(12)
Other impairments, litigation and conduct-related provisions and costs	(7)	(8)
Other impairments, risk provisions and related costs	(35)	(60)
Voluntary exit schemes and other related costs (note 36)	(38)	(161)
Other restructuring costs	(24)	(7)
Restructuring costs	(62)	(168)
Total from continuing operations	(97)	(228)

⁽¹⁾ For 2024, it includes € 9.4 million remeasurement/impairment loss on real estate properties of IMO Property Investments Bucuresti S.A., (note 23.2).

For the year ended 31 December 2025, a cost of ca. € 26 million has been recognised in the Group's income statement for employee termination benefits in respect of the Voluntary Exit Scheme (VES) that was launched by Hellenic Bank in February 2025 for employees of the bank and its insurance subsidiaries. The saving in personnel expenses is estimated at ca. € 11 million on an annual basis.

Additionally, in the year ended 31 December 2025, restructuring costs of € 18 million were recognized in relation to the Group's corporate reorganization and the integration of its business operations in Cyprus.

For the year ended 31 December 2024, a cost of ca. € 131 million, net of the discounting effect, had been recognised in the Group's income statement for employee termination benefits in respect of the Voluntary Exit Scheme (VES) that was launched by the Group in February 2024 for eligible units in Greece and offered mainly to employees over a specific age limit.

13. Income tax and special tax levy

13.1. Income tax

	2025 € million	2024 € million
Current tax ⁽¹⁾	(140)	(119)
Deferred tax ⁽²⁾	(170)	(220)
Total income tax from continuing operations	(310)	(339)

⁽¹⁾ As of 31 December 2025, the special tax levy on Cypriot credit institutions, which was previously included within current income tax, is presented separately in the income statement. Comparative information has been restated accordingly, resulting in a € 22 million reduction in current income tax (note 13.2).

⁽²⁾ Based on DTA recoverability assessment performed at 31 December 2025, the Group recognised € 25 million deferred tax asset on temporary differences originating from previous years.

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 deferred tax assets (DTAs)/deferred tax credits (DTCs) against the Greek State is 29%. The Greek corporate tax rate for legal entities other than the aforementioned credit institutions is 22%. In addition, the withholding tax rate for dividends distributed, other than intragroup dividends, is 5%. In particular, the intragroup dividends under certain preconditions are relieved from both income and withholding tax.

As at 31 December 2025, the nominal corporate tax rates applicable in the banking subsidiaries incorporated in the international segment of the Group (note 44) are as follows: Bulgaria 10%, Cyprus 12.5% and Luxembourg 23.87%. In December 2025, in accordance with tax reform legislation enacted in Cyprus, the corporate income tax rate increased from 12.5% to 15%, effective for tax periods beginning on or after 1 January 2026. The remeasurement of the deferred tax assets and liabilities of the Bank's subsidiaries in Cyprus,

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following the above change in tax rate, did not result in a material effect on the Group's income statement for the year ended 31 December 2025.

Pillar Two income taxes

The Group is subject to the top up tax under the Pillar Two legislation that introduces a global minimum effective tax rate at 15% on multinational entities with consolidated revenues over € 750 million, effective as of 1 January 2024. The Pillar Two effective tax rate is lower than 15% in respect of Group's operations in Bulgaria and Cyprus (note 44), mainly due to the nominal corporate tax rates (CIT) applying in these jurisdictions (see above). For the year ended 31 December 2025, the Group has recognized a current tax expense of € 17.1 million (31 December 2024: € 21.6 million) related to the top up tax applicable on the profits earned in the aforementioned jurisdictions.

The Group has applied a temporary mandatory relief from deferred tax accounting for the impacts on the top up tax and accounts for it as a current tax when it is incurred.

Tax certificate and open tax years

The Bank and its subsidiaries, associates and joint ventures, which operate in Greece (notes 23 and 24) have in principle up to 6 open tax years. For fiscal years starting from 1 January 2016 onwards, pursuant to the Tax Procedure Code, an 'Annual Tax Certificate' on an optional basis, is provided for the Greek entities, with annual financial statements audited compulsorily, which is issued after a tax audit is performed by the same statutory auditor or audit firm that audits the annual financial statements. The Bank and, as a general rule, the Group's Greek companies have opted to obtain such certificate.

The Bank's open tax years are 2022-2025 (the open tax years of Eurobank Holdings before its merger with the Bank are 2020-2024). The tax certificates of the Bank and the other Group's entities, which operate in Greece, are unqualified for their open tax years until 2024. In addition, for the year ended 31 December 2025, 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 2019 (included) has been time-barred for the Group's Greek entities as at 31 December 2025.

The open tax years of the foreign banking entities of the Group are as follows: (a) Eurobank Limited, 2022-2025 (a tax audit is in progress for the open tax years 2018-2025 of ERB Cyprus Holdings Ltd - former Eurobank Cyprus Ltd before its merger with Eurobank Limited in 2025), (b) Eurobank Bulgaria AD, 2020-2025 and (c) Eurobank Private Bank Luxembourg S.A., 2021-2025. The remaining foreign entities of the Group (notes 23 and 24), which operate in countries where a statutory tax audit is explicitly stipulated by law, have in principle up to 6 open tax years, subject to certain preconditions of the applicable tax legislation of each jurisdiction.

In reference to its total uncertain tax positions, the Group assesses all relevant developments (e.g. legislative changes, case law, ad hoc tax/legal opinions, administrative practices) and raises adequate provisions.

Deferred tax

Deferred tax is calculated on all deductible temporary differences under the liability method as well as for unused tax losses at the rate in effect at the time the reversal is expected to take place.

The net deferred tax is analyzed as follows:

	2025	2024
	€ million	€ million
Deferred tax assets	3,629	3,780
Deferred tax liabilities	(54)	(43)
Net deferred tax	3,575	3,737

The movement on deferred tax is as follows:

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	2025	2024
	€ million	€ million
Balance at 1 January	3,737	3,963
Arising from acquisition ⁽¹⁾	(2)	(14)
Income statement credit/(charge) from continuing operations	(170)	(220)
Investment securities at FVOCI	(6)	2
Cash flow hedges	1	0
Actuarial gains/(losses)	1	1
Equity transactions ⁽²⁾	7	-
Discontinued operations (note 30)	4	3
Other	3	2
Balance at 31 December	3,575	3,737

⁽¹⁾ For 2025, it refers to deferred tax liability upon acquisition of CNP Cyprus subgroup (note 23.4).

⁽²⁾ it mainly refers to deferred tax on coupon payment to AT1 capital holders (note 38).

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

	2025	2024
	€ million	€ million
Impairment/ valuation relating to loans, disposals and write-offs	(121)	(251)
Tax deductible PSI+ losses	(50)	(50)
Carried forward debit difference of law 4831/2021	(2)	111
Change in fair value and other temporary differences	3	(30)
Deferred income tax (charge)/credit from continuing operations	(170)	(220)

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

	2025	2024
	€ million	€ million
Impairment/ valuation relating to loans and accounting write-offs	787	803
PSI+ tax related losses	801	851
Losses from disposals and crystallized write-offs of loans	1,893	1,998
Carried forward debit difference of law 4831/2021	148	150
Other impairments/ valuations through the income statement	(34)	(94)
Cash flow hedges	7	6
SLSRI and employee termination benefits	29	40
Real estate properties, equipment and intangible assets	(144)	(122)
Investment securities at FVOCI	(27)	(21)
Other ⁽¹⁾	115	126
Net deferred tax	3,575	3,737

⁽¹⁾ It includes, among others, DTA on deductible temporary differences relating to operational risk provisions and the leasing operations.

Further information, in relation to the aforementioned categories of deferred tax assets as at 31 December 2025, is as follows:

- (a) € 787 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) € 801 million refer to losses resulted from the Group's participation in PSI+ and the Greek's state debt buyback program which are subject to amortization for tax purposes over a thirty-year period, i.e. 1/30 of losses per year starting from year 2012 onwards (see below – DTCs section);
- (c) € 1,893 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 (see below - tax regime for loan losses);

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Assessment of the recoverability of deferred tax assets

The recognition of the deferred tax assets is based on management's assessment that the Group's legal entities will have sufficient future taxable profits, against which the deductible temporary differences and the unused tax losses can be utilized. The deferred tax assets are determined on the basis of the tax treatment of each deferred tax asset category, as provided by the applicable tax legislation of each jurisdiction and the eligibility of carried forward losses for offsetting with future taxable profits. Additionally, the Group's assessment on the recoverability of recognized deferred tax assets, the great majority of which refer to the Bank, 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 year ended 31 December 2025, the deferred tax asset (DTA) recoverability assessment has been based on the three-year Business Plan that was approved by the Board of Directors in January 2026, for the period up to the end of 2028 (also submitted to the Single Supervisory Mechanism -SSM-). For the years beyond 2028, the forecast of operating results was based on the management projections considering the growth opportunities of the Greek and European economy, the banking sector and the Group itself. Specifically, the management projections for the Group's future profitability adopted in the Business Plan, have considered, among others, (a) the gradual stabilization of interest rates, (b) the sustainable increase in loan volumes with pressure in business lending spreads and the growth, at a relatively lower pace, of customer deposits with almost flattish betas, (c) the increase in fee and commission income mostly driven by assets under management, network activities and capital markets, along with the expected acquisition of Eurolife contributing in the increase of Net Insurance income, (d) the discipline to operating expenses' targets, (e) the further decrease of NPE ratio, (f) the resilient asset quality with lower cost of risk, which is expected to carry the effect from the improved macroeconomic outlook driven by the resilient growth of Greek economy, above European average, as well as the unemployment rate at single digit levels, close to historical lows and (g) the fulfilment of MREL targets throughout the plan period. The major initiatives introduced in the context of the Group's transformation plan "Eurobank 2030", will contribute to meeting its financial objectives.

The Group closely monitors and constantly assesses the developments on the macroeconomic and geopolitical front (note 2) and their potential effect on the achievement of its Business Plan targets in terms of asset quality and profitability and will continue to update its estimates accordingly.

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

As at 31 December 2025, pursuant to the Law 4172/2013, as in force, the Bank's eligible DTAs/deferred tax credits (DTCs) against the Greek State amounted to € 2,832 million (31 December 2024: € 3,022 million). For regulatory purposes however, the DTC included in the calculation of the Group's capital ratios stands at € 2.624 million, due to the acceleration of its amortization from 2025, as part of the Bank's initiative to enhance the quality of its regulatory capital (note 4).

The DTCs are accounted for on: (a) the unamortised losses from the Private Sector Involvement (PSI) and the Greek State Debt Buyback Program, which are subject to amortisation over a thirty-year period and (b) on the sum of (i) the unamortized part of the DTC eligible crystallized tax losses arising from write-offs and disposals of loans, which are subject to amortization over a twenty-year period, (ii) the accounting debt write-offs and (iii) the remaining accumulated provisions and other losses in general due to credit risk recorded up to 30 June 2015. The DTCs will be converted into directly enforceable claims (tax credit) against the Greek State provided that the Bank's after tax accounting result for the year is a loss.

According to the Law 4831/2021 (article 125), which amended Law 4172/2013, the amortization of the PSI tax related losses is deducted from the taxable income at a priority over that of the crystallized tax losses (debit difference) arising from write-offs and disposals of loans. In addition, the amount of the annual tax amortization of the above crystallized tax losses is limited to the amount of the annual taxable profits, calculated before the deduction of such losses and following the annual tax deduction of the PSI tax related losses. The unutilized part of the annual tax amortization of the crystallized loan losses can be carried forward for offsetting over a period of 20 years. If at the end of the 20-year utilization period, there are balances that have not been offset, these will qualify as a tax loss, which is subject to the 5-year statute of limitation. The above provisions apply as of 1 January 2021 and cover the crystallized tax losses that have arisen from write-offs and disposals of loans as of 1 January 2016 onwards.

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Taking into account the tax regime in force, the recovery of the Bank's deferred tax asset recorded on loans and advances to customers and the regulatory capital structure are further safeguarded, contributing substantially to the achievement of NPE management targets through write-offs and disposals, in line with the regulatory framework and SSM requirements.

According to tax Law 4172/2013 as in force, an annual fee of 1.5% is imposed on the excess amount of deferred tax assets guaranteed by the Greek State, stemming from the difference between the current tax rate for the eligible credit institutions (i.e. 29%) and the tax rate applicable on 30 June 2015 (i.e. 26%). For the year ended 31 December 2025, an amount of € 4.9 million has been recognized in "Other income/(expenses)" (31 December 2024: € 5.2 million).

Income tax reconciliation and unused tax losses

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the Bank's applicable tax rate of 29% as follows:

	2025 € million	2024 € million
Profit before tax	1,681	1,850
Tax at the applicable tax rate	(487)	(537)
Tax effect of:		
- income not subject to tax and non deductible expenses	(18)	(22)
- effect of different tax rates in different countries	151	134
- share of results of associates/joint ventures and related income	13	76
- tax deductible losses for which DTA had not been recognised	18	18
- Pillar Two income taxes	(17)	(22)
- other ⁽¹⁾	30	14
Total income tax from continuing operations	(310)	(339)

⁽¹⁾ It includes € 25 million relating to the recognition of deferred tax assets on temporary differences originating from previous years, based on the recoverability assessment performed as at 31 December 2025.

For the year ended 31 December 2025, the Group's effective tax rate stood at 18% (2024: 18%).

As at 31 December 2025, the Bank has not recognised deferred tax asset (DTA) on unused tax losses amounting to € 21 million (2024: € 362 million, including the unused tax losses of Eurobank Holdings that matured in 2025). The analysis of unrecognized DTA on unused tax losses of the Bank per year of maturity of related tax losses is presented in the table below:

	Unrecognized DTA € million
Year of maturity of unused tax losses	
2026	15
2027	2
2028	2
2029	1
Total	21

13.2 Special tax levy

According to Cypriot law "The Imposition of a Special Tax on Credit Institutions Law of 2011" (84(I)/2011), as in force, a special tax levy is imposed on credit institutions operating in Cyprus, on a quarterly basis, at the rate of 0.0375% on qualifying customer deposits held by each credit institution at the end of the previous quarter. Following an amendment to the law in 2017, the contribution to the Single Resolution Fund, when collected by the Single Resolution Board (note 11), is offset against the special tax levy up to the amount of the total annual special tax levy charge for the same year.

The special tax levy imposed on the Group's banking entity in Cyprus "Eurobank Limited" (including the special tax levy imposed on Eurobank Cyprus Ltd prior to the transfer of its banking business to Eurobank Limited, note 23.2), was previously included within current income tax. For the year 2025, the levy amounted to € 35 million and has been presented separately in the income statement

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line “Special tax levy on credit institutions”. The comparative information for income tax has been restated accordingly, resulting in a € 22 million reduction in current income tax.

14. Earnings per share

Basic earnings per share, in principle, is calculated by dividing the net profit attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the year, excluding the average number of ordinary shares purchased by the Group and held as treasury shares.

The diluted earnings per share, in principle, is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares during the period. As at 31 December 2025, the Group’s dilutive potential ordinary shares relate to the share options that were allocated to employees of Eurobank and its affiliated companies (note 38). The weighted average number of shares is adjusted for the share options by calculating the weighted average number of shares that could have been acquired at fair value (determined as the average market price of the shares for the period). The number of shares resulting from the above calculation is added to the weighted average number of ordinary shares in issue in order to determine the weighted average number of ordinary shares used for the calculation of the diluted earnings per share.

		Year ended 31 December	
		2025	2024
Net profit for the year attributable to equity holders of the parent company	<i>€ million</i>	1,362	1,448
Coupon payment to AT1 capital holders, net of tax	<i>€ million</i>	(12)	-
Net profit for the year attributable to ordinary shareholders of the parent company	<i>€ million</i>	1,350	1,448
Net profit for the year from continuing operations attributable to ordinary shareholders of the parent company (after deducting coupon payment to AT1 capital holders, after tax)	<i>€ million</i>	1,359	1,455
Weighted average number of ordinary shares used for basic earnings per share	<i>Number of shares</i>	3,652,694,104	3,665,235,475
Weighted average number of ordinary shares used for diluted earnings per share	<i>Number of shares</i>	3,670,010,310	3,682,680,282
Earnings per share			
- Basic earnings per share	<i>€</i>	0.37	0.40
- Diluted earnings per share	<i>€</i>	0.37	0.39
Earnings per share from continuing operations			
- Basic and diluted earnings per share	<i>€</i>	0.37	0.40

Basic and diluted losses per share from discontinued operations for the year ended 31 December 2025 amounted to € 0.003 (31 December 2024: € 0.0019 losses).

Information regarding the share buyback programme, which commenced in May 2025, along with the number of shares purchased in the period 1 January – 27 February 2026, is provided in note 37.

15. Cash and balances with central banks

	2025	2024
	€ million	€ million
Cash in hand	887	617
Balances with central banks	14,741	15,514
Total	15,628	16,131

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The Bank and its banking subsidiaries in Eurozone (Cyprus and Luxemburg), are required to hold a minimum level of deposits (minimum reserve requirement - MRR) with their national central bank on an average basis over maintenance periods (i.e. six week periods); these deposits are calculated as 1% of certain liabilities, mainly customers' deposits, and can be withdrawn at any time provided that the MRR is met over the determined period of time. Similar obligations for the maintenance of minimum reserves with its national central bank were also applied to the banking subsidiary in Bulgaria until 31 December 2025 (Eurozone member since 1 January 2026). As at 31 December 2025, the mandatory reserves (i.e. those that the Group entities maintain in order to meet the MRR) with central banks amounted to € 1,770 million (2024: € 1,652 million). MRR deposits placed to the European Central Bank (ECB) are remunerated at zero (0%) .

16. Cash and cash equivalents and other information on cash flow statement

For the purpose of the cash flow statement, cash and cash equivalents comprise the following balances with original maturities of three months or less:

	2025 € million	2024 € million
Cash and balances with central banks (excluding mandatory and collateral deposits with central banks) (note 15)	13,858	14,479
Due from credit institutions	1,652	1,398
Securities held for trading	19	31
Total	15,529	15,908

Other (income)/losses on investment securities presented in continuing operating activities are analyzed as follows:

	2025 € million	2024 € million
Amortisation of premiums/discounts and accrued interest	(119)	(102)
(Gains)/losses from investment securities	(70)	(13)
Dividends	(34)	(8)
Total	(223)	(123)

In the year ended 31 December 2025, other adjustments of € 88 million mainly include a) € 58 million gain on acquisition of CNP Cyprus subgroup (note 23.4) and b) € 46 million Group's share of results (income) in associates and joint ventures (note 24), (31 December 2024: € 253 million mainly include a) € 99 million gain on acquisition of additional holding in Hellenic Bank (note 23.2) and b) € 161 million Group's share of results (income) in associates and joint ventures, note 24).

Changes in liabilities arising from financing activities

During the year ended 31 December 2025, changes in the Group's liabilities arising from financing activities, other than lease liabilities (note 42), are attributable to: a) debt issuance amounting to € 1,501 million (2024: € 2,649 million) (net of issuance costs), b) debt repayment amounting to € 1,234 million (2024: € 789 million) and c) accrued interest and amortisation of debt issuance costs amounting to € 57 million (2024: € 1.4 million).

17. Due from credit institutions

	2025 € million	2024 € million
Pledged deposits with banks ⁽¹⁾	526	580
Placements and other receivables from banks ⁽¹⁾	1,286	1,112
Current accounts and settlement balances with banks	544	504
Total	2,356	2,196

⁽¹⁾ The amounts presented are after offsetting (note 5.2.1.4).

As at 31 December 2025, the Group's pledged deposits with banks include: a) € 503 million mainly cash collaterals on risk mitigation contracts for derivative transactions and repurchase agreements (CSAs, GMRAs) and b) € 23 million cash collateral relating to the sale of former Romanian subsidiaries.

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The Group's exposure arising from credit institutions, as categorized by counterparty's geographical region, is presented in the following table:

	2025	2024
	€ million	€ million
Greece	107	14
Other European countries	1,901	1,874
Other countries	348	307
Total	2,356	2,196

18. Securities held for trading

	2025	2024
	€ million	€ million
Debt securities (note 5.2.1.3)	180	186
Equity securities	336	99
Total	516	285

19. Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments both for hedging and non-hedging purposes.

The table below presents the fair values of the Group's derivative financial instruments by product type and hedge relationship along with their notional amounts. The notional amounts of derivative instruments provide a basis for comparison with instruments recognized on the balance sheet but do not necessarily indicate the amounts of future cash flows involved or the current fair value of the instruments and, therefore, are not indicative of the Group's exposure at the reporting date.

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	31 December 2025			31 December 2024		
	Contract / notional amount € million	Fair values		Contract / notional amount € million	Fair values	
		Assets € million	Liabilities € million		Assets € million	Liabilities € million
Derivatives for which hedge accounting is not applied/ held for trading						
- Interest rate swaps	36,790	1,023	871	34,439	1,096	937
- Interest rate options ⁽¹⁾	6,106	30	26	8,265	45	47
- Foreign exchange contracts ⁽²⁾	4,398	27	20	4,700	54	26
- Other ⁽³⁾	1,130	6	13	893	3	14
		<u>1,086</u>	<u>930</u>		<u>1,199</u>	<u>1,025</u>
Derivatives designated as fair value hedges						
- Interest rate swaps	16,439	295	296	12,171	244	442
- Interest rate swaps/options (portfolio hedges)	12,700	44	2	7,800	6	2
- Interest rate floors	4,883	-	10	5,647	-	31
- Cross currency interest rate swaps	155	4	0	112	-	1
- Bond Forwards	191	2	-	55	1	-
		<u>346</u>	<u>308</u>		<u>251</u>	<u>477</u>
Derivatives designated as cash flow hedges						
- Cross currency interest rate swaps	189	-	26	819	7	38
		-	26		7	38
Offsetting (note 5.2.1.4)						
- Interest rate swaps		(652)	(349)		(619)	(420)
Total derivatives assets/liabilities		<u>780</u>	<u>915</u>		<u>838</u>	<u>1,120</u>

⁽¹⁾ Interest rate options include interest rate caps and floors and swaptions.

⁽²⁾ It includes currency swaps, forwards and options

⁽³⁾ It includes credit default swaps, warrants, commodity derivatives, futures and exchange traded equity options.

Information on the fair value measurement and offsetting of derivatives is provided in notes 5.3 and 5.2.1.4, respectively.

The Group uses certain derivatives and other financial instruments, designated in a qualifying hedge relationship, to reduce its exposure to market risks. The hedging practices applied by the Group, as well as the relevant accounting treatment are disclosed in note 2.2.3. In particular:

(a) Fair value hedges

The Group hedges a portion of its existing interest rate risk resulting from any potential change in the fair value of fixed rate debt securities, held or issued, or fixed rate loans, denominated both in local and foreign currencies, using interest rate and cross currency interest rate swaps whereby the fixed legs represent the economic risks of the hedged items. The Group uses pay fixed/receive floating interest rate swaps to hedge its fixed rate debt securities held and loans and pay floating/receive fixed interest rate swaps to hedge its fixed rate liabilities. The Group also hedges the changes in the fair value of debt securities to be disposed in the future under forward transactions. In 2025, the Group recognized a gain of € 285 million (2024: € 34 million loss) from changes in the carrying amount of the hedging instruments and € 300 million loss (2024: € 27 million gain) from changes in the fair value of the hedged items attributable to the hedged risk. The amount of hedge ineffectiveness recognized for 2025 in "Net trading income/(loss)" was € 15 million loss (2024: € 7 million loss).

