

**ERB NEW EUROPE FUNDING III
LIMITED**

FINANCIAL STATEMENTS

For the year ended 31 December 2022

ERB NEW EUROPE FUNDING III LIMITED

FINANCIAL STATEMENTS

31 December 2022

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ERB NEW EUROPE FUNDING III LIMITED

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:

Michalis Louis
Demetris Shacallis
Spyridon Psychogyios (resigned on 19 May 2023)

Company Secretary:

Demetris Shacallis

Independent Auditors:

KPMG Limited
Certified Public Accountants and Registered Auditors
14 Esperidon Street
1087 Nicosia
Cyprus

Registered office:

41 Arch. Makariou III Avenue
1065 Nicosia
Cyprus



KPMG Limited
Chartered Accountants
14 Esperidon Street, 1087 Nicosia, Cyprus
P.O. Box 21121, 1502 Nicosia, Cyprus
T: +357 22 209000, F: +357 22 678200

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INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
ERB NEW EUROPE FUNDING III LIMITED

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of ERB New Europe Funding III Limited (the "Company"), which are presented on page 5 to 23 and comprise the statement of financial position as at 31 December 2022, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS-EU") and the requirements of the Cyprus Companies Law, Cap. 113, as amended from time to time (the "Companies Law, Cap. 113").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the International Code of Ethics (including International Independence Standards) for Professional Accountants of the International Ethics Standards Board for Accountants ("IESBA Code") together with the ethical requirements in Cyprus that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Limassol
P.O. Box 50161, 3601
T: +357 25 869000
F: +357 25 363842

Paphos
P.O. Box 60298, 8101
T: +357 26 943050
F: +357 26 943062

Polis Chrysochous
P.O. Box 66014, 8330
T: +357 26 322099
F: +357 26 322722

Larnaca
P.O. Box 40075, 6300
T: +357 24 200000
F: +357 24 200200

Parelimni / Ayia Napa
P.O. Box 33200, 5311
T: +357 23 820080
F: +357 23 820084

Emphasis of Matter

We draw attention to Note 2 of the financial statements, where it is indicated that the financial statements have not been prepared on a going concern basis, since its members have taken the decision to liquidate the Company in the near future. Our opinion is not modified in respect of this matter.

Responsibilities of the Board of Directors for the financial statements

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS-EU and the requirements of the Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

Auditors' responsibilities for the audit of the financial statements (cont.)

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

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

Other Matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 69 of Law L.53(I)/2017 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

Constantinos N. Kallis, FCA
Certified Public Accountant and Registered Auditor
for and on behalf of

KPMG Limited
Certified Public Accountants and Registered Auditors
14 Esperidon Street
1087 Nicosia
Cyprus

11 July 2023

ERB NEW EUROPE FUNDING III LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME 31 December 2022

	Note	2022 €	2021 €
Interest expense	4	<u>(2.190.815)</u>	<u>(1.868.614)</u>
Net interest expense		<u>(2.190.815)</u>	<u>(1.868.614)</u>
Fee and commission expense		<u>(408)</u>	<u>(281)</u>
Net fee and commission expense		<u>(408)</u>	<u>(281)</u>
Net trading profit	7	2	2
Operating expenses	5	<u>(10.231)</u>	<u>(14.632)</u>
Operating loss		<u>(2.201.452)</u>	<u>(1.883.525)</u>
Finance costs	6	<u>(102)</u>	<u>(6.959)</u>
Loss before tax		<u>(2.201.554)</u>	<u>(1.890.484)</u>
Tax	8	<u>-</u>	<u>(22.124)</u>
Net loss for the year		<u>(2.201.554)</u>	<u>(1.912.608)</u>
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive (expense) for the year		<u>(2.201.554)</u>	<u>(1.912.608)</u>

The notes on pages 9 to 23 form an integral part of these financial statements.

ERB NEW EUROPE FUNDING III LIMITED

STATEMENT OF FINANCIAL POSITION

31 December 2022

	Note	2022 €	2021 €
ASSETS			
Current assets			
Cash at bank	9	<u>12.348</u>	93.852
Total assets		<u>12.348</u>	<u>93.852</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	10	1.100	1.100
Share premium	10	18.900	18.900
Accumulated losses		<u>(99.657.027)</u>	<u>(97.455.473)</u>
Total equity		<u>(99.637.027)</u>	<u>(97.435.473)</u>
Liabilities			
Loans payable	11	99.631.522	97.500.754
Other payables	12	17.853	28.562
Current tax liabilities	13	-	9
Total liabilities		<u>99.649.375</u>	<u>97.529.325</u>
Total equity and liabilities		<u>12.348</u>	<u>93.852</u>

On 11 July 2023 the Board of Directors of ERB NEW EUROPE FUNDING III LIMITED authorised these financial statements for issue.

