



Annual Financial Report of the Eurobank Limited Group

Member of  **EUROBANK**

For the year ended 31 December 2025

Annual Financial Report

For the year ended 31 December 2025

CONTENTS

BOARD OF DIRECTORS AND OTHER OFFICERS	1
MANAGEMENT REPORT	2
INDEPENDENT AUDITORS' REPORT	21
FINANCIAL STATEMENTS	
CONSOLIDATED STATEMENT OF PROFIT OR LOSS	29
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	30
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	31
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	32
CONSOLIDATED STATEMENT OF CASH FLOWS	34
STATEMENT OF PROFIT OR LOSS	35
STATEMENT OF COMPREHENSIVE INCOME	36
STATEMENT OF FINANCIAL POSITION	37
STATEMENT OF CHANGES IN EQUITY	38
STATEMENT OF CASH FLOWS	40
NOTES TO THE FINANCIAL STATEMENTS	
1. INCORPORATION AND PRINCIPAL ACTIVITY	41
2. GOING CONCERN	42
3. SUMMARY OF MATERIAL ACCOUNTING POLICIES	44
3.1. Basis of preparation	44
3.2. New and amended standards and interpretations	45
3.3. Foreign currency	47
3.4. Derivative financial instruments and hedging	47
3.5. Segment reporting	52
3.6. Turnover	52
3.7. Interest income and expense	52
3.8. Fee and commission income and expense	53
3.9. Leases	54
3.9.1. Determination of the lease term	55
3.9.2. Estimating the incremental borrowing rate	55
3.10. Employee benefits	55
3.11. Income tax	56
3.12. Special Levy	57
3.13. Financial instruments	57
3.13.1. Recognition and initial measurement	57
3.13.2. Classification and Measurement of financial assets and liabilities	57
3.13.3. Reclassification of financial assets and liabilities	60
3.13.4. Derecognition of financial assets and financial liabilities	61
3.13.5. Impairment of financial assets	62
3.14. Impairment of non financial assets	67
3.15. Cash and cash equivalents	67
3.16. Sale and repurchase agreements, securities lending and borrowing	68
3.17. Indemnification Asset	68
3.18. Property, plant and equipment	69
3.19. Property revaluation reserve	69
3.20. Investment properties	69
3.21. Stock of property	70
3.22. Assets held for sale and discontinued operations	70
3.23. Intangible assets	71
3.24. Share capital	73
3.25. Provisions for pending litigations or complaints and/or claims or cases subject to arbitration proceedings	73
3.26. Provisions and contingent liabilities	74
3.27. Financial guarantees and commitments to extend credit	74
3.28. Related party transactions	75
3.29. Consolidation	75
3.30. Fiduciary activities	78
3.31. Insurance and reinsurance contracts	78
3.31.1. Definition and classification of insurance and reinsurance contracts	78
4. COMPARATIVES	89
5. SIGNIFICANT JUDGEMENTS AND ESTIMATES	90
5.1. Measurement of expected credit loss (ECL)	90
5.2. Provisions for pending litigations or complaints and/or claims or cases subject to arbitration proceedings	100
5.3. Impairment of goodwill	100
5.4. Fair value of financial instruments	100
5.5. Classification of financial instruments	101
5.6. Gain on acquisition	101
5.7. Indemnification Asset	102
5.8. Stock of property	102
5.9. Fair value of properties held for own use and investment properties	102
5.10. Taxation	103
5.11. Insurance contracts	103
6. INTEREST INCOME	107