(b) Fair value hedges – portfolios of assets and liabilities

The Group hedges a portion of its existing interest rate risk resulting from any potential change in the fair value of a portfolio of fixed rate loans including securitization notes initially issued and subsequently held by the Group (macro-hedging), using a group of interest rate swaps. The Group primarily designates the change in fair value attributable to changes in the benchmark interest rate as the hedged risk including also assumptions for prepayment risk and, accordingly, enters into interest rate swaps whereby the fixed legs represent the economic risks of the hedged items. In 2025, the Group recognized a gain of € 19.7 million (2024: € 20 million gain)

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from changes in the carrying amount of the hedging instruments and € 20.2 million loss (2024: € 18 million loss) from changes in the fair value of the designated hedged items attributable to the hedged risk. Accordingly, the amount of hedge ineffectiveness recognized for 2025 in “Net trading income/(loss)” was € 1 million loss (2024: € 2 million gain).

The Group also hedges the variability deriving from the fair value changes of purchased interest rate floors embedded in portfolios of floating rate loans and debt securities by writing the floors in the market. In 2025, the Group recognized a gain of € 14 million (2024: € 15 million gain) from changes in the carrying amount of the hedging instruments, and € 14 million loss (2024: € 15 million loss) from changes in the fair value of the hedged items attributable to the hedged risk.

Finally, similar to portfolio hedging of interest rate risk for assets, the Group hedges part of its interest rate exposure of demand deposit portfolios attributable to changes in the benchmark interest rates (macro-hedging). Despite their contractual terms and due to their nature, part of the demand deposits are interest rate-insensitive and hence behave similarly to fixed interest rate liabilities. Accordingly, the Group enters into a group of interest rate swaps that receives fixed interest rate and pays floating interest rate based on the benchmark rate and its volume is re-assessed on a monthly basis. In 2025, the Group recognized a gain of € 9 million (2024: € 1 million loss) from changes in the carrying amount of the hedging instruments and € 9 million loss (2024: € 2 million gain) from changes in the fair value of the designated hedged items attributable to the hedged risk. Accordingly, the amount of hedge ineffectiveness recognized for 2025 in “Net trading income/(loss)” was immaterial (2024: € 1 million gain).

(c) Cash flow hedges

The Group hedges a portion of its existing interest rate and foreign currency risk resulting from any cash flow variability due to changes in market interest rates on floating rate loans, denominated in foreign currency, using cross currency interest rate swaps, where the variable legs are based on the benchmark rates of the hedged items. The interest rate risk with respect to the benchmark reference rate - swap curve of such items, which share the same benchmark interest rate risk may be hedged on a single item or group basis using interest rate swaps of similar maturity. For the year ended 31 December 2025, an amount of € 0.5 million gain was recognised in other comprehensive income in relation to derivatives designated as cash flow hedges (2024: € 1 million loss). Furthermore, in 2025, the ineffectiveness recognized in the income statement that arose from cash flow hedges was nil (2024: nil).

In addition, the Group uses other derivatives, not designated in a qualifying hedge relationship, to manage its exposure primarily to interest rate and foreign currency risks. Non qualifying hedges are derivatives entered into as economic hedges of assets and liabilities for which hedge accounting was not applied. The said derivative instruments are monitored and have been classified for accounting purposes along with those held for trading.

The fair value of Group's derivative financial assets, as categorized by counterparty's geographical region and industry sector, is presented in the following tables:

	31 December 2025			
	Greece	Other European countries	Other countries	Total
	€ million	€ million	€ million	€ million
Sovereign	82	-	-	82
Banks	7	603	-	610
Corporate	61	22	4	88
Total	150	625	4	780

	31 December 2024 ⁽¹⁾			
	Greece	Other European countries	Other countries	Total
	€ million	€ million	€ million	€ million
Sovereign	167	-	-	167
Banks	5	545	-	550
Corporate	113	6	2	121
Total	285	551	2	838

⁽¹⁾ Comparative information has been adjusted to align with current year's presentation.

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As at 31 December 2025, the net carrying value of the derivatives with the Hellenic Republic amounted to a liability of € 310 million (31 December 2024: € 233 million liability).

At 31 December 2025 and 2024, the maturity profile of the nominal amount of the financial instruments designated by the Group in hedging relationships is presented in the tables below:

	31 December 2025							
	Fair Value Hedges					Cash Flow Hedges		
	1 - 3 months	3 - 12 months	1-5 years	Over 5 years	Total	3 - 12 months	1-5 years	Total
	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million
Interest rate swaps ⁽¹⁾	15	612	7,172	8,639	16,439	-	-	-
Interest rate options	-	-	800	4,083	4,883	-	-	-
Cross currency interest rate swaps	-	-	155	-	155	189	-	189
Bond Forwards	191	-	-	-	191	-	-	-
Total	206	612	8,127	12,722	21,667	189	-	189

	31 December 2024							
	Fair Value Hedges					Cash Flow Hedges		
	1 - 3 months	3 - 12 months	1-5 years	Over 5 years	Total	3 - 12 months	1-5 years	Total
	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million
Interest rate swaps ⁽¹⁾	-	90	6,721	5,361	12,171	-	-	-
Interest rate options	-	-	800	4,847	5,647	-	-	-
Cross currency interest rate swaps	-	-	112	-	112	618	201	819
Bond Forwards	55	-	-	-	55	-	-	-
Total	55	90	7,633	10,208	17,985	618	201	819

⁽¹⁾ Nominal amount of interest rate swaps designated as fair value macro hedges is not included.

(a) Fair value hedges

The following tables present data relating to the hedged items under fair value hedges for the years ended 31 December 2025 and 2024:

	2025			
	Carrying amount/Exposure designated as hedged	Accumulated amount of FV hedge adjustments related to the hedged item	Change in value as the basis for recognising hedge ineffectiveness	Accumulated amounts of FV hedge adjustments remaining in the balance sheet related to hedged items that have ceased to be adjusted for hedging gains and losses
	€ million	€ million	€ million	€ million
Assets				
Loans and advances to customers ⁽¹⁾	6,319	(63)	(50)	(21)
Debt securities AC ⁽¹⁾	8,659	(37)	(232)	29
Debt securities FVOCI	2,140	27	(2)	51
Liabilities				
Debt securities in issue	6,553	(2)	(49)	-
Due to customers ⁽¹⁾	11,700	1	(9)	7

Notes to the Consolidated Financial Statements

	2024			
	Carrying amount/ Exposure designated as hedged <u>€ million</u>	Accumulated amount of FV hedge adjustments related to the hedged item <u>€ million</u>	Change in value as the basis for recognising hedge ineffectiveness <u>€ million</u>	Accumulated amounts of FV hedge adjustments remaining in the balance sheet related to hedged items that have ceased to be adjusted for hedging gains and losses <u>€ million</u>
Assets				
Loans and advances to customers ⁽¹⁾	6,939	(46)	(16)	8
Debt securities AC ⁽¹⁾	5,568	195	41	218
Debt securities FVOCI	1,736	(26)	30	(28)
Liabilities				
Debt securities in issue	5,864	47	61	2
Due to customers ⁽¹⁾	4,700	(9)	(2)	5

⁽¹⁾ For hedges of loans and advances to customers, debt securities at amortised cost included in portfolio and due to customers, the exposure designated as hedged is presented.

(b) Cash flow hedges

The cash flow hedge reserves for active hedges as at 31 December 2025 were € 50 ths gain (2024: € 0.5 million loss), which relate to loans and advances to customers.

As at 31 December 2025, the balances remaining in the cash flow hedge reserve from any cash flow hedging relationships for which hedge accounting is no longer applied was € 23 million loss (2024: € 20 million loss).

The reconciliation of the components of Group's special reserves including cash flow hedges is provided in note 39.

Notes to the Consolidated Financial Statements
20. Loans and advances to customers

	2025 € million	2024 € million
Loans and advances to customers at amortised cost		
- Gross carrying amount	55,977	52,245
- Impairment allowance	(1,309)	(1,309)
Carrying Amount	54,668	50,936
Fair value changes of loans in portfolio hedging of interest rate risk	(28)	(3)
Loans and advances to customers at FVTPL	23	19
Total	54,663	50,953

The table below presents the carrying amount of loans and advances to customers per product line and per stage as at 31 December 2025:

	31 December 2025					31 December 2024
	12-month ECL- Stage 1 € million	Lifetime ECL- Stage 2 € million	Lifetime ECL - Stage 3 € million	POCI € million	Total amount € million	Total amount € million
Loans and advances to customers at amortised cost						
Mortgage lending:						
- Gross carrying amount	9,841	2,560	456	68	12,925	12,466
- Impairment allowance	(62)	(332)	(142)	(4)	(539)	(469)
Carrying Amount	9,780	2,227	314	64	12,386	11,997
Consumer lending:						
- Gross carrying amount	4,112	453	181	67	4,814	4,533
- Impairment allowance	(41)	(50)	(116)	(5)	(212)	(223)
Carrying Amount	4,071	403	66	62	4,602	4,310
Small Business lending:						
- Gross carrying amount	2,680	602	279	7	3,568	3,583
- Impairment allowance	(18)	(62)	(118)	(1)	(199)	(194)
Carrying Amount	2,661	540	160	6	3,368	3,389
Wholesale lending:⁽¹⁾⁽²⁾						
- Gross carrying amount	32,924	1,243	447	56	34,670	31,663
- Impairment allowance	(62)	(49)	(247)	(2)	(358)	(422)
Carrying Amount	32,863	1,194	201	54	34,312	31,241
Total loans and advances to customers at AC						
- Gross carrying amount , of which:	49,558	4,857	1,363	198	55,977	52,245
<i>Non Performing exposures (NPE)</i>	-	-	1,363	71	1,434	1,719
- Impairment allowance	(183)	(493)	(622)	(11)	(1,309)	(1,309)
Carrying Amount	49,375	4,365	741	187	54,668	50,936
Fair value changes of loans in portfolio hedging of interest rate risk					(28)	(3)
Loans and advances to customers at FVTPL						
Carrying Amount ⁽³⁾					23	19
Total					54,663	50,953

⁽¹⁾ Includes € 3,984 million related to the notes of securitizations of loans originated by Group entities measured at amortised cost, which have been categorized in Stage 1.

⁽²⁾ Includes loans to public sector.

⁽³⁾ Includes the mezzanine notes of securitizations of loans originated by the Bank.

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As at 31 December 2025, the Group's NPE stock and NPE ratio amounted to € 1,434 million (31 December 2024: € 1,530 million, excluding the NPE covered by the APS in Cyprus) and 2.6% (31 December 2024: 2.9%) respectively, while the NPE coverage ratio improved to 95.2% (31 December 2024: 88.4%).

Sustainability linked loans

In line with its Sustainable Finance Framework, the Group grants loans, which as part of their contractual terms, incentivize the borrower's achievement of predetermined sustainability performance targets (SPTs). Specifically, these SPTs consist of a list of environmental (E), social (S), and governance (G) targets, the fulfillment of which by the client is determined by meeting respective KPIs, i.e., metrics to quantify the client's performance, for example climate-related targets, such as reducing carbon emissions or social targets, such as increasing the level of diversity at Board level. As part of the terms of these loans, the contractual interest rate is increased if the borrower fails to meet specific targets linked to its activity.

The abovementioned loans held as of 31 December 2025 have been assessed, in line with the Group's accounting policies (note 2) that their contractual cash flows are SPPI pass.

As at 31 December 2025, the carrying amount of the sustainability linked loans measured at amortized cost amounted to € 1,402 million (2024: € 1,024 million).

Project Sun (ex-Solar)

In the context of its NPE management strategy, the Group had participated, since 2018, in a joint initiative with the other Greek systemic banks, to structure an NPE securitization transaction (project 'Solar') under the provisions of Hellenic Asset Protection Scheme (HAPS), that was finally abandoned in the first half of 2025. As Management remained committed to its plan to recover the carrying amount of the respective loan portfolio through its disposal, the Group retained the classification of the underlying loans as held for sale. In December 2025, negotiations with potential investors regarding the sale of the loan portfolio were concluded for a consideration of ca. € 23 million. The sale and legal transfer of the abovementioned loan portfolio is expected to be completed within the first half of 2026.

As at 31 December 2025, the carrying amount of Sun loan portfolio reached € 18 million, comprising loans with gross carrying amount of € 240 million and impairment allowance of € 222 million, including the additional impairment loss of € 25 million recognized within 2025 and calculated by reference to the expected consideration as adjusted to reflect the loans' collections from the transaction's reference date up to 31 December 2025 and the estimated selling costs.

Project Moon

In December 2025, the Group, as part of its NPE strategy plan, initiated a structured process for the disposal of a portfolio of secured non-performing retail exposures of gross carrying amount of ca. € 126 million. As at the reporting date, given the Management's commitment to the abovementioned portfolio's disposal plan that is expected to be completed by the end of 2026, the Group classified the respective loans as held for sale. Moreover, in accordance with the Group's accounting policy for the impairment of financial assets, the Group remeasured the portfolio's expected credit losses by reference to the estimated selling price and recognized an impairment loss of ca. € 47 million.

As at 31 December 2025, the carrying amount of the aforementioned loan portfolio reached € 61 million, comprising loans with gross carrying amount of € 126 million, which carried an impairment allowance of € 65 million.

Other loans held for sale (including project "Leon")

As of 31 December 2025, the Group classified its loan exposure to the Avramar Group as held for sale. More specifically, the Management considers the sale highly probable given the existence of an active disposal plan, jointly undertaken by all syndicate lenders, and the ongoing negotiations with potential investors. The sale transaction is expected to be completed within the first half of 2026.

Accordingly, the Group, in line with its accounting policy for impairment of financial assets, remeasured the loan exposures' expected credit losses by reference to the consideration expected to be received from their sale and released an amount of ca. € 34 million in profit or loss line "Impairment losses relating to loans and advances to customers".

As at 31 December 2025, the carrying amount of the aforementioned loan portfolio classified as held for sale reached € 68 million, which carried approx. €1 million impairment allowance.

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In December 2023, the Group, in the context of its NPE reduction plan, initiated the sale process of a mixed NPE loan portfolio that was concluded on 13 September 2024 via a securitization structure (SPV-LEON CAPITAL FINANCE DAC) under the requirements of Hellenic Asset Protection Scheme law.

Accordingly, as of the aforementioned date, the Group derecognized the underlying loan portfolio on the basis that it transferred substantially all risks and rewards of the portfolio's ownership and relinquished its control over it, and recognized the retained notes on its balance sheet, i.e. 100% of the senior and 5% of the mezzanine and junior notes of Leon securitization, at fair value. In April 2025, the Group obtained the HAPS approval for the senior note and in June 2025 the confirmation by ECB regarding the significant risk transfer (SRT) recognition for the "Leon" loan portfolio. At 31 December 2025 the carrying amount of the retained notes is € 274 million (31 December 2024: € 276 million).

As at 31 December 2025, the remaining loan portfolio designated for sale that was not finally included in the securitization structure, with a gross carrying amount of € 42 million and an equal impairment allowance, was written off in its entirety, as the Group concluded that there was no reasonable expectation of recovering the portfolio's expected cash flows.

Eurobank Limited agreement with KEDIPES

In April 2025, Eurobank Limited (former Hellenic Bank) announced that it has signed a pre-settlement agreement with the Cyprus Asset Management Company Limited ("KEDIPES") for the buyback by KEDIPES of a portfolio of non-performing exposures of net carrying amount € 192 million (with reference date 30 September 2024) at a consideration of € 180 million, the termination of the Asset Protection Scheme ("APS") which was granted in 2018 as part of the acquisition of a loan portfolio of the former Cyprus Cooperative Bank ("CCB") for an amount of € 17.5 million payable to Eurobank Limited, and the settlement of disputes arising from the agreement to acquire certain assets and liabilities of CCB for an amount of € 10 million payable to Eurobank Limited (the "Transaction").

In September 2025, the respective Transaction agreements between Eurobank Limited and KEDIPES were signed, following the approvals granted by the Ministry of Finance and the Directorate-General for Competition. The Transaction was subject to customary approvals including the Cyprus Commission for the Protection of Competition and was expected to be completed early in 2026.

The non-performing loans' sale to KEDIPES would take place via their transfer to Creditum Holdings Limited, a newly incorporated Cypriot private limited liability company, wholly owned by Eurobank Limited, which would be eventually sold to KEDIPES (note 23.2).

Following the above, since 30 September 2025, the loan portfolio under sale and the corresponding indemnification asset arising from the APS have been classified as held for sale. As at 31 December 2025, the carrying amount of the loan portfolio reached € 108 million, comprising loans with gross carrying amount of € 155 million, which carried an impairment allowance of € 47 million and indemnification asset of € 9.5 million. The impact of the classification, which was calculated by reference to the currently estimated net consideration expected to be received from the Transaction as adjusted to reflect the loans' collections and expenses from the Transaction's reference date up to 31 December 2025, was insignificant to the Group's results.

Furthermore, as at 31 December 2025, the Group recognized under 'Other income/(expenses)', the € 10 million receivable from KEDIPES for the settlement of the disputes arising from the agreement to acquire certain assets and liabilities of CCB.

Post balance sheet event

On 30 January 2026, following the receipt of the remaining customary regulatory approvals, the Transaction between KEDIPES and Eurobank Limited was completed resulting in the non-performing loans' derecognition and the termination of APS scheme.

Law 5264/25 for loans denominated in CHF

On 19 December 2025, Law 5264/25 was voted by the Greek parliament, giving the option to performing retail borrowers to convert their lending exposures denominated in CHF to Euro, under favorable terms that vary based on the borrowers' financial profile. In particular, the lending exposures will be converted to Euro at a preferential exchange rate (ie. a discount to the current market exchange rate will be applied that ranges between 15%-50%), whereas following the conversion into Euro, the loans will bear a fixed interest rate that ranges between 2.3%-2.9%. In addition, upon borrowers' request, the repayment of the converted loan exposures may be extended by 5yrs.

The Law is immediately effective for borrowers eligible for a 15% discount in exchange rate and 2.9% fixed interest rate, whereas for the remaining categories it is enacted in February 2026.

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As at 31 December 2025, the gross carrying amount of the Group's retail loans denominated in CHF that may receive the Law's beneficial terms amounted to ca. € 1,580 million and carried an impairment allowance of ca. € 300 million, which also incorporate current assumptions regarding the borrowers' take-up rate of ca. 50% and the borrowers' segment, considering the most available financial information. Accordingly, the provisions coverage of the aforementioned CHF retail portfolio in Greece reached 19%.

Securizations of other loan portfolios originated by the Group

The Group in the context of the achievement of its NPE reduction targets has entered into the securitization of various classes of primarily NPE through the issue of senior, mezzanine and junior notes, which resulted, as described below, in the derecognition of the underlying loan portfolios and the recognition of the retained notes.

'Mexico' securitization

In May 2021, the Group, through its special purpose financing vehicle (SPV) 'Mexico Finance Designated Activity Company' issued senior, mezzanine and junior notes of total face value of ca. € 5.2 billion, via a securitization of a mixed portfolio comprising primarily NPE. The Group included "Mexico" securitization under the Hellenic Asset Protection Scheme (HAPS) thus the senior note of the securitization became entitled to the Greek State's guarantee.

In December 2021, the sale of 95% of the mezzanine and junior notes of Mexico securitization to doValue S.p.A. was completed and, as a result, the Group ceased to control the SPV and derecognized the underlying loan portfolio from its balance sheet, on the basis that it transferred substantially all risks and rewards of the portfolio's ownership and ceased to have control over the securitized loans and recognized the retained notes on its balance sheet i.e. 100% of the senior and 5% of the mezzanine and junior notes. At 31 December 2025, the carrying amount of the retained notes is € 1,165 million (31 December 2024: € 1,290 million).

'Cairo' securitization

In June 2019, the Group, through the special purpose financing vehicles (SPVs) 'Cairo No. 1 Finance Designated Activity Company', 'Cairo No. 2 Finance Designated Activity Company' and 'Cairo No. 3 Finance Designated Activity Company', issued senior, mezzanine and junior notes of total face value of ca. € 7.5 billion, via a securitization of a mixed portfolio consisting primarily of non-performing loans (NPE) ("Cairo" securitization). In December 2019, the Group announced that it has entered into a binding agreement with doValue S.p.A. for the sale of 20% of the mezzanine and 50.1% of the junior notes of "Cairo" securitization. The Group included "Cairo" securitization under the Hellenic Asset Protection Scheme (HAPS) thus the senior note of the securitization became entitled to the Greek State's guarantee.

In June 2020, the sale of the aforementioned notes was completed and, as a result, the Group ceased to control the Cairo SPVs on the basis that it does not have the power to direct their relevant activities. Furthermore, in June 2020, Eurobank Holdings, following a decision of the Board of Directors (BoD), proceeded to the contribution of the retained Cairo notes, i.e. 75% of the mezzanine and 44.9% of the junior notes, along with an amount of € 1.5 million in cash to its Cyprus-based subsidiary Mairanus Ltd, renamed to 'Cairo Mezz Plc', in exchange for the newly-issued shares of the aforementioned subsidiary. In July 2020, the General Shareholders' Meeting of the Company approved the distribution of Cairo Mezz Plc shares to Eurobank Holding's shareholders through the decrease in kind of its share capital.

In September 2020, following the completion of the distribution of the Cairo Mezz Plc shares, the underlying loan portfolio and the related assets and liabilities were derecognized from the Group's balance sheet, on the basis that at that time the Group transferred substantially all risks and rewards of the portfolio's ownership and ceased to have control over the securitized portfolio and recognized the retained notes on its balance sheet, i.e. 100% of the senior notes, 5% of mezzanine and junior notes. At 31 December 2025, the carrying amount of the retained notes is € 1,663 million (31 December 2024: € 1,790 million).

'Pillar' securitization

In June 2019, the Group, through the special purpose financing vehicle (SPV) 'Pillar Finance Designated Activity Company' issued senior, mezzanine and junior notes of total value of ca. € 2 billion, via a securitization of residential mortgage primarily NPE. In September 2019, the Group sold 95% of the above-mentioned mezzanine and junior notes to Celidoria S.A R.L. Upon the completion of the sale, the Group ceased to control the SPV and derecognized the underlying loan portfolio in its entirety, on the basis that it transferred substantially all the risks and rewards of the underlying loan portfolio's ownership and recognized the retained notes, i.e. 100% of the senior, 5% of the mezzanine and junior notes, on its balance sheet. At 31 December 2025, the carrying amount of the retained notes is € 905 million (31 December 2024: € 966 million).