.....
Michalis Louis
Director

.....
Demetris Shacallis
Director

The notes on pages 9 to 23 form an integral part of these financial statements.

ERB NEW EUROPE FUNDING III LIMITED

STATEMENT OF CHANGES IN EQUITY

31 December 2022

	Share capital €	Share premium €	Accumulated losses €	Total €
Balance at 1 January 2021	1.100	18.900	(95.542.865)	(95.522.865)
Comprehensive expense				
Net loss for the year	-	-	(1.912.608)	(1.912.608)
Balance at 31 December 2021/ 1 January 2022	1.100	18.900	(97.455.473)	(97.435.473)
Comprehensive expense				
Net loss for the year	-	-	(2.201.554)	(2.201.554)
Balance at 31 December 2022	1.100	18.900	(99.657.027)	(99.637.027)

Companies which do not distribute 70% of their profits after tax, as defined by the Special Contribution for the Defence of the Republic Law, within two years after the end of the relevant tax year, will be deemed to have distributed as dividends 70% of these profits. Special contribution for defence at 17% will be payable on such deemed dividends to the extent that the ultimate shareholders at the end of the period of two years from the end of the year of assessment to which the profits refer are both Cyprus tax resident and Cyprus domiciled. The amount of deemed distribution is reduced by any actual dividends paid out of the profits of the relevant year at any time. This special contribution for defence is payable by the Company for the account of the shareholders.

The notes on pages 9 to 23 form an integral part of these financial statements.

ERB NEW EUROPE FUNDING III LIMITED

STATEMENT OF CASH FLOWS

31 December 2022

	Note	2022 €	2021 €
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(2.201.554)	(1.890.484)
Adjustments for:			
Interest expense	6	<u>102</u>	<u>6.959</u>
		(2.201.452)	(1.883.525)
Changes in working capital:			
(Decrease)/increase in other payables		<u>(10.709)</u>	<u>1.190</u>
Cash used in operations		(2.212.161)	(1.882.335)
Tax paid		<u>(9)</u>	<u>(22.124)</u>
Net cash used in operating activities		(2.212.170)	(1.904.459)
CASH FLOWS FROM FINANCING ACTIVITIES			
Additions / (Repayments) of loans payable, net		2.130.768	1.737.910
Interest paid		<u>(102)</u>	<u>(6.959)</u>
Net cash generated from financing activities		2.130.666	1.730.951
Net decrease in cash and cash equivalents		(81.504)	(173.508)
Cash and cash equivalents at beginning of the year		<u>93.852</u>	<u>267.360</u>
Cash and cash equivalents at end of the year	9	<u>12.348</u>	<u>93.852</u>

For the purposes of the cash flow statement, cash and cash equivalents comprise exclusively by Cash at bank, which has less than 90 days' maturity.

As at 31 December 2022, the Company holds deposits with the Bank and other Group's subsidiaries amounting to Euro 27 (2021: Euro 25) and Euro 12.321 (2021: Euro 93.827) respectively. Eurobank's Local Currency LT credit rating was upgraded to "B+" from "B" on 27 th April 2021, according to S&P Global Rating agency.

The notes on pages 9 to 23 form an integral part of these financial statements.

ERB NEW EUROPE FUNDING III LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

1. General

ERB NEW EUROPE FUNDING III LIMITED (the "Company") was registered in Cyprus on 25 November 2010 as a private limited liability Company in accordance with the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at 41 Arch. Makariou III Avenue, 1065, Nicosia, Cyprus. As at 31 December 2022, Eurobank S.A. (the "Bank") owns directly 100% of ERB New Europe Funding III.

Principal activities and nature of the operations of the Company

The principal activities of the Company are to invest into debt and equities securities and into portfolio of loans, both performing and non performing, granted to clients and originated by respective Bank's subsidiaries.

2. Principal accounting policies

The policies set out below have been consistently applied to the years 2022 and 2021, except as described below. Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and IFRS Interpretations Committee (IFRS IC) issued by the IASB, as endorsed by the European Union (the "EU") and the requirements of the Cyprus Companies Law, Cap.113.

The policies set out below have been consistently applied to the years presented unless otherwise stated.

Going concern basis

The financial statements have been prepared on the basis that the Company will not continue as a going concern, since its members intent to liquidate the Company. Nevertheless, the preparation on this basis did not have any significant effect on the Company's accounting policies which continue to be in accordance with IFRSs.