Annual Financial Report

For the year ended 31 December 2025

7. INTEREST EXPENSE	107
8. FEE AND COMMISSION INCOME	108
9. FEE AND COMMISSION EXPENSE	108
10. NET TRADING INCOME/(LOSS) AND NET GAINS/(LOSSES) ON REVALUATION OF FINANCIAL INSTRUMENTS	108
11. NET INCOME FROM INSURANCE OPERATIONS	109
12. OTHER INCOME	112
13. STAFF COSTS	112
14. ADMINISTRATIVE AND OTHER EXPENSES	113
15. (IMPAIRMENT LOSSES)/REVERSAL OF IMPAIRMENT LOSSES RELATING TO LOANS AND ADVANCES TO CUSTOMERS	114
16. REVERSAL OF IMPAIRMENT LOSSES ON OTHER FINANCIAL ASSETS	114
17. OTHER IMPAIRMENTS, RISK PROVISIONS AND RELATED COSTS	114
18. SPECIAL LEVY ON DEPOSITS	115
19. RESTRUCTURING COSTS	115
20. TAXATION	115
21. CASH AND BALANCES WITH CENTRAL BANKS	117
22. PLACEMENTS WITH OTHER BANKS	117
23. CASH AND CASH EQUIVALENTS	118
24. REVERSE REPURCHASE AGREEMENTS	119
25. LOANS AND ADVANCES TO CUSTOMERS	120
26. DEBT SECURITIES	121
27. EQUITY SECURITIES, COLLECTIVE INVESTMENT UNITS AND ASSETS HELD TO COVER LIABILITIES OF UNIT LINKED FUNDS	124
28. INVESTMENTS IN SUBSIDIARY COMPANIES	127
29. REINSURANCE CONTRACT ASSETS / INSURANCE CONTRACT LIABILITIES	132
30. STOCK OF PROPERTY	144
31. INVESTMENT PROPERTIES	145
32. DERIVATIVES	147
33. INVESTMENTS BACKING UNIT LINKED PORTFOLIOS AND INVESTMENT CONTRACTS	153
34. PROPERTY, PLANT AND EQUIPMENT	155
35. INTANGIBLE ASSETS	157
36. ASSETS CLASSIFIED AS HELD FOR SALE	160
37. OTHER ASSETS	163
38. DEPOSITS BY BANKS	165
39. CUSTOMER DEPOSITS AND OTHER CUSTOMER ACCOUNTS	165
40. DEFERRED TAX LIABILITY	166
41. OTHER LIABILITIES	169
42. INVESTMENT CONTRACT LIABILITIES	171
43. LOAN CAPITAL	172
44. SHARE CAPITAL	173
45. RETAINED EARNINGS	174
46. REVALUATION RESERVES	175
47. CONTINGENT LIABILITIES AND COMMITMENTS	175
48. RELATED PARTY TRANSACTIONS	177
49. FAIR VALUE MEASUREMENT	180
50. SEGMENTAL ANALYSIS	189
51. ACQUISITION OF CNP CYPRUS INSURANCE HOLDINGS LIMITED	191
52. TRANSFER OF BUSINESS AND OPERATIONS OF EUROBANK CYPRUS LTD	192
53. CAPITAL MANAGEMENT	193
54. UNCONSOLIDATED STRUCTURED ENTITIES	200
55. RISK MANAGEMENT	203
55.1 Enterprise Risk Management and Governance	204
55.2 Credit Risk	205
55.3 Market Risk	229
55.4 Liquidity Risk	236
55.5 Operational & Non-Financial Risks	240
55.6 Sustainability Risks	241
55.7 Model Validation	241
55.8 Insurance Risk	241
56. CATEGORISATION OF FINANCIAL INSTRUMENTS	246
57. EVENTS AFTER THE REPORTING PERIOD	250
GLOSSARY AND DEFINITIONS OF PERFORMANCE MEASURES	251
ABBREVIATIONS	253