Notes to the Consolidated Financial Statements

21. Impairment allowance for loans and advances to customers

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

	31 December 2025																
	Wholesale				Mortgage				Consumer				Small business				Total € million
	12-month ECL	Lifetime ECL	Lifetime ECL	POCI	12-month ECL	Lifetime ECL	Lifetime ECL	POCI	12-month ECL	Lifetime ECL	Lifetime ECL	POCI	12-month ECL	Lifetime ECL	Lifetime ECL	POCI	
	-Stage 1	-Stage 2	-Stage 3		-Stage 1	-Stage 2	-Stage 3		-Stage 1	-Stage 2	-Stage 3		-Stage 1	-Stage 2	-Stage 3		
€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	
Impairment allowance as at 1 January	58	39	321	4	64	218	177	10	51	48	114	11	17	50	126	1	1,309
New loans and advances originated or purchased	15	-	-	-	1	-	-	-	24	-	-	-	5	-	-	-	45
Transfers between stages	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- to 12-month ECL	11	(8)	(4)	-	6	(4)	(2)	-	14	(9)	(5)	-	6	(3)	(3)	-	0
- to lifetime ECL	(4)	10	(5)	-	(8)	34	(26)	-	(3)	10	(7)	-	(1)	11	(10)	-	(0)
- to lifetime ECL credit-impaired loans	(7)	(1)	8	-	(3)	(23)	26	-	(2)	(8)	9	-	(1)	(8)	9	-	(0)
Impact of ECL net remeasurement	(17)	9	(14)	(10)	3	145	63	20	(44)	6	89	2	(6)	17	44	8	315
Recoveries from written - off loans	-	-	22	2	-	-	8	2	-	-	15	9	-	-	5	6	68
Loans and advances derecognised/ reclassified as held for sale during the year ⁽¹⁾	(0)	-	(6)	(1)	(0)	(0)	(46)	(24)	(0)	(0)	(29)	(11)	(0)	-	(21)	(4)	(143)
Amounts written off ⁽²⁾	-	-	(55)	(1)	-	-	(32)	(2)	-	-	(47)	(2)	-	-	(18)	(1)	(157)
Unwinding of Discount	-	-	(5)	-	-	-	(3)	-	-	-	(3)	-	-	-	(2)	-	(13)
Foreign exchange and other movements	5	(0)	(14)	8	(1)	(37)	(24)	(4)	2	2	(20)	(5)	(2)	(5)	(11)	(9)	(114)
Impairment allowance as at 31 December	62	49	247	2	62	332	142	4	41	50	116	5	18	62	118	1	1,309

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	31 December 2024																Total € million
	Wholesale				Mortgage				Consumer				Small business				
	12-month ECL	Lifetime ECL	Lifetime ECL - Stage 3	POCI	12-month ECL	Lifetime ECL	Lifetime ECL - Stage 3	POCI	12-month ECL	Lifetime ECL	Lifetime ECL - Stage 3	POCI	12-month ECL	Lifetime ECL	Lifetime ECL - Stage 3	POCI	
	-Stage 1 € million	-Stage 2 € million	€ million	€ million	-Stage 1 € million	-Stage 2 € million	€ million	€ million	-Stage 1 € million	-Stage 2 € million	€ million	€ million	-Stage 1 € million	-Stage 2 € million	€ million	€ million	
Impairment allowance as at 1 January	72	58	314	4	20	154	207	1	53	53	101	3	25	65	128	0	1,258
New loans and advances originated or purchased	38	(0)	-	-	3	-	-	-	26	-	-	-	6	-	-	-	73
Transfers between stages																	
- to 12-month ECL	16	(11)	(5)	-	4	(3)	(1)	-	20	(14)	(6)	-	10	(7)	(3)	-	-
- to lifetime ECL	(6)	12	(5)	-	(3)	30	(27)	-	(3)	16	(13)	-	(1)	15	(13)	-	-
- to lifetime ECL credit-impaired loans	(1)	(4)	5	-	(5)	(12)	17	-	(2)	(8)	9	-	(1)	(10)	11	-	-
Impact of ECL net remeasurement	(46)	(12)	41	(4)	47	47	52	3	(36)	4	79	(1)	(33)	(11)	59	(7)	181
Recoveries from written - off loans	-	-	10	0	-	-	8	4	-	-	15	5	-	-	5	5	51
Loans and advances derecognised/reclassified as held for sale during the year ⁽¹⁾	(0)	-	(29)	-	(0)	(0)	(37)	-	(0)	(0)	(15)	-	-	-	(24)	-	(105)
Amounts written off ⁽²⁾	-	-	(14)	(0)	-	-	(9)	(1)	-	-	(47)	(1)	-	-	(13)	(0)	(84)
Unwinding of Discount	(0)	-	(7)	-	-	-	(0)	-	-	-	(1)	-	-	-	(1)	-	(10)
Foreign exchange and other movements	(14)	(3)	11	4	(2)	2	(32)	3	(7)	(3)	(8)	5	12	(2)	(25)	3	(55)
Impairment allowance as at 31 December	58	39	321	4	64	218	177	10	51	48	114	11	17	50	126	1	1,309

⁽¹⁾ It represents the impairment allowance of loans derecognized due to a) sale and securitization transactions, b) debt to equity transactions and those that have been reclassified as held for sale during the year (notes 20 and 30).

⁽²⁾ The contractual amount outstanding on lending exposures that were written off during the year ended 31 December 2025 and that are still subject to enforcement activity is € 146 million (2024: € 68 million).

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The impairment losses relating to loans and advances to customers recognized in the Group's income statement for the year ended 31 December 2025 amounted to € 379 million, including € 71 million impairment losses relating to projects Sun (ex-Solar) and Moon (note 20) (2024: € 303 million including € 16 million impairment release relating to project Leon) and are analyzed as follows:

	2025 € million	2024 € million
Impairment loss on loans and advances to customers	(359)	(255)
Net income / (loss) from financial guarantee contracts ⁽¹⁾	(28)	(44)
Modification gain / (loss) on loans and advances to customers	1	(5)
Impairment (loss)/ reversal for credit related commitments	8	(0)
Total from continuing operations	(379)	(303)

⁽¹⁾ It refers to financial guarantee contracts held, not integral to the guaranteed loans (including projects Wave and the Asset Protection Scheme ("APS") for a loan portfolio of former Hellenic Bank).

22. Investment securities

	2025 € million	2024 € million
Investment securities at amortised cost	19,827	17,651
Debt securities at FVOCI	4,057	4,089
Equity securities at FVOCI	48	59
Debt securities at FVTPL	333	18
Equity securities at FVTPL	619	367
Total	24,884	22,184

Note: information on debt securities of the investment portfolio is presented in note 5.2.1.3.

As part of its strategic and other initiatives, the Group has elected to designate the following equity securities at initial recognition as measured at FVOCI.

	2025 € million	2024 € million
Plum Fintech Ltd	12	12
Prosperity re Ltd	5	-
JCC Payment Systems Ltd	13	13
Demetra Holdings Plc	-	30
Other	18	3
Total	48	59

In January 2025, the Bank announced the completion of the sale of its 8.58% holding in Demetra Holdings Plc for a cash consideration of ca. € 27 million. This transaction was part of the Bank's broader agreement with Demetra and Logicom for the acquisition of an additional 24.66% stake in Hellenic Bank.

On 13 March 2025, the Group acquired 24.34% of the total share capital (25.67% of the voting rights) of Prosperity RE Ltd for a cash consideration of € 5 million. Under the terms of the relevant subscription agreement, the Group is entitled to appoint a permanent attendee in the company's Board of Directors with no voting rights, whereas its consent is required only for specific governance, financing, or structural issues of a protective nature. Given the above, the Group has assessed that it does not have significant influence over the Company and elected to designate the acquired shares at FVOCI.

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As at 31 December 2025, investment securities backing insurance contract liabilities measured under the variable fee approach (VFA) and investment contract liabilities, amounted to € 614 million, of which € 589 million measured at FVTPL (31 December 2024: € 54 million measured at FVTPL).

Sustainability linked bonds

As at 31 December 2025, the Group holds positions in sustainability linked bonds with Sustainability Performance Targets (SPTs) (note 20) of carrying value of € 170 million, of which € 90 million measured at FVOCI and € 80 million at AC (2024: € 248 million, of which € 156 million at FVOCI and € 92 million at AC). The Group has assessed the ESG features of the aforementioned debt instruments, in line with the Group's accounting policies (note 2) and has concluded that they do not create exposure to risks that are inconsistent with a basic lending arrangement and therefore the SPPI criteria are met.

22.1 Movement of investment securities

The tables below present the movement of the carrying amount of investment securities per measurement category and per stage:

	31 December 2025								
	Debt securities at FVOCI			Investment securities at amortised cost			Investment securities at FVTPL	Equity securities at FVOCI	Total
	12-month ECL- Stage 1	Lifetime ECL- Stage 2	12-month ECL- Stage 1	Lifetime ECL- Stage 2	Lifetime ECL- Stage 3				
	€ million	€ million	€ million	€ million	€ million	€ million	€ million		
Gross carrying amount at 1 January	4,061	28	17,622	20	36	385	59	22,210	
Arising from acquisition (note 23.4)	179	-	-	-	-	506	16	701	
Additions, net of disposals and redemptions	(171)	(18)	2,741	(2)	0	32	(27)	2,555	
Transfers between stages	(10)	10	(6)	6	-	-	-	-	
Net gains/(losses) from changes in fair value for the year	12	(0)	-	-	-	35	1	47	
Amortisation of premiums/discounts and interest	14	(0)	89	(1)	1	(1)	-	102	
Changes in fair value due to hedging ⁽¹⁾	-	-	(422)	0	1	-	-	(421)	
Exchange adjustments and other movements ⁽²⁾	(48)	(0)	(220)	(0)	(11)	(5)	-	(285)	
Gross carrying amount at 31 December	4,038	19	19,803	23	27	952	48	24,909	
Impairment allowance	-	-	(15)	(0)	(10)	-	-	(25)	
Net carrying amount at 31 December	4,038	19	19,787	23	17	952	48	24,884	

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	31 December 2024							
	Debt securities at FVOCI		Investment securities at amortised cost			Investment securities at FVTPL	Equity securities at FVOCI	Total
	12-month ECL-Stage 1 € million	Lifetime ECL-Stage 2 € million	12-month ECL-Stage 1 € million	Lifetime ECL-Stage 2 € million	Lifetime ECL-Stage 3 € million	€ million	€ million	
Gross carrying amount at 1 January	3,427	48	10,935	7	32	263	17	14,729
Arising from acquisition	36	-	5,203	0	0	140	14	5,394
Additions, net of disposals and redemptions	453	(22)	1,368	-	0	(23)	39	1,815
Transfers between stages	3	(3)	(12)	12	-	-	-	0
Net gains/(losses) from changes in fair value for the year	66	5	-	-	-	16	(11)	76
Amortisation of premiums/discounts and interest	18	1	82	0	1	0	-	102
Changes in fair value due to hedging ⁽¹⁾	-	-	5	0	1	-	-	6
Exchange adjustments and other movements ⁽²⁾	57	0	40	0	2	(12)	-	88
Gross carrying amount at 31	4,061	28	17,622	20	36	385	59	22,210
Impairment allowance	-	-	(15)	(1)	(9)	-	-	(26)
Net carrying amount at 31 December	4,061	28	17,606	19	27	385	59	22,184

⁽¹⁾ Changes in fair value due to active and discontinued hedging relationships amount to € 233 million loss and € 189 million loss, respectively (2024: € 41 million gain and € 35 million loss, respectively).

⁽²⁾ Other movements include fair value adjustments of € 45 million (credit balance) for former Hellenic Bank's investment securities at AC, which in prior year were included in other assets. Other movements in the comparative year include debt securities of face value of € 3 million at FVOCI, € 31 million at AC and € 25 million at FVTPL, eliminated for consolidation purposes following the acquisition of former Hellenic Bank.

22.2 Movement of ECL

The table below presents the ECL movement per portfolio, including ECL movement analysis per stage:

	31 December 2025			31 December 2024		
	Measured at amortised cost € million	Measured at FVOCI € million	Total € million	Measured at amortised cost € million	Measured at FVOCI € million	Total € million
Balance at 1 January	26	8	33	18	8	26
New financial assets purchased	5	2	6	6	4	10
- of which 12-month ECL-Stage 1	5	2	6	6	4	10
Transfers between stages						
- (from)/to 12-month ECL-Stage 1	0	(0)	(0)	(0)	0	0
- (from)/to lifetime ECL-Stage 2	(0)	0	0	0	(0)	(0)
Remeasurement due to change in ECL risk parameters	(2)	0	(2)	4	1	4
- of which 12-month ECL-Stage 1	(5)	0	(5)	1	(1)	0
- of which lifetime ECL-Stage 2	(0)	0	0	1	2	2
- of which lifetime ECL-Stage 3	3	-	3	2	-	2
Financial assets disposed during the year	(1)	(3)	(4)	(1)	(5)	(6)
- of which 12-month ECL-Stage 1	(1)	(3)	(3)	(1)	(3)	(4)
Financial assets redeemed during the year	(2)	(0)	(3)	(0)	(0)	(1)
- of which lifetime ECL-Stage 3	(2)	-	(2)	-	-	-
Foreign exchange and other movements	0	1	2	0	0	0
Balance as at 31 December	25	8	33	26	8	33

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22.3 Equity reserve: revaluation of the investment securities at FVOCI

Gains and losses arising from the changes in the fair value of investment securities at FVOCI are recognized in a corresponding revaluation reserve in equity. The movement of the reserve is as follows:

	2025 € million	2024 € million
Balance at 1 January	57	48
Net gains/(losses) from changes in fair value	12	60
Tax (expense)/benefit	(0)	(10)
	12	50
Net (gains)/losses transferred to net profit on disposal	(22)	(7)
Net (gains)/losses from fair value changes of hedged items	25	(45)
ECL transferred to net profit	2	4
Tax (expense)/benefit on net (gains)/losses transferred to net profit	(3)	12
	2	(36)
Revaluation reserve from associated undertakings, net of tax	-	(5)
Revaluation reserve on equities securities transferred to R/E	9	(0)
Balance at 31 December	80	57

23. Group composition

23.1 Merger of Eurobank Ergasias Services and Holdings S.A. with Eurobank S.A.

On 19 December 2024, Eurobank Holdings announced that its Board of Directors decided the initiation of the merger process of Eurobank Holdings with the Bank through absorption of the former by the latter (the Merger), in order that operational efficiencies and a leaner group structure be achieved.

On 30 April 2025, the Board of Directors of both companies approved the draft merger agreement and on 19 May 2025, announced the completion of its publicity formalities.

On 22 October 2025 and 3 December 2025 the Extraordinary General Meetings of Eurobank S.A. and Eurobank Holdings respectively, approved the above Merger in accordance with the provisions of article 16 of law 2515/1997, articles 6-21, 30-34 and 140 of law 4601/2019 and the applicable provisions of law 4548/2018, as in force and under the specific terms and conditions set out in the Draft Merger Agreement, and the rest of the documents, as submitted to the General Meetings. The merger has also received the approval of the competent supervisory authority the European Central Bank pursuant to article 16 of law 2515/1997.

On 12 December 2025, following the registration with the General Commercial Registry of the decision of the Ministry of Development under protocol number 3831464 ΑΠ/12.12.2025, the above Merger was completed and the following effects occurred:

(a) The Bank, pursuant to Article 16 of Law 2515/1997 and Article 18 (2) of Law 4601/2019, as currently in force, succeeded by operation of law, through universal succession, to the entire estate (assets and liabilities) of Eurobank Holdings, as reflected in the transformation balance sheet dated 31 December 2024 and as it had evolved until the completion of the Merger.

(b) Eurobank Holdings was dissolved without liquidation and ceased to exist, while its shares were delisted from the Athens Stock Exchange (ATHEX).

(c) Any pending litigation of Eurobank Holdings shall continue automatically in the name of the Bank, without any further procedural formalities, in accordance with Article 16 of Law 2515/1997 and Article 18(3) of Law 4601/2019, as in force.

(d) The shareholders of Eurobank Holdings became shareholders of the Bank, on the basis of the following agreed exchange ratio: for each one existing common registered share with voting rights of Eurobank Holdings, with a nominal value of € 0.22 each, its holder received one new common registered dematerialized share with voting rights of the Bank, with a nominal value of € 0.22, in the share capital of the Bank as formed in the context of the Merger (note 37). The shareholders therefore retained, following the Merger, the same number of shares as they held prior to the Merger.

In addition, following the approval on 26 November 2025 by the Hellenic Capital Markets Commission of the Bank's Prospectus, prepared in accordance with the applicable legal framework, the ATHEX on 12 December 2025 approved the admission to trading of 3,631,510,801 new common registered shares of the Bank, with commencement date of trading on 15 December 2025 and starting

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price the closing price of Eurobank Holdings share on 9 December 2025, which was the last date of trading on the ATHEX prior to the completion of the Merger. In addition, the commencement of trading on the Main Market of the Cyprus Stock Exchange took place 19 December 2025.

Further information is provided on the relevant corporate announcements published on the Bank's website.

23.2 Shares in subsidiaries

The following is a listing of the Bank's subsidiaries as at 31 December 2025, included in the consolidated financial statements for the year ended 31 December 2025:

Name	Note	Percentage holding	Country of incorporation	Line of business
Be Business Exchanges Single Member Societe Anonyme of Business Exchanges Networks and Accounting and Tax Services		100.00	Greece	Business-to-business e-commerce, accounting, tax and sundry services
Eurobank Asset Management Mutual Fund Mngt Company Single Member S.A.		100.00	Greece	Mutual fund and asset management
Eurobank Equities Investment Firm Single Member S.A.		100.00	Greece	Capital markets and advisory services
Eurobank Leasing Single Member S.A.		100.00	Greece	Leasing
Eurobank Factors Single Member S.A.		100.00	Greece	Factoring
Cyprialife Greece Single Member S.A. ⁽²⁾		100.00	Greece	Life Insurance
Herald Greece Single Member Real Estate development and services S.A. 1		100.00	Greece	Real estate
Piraeus Port Plaza 1 Single Member Development S.A.		100.00	Greece	Real estate
(Under liquidation) Anchor Hellenic Investment Holding Single Member S.A.		100.00	Greece	Real estate
Athinaiki Estate Investments Single Member S.A.		100.00	Greece	Real estate
Piraeus Port Plaza 2 Single Member Development S.A.		100.00	Greece	Real estate
Piraeus Port Plaza 3 Single Member Development S.A.		100.00	Greece	Real estate
Tenberco Real Estate Single Member S.A.		100.00	Greece	Real estate
Value Touristiki Single Member Development S.A.		100.00	Greece	Real estate
Insignio Single Member S.A.		100.00	Greece	Real estate
Anaptyxeis Plagias Single Member S.A. ⁽²⁾		100.00	Greece	Real estate
Eurobank Ananeosimes Single Member S.A.		100.00	Greece	Production and distribution of solar generated electric energy
Eurobank Bulgaria AD		99.99	Bulgaria	Banking
PB Personal Finance EAD		99.99	Bulgaria	Pension assurance intermediary business
Berberis Investments Ltd		100.00	Channel Islands	Holding company
Eurobank Limited ⁽¹⁾	e	100.00	Cyprus	Banking
Hellenic Bank (Investments) Ltd ⁽¹⁾		100.00	Cyprus	Investment banking, asset management and brokerage
HB Data Analytics Ltd ⁽¹⁾		100.00	Cyprus	Auxiliary services
HB Insurance Holding Ltd ⁽¹⁾		100.00	Cyprus	Insurance services
Ezmero Holdings Ltd ⁽¹⁾		100.00	Cyprus	Real estate
Anolia Industrial Ltd ⁽¹⁾		100.00	Cyprus	Real estate
Drypto Holdings Ltd ⁽¹⁾		100.00	Cyprus	Real estate
Arzetio Holdings Ltd ⁽¹⁾		100.00	Cyprus	Real estate
Katlero Holdings Ltd ⁽¹⁾		100.00	Cyprus	Real estate
ERB Cyprus Insurance Holdings Ltd ⁽²⁾		100.00	Cyprus	Holding company
ERB Cyprialife Ltd ⁽²⁾	h	100.00	Cyprus	Life Insurance
ERB Asfalistiki Ltd ⁽²⁾	h	100.00	Cyprus	General Insurance
ERB Cyprus Properties Ltd ⁽²⁾		100.00	Cyprus	Holding company
ERB Cyprus Tower Ltd ⁽²⁾		100.00	Cyprus	Real estate
Cyprialife Insurance Brokers Ltd ⁽²⁾		100.00	Cyprus	Insurance Brokerage
Laiki Brokers (Insurance & Consultancy Services) Ltd ⁽²⁾		100.00	Cyprus	Insurance Brokerage
Laiki Insurance Agencies Ltd ⁽²⁾		100.00	Cyprus	Insurance agency services
LCYL Karpenisiou Properties Ltd ⁽²⁾		100.00	Cyprus	Real estate
LCYL Kiti Properties Ltd ⁽²⁾		100.00	Cyprus	Real estate

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<u>Name</u>	<u>Note</u>	<u>Percentage holding</u>	<u>Country of incorporation</u>	<u>Line of business</u>
LCYL Dramas Properties Ltd ⁽²⁾		100.00	Cyprus	Real estate
LCYL Properties Ltd ⁽²⁾		100.00	Cyprus	Real estate
CL Archangelos Anaptyxis Ltd ⁽²⁾		100.00	Cyprus	Real estate
CL Archangelos Properties Ltd ⁽²⁾		100.00	Cyprus	Real estate
Montper Enterprises Ltd ⁽²⁾		100.00	Cyprus	Holding company
CL (Mesa Geitonia) Properties Ltd ⁽²⁾		100.00	Cyprus	Real estate
Foramonio Ltd		100.00	Cyprus	Real estate
Lenevino Holdings Ltd		100.00	Cyprus	Real estate
Rano Investments Ltd		100.00	Cyprus	Real estate
Neviko Ventures Ltd		100.00	Cyprus	Real estate
Zivar Investments Ltd		100.00	Cyprus	Real estate
Amvanero Ltd		100.00	Cyprus	Real estate
Revasono Holdings Ltd		100.00	Cyprus	Real estate
Volki Investments Ltd		100.00	Cyprus	Real estate
Adariano Investments Ltd		100.00	Cyprus	Real estate
Elerovio Holdings Ltd		100.00	Cyprus	Real estate
Ovedrio Holdings Ltd		100.00	Cyprus	Real estate
Primoxia Holdings Ltd		100.00	Cyprus	Real estate
Severdor Ltd		100.00	Cyprus	Holding company
Eurobank Private Bank Luxembourg S.A.		100.00	Luxembourg	Banking
Eurobank Fund Management Company (Luxembourg) S.A.		100.00	Luxembourg	Fund management
ERB Lux Immo S.A.		100.00	Luxembourg	Real estate
ERB New Europe Funding B.V.		100.00	Netherlands	Finance company
ERB New Europe Funding II B.V.		100.00	Netherlands	Finance company
ERB IT Shared Services S.A.		100.00	Romania	Informatics data processing
Seferco Development S.A.		99.99	Romania	Real estate
ERB Leasing A.D. Beograd-in Liquidation		100.00	Serbia	Leasing
IMO Property Investments A.D. Beograd		100.00	Serbia	Real estate services
Karta II Plc		-	United Kingdom	Special purpose financing vehicle
Astarti Designated Activity Company		-	Ireland	Special purpose financing vehicle
ERB Recovery Designated Activity Company		-	Ireland	Special purpose financing vehicle

⁽¹⁾ Entities of the former Hellenic Bank group, which was consolidated as of the third quarter of 2024. As of November 2024, following the share purchase agreements with certain shareholders of Hellenic Bank and Eurobank's squeeze-out right to acquire the remaining shares of Hellenic Bank, the entity is included in the Group's financial statements with 100% consolidation percentage. As of June 2025, following the completion of the Squeeze Out procedure, the Bank's holding in the company's share capital reached 100% (note 23.3).

⁽²⁾ CNP Cyprus Insurance Holdings Limited and its subsidiaries (former "CNP Cyprus subgroup") were acquired by Hellenic Bank in April 2025 (note 23.4).

Note: In the third quarter of 2025, in the context of the sale of non-performing loans to KEDIPES, the Bank's subsidiary Eurobank Limited, established "Kladozo Holdings Ltd", which was subsequently renamed to "Creditum Holdings Ltd". In January 2026, in the context of the completion of the agreement between Eurobank Limited and KEDIPES, the latter acquired 100% of the shares of Creditum Holdings Ltd (note 20).