Macroeconomic environment

2022 was marked by the war in Ukraine, which gave rise to a global - but predominantly European - energy crisis, added to the mounting inflationary pressures, and led to widespread economic uncertainty and increased volatility in the global economy and financial markets. Nevertheless, the post-pandemic recovery continued for a second consecutive year in Greece, with its GDP growth overperforming that of most of its EU peers. According to the Hellenic Statistical Authority (ELSTAT) provisional data, the Greek economy expanded by 5.9% on an annual basis in 2022, with the European Commission (EC) estimating the full-year 2022 growth rate at 5.5% and 1.2% in 2023 in its winter economic forecast (February 2023). The inflation rate, as measured by the change in the 12-month average Harmonized Index of Consumer Prices (HICP), increased to 9.3% in 2022 according to ELSTAT, primarily as a result of supply-side shocks (including the hikes in energy, food and other raw material prices, the continued disruptions in the supply chain and the rising nominal wages), alongside the steep post-pandemic recovery of domestic and external demand. The EC expects that the inflation rate will decline to 4.5% in 2023, and further de-escalate to 2.4% in 2024. Moreover, provisional ELSTAT data shows that the average monthly unemployment in 2022 decreased to 12.4%, from 14.8% in 2021, while the Organisation for Economic Co-operation and Development (OECD) in its latest report (January 2023) expects unemployment to decline to 11.5% in 2023. On the fiscal front, the general government primary balance was to post a deficit of 1.6% of GDP in 2022 according to the 2023 Budget (latest outlook point to a primary deficit of ca. 1% of GDP or even lower), and a surplus of 0.7% of GDP in 2023 (2021: deficit of 5%). The gross public debt-to-GDP ratio is expected to decline to 168.9% and 159.3% in 2022 and 2023 respectively (2021: 194.5%). The above forecasts may change in case of potential adverse international developments that could affect energy and other goods prices, interest rates, external and domestic demand, and bring about the need for additional fiscal support measures.

ERB NEW EUROPE FUNDING III LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

2. Principal accounting policies (continued)

Macroeconomic environment (continued)

A significant boost to growth in Greece and in other countries of presence is expected from European Union (EU) funding, mainly under the Next Generation EU (NGEU) instrument and the Multiannual Financial Framework (MFF) 2021–2027, EU's long-term budget. Greece shall receive EU funds of more than € 30.5 billion (€ 17.8 billion in grants and € 12.7 billion in loans) up to 2026 from NGEU's Recovery and Resilience Facility (RRF) to finance projects and initiatives laid down in its National Recovery and Resilience Plan (NRRP) titled "Greece 2.0". A pre-financing of € 4 billion was disbursed in August 2021, and the first two regular payments of € 3.6 billion each in April 2022 and January 2023 respectively. Greece has been also allocated about € 40 billion through MFF 2021-2027. On the monetary policy front, although net bond purchases under the temporary Pandemic Emergency Purchase Programme (PEPP) ended in March 2022, as scheduled, the European Central Bank (ECB) will continue to reinvest principal from maturing securities at least until the end of 2024, including purchases of Greek Government Bonds (GGBs) over and above rollovers of redemptions. Furthermore, the Governing Council of the ECB, in line with its strong commitment to its price stability mandate, has proceeded with six rounds of interest rate hikes (in July, September, October, December 2022, February and in March 2023), raising the three key ECB interest rates by 350 basis points in aggregate. Moreover, it approved a new instrument (the "Transmission Protection Instrument" – TPI) aimed at preventing fragmentation in the sovereign bonds market. Finally, following the expiration of the special terms and conditions applying to the TLTRO III (Targeted Longer-Term Refinancing Operations) on 23 June 2022, the ECB will keep assessing how targeted lending operations are contributing to its monetary policy stance.

In 2022, the Greek State proceeded with the issuance of nine bonds of various maturities (5-year, 10-year, 15-year and 20-year) through the Public Debt Management Agency (PDMA), raising a total of € 8.3 billion from international financial markets. On 17 January 2023, the PDMA issued a 10-year bond of € 3.5 billion at a yield of 4.279% and more recently, on 29 March 2023, issued a 5-year bond of € 2.5 billion at a yield of 3.919%. As of end 2022, the cash reserves of the Greek State stood in excess of € 30 billion, and as of early February 2023, its sovereign rating was one notch below investment grade by three of the four External Credit Assessment Institutions (ECAIs) accepted by the Eurosystem (DBRS Morningstar: BB (high); S&P Ratings, Fitch Ratings: BB+).

Regarding the outlook for the next 12 months the major macroeconomic risks and uncertainties in Greece and its region are as follows:

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

ERB NEW EUROPE FUNDING III LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

2. Principal accounting policies (continued)

Macroeconomic environment (continued)

(l) the exacerbation of natural disasters due to the climate change and their effect on GDP, employment, fiscal balance and sustainable development in the long run.

Materialization of the above risks, would have potentially adverse effects on the fiscal planning of the Greek government, as it could decelerate the pace of expected growth and on the liquidity, asset quality, solvency and profitability of the Greek banking sector. The Group Management and Board, mindful of the recent banking turmoil across some markets, has done a proactive internal review to re-assure itself of the continued resilience of Eurobank business model to such possible external shocks and is pleased to report that this model is well supported by sound business practices, diversified activities and prudent risk management approaches. The resulting stability of the Group's business operating model is also further well-reflected by, among others, its financial position and performance as analysed below. In this context, the Group is continuously monitoring the developments on the macroeconomic, financial and geopolitical fronts as well as the evolution of its asset quality and liquidity KPIs and has increased its level of readiness, so as to accommodate decisions, initiatives and policies to protect its capital and liquidity standing as well as the fulfilment, to the maximum possible degree, of its strategic and business goals in accordance with the business plan for 2023 - 2025.

As at 31 December 2022, the Total Adequacy Ratio (total CAD) and Common Equity Tier 1 (CET1) ratios of Eurobank Holdings Group, stood at 19.2% (31 December 2021: 16.1%) and 16% (31 December 2021: 13.7%) respectively. At the same date, the Total CAD and CET1 ratios of Eurobank S.A. (the Bank) amount to 18.9% (31 December 2021: 15.3%) and 15.1% (31 December 2021: 12.4%) respectively.

With regards to asset quality, as at 31 December 2022, the Group's NPE stock, following the classification of project "Solar" underlying loan portfolio as held for sale and other initiatives, amounted to € 2.3 billion (Bank: € 1.9 billion) (31 December 2021: € 2.8 billion, Bank: € 2.2 billion), driving the NPE ratio to 5.2% (31 December 2021: 6.8%), while the NPE coverage ratio stood at 74.6% (31 December 2021: 69.2%).

Current conflict between Russia and Ukraine developments

In 2022, the geopolitical and economic upheaval caused by the Russian invasion in Ukraine, along with the persistent - albeit decelerating - inflationary pressures, high energy prices and rising borrowing costs affected negatively the global economic environment, worsened the macroeconomic outlook of the European economies, which are now confronted with a slowdown in growth and, accordingly, exacerbated economic uncertainty in the regions that the Bank operates. In this volatile environment, the Greek economy has exhibited notable resilience, mainly driven by the increase in consumption, export of services, strong performance in tourism and further acceleration of new investments supported by the RRF funds, which is expected to continue, at a slower pace though.

Solvency risk

As at 31 December 2022, the Total Adequacy Ratio (total CAD) and Common Equity Tier 1 (CET1) ratios of Eurobank Holdings Group, stood at 19.2% (31 December 2021: 16.1%) and 16% (31 December 2021: 13.7%) respectively. At the same date, the Total CAD and CET1 ratios of Eurobank S.A. (the Bank) amount to 18.9% (31 December 2021: 15.3%) and 15.1% (31 December 2021: 12.4%) respectively.

In terms of liquidity, as at 31 December 2022, the Eurobank Holding's Group deposits increased to € 57.2 billion (31 December 2021: € 53.2 billion), while the funding from the targeted long term refinancing operations of the European Central Bank – TLTRO III programme decreased by € 2.9 billion amounting to € 8.8 billion (Bank: € 7.9 billion) (31 December 2021: € 11.7 billion, Bank: € 10.8 billion). During the year, the Bank proceeded with the issuance of a preferred senior note of € 500 million and the Parent Company completed the issuance of a Tier 2 instrument of € 300 million. More recently, in January 2023, the Bank successfully completed the issue of a € 500 million senior preferred note (note 33). The rise in high quality liquid assets of the Eurobank Holding Group led the respective Liquidity Coverage ratio (LCR) to 173% (31 December 2021: 152%). In the context of the 2022 ILAAP (Internal Liquidity Adequacy Assessment Process), the liquidity stress tests results indicated that the Bank has adequate liquidity buffer to cover the potential outflows that could occur in all scenarios both in the short term (1 month horizon) and in the medium term (1 year horizon).

ERB NEW EUROPE FUNDING III LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

2. Principal accounting policies (continued)

Adoption of new and revised International Financial Reporting Standards

During the year the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2022. This adoption did not have a material effect on the accounting policies of the Company.

Foreign currency translation

(1) Functional and presentation currency

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Euro (€), which is the Company's functional and presentation currency.

(2) Transactions and balances

Foreign currency transactions that are transactions denominated, or that require settlement, in a foreign currency 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 and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Interest income and expense

Interest income and expenses for all interest-bearing financial instruments are recognised within "interest income" and "interest expense" in the income statement on an accruals basis, using the effective interest rate method.