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

(i) the Group's special purpose financing vehicles and the related holding entities: a) Anaptyxi APC Ltd, which is dormant/under liquidation and b) Themeleion III Holdings Ltd, Themeleion IV Holdings Ltd, Themeleion Mortgage Finance Plc, Themeleion II Mortgage Finance Plc, Themeleion III Mortgage Finance Plc, Themeleion IV Mortgage Finance Plc, Themeleion V Mortgage Finance Plc, Themeleion VI Mortgage Finance Plc and Byzantium II Finance Plc, which were dormant and/or are under liquidation and were dissolved in February 2026.

(ii) the holding entity of Karta II Plc: Karta II Holdings Ltd.

(iii) dormant entity: Enalios Real Estate Development S.A.

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

In 2025, the changes in the Group structure due to: a) acquisitions and mergers of companies, b) sales and other corporate actions, which resulted in loss of control, c) transactions with the non-controlling interests, which did not result in loss of control and d) liquidations, are as follows:

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(a) Oscar Estate EAD, Bulgaria

In March 2025, the Bank's subsidiary Eurobank Bulgaria AD acquired 100% of the shares of Oscar Estate EAD for a cash consideration of € 39.2 million. In line with IFRS 3 requirements, the acquisition was accounted for as an asset acquisition rather than a business combination, since substantially all of the fair value of the gross assets acquired was concentrated in a single identifiable asset and no substantive business processes were acquired. Accordingly, no goodwill was recognized, whereas the acquired property, along with other assets/other liabilities, were recognized in the Group's balance sheet by allocating the purchase price to the individual identifiable assets and liabilities on the basis of their relative fair values. Following the above treatment, at the acquisition date the total assets of the company amounted to € 39.3 million, of which € 31.2 million referred to own used property and € 8 million referred to investment property, while total liabilities amounted to € 0.1 million. In December 2025, the merger of Oscar Estate EAD with Eurobank Bulgaria AD was completed by absorption of the former by the latter.

(b) Hellenic Insurance Agency Ltd, Cyprus

In March 2025, the dissolution of the company was completed with an immaterial effect for the Group.

(c) Pancyprian Insurance Ltd, Cyprus – see also below item (i)

In May 2025, the Bank's subsidiary Hellenic Bank Public Company Limited acquired an additional participation interest of 0.0361% in the company, therefore its holding in the company's share capital reached 100%.

(d) IMO Property Investments Bucuresti S.A., Romania

In June 2024, the sale of IMO Property Investments Bucuresti S.A. was considered highly probable, therefore the company was classified as held for sale in accordance with IFRS 5. Accordingly, in the second quarter of 2024, a remeasurement/impairment loss of € 9.4 million on real estate properties was recognised in the income statement line "Other impairments, risk provisions and related costs". In April 2025, the sale of the Group's participation interest of 100% in IMO Property Investments Bucuresti S.A. was completed for a cash consideration of € 7.5 million, including other receivables based on the sale agreement. The resulting loss from the sale amounted to € 1 million before tax, following the recyclement to the income statement of ca. € 1 million cumulative losses relating to currency translation differences, previously recognized in other comprehensive income.

(e) Merger of Hellenic Bank Public Company Limited and Eurobank Cyprus Ltd, Cyprus

On 29 August 2025, the Bank announced the receipt of all required regulatory approvals for the merger of its wholly owned subsidiaries in Cyprus, i.e. Hellenic Bank and Eurobank Cyprus. Effective 1 September 2025, and in accordance with the Cypriot Transfer of Banking Business and Collateral Law of 1997, all assets and liabilities of Eurobank Cyprus were transferred to Hellenic Bank. The transaction was executed through the issuance of new common shares by Hellenic Bank to Eurobank Cyprus, representing 36.15% of its share capital, while the remaining 63.85% was held by Eurobank S.A. Following the transaction, Eurobank Cyprus Ltd was renamed to ERB Cyprus Holdings Ltd and Hellenic Bank Public Company Limited was renamed to Eurobank Limited.

On 3 December 2025, the merger of the two organizations was completed. On the same date, a) the share capital of Eurobank Limited was reduced by € 116.8 million corresponding to the shares held by ERB Cyprus Holdings, which were cancelled and b) increased by the same amount through the issuance of an equivalent number of shares allocated to Eurobank S.A. As a result of these corporate actions, Eurobank S.A. became the sole shareholder of Eurobank Limited and ERB Cyprus Holdings Ltd was dissolved.

The merger of the two organizations is in line with the Bank's strategy to create a single, strong and modern financial institution, which will be able to provide upgraded banking and insurance services to its customers, contributing to the development of the Cypriot economy.

(f) Afinopio Investments Ltd, Cyprus

In August 2025, the Bank's subsidiary Eurobank Cyprus Ltd signed an agreement for the sale of its participation interest of 100% in Afinopio Investments Ltd to a third party for a cash consideration of € 0.4 million. The resulting gain on the disposal was immaterial for the Group.

(g) ERB New Europe Holding B.V., Netherlands

In December 2025, the liquidation of the company was completed.

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(h) Herald Greece Single Member Real Estate development and services S.A. 2, Greece

In October 2025, the Bank sold its participation interest of 100% in Herald Greece Single Member Real Estate development and services S.A. 2 to a third party for a cash consideration of € 10.8 million, with a resulting loss of € 0.5 million for the Group.

(i) Merger of Group's Cypriot insurance companies

In October 2025, the merger of the Group's Cypriot insurance companies was completed. This involved the transfer of all insurance portfolios, assets, and liabilities of Hellenic Life Insurance Company Ltd and Pancyprian Insurance Ltd to ERB Cyprialife Ltd and ERB Asfalistiki Ltd, respectively. Accordingly, Hellenic Life Insurance Company Ltd and Pancyprian Insurance Ltd were dissolved.

Agreement with Fairfax for the acquisition of Eurolife FFH Life Insurance and the partial disposal of ERB Asfalistiki Ltd

On 13 October 2025, Eurobank Ergasias Services and Holdings S.A. and its subsidiary, Eurobank S.A. together ("Eurobank"), announced that Eurobank Holdings has signed a term sheet with Fairfax Financial Holdings Limited ("Fairfax") pursuant to which Eurobank shall acquire the remaining 80% of the life insurance business ("Eurolife Life") (the Transaction) for a net cash consideration of € 813 million. Following this acquisition, Eurobank will hold 100% of Eurolife Life and will retain its 20% interest in Eurolife Holdings' general insurance business ("Eurolife General Insurance").

Eurolife Life stands as a leading life insurer in Greece, holding a market share of c. 21%, while for 2025, it is projected to achieve gross written premiums of c. € 600 million. The Transaction will enable Eurobank to enhance its profitability base by fully consolidating Eurolife Life's financial results, further diversify its revenue streams through increased fees and commissions, and maximize the potential of its bancassurance platform.

In addition to the aforementioned Transaction, Fairfax shall procure that certain affiliates of Fairfax will acquire 45% of the share capital of ERB Asfalistiki ("ERBA"), the non-life (property and casualty) insurance company of Eurobank Limited in Cyprus, for a cash consideration of € 59 million. Fairfax will also have the right to acquire the remaining 55% of the share capital of ERBA over time. This strategic partnership will allow both companies to combine their strengths in underwriting, risk management, and product development, driving greater operational efficiency and unlocking new market opportunities in Greece and Cyprus.

The above transactions are expected to increase Eurobank Group's fees and commissions by c. 12%, driving the contribution of asset management and insurance to total fees, in excess of 30%.

The signing of both share purchase agreements is expected within the first quarter of 2026 whilst the completion within the second quarter of 2026. Both transactions are subject to the required approvals from the relevant authorities and the process for related party transactions. Further information is available in the relevant announcement on the Bank's website.

Post balance sheet events

- (i) In January 2026, the liquidation of Severdor Ltd was decided.
- (ii) In February 2026, the Group entered into an agreement for the acquisition of a controlling interest in a software company in Bulgaria, for an upfront consideration of c. € 18 million plus additional consideration that is contingent on future profitability. The completion of the transaction is subject to customary regulatory approvals and is expected to be finalized within the first quarter of 2026.

In 2024, the significant changes in the Group structure were as follows:

(i) Reco Real Property A.D. Beograd, Serbia

In February 2024, the Bank signed an agreement for the sale of its participation interest of 100% in Reco Real Property A.D. Beograd to a third party for a cash consideration of € 11.5 million. Following the above, the company was classified as held for sale and measured by reference to the agreed consideration, being lower than its carrying amount. Accordingly, in the first quarter of 2024, a fair value remeasurement loss of € 1.8 million for the company's main asset, relating to investment property, was recognized in the income statement line "Other income/(expenses)". In June 2024, the sale of the company was completed, with an immaterial effect on the Group's income statement.

(ii) Special purpose financing vehicle for the securitization of Bank's loans and related real estate company

In the context of Project "Leon", on 8 July 2024, the Bank proceeded to a securitization transaction through the special purpose financing vehicle "LEON CAPITAL FINANCE DESIGNATED ACTIVITY COMPANY". In September 2024, the Group disposed 95% of the

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mezzanine and junior notes of the abovementioned securitization to a third party, therefore ceased to control the SPV and the related real estate company “Leon Capital Estate Single Member S.A.” (note 20).

(iii) ADEXA Real Estate Single Member S.A., Greece

In December 2024, the merger of the Bank and its wholly owned subsidiary ADEXA Real Estate Single Member S.A. was completed, by absorption of the latter by the former.

(iv) Severdor Ltd, Cyprus and Insignio Single Member S.A., Greece

In December 2024, the Bank acquired 100% of the shares of Severdor Ltd for a cash consideration of ca. € 34 million. The main asset of Severdor Ltd was the participation in the whole of the issued share capital of Insignio Single Member S.A., which in turn owns an investment property as its main asset. In line with IFRS 3 requirements, the acquisition was accounted for as an asset acquisition rather than a business combination, since substantially all of the fair value of the gross assets acquired was concentrated in a single identifiable asset and no substantive business processes were acquired. Accordingly, no goodwill was recognized, whereas the acquired property, along with other assets/other liabilities, were recognized in the Group’s balance sheet by allocating the purchase price to the individual identifiable assets and liabilities on the basis of their relative fair values. Following the above treatment, at the acquisition date the total assets of both companies amounted to ca. € 86 million, of which ca. € 75 million investment property, while total liabilities amounted to ca. € 52 million, of which ca. € 44 million intragroup funding.

Significant restrictions on the Group's ability to access or use the assets and settle the liabilities of the Group

The Group does not have any significant restrictions on its ability to access or use its assets and settle its liabilities other than those resulting from regulatory, statutory and contractual requirements, set out below:

- Banking and other financial institution subsidiaries are subject to regulatory restrictions and central bank requirements in the countries in which the subsidiaries operate. Such supervisory framework requires the subsidiaries to maintain minimum capital buffers and certain capital adequacy and liquidity ratios, including restrictions to limit exposures and/or the transfer of funds to the Bank and other subsidiaries within the Group. Accordingly, even if the subsidiaries’ financial assets are not pledged at an individual entity level, their transfer within the Group may be restricted under the existing supervisory framework. As at 31 December 2025, the carrying amount of the Group financial institution subsidiaries’ assets and liabilities, before intercompany eliminations, amounted to € 47.9 billion and € 42.5 billion, respectively (2024: € 44.1 billion and € 39.3 billion, excluding Eurobank S.A.).
- Subsidiaries are subject to statutory requirements mainly relating with the level of capital and total equity that they should maintain, restrictions on the distribution of capital and special reserves, as well as dividend payments to their ordinary shareholders.
- Insurance subsidiaries, which are also subject to regulatory and statutory restrictions, hold financial assets (Due from credit institutions and Investment securities) of € 922 million (2024: € 128 million), (before intercompany eliminations) in order to satisfy their obligations to policy holders.
- The Group uses its financial assets as collateral for repo and derivative transactions, secured borrowing from central and other banks, issuances of covered bonds, as well as securitizations. As a result of financial assets’ pledge, their transfer within the Group is not permitted. Information relating to the Group’s pledged financial assets is provided in notes 17, 29 and 41.
- The Group is required to maintain mandatory and collateral deposits with central banks. Information for these deposits is provided in note 15.

23.3 Corporate actions in relation to Hellenic Bank group

Hellenic Bank Public Company Ltd (“Hellenic Bank”), a financial institution based in Cyprus was accounted for as a Group’s associate under the equity method from April 2023 until 30 June 2024.

In June 2024, the Bank acquired an additional 26.3% holding in Hellenic Bank and also announced, pursuant to the Takeover Bids Law of 2007 of the Republic of Cyprus (“Law”), the submission of a Mandatory Takeover Bid to all shareholders of Hellenic Bank for the acquisition of up to 100% of its issued share capital. The acceptance period for the Mandatory Takeover Bid expired on 30 July 2024, eliminating any restrictions imposed by the Law on the Bank’s ability to exercise its voting rights in full. Considering the provisions of the Law, the Cyprus’ legal framework including the Companies Law Cap. 113, as well as the Hellenic Bank’s articles of association in

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relation to the exercise of shareholders' rights, including the timing for convening a general meeting of the shareholders, it was assessed that the Bank acquired control over Hellenic Bank group within July, despite being the holder of 55.48% of Hellenic Bank's shares as at 30 June 2024. Accordingly, Hellenic Bank and its subsidiaries were included in the Company's consolidated financial statements from the beginning of the third quarter of 2024. The total percentage of acceptance of the Takeover Bid reached 0.481%, giving Eurobank total participation of 55.962% in the issued share capital of Hellenic Bank.

Moreover, in November 2024, the Bank announced that: (a) it had entered into share purchase agreements with certain shareholders of the Hellenic Bank, pursuant to which it agreed to acquire an additional total holding of 37.51% in the entity, for a total consideration of ca. € 750 million, corresponding to € 4.843 per share and, (b) it would exercise its squeeze-out right to acquire any outstanding shares of Hellenic Bank and take all necessary steps for the delisting of Hellenic Bank's shares from the Cyprus Stock Exchange. In the consolidated financial statements for the year ended 31 December 2024, the above transactions, including the Bank's squeeze-out right for the acquisition of the remaining shares of Hellenic Bank, were accounted for as forward contracts at a fixed price to acquire shares in a subsidiary that are held by non-controlling interests and were deemed to provide present access to the risks & rewards of ownership of these shares to the Bank. Accordingly, as of November 2024, Hellenic Bank is included in the Group's financial statements with 100% consolidation percentage.

Detailed information regarding the consolidation of the former Hellenic Bank group is provided in note 23.2 of the consolidated financial statements for the year ended 31 December 2024.

On 11 February 2025, after the receipt of the relevant regulatory approvals, the acquisition of a total 37.51% stake in Hellenic Bank, as mentioned above, was completed resulting in the Bank's total holding in Hellenic Bank at 93.47%. The financial liability of ca. € 750 million that had respectively been recognised to reflect the Bank's unconditional obligation to deliver cash to non-controlling shareholders for the acquisition of the 37.51% stake in Hellenic Bank was settled in cash at the completion date of the transactions.

Following that and pursuant to the provisions of the Takeover Bids Law in Cyprus, the Bank also announced the submission of a Mandatory Takeover Bid to the shareholders of Hellenic Bank for the acquisition of up to 100% of the issued share capital of Hellenic Bank for a consideration of € 4.843 per share. The acceptance period of the Takeover Bid commenced on 11 March 2025 and ended on 9 April 2025.

On 25 April 2025, the Bank announced that the total percentage of acceptance of the Takeover Bid reached 4.525%, as the valid Acceptance and Transfer Forms submitted were for 18,678,262 shares of Hellenic Bank resulting in the Bank's total participation of 97.994% in the issued share capital of Hellenic Bank. Moreover, on 28 April 2025, the Bank applied to the Cyprus Securities and Exchange Commission for the exercise of the Squeeze Out right provided by Article 36 of the Takeover Bids Law, for the acquisition of the remaining shares of Hellenic Bank.

On 11 June 2025, the Bank announced the completion of the Squeeze Out procedure. It acquired the remaining 8,279,967 shares of Hellenic Bank, representing 2.006% of its issued share capital, at the price of € 4.843 per share. Following this transaction, the Bank's holding in the company's share capital reached 100%.

As of the second quarter of 2025, the fair value exercise performed by the Group to measure the identifiable assets acquired and liabilities incurred from the acquisition of Hellenic Bank has been completed, without any significant differences identified, compared to the acquisition values that were presented in the consolidated financial statements for the year ended 31 December 2024. Moreover, from 1 January 2025, the fair value adjustments that were previously included on a provisional basis within the balance sheet lines 'Other assets' and 'Other liabilities', are presented to the respective balance sheet lines they relate to.

23.4 Acquisition of CNP Cyprus Insurance Holdings Limited

On 16 April 2025, Hellenic Bank (currently Eurobank Limited) announced that following the receipt of all relevant regulatory approvals, the acquisition of the entire share capital of CNP Cyprus Insurance Holdings Limited from CNP Assurances (the "Transaction") was completed, for a total cash consideration of € 182 million. As of May 2025, the acquired entity has been renamed ERB Cyprus Insurance Holdings Limited.

The acquisition of CNP Cyprus Insurance Holdings Limited and its subsidiaries (former "CNP Cyprus subgroup") was accounted for as a business combination using the purchase method of accounting, where provisional values have been applied. The respective fair value exercise for the measurement of the identifiable assets acquired and liabilities incurred is expected to be completed no later than the one year initial measurement period from the acquisition date. During the measurement period, the Group may

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retrospectively adjust the provisional amounts to reflect new information obtained about facts and circumstances that existed at the acquisition date.

The following table presents the provisional values of the identifiable assets and liabilities of the former CNP Cyprus subgroup as at 31 March 2025, including provisional fair value adjustments of € 20.4 million recognized in the third quarter, which increased the net assets acquired accordingly.

	Provisional values on acquisition € million
ASSETS	
Due from credit institutions	36
<i>of which intercompany balances with the Group</i>	22
Investment securities	701
Property and equipment	25
Investment property	47
Other assets ⁽¹⁾	34
Total assets ⁽²⁾	843
LIABILITIES	
Insurance contract liabilities	508
Other liabilities ⁽³⁾	92
Total liabilities	600
Net assets acquired	243

⁽¹⁾ Other assets include € 18 million reinsurance contract assets, € 6 million intangible assets and other receivables.

⁽²⁾ net cash outflow on acquisition, after cash and cash equivalents acquired and acquisition-related costs, amounted to € 171 million.

⁽³⁾ Other liabilities include € 65 million investment contract liabilities.

The acquisition resulted in a provisional gain of € 58.4 million, net of acquisition-related costs of € 2.5 million, which has been recognized in 'Other income/(expenses)'. This gain is mainly attributed to the terms of the acquisition, with the total consideration being equal to former CNP Cyprus subgroup's book value as of 31 December 2023. The transaction is in line with Eurobank's strategic objective to expand in the Cypriot insurance market. The acquired entity's subsidiaries, hold a leading position in Cyprus in the insurance sector and offer life and general insurance products and services through a large network of independent agents. The Transaction is expected to further expand and strengthen the existing position of Eurobank Limited in the insurance market, increasing significantly its market share in the life and general insurance sectors.

The results of the former CNP Cyprus subgroup were incorporated in the Group's financial statements prospectively, as of 1 April 2025. For the year ended 31 December 2025, former CNP Cyprus subgroup has contributed € 48 million to the Group's net revenues from international operations and € 34 million to its net profit. If the acquisition had occurred on 1 January 2025, the former CNP Cyprus subgroup would have contributed € 8 million to the Group's net revenues from international operations for the period up to 31 March 2025.

24. Investments in associates and joint ventures

As at 31 December 2025, the carrying amount of the Group's investments in associates and joint ventures amounted to € 251 million (2024: € 203 million). The following is the listing of the Group's associates and joint ventures as at 31 December 2025:

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<u>Name</u>	<u>Country of incorporation</u>	<u>Line of business</u>	<u>Group's share</u>
Femion Ltd	Cyprus	Special purpose investment vehicle	66.45
(Under liquidation) Global Finance S.A.	Greece	Investment financing	33.82
Odyssey GP S.a.r.l.	Luxembourg	Special purpose investment vehicle	20.00
Eurolife FFH Insurance Group Holdings S.A.	Greece	Holding company	20.00
Alpha Investment Property Commercial Stores S.A.	Greece	Real estate	30.00
Peirga Kythnou P.C.	Greece	Real estate	50.00
doValue Greece Loans and Credits Claim Management S.A.	Greece	Loans and Credits Claim Management	20.00
Perigenis Business Properties S.A.	Greece	Real estate	18.90

Notes:

a) In the first half of 2024, in the context of Solar securitization, the Bank along with the other Greek systemic banks established "REOCO SOLAR S.A." with participation holding 23.4%. Given the abandonment of the Solar Project (note 20), the aforementioned entity that remains dormant since its establishment will be dissolved.

b) On 16 July 2025, Eurobank along with other Greek lending banks triggered the acceleration clause on the loan agreements of Avramar Aquaculture S.A., making them immediately due and payable. Following the acceleration notice, and pursuant to the terms of the relevant share pledge agreements, the banks became the sole beneficiaries of the voting rights attached to the shares of Avramar Aquaculture S.A and the pledged shares of other Avramar group companies, with no direct shareholding. As a result, the aforementioned companies are considered to be jointly controlled by the lending banks, based on the proportionate participation of each lender in the respective loans. As of 31 December 2025, the Group classified its loan exposure to the Avramar group as held for sale. For further details, please refer to Note 20 Loans and advances to customers.

Omega Insurance and Reinsurance Brokers S.A. in which the Group holds 26.05% is not accounted under the equity method in the consolidated financial statements. The Group is not represented in the Board of Directors of the company, therefore does not exercise significant influence over it.

Femion Ltd. is accounted for as a joint venture of the Group based on the substance and the purpose of the arrangement and the terms of the shareholder's agreement which require the unanimous consent of the shareholders for significant decisions and establish shared control through the equal representation of the shareholders in the management bodies of the company.

Perigenis Business Properties S.A. is accounted for as an associate of the Group based on the Bank's representation in the Board of Directors and the decision-making process as prescribed in the company's articles of association.

As at 31 December 2025, the Group's share of results of associates and joint ventures amounted to € 47 million gain, while in the comparative period the respective amount stood at € 161 million gain, of which € 133 million gain relates to the Group's share of results from the former Hellenic Bank group, as adjusted in the third quarter of 2024, based on its published financial information for the first half of 2024.

In the second quarter of 2024, following the acquisition of an additional holding of 26.28% in Hellenic Bank, the Group had recognised a gain of € 99.4 million in the income statement line "Other income/(expenses)".

Post balance sheet event

Global Finance S.A., Greece

In February 2026, the liquidation of the company was resolved and its name was updated accordingly.

Associates and joint ventures material to the Group

With regards to the Group's associates and joint ventures, Eurolife FFH Insurance Group Holdings S.A. and doValue Greece Loans and Credits Claim Management S.A. are considered individually material for the Group. Financial information regarding those entities is provided in the tables below:

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Eurolife FFH Insurance Group Holdings S.A.

	2025 € million	2024 € million
Current assets	3,856	3,544
Non-current assets	283	290
Total assets	4,139	3,834
Current liabilities	364	389
Non-current liabilities	2,930	2,783
Total liabilities	3,294	3,172
Equity	845	662
Group's carrying amount of the investment	169	132
Operating income	279	211
Net profit	177	90
Other comprehensive income	6	(46)
Total comprehensive income	183	45
Dividends paid to the Group	-	12

doValue Greece Loans and Credits Claim Management S.A.