The effective interest rate method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the expected life of the financial instrument. 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 net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Company estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Once a financial asset or group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

Fee and commissions

Fees and commissions are generally recognised in the income statement on an accruals basis.

Tax

Current tax liabilities and assets are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and laws that have been enacted, or substantively enacted, by the reporting date.

Financial assets

Financial assets - Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

ERB NEW EUROPE FUNDING III LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

2. Principal accounting policies (continued)

Financial assets (continued)

Financial assets - Classification (continued)

The classification and subsequent measurement of debt financial assets depends on: (i) the Company's business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset. On initial recognition, the Company may irrevocably designate a debt financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

For investments in equity instruments that are not held for trading, the classification will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). This election is made on an investment-by-investment basis.

All other financial assets are classified as measured at FVTPL.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

Financial assets - Recognition and derecognition

All purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recorded at trade date, which is the date when the Company commits to deliver a financial instrument. All other purchases and sales are recognised when the entity becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Financial assets - Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

ERB NEW EUROPE FUNDING III LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

2. Principal accounting policies (continued)

Financial assets (continued)

Financial assets - Measurement (continued)

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in 'other income'. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss and other comprehensive income. Financial assets measured at amortised cost (AC) comprise: cash and cash equivalents, bank deposits with original maturity over 3 months, trade receivables and financial assets at amortised cost.

FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in "other income". Foreign exchange gains and losses are presented in "other gains/(losses)" and impairment expenses are presented as separate line item in the statement of profit or loss and other comprehensive income.

FVTPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented net within "other gains/(losses)" in the period in which it arises.

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's Management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment, any related balance within the FVOCI reserve is reclassified to retained earnings. The Company's policy is to designate equity investments as FVOCI when those investments are held for strategic purposes other than solely to generate investment returns. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in "other gains/(losses)" in the statement of profit or loss and other comprehensive income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTPL are not reported separately from other changes in fair value.

Financial assets - impairment - credit loss allowance for ECL

The Company assesses on a forward-looking basis the ECL for debt instruments (including loans) measured at amortised cost and FVOCI and exposure arising from loan commitments and financial guarantee contracts. The Company measures ECL and recognises credit loss allowance at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

ERB NEW EUROPE FUNDING III LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

2. Principal accounting policies (continued)

Financial assets (continued)

Financial assets - impairment - credit loss allowance for ECL (continued)

The carrying amount of the financial assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of profit or loss and other comprehensive income within "net impairment losses on financial and contract assets. Subsequent recoveries of amounts for which loss allowance was previously recognised are credited against the same line item.

Debt instruments carried at amortised cost are presented in the statement of financial position net of the allowance for ECL. For loan commitments and financial guarantee contracts, a separate provision for ECL is recognised as a liability in the statement of financial position.

For debt instruments at FVOCI, an allowance for ECL is recognised in profit or loss and it affects fair value gains or losses recognised in OCI rather than the carrying amount of those instruments.

The impairment methodology applied by the Company for calculating expected credit losses depends on the type of financial asset assessed for impairment. Specifically:

For trade receivables and contract assets, including trade receivables and contract assets with a significant financing component, and lease receivables the Company applies the simplified approach permitted by IFRS 9, which requires lifetime expected credit losses to be recognised from initial recognition of the financial assets.

For all other financial instruments that are subject to impairment under IFRS 9, the Company applies general approach - three stage model for impairment. The Company applies a three stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1.

Additionally the Company has decided to use the low credit risk assessment exemption for investment grade financial assets.

Financial assets -Reclassification

Financial instruments are reclassified only when the business model for managing those assets changes. The reclassification has a prospective effect and takes place from the start of the first reporting period following the change.

Financial assets - write-off

Financial assets are written-off, in whole or in part, when the Company exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event. The Company may write-off financial assets that are still subject to enforcement activity when the Company seeks to recover amounts that are contractually due, however, there is no reasonable expectation of recovery.

Financial assets - modification

The Company sometimes renegotiates or otherwise modifies the contractual terms of the financial assets. The Company assesses whether the modification of contractual cash flows is substantial considering, among other, the following factors: any new contractual terms that substantially affect the risk profile of the asset (e.g. profit share or equity-based return), significant change in interest rate, change in the currency denomination, new collateral or credit enhancement that significantly affects the credit risk associated with the asset or a significant extension of a loan when the borrower is not in financial difficulties.

ERB NEW EUROPE FUNDING III LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

2. Principal accounting policies (continued)

Financial assets (continued)

Financial assets - modification (continued)

If the modified terms are substantially different, the rights to cash flows from the original asset expire and the Company derecognises the original financial asset and recognises a new asset at its fair value. The date of renegotiation is considered to be the date of initial recognition for subsequent impairment calculation purposes, including determining whether a SICR has occurred. The Company also assesses whether the new loan or debt instrument meets the SPPI criterion. Any difference between the carrying amount of the original asset derecognised and fair value of the new substantially modified asset is recognised in profit or loss, unless the substance of the difference is attributed to a capital transaction with owners.

In a situation where the renegotiation was driven by financial difficulties of the counterparty and inability to make the originally agreed payments, the Company compares the original and revised expected cash flows to assets whether the risks and rewards of the asset are substantially different as a result of the contractual modification. If the risks and rewards do not change, the modified asset is not substantially different from the original asset and the modification does not result in derecognition. The Company recalculates the gross carrying amount by discounting the modified contractual cash flows by the original effective interest rate, and recognises a modification gain or loss in profit or loss.

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash at bank with maturity of three months or less. Cash and cash equivalents are carried at amortised cost because: (i) they are held for collection of contractual cash flows and those cash flows represent SPPI, and (ii) they are not designated at FVTPL.

Borrowings

Borrowings are recorded initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Trade payables

Trade payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

Taxation

(i) Current income tax

Income tax payable is calculated on the basis of the applicable tax law in the respective jurisdiction and is recognised as an expense for the period in which profits arise. The tax effects of income tax losses available for carry forward are recognised as an asset when it is probable that future taxable profits will be available against which these losses can be utilised.

(ii) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the date of the balance sheet and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

ERB NEW EUROPE FUNDING III LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

2. Principal accounting policies (continued)

Deferred tax assets are recognised when it is probable that future taxable profit will be available against which these temporary differences can be utilised.

The tax effects of carry-forwards of unused losses or unused tax credits are recognised as an asset when it is probable that future taxable profits will be available against which these losses can be utilised.

Deferred tax related to items recognised in other comprehensive income, is also recognised in the other comprehensive income and subsequently in the income statement together with the deferred gain or loss.

Provisions

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

Related party transactions

Related parties include associates, fellow subsidiaries, directors and key management personnel, their close families, companies owned or controlled by them and companies whose financial and operating policies they can influence. Transactions of similar nature are disclosed on an aggregate basis. All transactions entered into with related parties are in the normal course of business and on an arm's length basis.

Share capital

Ordinary shares are classified as equity.

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

Share premium is the difference between the fair value of the consideration receivable for the issue of shares and the nominal value of the shares. Share premium account can only be resorted to for limited purposes, and is otherwise subject to the provisions of the Cyprus Companies Law on reduction of share Capital.

Critical accounting estimates and judgments

In the process of applying the Company's accounting policies, the Company's management makes various judgments, estimates and assumptions that affect the reported amounts of assets and liabilities recognized in the financial statements within the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Impairment losses on loans and advances

The Company reviews its loan portfolios to assess impairment continuously. In determining whether an impairment loss should be recorded in the statement of income, the Company makes judgments as to whether there is any observable data indicating there is a measurable decrease in the estimated future cash flows from a portfolio of loans before the decrease can be identified with an individual loan in that portfolio. This evidence may include observable data indicating that there has been an adverse change in the payment status of borrowers in a group, or national or local economic conditions that correlate with defaults on assets in the Company. Management uses estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment similar to those in the portfolio when scheduling its future cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience (see notes 3.1.).

ERB NEW EUROPE FUNDING III LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

2. Principal accounting policies (continued)

Critical accounting estimates and judgments (continued)

(b) Initial recognition of acquisition of debt securities lending, held to maturity and available-for-sale portfolio from group entities

The Company acquired a portfolio of debt securities lending, held to maturity investments and available-for-sale from Group companies and at the same time the Bank provided a credit enhancement to the Company in the form of a lien arrangement in relation to these debt securities.

The consideration paid by the Company to group entities for the acquisition of these debt securities consisted of the fair value of the securities acquired as well as a consideration for the fair value of the financial guarantee provided by the ultimate Parent company in relation to these securities.

As both transactions, the acquisition of the debt securities from group companies and the provision of the financial guarantee by the Bank were entered into at the same time and in contemplation of one another, the management has concluded that it would be more appropriate on initial recognition to recognise the fair value of the financial guarantee as a single asset together with the underlying debt securities it relates to and classified as debt securities lending, held to maturity investments and available-for-sale portfolio as this would reflect the commercial substance of the transactions. As a result, the subsequent measurement of the financial guarantee forming part of these securities has been amortised on the same basis as the underlying debt securities it relates to and has been reported as an adjustment to interest income.