	2025 € million	2024 € million
Current assets	228	212
Non-current assets	314	309
Total assets	542	521
Current liabilities	127	117
Non-current liabilities	49	86
Total liabilities	176	203
Equity	366	318
Group's share in equity	73	64
Goodwill and other adjustments	(4)	(6)
Group's carrying amount of the investment	69	58
Operating income	103	110
Net profit	51	56
Total comprehensive income	51	56
Dividends paid to the Group	-	-

Note: Goodwill and other adjustments comprise a) € 6 million Goodwill included in the carrying amount of the investment (2024: € 6 million), and b) € -10 million adjustment from the elimination of the Group's share of the associate's income relating to upstream transactions with the Bank (2024: € -12 million), of which € 1 million gain (2024: € 2 million loss) was recognised during the year. The Group's share of the associate's results after the above adjustments, including cut off differences, amounts to € 11 million income (2024: € 10 million income).

The carrying amount, in aggregate, of the Group's joint ventures as at 31 December 2025 amounted to € 4 million (2024: € 4 million). The Group's share of profit and loss and total comprehensive income of the above entities was € 0.1 million loss (2024: immaterial).

The carrying amount, in aggregate, of the Group's associates excluding Eurolife FFH Insurance Group Holdings S.A. and doValue Greece Loans and Credits Claim Management S.A. which are presented above (i.e. Global Finance S.A., Odyssey GP S.a.r.l., and

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Perigenis Business Properties S.A.) as at 31 December 2025 amounted to € 9 million (2024: € 9 million). The Group's share of profit and loss and total comprehensive income of the above entities amounted to € 0.4 million (2024: immaterial).

The Group has not recognized losses in relation to its interest in its joint ventures, as its share of losses exceeded its interest in them and no incurred obligations exist or any payments were performed on behalf of them. For the year ended 31 December 2025, the unrecognized share of losses for the Group's joint ventures amounted to € 0.1 million (2024: € 0.1 million). The cumulative amount of unrecognized share of losses for the joint ventures amounted to € 4 million (2024: € 4 million).

As at 31 December 2025, the Group has no unrecognized commitments in relation to its participation in joint ventures nor any contingent liabilities regarding its participation in associates or joint ventures, which could result to a future outflow of cash or other resources.

The insurance subsidiaries of the Group's associate Eurolife FFH Insurance Group Holdings S.A are subject to regulatory and statutory restrictions and are required to maintain sufficient capital to satisfy their insurance obligations.

Except as described above, no significant restrictions exist (e.g. resulting from loan agreements, regulatory requirements or other contractual arrangements) on the ability of associates or joint ventures to transfer funds to the Group either as dividends or to repay loans that have been financed by the Group.

25. Structured Entities

The Group is involved in various types of structured entities, such as securitization vehicles, mutual funds and private equity funds.

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. A structured entity often has restricted activities, a narrow well-defined objective, insufficient equity to permit it to finance its activities without subordinated financial support and financing in the form of multiple contractually linked instruments to investors that create concentrations of credit or other risks.

An interest in a structured entity refers to contractual and non-contractual involvement that exposes the Group to variability of returns from the performance of the structured entity. Examples of interest in structured entities include the holding of debt and equity instruments, contractual arrangements, liquidity support, credit enhancement, residual value.

Structured entities may be established by the Group or by a third party and are consolidated when the substance of the relationship is such that the structured entities are controlled by the Group, as set out in note 2.2.1(i). As a result of the consolidation assessment performed, the Group has involvement with both consolidated and unconsolidated structured entities, as described below.

Consolidated structured entities

The Group, as part of its funding activity, enters into securitization transactions of various classes of loans (corporate, small and medium enterprise, mortgage, consumer loans, credit card and bond loans), which generally result in the transfer of the above assets to structured entities (securitization vehicles), which, in turn issue debt securities held by investors and the Group's entities. The Group monitors the credit quality of the securitizations' underlying loans, as well as the credit ratings of the debt instruments issued, when applicable, and provides either credit enhancements to the securitization vehicles and/or transfers new loans to the pool of their underlying assets, whenever necessary, in accordance with the terms of the relevant contractual arrangements in force.

A listing of the Group's consolidated structured entities is set out in note 23.

As at 31 December 2025, the face value of debt securities issued by the securitizations sponsored by the Group amounted to € 2,294 million, of which € 1,741 million were held by the Bank (2024: € 2,724 million, of which € 2,171 million were held by the Bank) (notes 20 and 33).

The Group did not provide any non contractual financial or other support to these structured entities, where applicable, and currently has no intention to do so in the foreseeable future.

Unconsolidated structured entities

The Group enters into transactions with unconsolidated structured entities, which are those not controlled by the Group, in the normal course of business, in order to provide fund management services or take advantage of specific investment opportunities.

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Moreover, the Group in the context of its NPE reduction targets has entered into the securitization of various classes of primarily NPE loan portfolios originated or acquired by the Group through the issue of senior, mezzanine and junior notes (note 20).

Group managed funds

The Group establishes and manages structured entities in order to provide customers, either retail or institutional, with investment opportunities. Accordingly, through its subsidiaries Eurobank Asset Management Mutual Fund Mngt Company S.A. and Eurobank Fund Management Company (Luxembourg) S.A., it is engaged with the management of different types of mutual funds, including fixed income, equities, funds of funds and money market.

Additionally, the Group is entitled to receive management and other fees and may hold investments in such mutual funds for own investment purposes as well as for the benefit of its customers.

The Group is involved in the initial design of the mutual funds and, in its capacity as fund manager, takes investment decisions on the selection of their investments, nevertheless within a predefined, by relevant laws and regulations, decision making framework. Therefore, the Group has determined that it has no power over these funds.

Furthermore, in its capacity as fund manager, the Group primary acts as an agent in exercising its decision making authority over them. Based on the above, the Group has assessed that it has no control over these mutual funds and as a result does not consolidate them. The Group does not have any contractual obligation to provide financial support to the managed funds and does not guarantee their rate of return.

Non-Group managed funds

The Group purchases and holds units of third party managed funds including mutual funds, private equity and other investment funds.

Securitizations

The Group has interests in unconsolidated securitization vehicles by investing in residential mortgage backed and other asset-backed securities issued by these entities.

The table below sets out the carrying amount of the Group's interests in unconsolidated structured entities, recognized in the consolidated balance sheet as at 31 December 2025, representing its maximum exposure to loss in relation to these interests. Information relating to the total income derived from interests in unconsolidated structured entities, recognized either in profit or loss or other comprehensive income during 2025 is also provided (i.e. fees, interest income, net gains or losses on revaluation and derecognition):

	31 December 2025			
	Unconsolidated structured entity type			Total € million
	Securitized € million	Group managed funds € million	Non- Group managed funds ⁽²⁾ € million	
Group's interest- assets				
Loans and advances to customers	4,007	-	-	4,007
Investment securities ⁽¹⁾	1,763	98	77	1,938
Other Assets	-	2	-	2
Total	5,770	99	77	5,946
Total comprehensive income from Group interests	109	106	0	215

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	31 December 2024			
	<u>Unconsolidated structured entity type</u>			
	Securizations	Group managed funds	Non- Group managed funds ⁽²⁾	Total
	<u>€ million</u>	<u>€ million</u>	<u>€ million</u>	<u>€ million</u>
Group's interest- assets				
Loans and advances to customers	4,387	-	-	4,387
Investment securities ⁽¹⁾	2,008	89	63	2,160
Other Assets	-	2	-	2
Total	6,395	91	63	6,549
Total comprehensive income from Group interests	158	77	3	238

⁽¹⁾ It includes asset-backed securities held by Group entities from third-party issuances.

⁽²⁾ Investment securities of € 265 million (2024: € 50 million) that are backing unit-linked insurance and investment contract liabilities are not included. Comparatives have been adjusted accordingly.

For the year ended 31 December 2025, total comprehensive income related to the Group's interests from securitizations mainly includes: (i) € 104.1 million interest income of debt securities retained by the Group measured at amortized cost, at FVOCI and FVTPL, (ii) € 0.8 million from gains or losses on revaluation recognized in other comprehensive income and (iii) € 3.9 million gain on revaluation of mezzanine securitization notes. Total income from Group interests in relation to Group managed funds consists of: (i) € 93.9 million income referring to management and related fees for the Group managed funds and (ii) € 12.1 million gains or losses on revaluation or from sale of the Group's holding in funds recognized in profit or loss. In addition, total income in relation to non-Group managed funds consists mainly of gains or losses on revaluation or from sale of the Group's holding in funds and has been recognized in profit or loss.

As at 31 December 2025, the total assets of funds under the Group's management amounted to € 7.7 billion (2024: € 5.9 billion).

For the securitization notes included in the balance sheet line "Loans and advances to customers", referring to the senior, mezzanine and junior notes of the securitizations of loans originated by Group entities (note 20), the notional amount of total issuances by the unconsolidated securitization vehicles amounted to € 14.8 billion (2024: € 15.2 billion). As at 31 December 2025 and 2024, for the securitization notes included in the balance sheet line "Investment securities" the Group did not hold a significant position of the notional amount of total issuances by the unconsolidated securitization vehicles.

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26. Property and equipment

	31 December 2025				
	Land, buildings, leasehold improvements	Furniture, equipment, motor vehicles	Computer hardware, software	Right of use assets (RoU) ⁽¹⁾	Total
	€ million	€ million	€ million	€ million	€ million
Cost:					
Balance at 1 January	878	255	389	375	1,897
Arising from acquisitions (note 23)	51	4	2	3	60
Transfers	9	(5)	13	-	17
Additions	60	30	13	13	116
Disposals, write-offs and adjustment to RoU ⁽¹⁾	(11)	(11)	(6)	(2)	(30)
Impairment	-	-	(1)	-	(1)
Balance at 31 December	987	273	410	389	2,059
Accumulated depreciation:					
Balance at 1 January	(225)	(188)	(302)	(207)	(922)
Arising from acquisitions (note 23)	-	(3)	(1)	(2)	(6)
Transfers	-	-	(3)	-	(3)
Disposals, write-offs and adjustment to RoU ⁽¹⁾	-	11	5	8	25
Charge for the year	(16)	(13)	(22)	(35)	(86)
Balance at 31 December	(241)	(193)	(323)	(236)	(992)
Net book value at 31 December	746	80	87	153	1,067

	31 December 2024				
	Land, buildings, leasehold improvements	Furniture, equipment, motor vehicles	Computer hardware, software	Right of use assets (RoU) ⁽¹⁾	Total
	€ million	€ million	€ million	€ million	€ million
Cost:					
Balance at 1 January	697	191	316	338	1,542
Arising from acquisitions	148	54	51	15	268
Transfers	21	(3)	3	-	21
Transfers from/to repossessed assets	2	(1)	-	-	1
Additions	26	21	26	15	88
Disposals, write-offs and adjustment to RoU ⁽¹⁾	(16)	(7)	(2)	7	(18)
Impairment	-	-	(5)	-	(5)
Balance at 31 December	878	255	389	375	1,897
Accumulated depreciation:					
Balance at 1 January	(220)	(140)	(241)	(168)	(769)
Arising from acquisitions	(1)	(45)	(42)	(8)	(96)
Transfers	0	1	-	-	1
Disposals, write-offs and adjustment to RoU ⁽¹⁾	11	7	2	3	23
Charge for the year	(15)	(11)	(21)	(34)	(81)
Balance at 31 December	(225)	(188)	(302)	(207)	(922)
Net book value at 31 December	653	67	87	168	975

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⁽¹⁾ The respective lease liabilities are presented in "other liabilities" (note 34). Adjustment to RoU refers to termination, modifications and remeasurements of RoU. It includes the remeasurement from revised estimates of the lease term during the year, considering all facts and circumstances that affect the Group's housing needs.

As at 31 December 2025, the RoU assets amounting to € 153 million (31 December 2024: € 168 million) refer to leased office and branch premises, ATM locations, residential properties of € 144 million (31 December 2024: € 159 million) and motor vehicles of € 9 million (31 December 2024: € 9 million).

Leasehold improvements relate to premises occupied by the Group for its own activities.

27. Investment property

The Group applies the fair value model regarding the measurement of Investment Property according to IAS 40 "Investment property".

The movement of investment property is as follows:

	2025 € million	2024 € million
Balance at 1 January	1,404	1,357
Additions	5	8
Arising from acquisition (note 23)	56	84
Transfers from/to repossessed assets	3	33
Other transfers	(10)	(20)
Disposals	(27)	(41)
Net gain/(loss) from fair values adjustments	37	9
Held for sale	(137)	(26)
Balance at 31 December	1,331	1,404

As at 31 December 2025, RoU assets that meet the definition of investment property amount to € 17 million (31 December 2024: € 17 million). The respective lease liabilities are presented in "other liabilities" (note 34).

Changes in fair values of investment property are recognized as gains/(losses) in profit or loss and included in the "Other Income/(expense)" (note 10). All gains/(losses) are unrealized.

During the year ended 31 December 2025, an amount of € 89 million (2024: € 90 million) was recognized as rental income from investment property in income from non banking services (note 8).

The main classes of investment property have been determined based on the nature, the characteristics and the risks of the Group's properties. The fair value measurements of the Group's investment property, which are categorized within level 3 of the fair value hierarchy, are presented in the below table.

	2025 € million	2024 € million
Residential	7	4
Commercial	1,289	1,373
Land Plots	33	27
Industrial	2	-
Total	1,331	1,404

The basic methods used for estimating the fair value of the Group's investment property are the income approach (income capitalization/discounted cash flow method) and the comparative method, which may also be used in combination if necessary.

The discounted cash flow (DCF) method is the primary method used for estimating the fair value of the Group's investment property and is used mainly for the commercial class of investment property but also for other classes of investment property and when and if necessary, in conjunction with other methods. Under DCF method, the fair value is calculated through the projection of a series of cash flows using explicit assumptions regarding the benefits and liabilities of ownership (income and operating costs, vacancy rates, income growth), including the residual value anticipated at the end of the projection period. To this projected cash flows series, an appropriate, market-derived discount rate is applied to establish its present value.

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Under the income capitalization method, also used for the commercial class of investment property, a property's fair value is estimated based on the normalized net operating income generated by the property, which is divided by the capitalization rate (the investor's rate of return).

The comparative method is used for the residential, commercial and land plot classes of investment property. Fair value is estimated based on data for comparable transactions, by analyzing either real transaction prices of similar properties, or by asking prices after performing the necessary adjustments.

The Group's investment property valuations are performed taking into consideration the highest and best use of each asset that is physically possible, legally permissible and financially feasible.

The main method used to estimate the fair value of Group's Investment property portfolio as of 31 December 2025, is the discounted cash flow method. Significant unobservable inputs used in the fair value measurement of the relevant portfolio are the rental income growth and the discount rate. Increase in rental income growth would result in increase in the carrying amount while an increase in the discount rate would have the opposite result. The discount rate used ranges from 7% to 12.5%. As at 31 December 2025, an increase or decrease of 5% in the discount rate used in the DCF analysis, would result in a downward or upward adjustment of the carrying value of the respective investment properties by € 39 million.

In the context of properties' valuation, sustainability and environmental matters encompass a wide range of physical, climate change, social, corporate responsibility and economic factors, including key environmental risks such as flooding, energy efficiency, as well as matters of design, configuration, accessibility and legislation, that impact their value. The Group is gradually upgrading its real-estate portfolio, aiming to reduce its environmental footprint and shift towards high-end, modern, environmentally friendly buildings, given that such buildings are in high demand. In addition, the Group has introduced "green" certifications to its real estate assets, validating their sustainability value and at the same time maximizing their return and market value. On the other hand, environmental risks are taken into account in properties' valuation in cases where there is an indication that the valued property is subject to physical risks, such as floods, is contaminated or is adversely affected by existing environmental laws/regulations.

On an annual basis, the Group aims at the evaluation of an increased number of selected properties included in the investment property portfolio for their gradual certification in accordance with international standards, while actively investing to improve the energy efficiency of its properties' portfolio and its environmental profile.

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28. Intangible assets

As at 31 December 2025, the carrying amount of intangible assets was € 511 million (31 December 2024: € 415 million), comprising: a) € 469 million primarily related to purchased and developed computer software, and b) € 42 million goodwill (31 December 2024 € 42 million).

The table below presents the movement of Intangible assets:

	2025 € million	2024 € million
Cost:		
Balance at 1 January	711	515
Arising from acquisitions (note 23)	17	107
Transfers	(13)	(2)
Additions	171	117
Disposals and write-offs	(10)	(13)
Impairment	(14)	(13)
Balance at 31 December	862	711
Accumulated amortisation:		
Balance at 1 January	(338)	(225)
Arising from acquisitions (note 23)	(6)	(74)
Transfers	3	-
Amortisation charge for the year	(62)	(51)
Disposals and write-offs	10	12
Balance at 31 December	(393)	(338)
Net book value at 31 December	469	373

Impairment testing of goodwill

As at 31 December 2025, the carrying amount of goodwill in the Group is € 42 million, arising from the acquisition of BNP Paribas Personal Finance Bulgaria by Eurobank Bulgaria A.D in May 2023, and is attributed to the Group's International, Bulgaria segment.

For the purpose of impairment testing, goodwill is fully allocated to the Consumer Lending business of Eurobank Bulgaria A.D, being the CGU that is expected to benefit from the abovementioned business combination. No impairment losses of the CGU to which goodwill has been allocated were identified during the year ended 31 December 2025.

In particular, the recoverable amount of the CGU was determined to be its fair value less costs of disposal, calculated by discounting the future cash flows expected to be generated from the continuing use of the CGU's assets and their ultimate disposal. The CGU's future cash flows for a three-year period are in accordance with the officially approved three-year business plan, which already takes into account factors such as expected market growth, inflation, as well as expectations of future outcomes taking into account past experience. A long-term growth rate (terminal value growth rate) was used to extrapolate cash flows beyond the three-year horizon. The terminal value growth rate is determined by considering factors such as the expected long-term inflation rate and real-GDP growth rate in Bulgaria. The discount rate applied is constructed using the Capital Assets Pricing Model methodology (CAPM), based on the rate of 10-year Bulgarian government bonds, adjusted for a risk premium to reflect both the increased risk of investing in equities generally and the systematic risk of the specific CGU. The discounting of the budgeted cash flows and terminal values is done on an after-tax cash flow basis.

The key assumptions used in the calculation of the CGU's fair value less costs of disposal were as follows:

Key assumption value	Budgeted operating income growth (average for the 3-year period)	Discount Rate	Growth rate beyond initial cash flow
	3%	13.25%	2%

The estimated cost of disposal used is 3% and is based on observed averages from global industry practice.

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The values assigned to the above key assumptions represent Management's assessment of future trends in the relevant sector and have been based on historical data from both external and internal sources.

The recoverable amount of the CGU to which goodwill has been allocated is sensitive to the above key assumptions. A decrease in the operating income by 5% or an increase in the discount rate of 1% are considered reasonably possible changes in key assumptions. If the aforementioned changes occur, goodwill of the remaining CGU will continue to be recoverable.

The key assumptions described above may change as economic and market conditions change. The Group estimates that reasonably possible changes in these assumptions would not cause the recoverable amount of either CGU to decline below the carrying amount.

29. Other assets

	2025 € million	2024 € million
Reposessed properties and relative prepayments	480	541
Pledged amount for a Greek sovereign risk financial guarantee	248	242
Balances under settlement ⁽¹⁾	93	55
Deferred costs and accrued income	148	144
Other guarantees	361	262
Income tax receivable ⁽²⁾	107	98
Insurance and reinsurance contract assets (note 35)	48	30
Receivable from Deposit Guarantee and Investment Fund	72	70
Other assets ⁽³⁾	475	253
Total	2,032	1,695

⁽¹⁾ Includes settlement balances with customers and brokerage activity.

⁽²⁾ Includes withholding taxes, net of provisions.

⁽³⁾ In 2024 it includes provisional fair value adjustments for Hellenic Bank group assets (decrease) of ca. € 66 million (note 23.3).

As at 31 December 2025, other assets net of provisions, amounting to € 475 million include, among others, receivables related to (a) prepayments to suppliers, (b) public entities, (c) property management activities, (d) legal cases and (e) the sale of the Bank's Merchant Acquiring Business.

30. Disposal groups classified as held for sale and discontinued operations

	2025 € million	2024 € million
Assets of disposal groups		
Real estate properties	65	33
Loans portfolios and related assets (note 20)	264	46
IMO Property Investments Bucuresti S.A.	-	12
Total	328	91
Liabilities of disposal groups		
IMO Property Investments Bucuresti S.A.	-	2
Other liabilities related to loans portfolios (notes 20 and 34)	-	1
Total	-	3

Real estate properties

On 16 July 2025, the Group signed a preliminary agreement with Praktiker Hellas S.A. for the sale of a portfolio of investment properties currently leased to the aforementioned company, for a total consideration of € 138 million. The sale was subject to customary procedures for real estate property transfers and was expected to be completed within one year from the date of the agreement. Accordingly, the underlying properties with a carrying amount of c. € 137 million, being their fair value under the Group's

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accounting policy for the measurement of investment properties, were classified as held for sale. As of 31 December 2025, the sale of most properties out of this portfolio, having a carrying amount of c. € 95 million, was completed, while the remaining properties with a carrying amount of c. € 42 million continue to be classified as held for sale.

Moreover, in the context of its strategy for the active management of its real estate portfolio (repossessed, investment properties and own used properties), the Group has gradually classified as held for sale certain pools of real estate assets of total remaining carrying amount ca. € 23 million as at 31 December 2025 (31 December 2024: € 33 million), after their remeasurement in accordance with the IFRS 5 requirements.

The Group remains committed to its plan to sell the aforementioned assets, which are gradually being disposed, and undertakes all necessary actions towards this direction.

The above non-recurring fair value measurements were categorized as Level 3 of the fair value hierarchy due to the significance of the unobservable inputs used, with no change occurring up to 31 December 2025.

Discontinued operations

In the year ended 31 December 2025, a loss of € 13 million (€ 9.2 million net of tax) was recognised in relation to the sale of former subsidiaries of the Bank, previously presented as discontinued operations (31 December 2024: € 10 million loss (€ 7.1 million net of tax)). These losses were calculated based on specific indemnity clauses included in the relevant Sale and Purchase Agreements.

31. Due to central banks and credit institutions

	2025 € million	2024 € million
Secured borrowing from ECB ⁽²⁾	1,001	-
Secured borrowing from credit institutions ⁽¹⁾	1,905	1,952
Borrowings from international financial and similar institutions	356	457
Deposits from banks received as collateral ⁽¹⁾	339	118
Current accounts and settlement balances with banks	135	104
Interbank takings	115	169
Total	3,851	2,800

⁽¹⁾ The amounts presented are after offsetting (note 5.2.1.4).

⁽²⁾ Refers to ECB's main refinancing operations (MRO).

Borrowings from international financial and similar institutions include borrowings from European Investment Bank and other similar institutions.

32. Due to customers

	2025 € million	2024 € million
Savings and current accounts	55,261	49,993
Term deposits	27,432	28,604
Carrying amount	82,692	78,597
Fair value changes of deposits in portfolio hedging of interest rate risk	12	(4)
Total	82,704	78,593

For the year ended 31 December 2025, due to customers for the Greek and International operations amounted to € 45,164 million and € 37,540 million, respectively (2024: € 43,287 million and € 35,306 million, respectively).