Had the two transactions not been treated as a single transaction, the Company would have recognised the debt securities and the financial guarantee as two separate assets and would have reported these separately. The debt securities would have been reported at their fair value on initial recognition and the financial guarantee would have been recognised as a prepayment asset which would be amortised over the life of the guarantee which is equivalent to the expected life of the guaranteed debt instruments. The financial guarantee asset would be tested for impairment under IAS36 and the amortisation and potential impairment charges would be accounted for as a reduction of interest income. However, no P&L impact would have been reported for the period due to the presentation of two separated assets.

In May 2017, the Company transferred the whole DSL portfolio of €0,1 million book value to the Bank, with no significant impact in Company's capital position.

(c) Tax

The Company is subject to income tax in Cyprus. In order to establish the current and deferred tax, as presented in the Statement of Financial Position, significant assumptions are required. For specific transactions and calculations, the ultimate tax determination is uncertain. The Company recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. 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 provisions in the period in which such determination is made.

3. Financial risk management

Use of financial instruments

By their nature the Company's activities are principally related to the use of financial instruments including derivatives.

ERB NEW EUROPE FUNDING III LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

3. Financial risk management (continued)

Financial risk factors

The Company is exposed to a variety of financial risks: market risk (including currency risk and interest rate risk) and liquidity risk. The Company's overall risk management policies focus on the unpredictability of financial markets and seek to minimise potential adverse effects on the Company's financial performance, financial position and cash flows.

3.1 Liquidity risk

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 a company in the financial services industry 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 Company.

Maturity analysis of liabilities

The amounts disclosed in the table below are the contractual undiscounted cash flows for the period ended 31 December 2022 and 31 December 2021. Liabilities without contractual maturities are presented 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 earlier than expected. The recent experience shows that even in a period of a systemic financial crisis the likelihood of such an event is remote. Additionally, these liabilities are towards related parties, which facilitates liquidity management and the avoidance of such an event.

31 December 2022	Carrying amounts	Contractual cash flows	Less than 1 month	1-3 months	3 months to 1 year	Over 1 year
	€	€	€	€	€	€
Loans payable	99.631.522	99.631.522	9.166.069	90.465.453	-	-
	99.631.522	99.631.522	9.166.069	90.465.453	-	-

31 December 2021	Carrying amounts	Contractual cash flows	Less than 1 month	1-3 months	3 months to 1 year	Over 1 year
	€	€	€	€	€	€
Loans payable	97.500.754	97.500.754	9.086.630	88.414.124	-	-
	97.500.754	97.500.754	9.086.630	88.414.124	-	-

3.2 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company's policy is to maintain a capital base so as to support operations and sustain future development of the business as necessary. Capital consists of share capital, share premium and retained earnings. The Company is not regulated and hence not required to comply with any capital requirements.

4. Interest expense

	2022	2021
	€	€
Interest on loans payable	2.190.815	1.868.614
	2.190.815	1.868.614

ERB NEW EUROPE FUNDING III LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

5. Operating expenses

	2022	2021
	€	€
Auditor's remuneration	3.570	3.570
Auditor's remuneration - prior years	60	5.950
Other expenses	6.601	5.112
	<u>10.231</u>	<u>14.632</u>

6. Finance costs

	2022	2021
	€	€
Interest expense	102	6.959
Finance costs	<u>102</u>	<u>6.959</u>

7. Net trading profit

	2022	2021
	€	€
Revaluation of foreign exchange positions	2	2
	<u>2</u>	<u>2</u>

8. Tax

	2022	2021
	€	€
Corporation tax - prior years	-	22.124
Charge for the year	<u>-</u>	<u>22.124</u>

The tax on the Company's results before tax differs from theoretical amount that would arise using the applicable tax rates as follows:

	2022	2021
	€	€
Loss before tax	<u>(2.201.554)</u>	<u>(1.890.484)</u>
Tax calculated at the applicable tax rates	(275.194)	(236.311)
Tax effect of expenses not deductible for tax purposes	273.915	234.481
Tax effect of tax loss for the year	1.279	1.830
Prior year tax	-	22.124
Tax charge	<u>-</u>	<u>22.124</u>

The corporation tax rate is 12,5%.

Under certain conditions interest income may be subject to defence contribution at the rate of 30%. In such cases this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 17%.

Gains on disposal of qualifying titles (including shares, bonds, debentures, rights thereon etc) are exempt from Cyprus income tax.

ERB NEW EUROPE FUNDING III LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

8. Tax (continued)

Due to tax losses sustained in the year, no tax liability arises on the Company. Under current legislation, tax losses may be carried forward and be set off against taxable income of the five succeeding years.