33. Debt securities in issue

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	2025	2024
	€ million	€ million
Securitisations	553	554
Subordinated notes (Tier 2)	1,220	1,758
Medium-term notes (EMTN)	5,498	4,664
Credit linked notes	81	80
Total	7,352	7,056

Subordinated Tier 2 notes

In January 2025, Eurobank Holdings announced that it has successfully priced the issuance of € 400 million subordinated Tier II debt instruments (New Instruments) which mature in April 2035, are callable at par from 30 January 2030 until 30 April 2030, offering a coupon of 4.25% per annum and are listed on the Luxembourg Stock Exchange's Euro MTF market. In addition, Eurobank Holdings announced an any-and-all exchange offer for Hellenic Bank's outstanding € 200 million Tier 2 notes, out of which € 33 million were held by Group entities, with additional Eurobank Holdings Tier 2 subordinated notes, issued under a single series and with same terms with the € 400 million subordinated notes. The offer period was set from 21 January 2025 until 27 January 2025.

On 28 January 2025, Eurobank Holdings announced that it has decided to accept all existing notes offered for exchange, pursuant to the exchange offer, with nominal value of € 157 million. The nominal value of new instruments issued is € 188.5 million, which form a single series with the New Instruments with a combined aggregate nominal amount of € 589 million. As a result of the aforementioned exchange, the Group recognized a buy-back loss of approximately € 9 million, in the income statement line "Other income/(expenses)".

Following the merger of Eurobank Holdings with the Bank (note 23.1) the latter assumed the above mentioned instruments.

The purpose of the Exchange Offer and the issuance of the Eurobank Holdings subordinated notes is to optimize the regulatory efficiency of Bank's capital base while the proceeds will be used for general financing purposes.

In September 2025 Eurobank Holdings proceeded with the early redemption of the Tier 2 capital instruments of face value of € 950 million, issued in 2018 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.

Medium-term notes (EMTN)

In February 2025, Eurobank S.A. successfully completed the issuance of € 350 million senior preferred notes through a private placement. The bonds mature on 7 February 2036, are callable at par on 7 February 2035 offering a coupon of 4% per annum and are listed on the Luxembourg Stock Exchange's Euro MTF market. The proceeds from the issue will support Eurobank Group's strategy to ensure ongoing compliance with its MREL requirements.

In July 2025, Eurobank S.A. successfully completed the issuance of € 500 million senior preferred notes which mature on 7 July 2028, are callable at par on 7 July 2027 and offer a coupon of 2.875% per annum. In September, the Bank proceeded with an additional € 200 million issue of the aforementioned notes through private placement, which together with the initial issue will form a single series. The notes are listed on the Luxembourg Stock Exchange's Euro MTF market. The proceeds from the issues will support Eurobank Group's strategy to ensure ongoing compliance with its MREL requirements and will be used for Eurobank's general funding purposes.

Securitisations

In May 2025, the Bank's special purpose financing vehicle, Karta II Plc, modified the contractual terms of its class A asset-backed security of face value € 303 million, by adjusting the security's interest rate spread at market terms and extending its contractual maturity until May 2030.

Post balance sheet event
Subordinated Tier 2 notes

In January 2026, the Bank announced that it has successfully completed the pricing of € 400 million subordinated Tier II debt instruments which mature in April 2037, are callable at par from 29 January 2032 until 29 April 2032, offering a coupon of 4.125% per

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annum and are listed on the Luxembourg Stock Exchange's Euro MTF market. The proceeds from the issues will support Eurobank Group's strategy to ensure ongoing compliance with its MREL requirements and will be used for Eurobank's general funding purposes.

34. Other liabilities

Following the acquisition of CNP Cyprus Insurance Holdings Ltd (note 23.4), the Group's insurance contract liabilities amounting to € 684 million as at 31 December 2025 (31 December 2024: € 108 million), previously included within "Other liabilities", are presented separately on the balance sheet. The analysis of "Other liabilities" following the above presentation change, is set out below:

	2025 € million	2024 € million
Balances under settlement ⁽¹⁾	486	439
Lease liabilities	175	190
Deferred income and accrued expenses	273	269
Other provisions	145	154
ECL allowance for credit related commitments (note 5.2.1.2)	56	63
Standard legal staff retirement indemnity obligations and employee termination benefits (note 36)	104	143
Sovereign risk financial guarantee	26	29
Income taxes payable	55	70
Deferred tax liabilities (note 13.1)	54	43
Trading liabilities	76	43
Investment contract liabilities	72	-
Obligation relating to the acquisition of NCI in Hellenic Bank (note 23.3)	-	880
Other liabilities ⁽²⁾⁽³⁾	325	251
Total	1,847	2,574

⁽¹⁾ Includes settlement balances relating to bank cheques and remittances, credit card transactions, other banking and brokerage activities

⁽²⁾ In 2024 it includes liabilities of disposal groups classified as held for sale of € 3 million (note 30).

⁽³⁾ In 2024 it includes provisional fair value adjustments for Hellenic Bank group liabilities (increase) of ca. € 33 million (note 23.3).

As at 31 December 2025, other liabilities amounting to € 325 million mainly consist of payables relating with (a) suppliers and creditors, (b) contributions to insurance organizations, and (c) duties, other taxes and (d) advance consideration received in respect of the disposal of assets.

As at 31 December 2025, other provisions amounting to € 145 million (2024: € 154 million) mainly include: (a) € 38 million for claims in dispute and outstanding litigations against the Group (note 43), (b) € 37 million relating to the sale of Bank's former subsidiaries based on specific indemnity clauses in the relevant Sale Purchase Agreements, of which € 27 million for the tax audit assessment issued to Bancpost S.A. in 2018, (c) € 11 million for representation and warranties provided to investors in the context of the Mexico NPE securitization transaction (note 20), d) € 14 million for other operational risk events and e) € 39 million relating to contribution Greek State infrastructure projects (note 11).

The Bank, in cooperation with Banca Transilvania (the legal successor to Bancpost S.A.), challenged the tax audit assessment issued to Bancpost S.A. before the competent Romanian courts. On 16 October 2025, the Romanian Supreme Court registry notified the involved parties, including the Bank, that the court had accepted its position on the majority of the tax matters challenged. Following this development, the Bank, in collaboration with its legal advisors, is in the process of finalizing the assessment of the positive financial impact, pending the disclosure of the full text of the Supreme Court's decision.

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The movement of the Group's other provisions, is presented in the following tables:

	31 December 2025		
	Litigations and claims in dispute	Other	Total
	€ million	€ million	€ million
Balance at 1 January	33	121	154
Arising from acquisition	4	-	4
Amounts charged during the year	7	49	56
Amounts used during the year	(4)	(55)	(59)
Amounts reversed during the year	(2)	(8)	(10)
Balance at 31 December	38	107	145

	31 December 2024		
	Litigations and claims in dispute	Other	Total
	€ million	€ million	€ million
Balance at 1 January	38	78	116
Arising from acquisition	8	5	13
Amounts charged during the year	3	59	62
Amounts used during the year	(13)	(12)	(25)
Amounts reversed during the year	(2)	(7)	(9)
Foreign exchange and other movements	(1)	(2)	(3)
Balance at 31 December	33	121	154

35. Insurance contracts and insurance risks

35.1 Insurance contract (assets)/liabilities and reinsurance contract assets

Following Hellenic Bank group inclusion in the Bank's consolidated financial statements from the third quarter of 2024 (note 23.3), and the acquisition of CNP Cyprus Insurance Holdings Ltd and its subsidiaries, which were consolidated as of the second quarter of 2025, the Group has assumed liabilities from insurance contracts issued and acquired assets from reinsurance contracts that are presented with other assets (note 29).

The Group applies the three measurement models under IFRS 17 Insurance contracts for the measurement of its insurance contract liabilities and reinsurance contract assets, i.e. the variable fee approach ("VFA"), the premium allocation approach ("PAA") and the general measurement model ("GMM"), depending on the characteristics of each relevant group of contracts.

The breakdown of the insurance contract (assets)/liabilities and reinsurance contract assets per line of business and per measurement method applied, is set out below.

	31 December 2025			
	Life		Non - Life	
	Net Insurance contract (assets)/liabilities ⁽¹⁾	Reinsurance contract assets	Insurance contract liabilities	Reinsurance contract assets
	€ million	€ million	€ million	€ million
VFA	569	-	-	-
PAA	11	2	98	21
GMM	5	17	1	8
Total	585	19	99	29

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	31 December 2024			
	Life		Non - Life	
	Net Insurance contract (assets)/liabilities ⁽¹⁾	Reinsurance contract assets	Insurance contract liabilities	Reinsurance contract assets
	€ million	€ million	€ million	€ million
VFA	61	-	-	-
PAA	8	0	37	3
GMM	(1)	11	1	14
Total	68	12	38	17

⁽¹⁾ For 2025 insurance contract assets were nil (2024: € 1 million).

At 31 December 2025, the insurance contract liabilities presented above are analyzed by major product grouping into a) investment-linked insurance policies of € 569 million, b) long term life protection contracts of € 5 million, c) short term life protection, accident and health contracts of € 14 million, d) motor and property-related contracts of € 72 million, and e) liability-related and other general insurance contracts of € 24 million.

The following table presents the movement per line of business for the period 1 January – 31 December 2025 of the net insurance contract (assets)/liabilities for remaining coverage (“LRC”) and incurred claims (“LIC”) from insurance contracts measured under VFA and GMM.

	31 December 2025				
	Life		Non - Life		Total
	Liabilities for remaining coverage	Liabilities for incurred claims	Liabilities for remaining coverage	Liabilities for incurred claims	
	€ million	€ million	€ million	€ million	€ million
Net insurance contract (assets)/liabilities as at 1 January	57	3	-	1	61
Arising from acquisition	438	9	-	-	447
Insurance revenue	(44)	-	(1)	-	(45)
Insurance service expenses					-
<i>Incurring claims and other insurance service expenses</i>	-	21	-	0	21
<i>Amortization of insurance acquisition cash flows</i>	2	-	0	-	2
<i>Adjustments to liabilities for incurred claims</i>	0	1	-	(0)	1
Insurance service result	(42)	21	(1)	0	(21)
Insurance finance expenses	(23)	52	-	-	29
Other ⁽¹⁾	1	1	-	-	2
Total changes in the income statement	(65)	75	(1)	0	10
Premiums received	146	-	1	-	147
Insurance acquisition cash flows	(14)	-	-	-	(14)
Claims and other insurance service expenses paid	-	(75)	-	(0)	(75)
Total cash flows	132	(75)	1	(0)	58
Net insurance contract (assets)/liabilities as at 31 December	562	12	(0)	1	575

⁽¹⁾ It refers to the change in provisional fair value adjustments of insurance contract liabilities from the acquisition date of CNP Cyprus Insurance Holdings Limited until the end of 2025, arising from the subsequent measurement of the related assets and liabilities (note 23.4).

The following table presents the movement for the period 1 January – 31 December 2025 of the net insurance contract (assets)/liabilities for remaining coverage (“LRC”) and incurred claims (“LIC”) from insurance contracts measured under PAA.

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	31 December 2025			Total
	Liabilities for remaining coverage	Liabilities for incurred claims		
		Estimates of PV of future cash flows	Risk adjustment	
		€ million	€ million	
Net insurance contract (assets)/liabilities as at 1 January	5	38	2	46
Arising from acquisition	59	-	-	59
Insurance revenue	(142)	-	-	(142)
Insurance service expenses				-
<i>Incurring claims and other insurance service expenses</i>	-	74	2	76
<i>Amortization of insurance acquisition cash flows</i>	26	-	-	26
<i>Adjustments to liabilities for incurred claims</i>	-	(8)	(1)	(9)
Insurance service result	(116)	66	1	(49)
Insurance finance expenses	-	1	-	1
Other ⁽¹⁾	(10)	17	1	8
Total changes in the income statement	(126)	84	2	(40)
Premiums received	142	-	-	142
Insurance acquisition cash flows	(24)	-	-	(24)
Claims and other insurance service expenses paid	-	(74)	-	(74)
Total cash flows	118	(74)	-	44
Net insurance contract (assets)/liabilities as at 31 December	56	48	4	109

⁽¹⁾ It refers to the change in provisional fair value adjustments of insurance contract liabilities from the acquisition date of CNP Cyprus Insurance Holdings Limited until the end of 2025, arising from the subsequent measurement of the related assets and liabilities (note 23.4).

The following table presents the movement per line of business for the period 1 July - 31 December 2024 of the net insurance contract (assets)/liabilities for remaining coverage ("LRC") and incurred claims ("LIC") from insurance contracts measured under the three measurement models (GMM, VFA and PAA).

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	31 December 2024				
	Life		Non - Life		Total € million
	Liabilities for remaining coverage € million	Liabilities for incurred claims € million	Liabilities for remaining coverage € million	Liabilities for incurred claims € million	
Net insurance contract (assets)/liabilities as at 1 January	62	12	6	25	
Insurance revenue	(11)	-	(22)	-	(34)
Incurred claims and other insurance service expenses	0	5	3	17	25
Insurance service result	(11)	5	(19)	17	(9)
Insurance finance expenses	(2)	3	0	1	2
Total changes in the income statement	(13)	8	(19)	18	(7)
Premiums received	11	-	22	-	33
Claims and other insurance service expenses paid	(3)	(8)	(3)	(10)	(24)
Total cash flows	8	(8)	19	(10)	9
Net insurance contract (assets)/liabilities as at 31 December	57	11	5	33	106

As at 31 December 2024, the net insurance contract (assets)/liabilities under the PAA measurement model amounted to € 46 million (1 July 2024 € 46 million), comprising a) a LIC of € 41 million (1 July 2024 € 33 million) including € 38 million in relation to estimates of the present value of the future cash flows and € 2 million in relation to risk adjustment for non-financial risk (1 July 2024 € 31 million and € 2 million respectively) and b) a LRC of € 5 million (1 July 2024 € 13 million).

The following tables present the movement for the period 1 January – 31 December 2025 and 1 July - 31 December 2024 of net insurance contract (assets)/liabilities for life business under the VFA and GMM measurement models by measurement component.

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	31 December 2025			
	Life			
	Estimates of PV of future cash flows	Risk adjustment	Contractual service margin	Total
	€ million	€ million	€ million	€ million
Net insurance contract (assets) / liabilities as at 1 January	39	2	19	60
Arising from acquisition	309	34	104	446
Contractual service margin (CSM) recognised for services provided	-	-	(14)	(14)
Risk, experience and other adjustments	(6)	(2)	-	(9)
Changes that relate to current services	(6)	(2)	(14)	(22)
Contracts initially recognised in the period	(7)	3	4	1
Changes in estimates reflected in the CSM	(29)	6	23	1
Changes in estimates that do not adjust the CSM	-	-	-	-
Changes that relate to future services	(36)	9	28	1
Adjustments to liabilities for incurred claims	1	-	-	1
Insurance service result	(42)	7	14	(21)
Insurance finance expenses	29	-	-	29
Other ⁽¹⁾	(0)	-	2	2
Total changes in the income statement	(13)	7	16	10
Total cash flows	57	-	0	58
Net insurance contract (assets)/liabilities as at 31 December	392	42	140	574

⁽¹⁾ It refers to the change in provisional fair value adjustments of insurance contract liabilities from the acquisition date of CNP Cyprus Insurance Holdings Limited until the end of 2025, arising from the subsequent measurement of the related assets and liabilities (note 23.4).

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	31 December 2024			
	Life			
	Estimates of PV of future cash flows	Risk adjustment	Contractual service margin	Total
	€ million	€ million	€ million	€ million
Net insurance contract (assets) / liabilities as at 1 January	41	2	15	58
Contractual service margin (CSM) recognised for services provided	-	-	(1)	(1)
Risk, experience and other adjustments	1	(0)	-	1
Changes that relate to current services	1	(0)	(1)	(0)
Contracts initially recognised in the period	(2)	0	2	0
Changes in estimates reflected in the CSM	(3)	0	3	(0)
Changes in estimates that do not adjust the CSM	(0)	(0)	-	(0)
Changes that relate to future services	(5)	0	5	0
Adjustments to liabilities for incurred claims	(2)	(0)	-	(2)
Insurance service result	(6)	0	3	(2)
Insurance finance expenses	0	0	1	1
Total changes in the income statement	(6)	0	4	(1)
Total cash flows	3	-	-	3
Net insurance contract (assets)/liabilities as at 31 December	39	2	19	60

The following tables set out when the Group expects to recognize the remaining Contractual Service Margin (CSM) in the income statement after the reporting date for contracts measured under the GMM and the VFA.

	31 December 2025						
	Less than 1 year	1-2 years	2-3 years	3-4 years	4-5 years	5-10 years	More than 10 years
	€ million	€ million	€ million	€ million	€ million	€ million	€ million
GMM	3	3	2	2	2	7	2
VFA	10	9	9	8	8	32	43
Total CSM	13	12	11	10	9	39	45

	31 December 2024						
	Less than 1 year	1-2 years	2-3 years	3-4 years	4-5 years	5-10 years	More than 10 years
	€ million	€ million	€ million	€ million	€ million	€ million	€ million
GMM	2	1	1	1	1	4	1
VFA	1	1	1	1	1	3	3
Total CSM	2	2	2	2	1	7	3

An analysis of insurance contracts liabilities based on their contractual maturity is provided in note 5.2.3.

35.2 Insurance risks

The Group through its subsidiary ERB Cyprus Insurance Holdings Ltd operates three companies that provide both life and non-life insurance. Insurance risk management ensures that sufficient reserves are maintained to meet potential liabilities arising from

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insurance policies and underwriting risks. The risk associated with any insurance contract stems from the possibility that the insured event occurs and the uncertainty over the amount of the resulting claim. By their nature, insurance contracts involve risks that are random and therefore inherently unpredictable.

For a portfolio of insurance contracts, the Group's main risk is that actual claims and benefit payments may exceed the carrying amount of the insurance liabilities. This could occur because the frequency or severity of claims and benefits are greater than estimated. Insurance events are random, and the actual number and amount of claims and benefits will vary from year to year from the level established using statistical techniques. Experience shows that the larger the portfolio of similar insurance contracts, the lower the relative variability of the expected outcome will be. In addition, a more diversified portfolio is less likely to be affected by a change in any subset of the portfolio.

The Group insurance entities manage these risks through their underwriting policies, adequate reinsurance arrangements and proactive claims handling. The underwriting policies aim to ensure that only acceptable risks are assumed by the Group. Underwriting limits and directions are in place to enforce appropriate risk selection criteria. The Group has set in place conservative reinsurance arrangements with the aim of mitigating its risk exposures within acceptable limits. The claims handling strategy of the Group aims for efficient and effective handling of each claim from the point of notification, so as to proceed to quick settlement and avoid undesirable developments and increased costs.

The risk management governance of the Group's insurance entities ensures clear accountability, appropriate segregation of duties and effective oversight at all levels of the insurance subgroup, including the entities' directors, executive management, the Risk Management Function (RMF) and the business units. Risks are identified, assessed, managed, monitored and reported in line with established governance arrangements, which are structured around the "Three Lines of Defense" model. The first line of defense comprises the operational and functional departments of the Group's insurance entities, which assume day-to-day ownership of risks within their respective areas of responsibility. The second line of defense consists primarily of the RMF and the Legal & Compliance Function of the Group's insurance entities, which oversee and challenge risk-taking activities and ensure adherence to policies, regulatory requirements and the approved risk appetite. The Actuarial Function, in its advisory capacity, further supports both the first and second lines of defense. The third line of defense is the Internal Audit Function (IAF) of the Group's insurance entities, which provides independent assurance to their Audit & Risk Committee and the entities' directors regarding the effectiveness of the overall risk management framework and internal control environment.

The directors of the Group's insurance entities retain responsibility for approving their risk strategy, policies and risk appetite, supported by specialized committees, such as their Audit & Risk Committee, Risk & Reserving Committee, Investment Committee, Underwriting Committee and Reinsurance Committee. These committees provide structured oversight and expert input across key risk areas such as underwriting, reserving, investments and reinsurance arrangements. Risk management is embedded within business planning, capital management and strategic decision-making processes, including the Own Risk and Solvency Assessment (ORSA), and is supported by formal escalation and reporting mechanisms to the Group. This framework is subject to continuous enhancement to address emerging risks and evolving regulatory requirements.

Sensitivities

The following table presents information on how CSM, profit before tax and equity would have been affected by changes in significant insurance risk variables that were reasonably possible as at 31 December 2025. The analysis shows the effect for insurance contracts issued after risk mitigation by reinsurance contracts held and is based on a change in one variable at a time, while all other assumptions remain unchanged. In practice, this is unlikely to occur, as changes in certain assumptions may be correlated.

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	Change in assumption	Impact in € million on:		
		CSM	Profit before tax	Equity
Life insurance contracts⁽¹⁾				
Mortality rate	10%	-10.9	-1.8	-2.2
	-10%	11	0.7	1.3
Lapse rate	10%	-7.1	-1.1	-1.1
	-10%	7.2	0.2	0.4
Expenses	10%	-8.9	-0.9	-0.9
	-10%	8.9	0.9	0.8

Non life insurance contracts⁽¹⁾

Incurred but not reported claims (IBNR)	10%	N/A	-2.1	-2.1
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⁽¹⁾ Accident and health insurance contracts issued by ERB Cyprialife Ltd are included in non-life insurance contracts.

Interest rate risk

Interest rate risk on insurance operations refers to the risk that the fair value or future cash flows of a financial instrument or insurance contract or reinsurance contract will fluctuate due to changes in market interest rates. As at 31 December 2025, a +100 bps change in interest rates would result in an impact on profit before tax and equity of € 0.7 million and € -3.0 million, respectively. At the same date, a -100 bps change in interest rates would result in an impact on profit before tax and equity of € -0.9 million and € 2.8 million, respectively.

Credit risk from reinsurance contracts

Credit risk from contracts within IFRS 17 scope relates mainly to reinsurance contracts held (risk of default by reinsurers that would no longer allow them to assume a share of the amount due to them). Counterparty risk management on reinsurers is achieved through rigorous selection of reinsurers, negotiation of collateral provided and regular monitoring of major exposures. The maximum exposure to reinsurance assets amounts to € 48 million.

Liquidity risk

An analysis of insurance contracts issued that are liabilities based on their contractual undiscounted cash flows is provided in note 5.2.3.

36. Standard legal staff retirement indemnity obligations (SLSRI) and termination benefits

The Group provides for staff retirement indemnity obligation for its employees in Greece and abroad, who are entitled to a lump sum payment based on the number of years of service and the level of remuneration at the date of retirement, if they remain in the employment of the Group until normal retirement age, in accordance with the local labor legislation. The above retirement indemnity obligations typically expose the Group to actuarial risks such as interest rate risk and salary risk. Therefore, a decrease in the discount rate used to calculate the present value of the estimated future cash outflows or an increase in future salaries will increase the staff retirement indemnity obligations of the Group.

In addition, the Group has provided employee termination benefits mainly in respect of the Voluntary Exit Schemes (VES), which have been implemented through either lump-sum payments or long-term leaves during which the employees will be receiving a percentage of a monthly salary, or a combination thereof.

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The table below presents the breakdown of defined benefit obligations.

	31 December 2025 € million	31 December 2024 € million
SLSRI obligation	27	21
Employee termination benefits	77	122
Total	104	143

The table below presents a reconciliation from the opening to the closing balance for staff retirement indemnity obligations and employee termination benefits.

	2025 € million	2024 € million
Balance at 1 January	143	59
Current service cost	3	3
Interest cost	3	2
Past service cost and (gains)/losses on settlements	28	132
Remeasurements:		
Actuarial (gains)/losses arising from changes in financial assumptions	2	1
Actuarial (gains)/losses arising from changes in demographic assumptions	(0)	(0)
Actuarial (gains)/losses arising from experience and other adjustments	0	2
Benefits paid	(76)	(56)
Balance at 31 December	104	143

For SLSRI obligations the significant actuarial assumptions (expressed as weighted averages) were as follows:

	2025 %	2024 %
Discount rate	3.4	3.0
Future salary increases	4.4	3.3

As at 31 December 2025, the assumption for the price inflation (weighted average) is 2.0% (2024: 2.0%) and has been taken into account in determining the above actuarial assumptions for future salaries increases.