9. Cash at bank

As of 31.12.2022, the Cash at Bank balances of the company were with Eurobank Ergasias S.A. of amount €27 (2021: €25), with Eurobank Cyprus Ltd of amount €12.321 (2021: €93.824), and with Eurobank Private Bank Luxembourg S.A. of amount €Nil (2021: €3).

10. Share capital and share premium

	2022 Number of shares	2022 €	2021 Number of shares	2021 €
Authorised				
Ordinary shares of €1 each	<u>90.000</u>	<u>90.000</u>	90.000	90.000
Issued and fully paid	Number of shares	Share capital €	Share premium €	Total €
Balance at 1 January 2021	1.100	1.100	18.900	20.000
Balance at 31 December 2021/ 1 January 2022	<u>1.100</u>	<u>1.100</u>	<u>18.900</u>	<u>20.000</u>
Balance at 31 December 2022	<u>1.100</u>	<u>1.100</u>	<u>18.900</u>	<u>20.000</u>

11. Loans payable

	2022 €	2021 €
Current borrowings		
Loans from related companies - Euro	94.881.135	92.984.048
Loans from related companies - USD	3.932.147	3.768.859
Loans from related companies - CHF	818.240	747.847
	<u>99.631.522</u>	<u>97.500.754</u>

The interest rate on loans payable applied for the year 2022 was EURIBOR / US LIBOR plus 1,30% (2021: EURIBOR / US LIBOR plus 1,40%). In the event of EURIBOR is less than zero, then shall be deemed zero.

12. Other payables

	2022 €	2021 €
Accruals	<u>17.853</u>	28.562
	<u>17.853</u>	<u>28.562</u>

ERB NEW EUROPE FUNDING III LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

13. Current tax liabilities

	2022	2021
	€	€
Corporation tax	-	9
	<u>-</u>	<u>9</u>

14. Related party transactions

The Bank's shareholding structure

Eurobank Ergasias Services and Holdings S.A. (Eurobank Holdings) is the parent company of Eurobank S.A. (the Bank). The Board of Directors (BoD) of Eurobank Holdings is the same as the BoD of the Bank and part of the key management personnel (KMP) of the Bank provides services to Eurobank Holdings according to the terms of the relevant agreement between the two entities.

As at 31 December 2022, the percentage of Eurobank Holdings' ordinary shares with voting rights held by the Hellenic Financial Stability Fund (HFSF) stands at 1.40%. The HFSF is considered to have significant influence over the Bank pursuant to the provisions of the Law 3864/2010, as in force, including the amendments under law 4941/2022 and the Tripartite Relationship Framework Agreement (TRFA) between Eurobank S.A., Eurobank Holdings and the HFSF signed on 23 March 2020 and amended on 3 February 2022.

In 2023, Eurobank Holdings announced its intention to submit an offer for the buyback of its 52.08 million shares (corresponding to a participation of 1.4%), presently owned by the HFSF, subject to the receipt of the required approvals from the regulator and the General Meeting of the Company's Shareholders.

Fairfax Group, which holds 32.99% of Eurobank Holdings voting rights as of 31 December 2022 (31 December 2021: 33%), is considered to have significant influence over Eurobank Holdings and accordingly over the Bank.

14.1 The following transactions were carried out with related parties:

	Within the Bank 2022 €	Within the Group 2022 €	Within the Bank 2021 €	Within the Group 2021 €
Cash at bank	27	12.321	25	93.827
Loans payable	(90.465.453)	(9.166.069)	(88.414.124)	(9.086.630)
Interest expense	(2.051.329)	(139.486)	(1.739.436)	(129.178)
Fees and commission expense	-	(408)	-	(281)

14.2 Key management personnel

Key management personnel includes directors of the Company and their close family members. No transactions have taken place between the Company and key management personnel.

The ultimate parent entity which prepares the consolidated financial statements of the largest body of undertakings of which the Company forms part as a subsidiary undertaking, is the Bank, incorporated in Greece with registered office 8 Othonos Street, Athens 105 57, Greece. Its consolidated financial statements are available at the website www.eurobank.gr. The Bank is also the parent entity, which prepares the consolidated financial statement of the smallest body of undertakings of which the Company forms part as a subsidiary undertaking.

15. Contingent liabilities and commitments

The Company had no contingent liabilities as at 31 December 2022 and as at 31 December 2021.

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NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

16. Events after the reporting period

On 19 May 2023, the Company issued 1.000 ordinary shares of €1 each at a premium of €102.999 per share for the total consideration of €103.000.0000.

On 2 June 2023, the Company settled its loans payable to related companies with total value of Euro 101.391.840 as at 2 June 2023 (Euro 99.631.522 as at 31 December 2022).

The members of the Company intent to liquidate the Company as soon as arrangements can be made.

Independent auditor's report on pages 2 to 4