As at 31 December 2025, the average duration of the standard legal staff retirement indemnity obligation was 7 years (2024: 7 years).

A quantitative sensitivity analysis based on reasonable changes to significant actuarial assumptions as at 31 December 2025 is as follows:

An increase/(decrease) of the discount rate assumed, by 50 bps/(50 bps), would result in a (decrease)/increase of the standard legal staff retirement obligations by (€ 0.9 million)/ € 0.9 million.

An increase/(decrease) of the future salary growth assumed, by 0.5%/(0.5%) would result in an increase/(decrease) of the standard legal staff retirement obligations by € 0.9 million/(€ 0.9 million).

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

The methods and assumptions used in preparing the above sensitivity analysis were consistent with those used to estimate the retirement benefit obligation and did not change compared to the previous year.

For employee termination benefits, the discount rate (weighted average) is the significant actuarial assumption, which as at 31 December 2025 stood at 2.4% (2024: 2.5%) based on the applicable tenor of the liabilities. On the same date, an increase/(decrease) of the discount rate assumed, by 50 bps/(50 bps), would result in a (decrease)/increase of employee termination benefits by (€ 0.7 million)/ € 0.7 million.

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37. Share capital, share premium and treasury shares

As at 31 December 2024, the total share capital of Eurobank S.A. amounted to € 3,941,071,968.10 divided into 3,683,244,830 common voting shares of nominal value of € 1.07 each. The total number of Eurobank shares was held by Eurobank Holdings, which was the sole shareholder of Eurobank. On the same date, the total share capital of Eurobank Holdings amounted to € 808,881,992.38 divided into 3,676,736,329 common voting shares of nominal value of € 0.22 each.

The movements of the share capital and share premium, during the period from 1 January 2025 until 12 December 2025, i.e. the date of the completion of the merger by absorption of Eurobank Holdings by Eurobank S.A. (The Merger - note 23.1) and the comparative information, are set out in the table below:

	Share capital € million	Share premium € million
Balance at 1 January 2024	817.6	1,161.4
Cancellation of treasury shares	(11.5)	(16.3)
Share capital increase following the exercise of share options	2.7	0.1
Balance at 31 December 2024	<u>808.9</u>	<u>1,145.2</u>
Balance at 1 January 2025	808.9	1,145.2
Share capital increase following the exercise of share options	2.0	0.1
Share capital decrease following the cancellation of treasury shares	(11.9)	-
Balance at 12 December 2025 of Eurobank Holdings	<u>798.9</u>	<u>1,145.3</u>
Balance at 31 December 2025 of Eurobank S.A.	<u>798.9</u>	<u>1,140.4</u>

Share capital increase

Following the exercise of share options granted to executives of the Group under the current share options' plan (see below), and by virtue of the decision of the Board of Directors of Eurobank Holdings on 29 August 2025, its share capital increased by € 1,980,630.52 through the issue of 9,002,866 new common voting shares of a nominal value of € 0.22 per share and exercise price of € 0.23 per share. The difference between the exercise price of the new shares and their nominal value, net of the expenses directly attributable to the equity transaction, amounted to € 71 thousand and was recorded in the account "Share premium". The new shares were listed on the Athens Exchange on 11 September 2025.

Share buy back programme

On 7 May 2025, Eurobank Holdings announced the commencement of the implementation of the share buyback Programme ('Programme') as approved by the AGM of its shareholders held on 30 April 2025. The Programme is conducted in accordance with the provisions of Article 49 of Law 4548/2018 and under the following terms: (i) the total cost of the Programme will not exceed the amount of € 287,942,685.45, and in any case, the own shares that will be acquired will not exceed 10% of the paid-in share capital in accordance with the legislation in force, (ii) the duration of the Programme will not exceed twelve months, i.e. it will remain in force until 29 April 2026 and (iii) the minimum and maximum price range for the acquisition of the shares under the Programme, will be the nominal value of the share (€ 0.22) and € 10, respectively.

The buyback of own shares by Eurobank Holdings was paused on 21 October 2025, prior to the convocation of the general meeting of its shareholders for the approval of the Merger (note 23.1) of Eurobank Holdings with the Bank ("Phase A"). Up to that date, Eurobank Holdings had acquired 54,228,394 treasury shares within the framework of the Programme with a total cost of € 165.1 million. On 12 December 2025, the said treasury shares were canceled with a corresponding reduction of the share capital of Eurobank Holdings.

The Bank, as the universal successor of Eurobank Holdings, continued the implementation of the Programme after the completion of the Merger (see below Bank's AGM decisions). The Bank intends to use the own shares it will acquire in order to reduce its share capital in accordance with Article 49 of Law 4548/2018, and/or for distribution to the Bank's employees and/or the members of its management and/or its affiliated companies, and/or for other purposes as provided by the applicable law.

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Extraordinary General Meeting (22.10.25) decisions

On 22 October 2025, the General Meeting (GM) of the shareholders of the Bank approved the Merger with Eurobank Holdings (note 23.1) and:

- The amendment of article 5 of the Bank's Articles of Association to reflect the following changes in the Bank's share capital as a result of the Merger:
 - (i) the increase of the Bank's share capital by the amount of € 798,932,376.22 through the issuance of 3,631,510,801 ordinary, dematerialized, registered voting shares, each having a nominal value of € 0.22, and
 - (ii) the decrease of the Bank's share capital by the amount of € 3,941,071,968.10, through the cancellation of 3,683,244,830 shares of the Bank, each with a nominal value of €1.07.
- The continuation of the implementation of the share buyback programme originally established by Eurobank Holdings (see above), following the completion of the merger by absorption of Eurobank Holdings by the Bank and the commencement of trading of the shares of the Bank on the ATHEX (note 23.1). The total cost of the Programme will not exceed the amount of €122,919,881.27, which corresponds to the remaining amount of the existing Programme.
- The continuation of the stock options plan originally established by Eurobank Holdings, by means of the resolution of the AGM of its shareholders dated 28 July 2020 (note 38).

Following the above, as at 31 December 2025, the share capital of the Bank amounts to € 798,932,376.22, divided into 3,631,510,801 ordinary, dematerialized, registered voting shares, each having a nominal value of € 0.22.

Treasury shares

As at 31 December 2025, the Bank held 3,546,449 treasury shares acquired within the framework of its buyback programme, with a total cost of € 12.4 million. On the same date, the number of treasury shares held by the Bank's subsidiary Eurobank Equities Investment Firm Single Member S.A. (in the ordinary course of its business), was 3,869,292 and its carrying amount (debit balance within reserves) was € 13,1 million (31 December 2024: € 3.9 million). In addition, the number of the Bank's shares held by the Group's associates in the ordinary course of their insurance and investing activities was 64,037,790 in total (31 December 2024: 64,163,790).

The analysis of the movement in the number of shares outstanding, taking into account that the shareholders of Eurobank Holdings retained the same number of shares upon completion of the Merger as they held prior to the Merger, is set out below:

	Number of shares		
	Issued Shares	Treasury Shares	Net
Balance at 1 January 2024	3,716,479,777	(56,427,239)	3,660,052,538
Share capital increase following the exercise of share options	12,337,225	-	12,337,225
Cancellation of treasury shares	(52,080,673)	52,080,673	-
Purchase of treasury shares	-	(1,475,008)	(1,475,008)
Sale of treasury shares	-	3,907,033	3,907,033
Balance at 31 December 2024	3,676,736,329	(1,914,541)	3,674,821,788
Balance at 1 January 2025	3,676,736,329	(1,914,541)	3,674,821,788
Share capital increase following the exercise of share options	9,002,866	-	9,002,866
Purchase of treasury shares under the share buyback programme	-	(57,774,843)	(57,774,843)
Cancellation of treasury shares	(54,228,394)	54,228,394	-
Other (purchases)/sales of treasury shares	-	(1,954,751)	(1,954,751)
Balance at 31 December 2025	3,631,510,801	(7,415,741)	3,624,095,060

Post balance sheet event

In the period 1 January - 27 February 2026, as part of the implementation of its share buyback programme, the Bank proceeded with additional purchases of 14,449,642 own shares, with a total cost of € 58 million.

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38. Share options

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

The final terms and the implementation of the share options plan, which is a forward-looking long-term incentive aiming at the retention of key executives, are defined and approved annually by the Board of Directors in accordance with the applicable legal and regulatory framework, as well as the policies of the Group.

The options are exercisable in portions annually during a period from one to five years. Each portion may be exercised wholly or partly and converted into shares at the employees' option, provided that they remain employed by the Group until the first available exercise date. Each portion is treated as a separate award with a different vesting period and different fair value. The corporate actions that adjust the number and the price of shares also adjust accordingly the share options.

The movement of share options during the year is analysed as follows:

Share options granted	2025	2024
Balance at 1 January	21,348,600	26,863,702
Options awarded during the year	5,979,992	6,822,123
Options cancelled/expired during the year	(206,142)	-
Options exercised during the year	(9,002,866)	(12,337,225)
Balance at 31 December	18,119,584	21,348,600

In the second quarter of 2025, the Group awarded to its executives 5,979,992 new share options, exercisable in annual portions up to 2030, out of which 2,719,083 options were exercised during the third quarter of 2025.

From the total number of granted share options exercisable in 2025, 9,002,866 options were exercised during the year, resulting in the issue of an equal number of new common voting shares.

The share options outstanding at the end of the year totaled to 18,119,584 (31 December 2024: 21,348,600) and have the following expiry dates:

Expiry date ⁽¹⁾	Share options 31 December 2025
2026	6,414,735
2027	6,300,309
2028	3,817,289
2029	1,182,919
2030	404,332
Weighted average remaining contractual life of share options outstanding at the end of the period	20 months

⁽¹⁾ Based on the earliest contractual exercise date.

In accordance with the Group's accounting policy on employees' share based payments, the grant date fair value of the options is recognized as an expense with a corresponding increase in equity over the vesting period.

The fair value at grant date is determined using an adjusted form of the Black-Scholes model for Bermudan equity options which takes into account the exercise price, the exercise dates, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the options.

The weighted average fair value of the share options granted in 2025 was € 2.10 (2024: € 1.66). The significant inputs into the model were a share price of € 2.48 (2024: € 2.021) at the grant date, exercise price of € 0.23, a dividend yield of 4.24% (2024: 3%), expected average volatility of 32% (2024: 32%), expected option life of 1-5 years, and a risk-free interest rate corresponding to the options' maturities, based on the Euro swap yield curve. The expected volatility is measured at the grant date of the options and is based on the average historical volatility of the share price.

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39. Reserves and retained earnings/losses

	Statutory reserves € million	Non-taxed reserves € million	Fair value reserve € million	Other reserves € million	Retained earnings/(losses) € million	Total € million
Balance at 1 January 2024	227	829	48	2,147	2,670	5,920
Net profit	-	-	-	-	1,448	1,448
Arising from acquisition	260	-	-	-	(260)	-
Transfers between reserves	44	1	(1)	383	(428)	-
Debt securities at FVOCI	-	-	22	-	-	22
Cash flow hedges	-	-	-	(1)	-	(1)
Foreign currency translation	-	-	-	-	0	0
Gains/(losses) from equity securities at FVOCI	-	-	(8)	-	-	(8)
Associates and joint ventures						
-changes in the share of other comprehensive income, net of tax	-	-	(5)	(3)	(0)	(8)
Actuarial gains/(losses) on post employment benefit obligations, net of tax	-	-	-	-	(2)	(2)
Dividend distribution to shareholders	-	-	-	(342)	-	(342)
Changes in participating interest/consolidation percentage in subsidiaries	-	-	-	-	(134)	(134)
Share options plan	-	-	-	-	18	18
Purchase/sale and cancellation of treasury shares	-	-	-	97	(64)	33
Other	-	-	-	-	(1)	(1)
Balance at 31 December 2024	532	830	57	2,281	3,246	6,945
Balance at 1 January 2025	532	830	57	2,281	3,246	6,945
Net profit	-	-	-	-	1,362	1,362
Arising from acquisition (note 23.2)	-	-	-	-	-	-
Transfers between reserves	38	2	9	182	(230)	-
Debt securities at FVOCI	-	-	14	-	-	14
Cash flow hedges	-	-	-	(2)	-	(2)
Foreign currency translation	-	-	-	1	0	1
Gains/(losses) from equity securities at FVOCI	-	-	1	-	-	1
Associates and joint ventures						
-changes in the share of other comprehensive income, net of tax	-	-	(1)	2	(0)	1
Actuarial gains/(losses) on post employment benefit obligations, net of tax	-	-	-	-	(1)	(1)
Dividend distribution to shareholders (see below)	-	-	-	(556)	1	(556)
Issue of AT1 capital instruments (note 38)	-	-	-	-	-	-
Coupon payment to AT1 capital holders, net of tax	-	-	-	-	(12)	(12)
Changes in participating interest/consolidation percentage in subsidiaries (note 23.2)	-	-	-	-	-	-
Share options plan (note 38)	-	-	-	-	14	14
Purchase/sale and cancellation of treasury shares (note 37)	-	-	-	(22)	(151)	(172)
Other	0	(1)	0	1	(2)	(2)
Balance at 31 December 2025	570	830	80	1,886	4,227	7,594

As at 31 December 2025, other reserves comprise, among others, a) € 1,375 million reserves relating to dividends and gains from the sale of participations (2024: € 1,752 million), b) corporate law reserves of € 8 million, pursuant to the provisions of the Greek company law in force (2024: € 8 million), c) € 25 million (debit balance) relating to the carrying amount of the treasury shares held by the Bank

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and its subsidiary Eurobank Equities Investment Firm Single Member S.A. (2024: € 4 million) (note 37), d) € 16 million accumulated loss from cash flow hedging (2024: € 15 million accumulated loss) and e) € 2 million accumulated loss relating to foreign operations' translation differences (2024: € 3 million accumulated loss).

Dividends/Shareholders' remuneration

On 29 April 2025, Eurobank Holdings received the approval from the European Central Bank (ECB) to remunerate its shareholders with an amount of € 674 million for the financial year 2024, with a combination of cash and share buyback, corresponding to a 50% payout ratio of the Group's net profit for 2024 less the gain on acquisition of a shareholding in Hellenic Bank of € 99.5 million. Following the above, on 30 April 2025, the Annual General Meeting (AGM) of the shareholders of Eurobank Holdings, among others, approved:

- The distribution of a cash dividend of € 386,057,314.55 from the "Special Reserves" account, corresponding to a gross dividend of € 0.105 per share.
- A share buyback programme ("Programme") as described above in note 37.
- The distribution of € 437,670 to executives and employees of Eurobank Holdings from the "Special Reserves" account. In addition, it was noted in AGM that the respective amount that was approved to be distributed to executives and employees of the Bank amounts to € 31,222,662.

In May 2025, the Bank, further to the distribution of € 240 million in December 2024, proceeded with the distribution of an additional amount of € 405 million from its non-mandatory reserves, as part of the Banks' overall contribution to its sole shareholder, Eurobank Holdings, in order to enable the latter to remunerate its shareholders out of the profits of the financial year 2024.

In October 2025, the Board of Directors of Eurobank Holdings approved, in accordance with the provisions of paragraph 3 of article 162 of Law 4548/ 2018 and in line with its shareholders' remuneration policy, the distribution of an interim cash dividend of € 170 million for the financial year 2025 from its non-mandatory reserves. Eurobank Holdings obtained the necessary approval from the ECB in late October and proceeded with the payment of the interim dividend to its shareholders in November 2025.

Based on the Group's financial performance for the financial year 2025, the Bank intends to remunerate its shareholders with a total amount of € 717 million, of which €170 million has already been distributed in the form of an interim dividend, as noted above. This corresponds to a 55% payout ratio of the Group's net profit for 2025 less the € 58 million gain on acquisition of the CNP Cyprus subgroup and is subject to approval of the Annual General Meeting of its shareholders and the regulatory authorities. The final remuneration will be delivered through a combination of a cash dividend and a share buyback programme.

40. Additional Tier 1 capital instruments

On 4 June 2025, Eurobank Holdings issued fixed rate reset Additional Tier 1 perpetual contingent temporary write-down notes (the "Notes" – first issuance) of nominal value € 500 million. On the same date, the Bank issued notes of equivalent terms, which were held by Eurobank Holdings until its merger with the Bank in December 2025 (note 23.1). Upon completion of the merger, these notes were cancelled, and the Bank assumed the corresponding Notes held by third parties. The Notes, subject to their terms and conditions, are redeemable in full at the Bank's sole and full discretion on any interest payment date falling on or after 4 June 2031 (the first reset date) or at any time following the occurrence of certain events. They bear non-cumulative interest, which is cancellable subject to conditions, at a fixed rate of 6.625% per annum until the first reset date, and thereafter at a reset rate based on the aggregate of 5-year mid-swap rate plus a margin of 445.4 bps. The interest is payable semi-annually in arrears, commencing on 4 December 2025.

In addition, on 10 November 2025, Eurobank Holdings issued fixed rate reset Additional Tier 1 perpetual contingent temporary write-down notes (the "Notes" – second issuance) with a nominal value of € 600 million. On the same date, the Bank issued notes of equivalent terms, which were held by Eurobank Holdings until its merger with the Bank in December 2025 (note 23.1). Upon completion of the merger, these notes were cancelled, and the Bank assumed the corresponding Notes held by third parties. The said Notes are callable by the Bank, subject to their terms and conditions, on any interest payment date falling on or after 10 November 2033 and bear non-cumulative interest at a fixed rate of 6.250% per annum until the first reset date, and thereafter at a reset rate based on the aggregate of 5-year mid-swap rate plus a margin of 379 bps, payable semi-annually in arrears, commencing on 10 May 2026.

The issued Notes are listed on the Euro MTF market of the Luxembourg Stock Exchange.

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Based on their terms, such as the fully discretionary and non-cumulative nature of interest, perpetual maturity, and loss-absorbing features that relate to specific regulatory requirements or trigger events, the Notes from both issues have been classified as equity instruments with coupon payments, if any, to be recognized as dividends in accordance with the principles of IAS 32. The Notes also qualify as Additional Tier 1 capital instruments under the Capital Requirements Regulation (CRR) (note 4). For the year ended 31 December 2025, the coupon payment to AT1 capital holders amounted to € 16.5 million (€ 12 million after tax).

The issuances are in line with the Group's strategy to further optimize its capital structure and enhance its capacity to support future strategic initiatives. Further information is available on the Bank's website.

41. Transfers of financial assets

The Group enters into transactions by which it transfers recognized financial assets directly to third parties or to Special Purpose Entities (SPEs).

(a) The Group sells, in exchange for cash, securities under an agreement to repurchase them (repos) and assumes a liability to repay to the counterparty the cash received. In addition, the Group pledges, in exchange for cash, securities, covered bonds, as well as loans and receivables and assumes a liability to repay to the counterparty the cash received. The Group may also transfer securities under securities lending agreements with no exchange of cash or pledging of other financial assets as collateral. For all the aforementioned transactions, the Group has determined that it retains substantially all the risks, including associated credit and interest rate risks, and rewards of these financial assets and therefore has not derecognized them. As a result, the Group is unable to use, sell or pledge the transferred assets for the duration of the transaction. The related liability, where applicable, is recognized in Due to central banks and credit institutions (note 31), Due to customers (note 32) and Debt securities in issue (note 33), as appropriate.

The Group enters into securitizations of various classes of loans (corporate, small and medium enterprise, consumer and various classes of non-performing loans), under which it assumes an obligation to pass on the cash flows from the loans to the holders of the notes. The Group has determined that it retains substantially all risks, including associated credit and interest rate risks, and rewards of these loans and therefore has not derecognized them. As a result of the above transactions, the Group is unable to use, sell or pledge the transferred assets for the duration of their retention by the SPE. Moreover, the note holders' recourse is limited to the transferred loans. As at 31 December 2025, the carrying value of the securitizations' issues held by third parties amounted to € 553 million (2024: € 554 million) (note 33).

The table below sets out the details of Group's financial assets that have been sold or otherwise transferred to third parties, but which do not qualify for derecognition:

	Carrying amount ⁽¹⁾	
	2025	2024
	€ million	€ million
Loans and advances to customers	5,236	2,801
-securitized loans	731	727
-pledged loans under covered bond program	2,691	1,794
-pledged loans with central banks	1,583	-
-other pledged loans	232	280
Investment securities	1,251	1,200
Carrying amount of assets	6,487	4,001
Associated liabilities⁽²⁾	4,739	2,954

⁽¹⁾ The amounts presented above do not include securitised loans and assets pledged under cover bond program or with central banks, which have not been utilised for secured financing.

⁽²⁾ Amounts are before offsetting repo agreements in the balance sheet against reverse repo deals of € 1,280 million (2024: € 447 million) (note 5.2.1.4)

(b) The Group may sell or re-pledge any securities borrowed or obtained through reverse repos and has an obligation to return the securities. The counterparty retains substantially all the risks and rewards of ownership and therefore the securities are not recognized by the Group. As at 31 December 2025, the securities obtained through reverse repo by the Group of face value of € 1,329 million had not been sold or re-pledged (2024: € 583 million face value obtained through reverse repo not sold or re-pledged).

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The Group's financial assets pledged as collaterals for repos, derivatives, securitizations and other transactions other than the financial assets presented in the table above are provided in notes 17 and 29.

42. Leases

Group as a lessee

The Group leases office and branch premises, ATM locations, residential properties for the Group's personnel, and motor vehicles.

The majority of the Group's property leases are under long term agreements (for a term of 12 years or more in the case of leased real estate assets), with options to extend or terminate the lease according to the terms of each contract and the usual terms and conditions of commercial leases applicable in each jurisdiction, while motor vehicles generally have lease terms of up to 4 years. Extension options held by the Group are included in the lease term when it is reasonably certain that they will be exercised based on its assessment. For contracts having an indefinite remaining life, the lease term has been determined at an average of 7 years for the Bank, after considering all relevant facts and circumstances. For new or modified lease contracts with an indefinite life, that are effective from the fourth quarter of 2023 onwards, the estimated lease term has been revised to 5 years. Where applicable, depending on the terms of each lease contract, lease payments are adjusted annually in line with the consumer Price Index, as published by the Greek Statistical Authority, plus an agreed fixed percentage.

Information about the leases for which the Group is a lessee is presented below:

Right-of-Use Assets

As at 31 December 2025, the right-of-use assets included in property plant and equipment amounted to € 153 million (31 December 2024: € 168 million) (note 26), while those that meet the definition of investment property amounted to € 17 million (31 December 2024: € 17 million) (note 27).

Lease Liabilities

The lease liability included under other liabilities amounted to € 175 million as at 31 December 2025 (31 December 2024: € 190 million) (note 34). The maturity analysis of lease liabilities as at 31 December 2025, based on the contractual undiscounted cash flows, is presented in note 5.2.3.

Amounts recognised in profit or loss

Interest on lease liabilities is presented in note 6 and the lease expense relating to short term leases is ca. € 1.8 million (31 December 2024: € 1.2 million).

The Group had total cash outflows for leases of € 38 million in 2025 (2024: € 41 million).

Group as a lessor

Finance lease

The Group leases out certain real estate properties and equipment under finance leases, in its capacity as a lessor.

The maturity analysis of finance lease receivables, based on the undiscounted lease payments to be received after the reporting date, is provided below:

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	2025	2024
	€ million	€ million
Not later than one year	205	205
1-2 years	90	88
2-3 years	83	74
3-4 years	55	64
4-5 years	43	36
Later than 5 years	106	116
Lease Payments:	582	583
Gross investment in finance leases	582	583
Less: unearned finance income	(57)	(60)
Net investment in finance leases	525	523
Less: impairment allowance	(59)	(80)
Total	466	443

Operating Leases

The Group leases out its investment property under the usual terms and conditions of commercial leases applicable in each jurisdiction. When such leases do not transfer substantially all of the risks and rewards incidental to the ownership of the leased assets, the Group classifies these lease as operating leases. Information relating to operating leases of investment property, including the rental income recognised by the Group during the year, is provided in note 27. The maturity analysis of operating lease receivables, based on the undiscounted lease payments to be received after the reporting date, is provided below:

	2025	2024
	€ million	€ million
Not later than one year	79	85
One to two years	72	75
Two to three years	68	67
Three to four years	53	61
Four to five years	46	47
More than five years	178	153
Total	496	488

43. Contingent liabilities and other commitments

The Group presents in the below table the following three categories of the credit related commitments it has undertaken within the context of its lending related activities: (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:

	2025	2024
	€ million	€ million
Financial guarantee contracts	2,042	2,221
Commitments to extend credit	7,109	5,783
Other credit related commitments	2,212	1,298
Total	11,363	9,302

As at 31 December 2025, the credit related commitments in total amounted to € 18.4 billion, including revocable loan commitments of € 8.4 billion. The respective figures as at 31 December 2024:, were € 17.2 billion and € 7.9 billion, containing € 3.2 billion unconditionally cancellable undrawn overdraft facilities for which, zero credit conversion factor (CCF) is estimated for the purpose of

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ECL measurement under IFRS 9 impairment requirements. The impairment allowance for credit related commitments amounted to € 56 million as at 31 December 2025 (31 December 2024: € 63 million).

In addition, the Group has issued a sovereign risk financial guarantee of € 0.25 billion (31 December 2024: € 0.24 billion) for which an equivalent amount has been deposited under the relevant pledge agreement (note 29).

Other commitments

(a) The Bank has signed irrevocable payment commitment (IPC) and collateral arrangement agreements with the Single Resolution Fund (SRF) amounting in total to € 29 million as at 31 December 2025 (2024: € 29 million). According to the agreements, which are backed by cash collateral of an equal amount, the Bank undertook to pay to the SRF an amount up to the above IPC, in case of a call and demand for payment made by it, in relation to a resolution action taken for another European bank. The IPC had been accounted for as a contingent liability on the basis that a contribution call by the SRF was not probable, whereas the said cash collateral has been recognized as a financial asset measured at amortized cost in the Group's balance sheet line "Other Assets" (note 29).

By a ruling in October 2023, the General Court of the European Union dismissed the appeal of a French credit institution against the Single Resolution Board (SRB) following the rejection, by the latter, of the request for return of collateral linked to ex-ante contributions provided in the form of IPC. The reimbursement of the collateral linked to the IPC, requested by the institution after the withdrawal of its license, had been refused by the SRB, arguing that the return of IPC collateral required the prior payment of the compulsory contribution for which the institution was liable.

Moreover, by its judgment of 13 November 2025, the Court of Justice of the European Union dismissed the appeal lodged by the French credit institution in January 2024 and ruled that the latter is required to pay the SRF an amount equivalent to its IPC for the return of collateral to take place.

The aforementioned court decision confirmed the existence of a present obligation for credit institutions operating under the resolution mechanism, in the event of the withdrawal of their banking license, which would unavoidably result in the payment of the IPC to the SRF.

For the purpose of estimating the relevant provision amount, the Group does not expect a resolution action in the European Banking sector to occur, that could trigger a call for contribution by the Group to take place, or the occurrence of events that would result in the cessation of the Group's banking operations, over an extended time horizon. Accordingly, as of 31 December 2025, no provision has been recognized within the Group's liabilities in relation to IPCs.

(b) As at 31 December 2025, the contractual commitments for the acquisition of own used property, investment property, equipment and intangible assets amounted to € 57 million (2024: € 51 million).

Legal proceedings

As at 31 December 2025, the provisions for legal proceedings outstanding against the Group amounted to € 38 million (note 34). As at 31 December 2024: the Group had recognized respective provisions of € 33 million and contingent liabilities at a provisional fair value of € 4 million on the acquisition of Hellenic Bank group (note 23.2).

Furthermore, in the normal course of its business, the Group has been involved in a number of legal proceedings, which are either at still a premature or at an advanced trial instance. The final settlement of these cases may require the lapse of a certain time so that the litigants exhaust the legal remedies provided for by the law. Management, is closely monitoring the developments to the relevant cases and having considered the advice of Legal Services, does not expect that there will be an outflow of resources and therefore does not acknowledge the need for a provision.

44. 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).

Notes to the Consolidated Financial Statements

Greece is further segregated into retail, corporate, markets, investment property and remedial and servicing strategy. International is monitored and reviewed on a country basis. The Group aggregates segments when they exhibit similar economic characteristics and profile and are expected to have similar long-term economic development.

In more detail, the Group is organized in the following reportable segments:

- Retail: incorporating customer current accounts, savings, deposits and investment savings products, credit and debit cards, consumer loans, small business banking and mortgages.
- Corporate: incorporating current accounts, deposits, overdrafts, loan and other credit facilities, foreign currency and derivative products to corporate entities, custody and clearing services, cash management and trade services and investment banking services including corporate finance, merger and acquisitions advice.
- Markets: incorporating financial instruments trading, services to institutional investors, as well as, specialized financial advice and intermediation, as well as equity brokerage.
- International: incorporating operations in a) Bulgaria, b) Cyprus, containing the operations of Eurobank Limited (former Hellenic Bank Public Company Limited) following the transfer of the banking business of Eurobank Cyprus Ltd to the entity in the third quarter of 2025 and the completion of the merger with ERB Cyprus Holdings Ltd (former Eurobank Cyprus Ltd) in the fourth quarter of 2025. These operations were previously reported separately (note 23.3). The operations of the former Hellenic Bank group were included in the Company's consolidated financial statements as of the third quarter of 2024 (note 23.3). Additionally, from the second quarter of 2025, the operations of the former Hellenic Bank group include those of the former CNP Cyprus subgroup, which was acquired in April 2025 (note 23.4), c) Luxembourg and d) Romania and Serbia, which as of the third quarter of 2024 are presented in "Other" segment of the International operations.
- Investment Property: incorporating investment property activities relating to a diversified portfolio of commercial real estate assets.
- Remedial and Servicing Strategy (RSS): incorporating the management of non - performing assets, the property management (repossessed assets), the notes of the securitizations of loans originated by the Bank, which were retained by the Group, and the Group's share of results of doValue Greece Loans and Credits Claim Management S.A.

Other segment of the Group refers mainly to (a) property management (own used property & equipment), (b) other investing activities (including equities' positions), (c) mutual fund products, institutional asset management which were previously reported under Global markets & Asset management (d) private banking services to medium and high net worth individuals, (e) the Group's share of results of Eurolife Insurance group and (f) the results related to the Group's transformation projects and initiatives.

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.

Notes to the Consolidated Financial Statements
44.1 Operating segments

	31 December 2025							Total € million
	Retail € million	Corporate € million	Markets € million	Investment Property € million	RSS € million	International € million	Other and Elimination center € million	
Net interest income	827	357	241	(13)	(33)	1,219	(49)	2,549
Net banking fee and commission income	108	132	83	(0)	3	232	74	631
Other net revenue	(72)	0	31	126	46	121	(2)	250
Total external revenue	863	489	355	112	16	1,572	22	3,430
Inter-segment revenue	72	52	(28)	2	(0)	(3)	(96)	-
Total revenue	935	542	327	114	16	1,570	(73)	3,430
Operating expenses	(421)	(138)	(51)	(35)	(60)	(558)	(22)	(1,285)
Impairment losses relating to loans and advances to customers	(309)	46	-	-	(20)	(61)	(34)	(379)
Other impairments, risk provisions and related costs (note 12)	(4)	(0)	(7)	(0)	(5)	(4)	(15)	(35)
Restructuring costs (note 12)	(6)	(1)	(1)	(0)	-	(46)	(8)	(62)
Special tax levy on credit institutions	-	-	-	-	-	(35)	-	(35)
Share of results of associates and joint ventures	-	-	0	-	11	-	35	47
Profit/(loss) before tax from continuing operations	193	449	268	80	(57)	866	(117)	1,681
Loss before tax from discontinued operations (note 30)	-	-	-	-	-	-	(13)	(13)
Profit/(loss) before tax attributable to non controlling interests	-	-	-	(0)	-	0	-	0
Profit/(loss) before tax attributable to equity holders of the parent company	193	449	268	80	(57)	866	(130)	1,668

	31 December 2025							Total € million
	Retail € million	Corporate € million	Markets € million	Investment Property € million	RSS € million	International € million	Other and Elimination center ⁽¹⁾ € million	
Segment assets	11,714	21,965	16,321	1,384	7,346	45,186	4,060	107,976
Segment liabilities	34,033	13,493	4,755	237	1,377	40,030	3,429	97,353

Notes to the Consolidated Financial Statements

The International segment is further analyzed as follows:

	31 December 2025				
	Bulgaria € million	Cyprus € million	Luxembourg € million	Other € million	Total International € million
Net interest income	407	758	50	3	1,219
Net banking fee and commission income	94	124	14	(0)	232
Other net revenue	10	111	1	(1)	121
Total external revenue	511	994	65	2	1,572
Inter-segment revenue	-	-	(3)	-	(3)
Total revenue	511	994	62	2	1,570
Operating expenses	(195)	(325)	(36)	(2)	(558)
Impairment losses relating to loans and advances to customers	(55)	(10)	0	4	(61)
Other impairments, risk provisions and related costs	(3)	0	(0)	(1)	(4)
Restructuring costs (note 12)	-	(45)	(1)	-	(46)
Special tax levy on credit institutions	-	(35)	-	-	(35)
Profit/(loss) before tax from continuing operations	258	579	25	4	866
Profit/(loss) before tax attributable to non controlling interests	0	0	-	-	0
Profit/(loss) before tax attributable to equity holders of the parent company	258	579	25	4	866

	31 December 2025				
	Bulgaria € million	Cyprus € million	Luxembourg € million	Other € million	Total € million
Segment assets ⁽²⁾	13,580	28,742	3,031	82	45,186
Segment liabilities ⁽²⁾	12,014	25,396	2,712	158	40,030

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	31 December 2024							Total € million
	Retail	Corporate	Markets	Investment Property	RSS	International	Other and Elimination center	
	€ million	€ million	€ million	€ million	€ million	€ million	€ million	
Net interest income	1,170	405	21	(13)	(37)	1,023	(62)	2,507
Net banking fee and commission income	106	137	86	0	3	176	54	561
Other net revenue	(51)	19	76	108	(31)	61	91	272
Total external revenue	1,225	560	182	95	(65)	1,261	82	3,341
Inter-segment revenue	59	49	(27)	2	(0)	(6)	(77)	
Total revenue	1,283	610	155	97	(65)	1,255	5	3,341
Operating expenses	(391)	(131)	(46)	(33)	(60)	(416)	(23)	(1,098)
Impairment losses relating to loans and advances to customers	(230)	(3)			34	(61)	(43)	(303)
Other impairment losses, risk provisions and related costs (note 12)	(4)	(0)	(11)	(1)	(9)	(18)	(16)	(59)
Restructuring costs (note 12)	(15)	(2)	(1)	(1)	(0)	(2)	(147)	(168)
Special tax levy on credit institutions						(22)		(22)
Share of results of associates and joint ventures			(0)		10	133	18	161
Profit/(loss) before tax from continuing operations	643	474	97	64	(91)	869	(205)	1,850
Profit before tax from discontinued operations	-	-	-	-	-	-	(10)	(10)
Profit/(loss) before tax attributable to non controlling interests	-	-	-	(0)	-	66	(0)	66
Profit/(loss) before tax attributable to shareholders	643	474	97	64	(91)	803	(215)	1,774

	31 December 2024							Total € million
	Retail	Corporate	Markets	Investment Property	RSS	International	Other and Elimination center ⁽¹⁾	
	€ million	€ million	€ million	€ million	€ million	€ million	€ million	
Segment assets	11,921	18,825	14,560	1,474	7,734	42,318	4,317	101,150
Segment liabilities	32,270	12,215	4,373	221	1,288	37,874	4,011	92,251

Notes to the Consolidated Financial Statements

	31 December 2024					
	Cyprus					Total International
	Bulgaria € million	Eurobank Cyprus € million	Hellenic Bank € million	Luxembourg € million	Other € million	
Net interest income	394	273	295	58	4	1,023
Net banking fee and commission income	83	42	40	11	(1)	176
Other net revenue	9	4	48	1	(1)	61
Total external revenue	486	320	382	70	2	1,261
Inter-segment revenue	0.08	0.01	-	(6)	(0)	(6)
Total revenue	486	320	382	64	2	1,255
Operating expenses	(194)	(59)	(127)	(32)	(3)	(416)
Impairment losses relating to loans and advances to customers	(49)	(7)	(9)	0	4	(61)
Other impairments, risk provisions and related costs	(4)	(1)	(2)	(1)	(10)	(18)
Restructuring costs	-	-	(1)	(1)	-	(2)
Special tax levy on credit institutions	-	(11)	(11)	-	-	(22)
Share of results of associates and joint ventures	-	-	133	-	-	133
Profit/(loss) before tax from continuing operations	239	243	364	31	(8)	869
Profit/(loss) before tax attributable to non controlling interests	0	-	66	-	-	66
Profit/(loss) before tax attributable to shareholders	239	243	298	31	(8)	802

	31 December 2024					
	Cyprus					Total
	Bulgaria € million	Eurobank Cyprus € million	Hellenic Bank € million	Luxembourg € million	Other € million	
Segment assets ⁽²⁾	11,529	9,275	18,262	3,240	128	42,318
Segment liabilities ⁽²⁾	10,193	8,074	16,501	3,005	215	37,874

⁽¹⁾ Interbank and debt securities in issue 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.

44.2 Entity wide disclosures

Breakdown of the Group's revenue for each group of similar products and services is as follows:

	2025 € million	2024 € million
Lending related activities	1,381	1,203
Deposits, network and asset management activities	1,549	2,011
Markets and Treasury activities	329	(31)
Non banking and other services	171	158
Total from continuing operations	3,430	3,341

Information on the Country by Country Reporting based on Law 4261/2014 is provided in the Appendix.

Notes to the Consolidated Financial Statements

45. Post balance sheet events

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

- Note 4 – Capital Management
- Note 5.2.2 – Market risk
- Note 20 – Loans and advances to customers
- Note 23.2 – Shares in subsidiaries
- Note 24 – Investments in associates and joint ventures
- Note 33 – Debt securities in issue
- Note 37 – Share capital, share premium and treasury shares

46. Related parties

Eurobank S.A. (the Bank) along with its subsidiaries form the Eurobank S.A. Group (the Group). A number of banking transactions are entered into with related parties in the normal course of business and are conducted on an arm's length basis. These include loans, deposits and guarantees. In addition, as part of its normal course of business in investment banking activities, the Group at times may hold positions in debt and equity instruments of related parties.

The outstanding balances of the transactions with (a) Fairfax group, which is considered to have significant influence over the Bank, (b) the key management personnel (KMP) and the entities controlled or jointly controlled by KMP and (c) other related parties, as well as the relating income and expenses are as follows:

	31 December 2025			31 December 2024		
	Fairfax Group ⁽²⁾	KMP and Entities controlled or jointly controlled by KMP ⁽¹⁾	Other Related Parties ⁽³⁾	Fairfax Group ⁽²⁾	KMP and Entities controlled or jointly controlled by KMP ⁽¹⁾	Other Related Parties ⁽³⁾
	€ million	€ million	€ million	€ million	€ million	€ million
Loans and advances to customers	135.25	6.31	4.20	152.23	5.32	0.17
Assets of disposal groups classified as held for sale ⁽⁴⁾	-	-	67.39	-	-	-
Other assets	11.66	0.01	94.70	11.97	-	99.77
Due to credit institutions	-	-	-	-	-	-
Due to customers	44.54	22.82	109.12	23.35	18.05	96.11
Debt securities in issue	-	0.30	0.89	-	0.91	1.23
Other liabilities	0.01	1.08	17.17	0.01	0.19	8.43
Net interest income	6.36	(0.06)	(4.26)	8.28	(0.11)	(1.10)
Net banking fee and commission income	0.02	0.06	11.64	0.03	0.04	13.57
Gains less losses from investment securities	-	-	-	-	-	1.20
Impairment losses relating to loans and securities including relative fees	0.85	-	(19.58)	0.72	-	(69.50)
Other operating income/(expenses)	4.66	0.09	(20.04)	9.77	(8.83)	(13.16)
Guarantees issued	2.04	-	0.46	2.48	-	0.45

⁽¹⁾ Includes the key management personnel of the Group and their close family members. Information about KMP compensation is set out below.

⁽²⁾ The balances with the Group's associate Eurolife FFH Insurance Group Holdings S.A., which is also a member of Fairfax Group are presented in the column other related parties.

⁽³⁾ Other related parties include associates (Hellenic Bank was accounted for as a Group's associate until the end of the second quarter of 2024, note 24), joint ventures and the Eurobank Group's personnel occupational insurance fund.

⁽⁴⁾ Includes the loan exposures to the entities of the Avramar group that were classified as held for sale, as these entities are considered to be jointly controlled by the Bank together with the other Greek lending banks (note 24).

For the year ended 31 December 2025, a reversal of impairment of € 33.5 million (2024: € 0.01 million) has been recorded against loan balances with Group's associates and joint ventures, while the respective impairment allowance amounted to € 0.72 million (31 December 2024: € 0.02 million). The aforementioned balances for 2025, primary refer to the entities of Avramar group (note 24).

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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 € 11.9 million (2024: € 11.8 million) including € 2.1 million in upfront variable remuneration awarded as profit sharing (2024: € 2.2 million), and long-term employee benefits amounting to € 5 million (2024: € 5.3 million) including € 2.8 million in deferred variable remuneration awarded as profit sharing and payable in equal installments over the next 4-5 years (2024: € 3.2 million). In addition, KMP have been granted € 4.9 million in variable remuneration through share options (2024: € 5.5 million), € 2.9 million of which relates to options exercisable in equal portions over the next 4-5 years (2024: € 3.3 million). The variable remuneration was awarded following the Annual General Meetings of the shareholders of the Eurobank Holdings and the Bank taken place on 30 April 2025 (note 37), in accordance with the Eurobank Holdings and the Bank's remuneration policy. Furthermore, as at 31 December 2025, the defined benefit obligation for the KMP amounts to € 2.2 million (2024: € 2.1 million) while the respective cost for the period through the income statement amounts to € 0.2 million (2024: € 0.1 million) and the other comprehensive income (actuarial loss) amounts to € 0.2 million (2024: € 0.3 million actuarial loss).

47. External Auditors

The Group has adopted a Policy on External Auditors' Independence which provides amongst others, for the definition of the permitted and non-permitted services the Group auditors may provide further to the statutory audit. For any such services to be assigned to the Group's auditors there are specific controlling mechanisms in order for the Bank's Audit Committee to ensure that a) the non-audit services assigned to "KPMG Certified Auditors S.A.", along with the KPMG network (KPMG), have been reviewed and approved as required and b) there is proper balance between audit and permitted non-audit work.

The total fees of the Group's principal independent auditor KPMG, for audit and other services provided are analyzed as follows:

	2025	2024
	€ million	€ million
Statutory audit ⁽¹⁾	(4.9)	(3.0)
Tax certificate	(0.5)	(0.5)
Other audit related assignments	(2.0)	(1.5)
Non audit assignments	(0.2)	(0.5)
Total	(7.6)	(5.5)

⁽¹⁾ Includes fees for statutory audit of the annual separate and consolidated financial statements.

It is noted that the non-audit assignment fees of "KPMG Certified Auditors S.A." Greece, statutory auditor of the Group, amounted to € 0.05 million.

Notes to the Consolidated Financial Statements

48. Board of Directors

The Board of Directors (BoD) was elected by the Annual General Meeting of the Shareholders (AGM) held on 23 July 2024 for a three-year term of office that will expire on 23 July 2027, prolonged until the end of the period the AGM for the year 2027 will take place.

On 18 June 2025, Mr. Jawaid Mirza, Non-Executive Independent Member of the Board of Directors of Eurobank S.A., submitted his resignation, effective as of 27 June 2025, due to no longer fulfilling the independence criteria of Article 9 of Law 4706/2020, as he has cumulatively served nine (9) years as a member of the Bank's BoD.

The BoD is as follows:

G. Zanias	Chairman, Non-Executive Member
F. Karavias	Chief Executive Officer
S. Ioannou	Deputy Chief Executive Officer
K. Vassiliou	Deputy Chief Executive Officer
B.P. Martin	Non-Executive Member
A. Gregoriadi	Non-Executive Independent Member
I. Rouvitha Panou	Non-Executive Independent Member
R. Kakar	Non-Executive Independent Member
C. Basile	Non-Executive Independent Member
B. Eckes	Non-Executive Independent Member
J. A. Hollows	Non-Executive Independent Member
E. Kotsovinos	Non-Executive Independent Member

Athens, 5 March 2026

Georgios P. Zanias

I.D. No A02555306

CHAIRMAN
OF THE BOARD OF DIRECTORS

Fokion C. Karavias

I.D. No A02555309

CHIEF EXECUTIVE OFFICER

Harris V. Kokologiannis

I.D. No AN582334

GENERAL MANAGER OF GROUP FINANCE
CHIEF FINANCIAL OFFICER

Notes to the Consolidated Financial Statements

APPENDIX – Disclosures under Law 4261/2014

Country by Country Reporting

Pursuant to article 81 of Law 4261/2014, which incorporated article 89 of Directive 2013/36/EC into the Greek legislation, the Group provides the following information for each country in which it has an establishment:

- (i) Names, nature of activities and geographical location.
- (ii) The operating income (turnover), the profit/(loss) before tax, the tax on profit/ (loss) and the current tax on a consolidated basis for each country; intercompany transactions among countries are eliminated through the line 'Intra-Group amounts'. The amounts disclosed are prepared on the same basis as the Group's financial statements for the year ended 31 December 2025.
- (iii) The number of employees on a full time equivalent basis.
- (iv) The public subsidies received.

For the listing of the Bank's subsidiaries at 31 December 2025, the country of their incorporation and the line of their business refer to note 23.2.

The information per country is set out below:

	Year ended 31 December 2025				
	Operating income	Profit/(loss) before tax	Tax on profit/(loss)	Current tax	Number of employees at 31 December
	€ million	€ million	€ million	€ million	
Greece	1,835	726	(176)	(12)	6,022
Bulgaria	511	267	(40)	(36)	3,324
Romania	(4)	(4)	(0)	(0)	-
Cyprus	995	590	(81)	(79)	2,905
Serbia	1	-	-	(0)	6
Luxembourg ⁽¹⁾	94	56	(13)	(13)	151
Netherlands	(1)	(1)	-	-	-
Other countries	-	(0)	-	-	-
Intra-Group amounts	(1)	-	-	-	-
Total from continuing operations	3,430	1,634	(310)	(140)	12,408
Total from discontinued operations	-	(13)	4	-	-
Total	3,430	1,621	(306)	(140)	12,408

⁽¹⁾ The operations of Eurobank Private Bank Luxembourg S.A.'s branch in London are included within Luxembourg.

Article 82 of Law 4261/2014

For 2025, the Group's return on assets (RoA) was 1.32 %. RoA is calculated by dividing the net profit for the year ended 31 December 2025 by the Group's average total assets for the year