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors

Petros Christodoulou	Non-Executive Chairman
Robert Anastassis Kyprianou	Non-Executive Vice-Chairman
Oliver Bernard Ellingham	Non-Executive Member of the Board
Maria Charalambous	Non-Executive Member of the Board
Sofronis Clerides	Non-Executive Member of the Board
Charalambos Constantinou	Non-Executive Member of the Board
Kenneth Howard Prince-Wright	Non-Executive Member of the Board
Damianos Charalampidis	Non-Executive Member of the Board
Michael Stefan Redferne	Non-Executive Member of the Board
Stavros Ioannou	Non-Executive Member of the Board
Androulla Pittas	Non-Executive Member of the Board
Michalis Louis	Executive Member of the Board
Demetris Shacallis	Executive Member of the Board

Executive Committee

Michalis Louis	Chief Executive Officer
Charalambos Hambakis	Deputy Chief Executive Officer
Andreas Petsas	Deputy Chief Executive Officer
Demetris Shacallis	Senior General Manager, CFO
Stephanos Kassianides	Senior General Manager
Antonis Antoniou	Senior General Manager, WM & Global Markets
Demetris Eliades	General Manager, WM & Int'l Business Banking
George Christodoulides	Head, Human Resources
Takis Phidia	ERB Cyprus Insurance Holdings, Chief Executive Officer

Company Secretary

Petros Arsalides

Registered office

200, Corner of Limassol and Athalassa
Avenues, 2025 Strovolos,
P.O. Box 24747,
1394 Nicosia
Cyprus

MANAGEMENT REPORT

General information

Eurobank Limited (Reg. No. HE6771) (the "Bank") was renamed from Hellenic Bank Public Company Limited on 2 September 2025. Eurobank Limited is a private company registered in accordance with the provisions of Companies Law (Cap. 113). The Bank's registered office is located at 200, Corner of Limassol and Athalassa Avenues, 2025 Strovolos, P.O. Box 24747, 1394 Nicosia. The Bank along with its subsidiaries is referred as Eurobank Limited Group in Cyprus (the "Group") and is part of the Eurobank S.A. Group.

Effective as of 1 September 2025, pursuant to the provisions of the Transfer of Banking Business and Collateral Law of 1997 (as amended) and the agreement dated 31 July 2025 between Hellenic Bank Public Company Limited (Hellenic Bank) and Eurobank Cyprus Ltd, all assets and liabilities of Eurobank Cyprus Ltd (Reg. No. 217050) were transferred to the Bank. The transaction was executed through the issuance of new common ordinary shares by Hellenic Bank to Eurobank Cyprus Ltd, representing 36,15% of its share capital. Following the said transfer, Eurobank Cyprus Ltd was renamed to ERB Cyprus Holdings Ltd and Hellenic Bank Public Company Limited was renamed to Eurobank Limited. Subsequently to the said transfer, the two entities entered into a reorganization and merger scheme which was legally completed in December 2025 and as a result ERB Cyprus Holdings Ltd was dissolved.

The merger of the two organizations creates a single, strong and modern financial institution, which provides upgraded banking, financial and insurance services to its customers, contributing to the development of the Cypriot economy.

Principal activity

The principal activity of the Group continues to be the provision of a wide range of banking and financial services, which include amongst other corporate, commercial and retail banking, insurance, wealth management, factoring, leasing etc.

Branches

The Bank provides banking and financial services through its branch network and digital channels. As of 31 December 2025, the Bank's branch network included 56 branches and business centres and 156 ATMs in Cyprus.

MANAGEMENT REPORT (continued)

Review of developments, position and performance of the Bank's and Group's business

The main financial highlights for the year are as follows:

Key Financial Results ¹	2025	2025	2024
	(Proforma)*	2025	2024
	€'million	€'million	€'million
Income Statement			
Net interest income	736,2	581,2	598,7
Non-Interest income	240,2	209,9	126,6
Net Fee and Commission Income	123,4	95,0	80,8
Net Income from insurance operations	44,0	44,0	20,3
Other income (including negative goodwill)	72,8	70,9	25,4
Total Net Income	976,4	791,2	725,3
Operating expenses	(317,0)	(274,1)	(252,7)
Profit from operations before impairments, provisions and other related costs and levies	659,4	517,1	472,6
Net gains on derecognition of financial assets measured at amortised cost	7,8	7,8	1,7
Impairment losses	(17,6)	(17,1)	(2,2)
Special Levy on Deposits	(35,0)	(27,5)	(22,6)
Restructuring costs	(43,3)	(43,3)	(5,6)
Profit Before Tax	571,3	437,1	444,0
Taxation	(80,6)	(60,3)	(61,5)
Profit After Tax	490,7	376,8	382,6
Balance Sheet and other Highlights	€'million	€'million	€'million
Customer deposits	23.936,3	23.936,3	15.658,1
Loans and advances to customers	8.777,4	8.777,4	5.738,1
Total assets	28.994,2	28.994,2	18.357,7
Equity	3.325,1	3.325,1	1.888,2
Invested assets under Management	5.943,0	5.943,0	538,0
Financial Ratios²		%	%
Cost to income		37,4	34,8
Return on equity		15,6	22,5
Loans to deposits		36,7	36,6
Cost of risk		0,14	0,13
NPE provisions coverage		60,0	32,6
Credit-impaired loans/gross loans		2,1	2,4
Total Capital adequacy ratio		36,4	32,2
CET 1		33,9	28,7
MREL ratio		36,4	34,3
Leverage ratio		10,1	9,4

¹ The figures presented in the Key Financial Results above may not sum precisely to the totals provided due to rounding.

² For the definition of the selected financial ratios refer to "Glossary and Definitions of Performance Measures".

* 2025 Proforma results include 12 months of ex-HB Group, 12 months ex-Eurobank Cyprus Limited and 9 months of ex-CNP.

Group Financial results for the year ended 31 December 2025 include the financial results of the former Hellenic Bank Group (Hellenic Bank and its subsidiary companies) (ex HB Group) for the full twelve months, the financial results of the former Eurobank Cyprus Limited (ex ERB Cyprus) for the four months since the business transfer date of 1 September 2025, and the financial results of ERB Insurance Holdings Group (ex CNP Group) from 1 April 2025. The comparative figures for the year ended 31 December 2024 relate solely to the financial results of ex HB Group only.

Profit after tax for the year amounted to €376,8 million recording a decrease of 1,5% or €5,8 million compared to the profit after tax for 2024, which amounted to €382,6 million.

MANAGEMENT REPORT (continued)

The main drivers for this year's decrease in profitability, despite the inclusion of the four months of ex-ERB Cyprus and nine months of ERB Insurance holdings Group in the 2025 results, are the decrease of market interest rates including the ECB Deposit Facility Rate ('DFR'), which had a negative effect on the interest bearing assets of the Group, impacting net interest income by €17,5 million despite the increased volumes. Operating expenses ('opex') increased due to the inclusion of ex-ERB Cyprus and ex-CNP related opex. In addition, restructuring costs of €43,3 million relating to the voluntary exit scheme and expenses associated with the merger increased vs 2024 as well as increased impairments for the year. These negative impacts have been mitigated to an extent by the higher non-interest income, driven by the inclusion of ex-ERB Cyprus, increased insurance related commission income and the negative goodwill arising from the acquisition of the CNP Insurance Group.

Profit after tax, restated to include 12 months of ex-ERB Cyprus (proforma) amounted to €490,7 million was significantly higher in comparison to that of 2024 (€382,6 million).

Net interest income

Group Net Interest Income ('NII') for 2025 amounted to €581,2 million and reported a decrease of €17,5 million or 3% vs 2024.

The negative impact on NII relates mainly to interest income from credit institutions by €111,0 million, affected by the decrease in ECB DFR rate from an average of 3,73% in 2024 to 2,26% in 2025. The 147bps DFR drop resulted in a negative impact of about €109 million. Additional negative effect of €8,7 million is due to the general decrease in market interest rates from 2024 to 2025 which have affected loan yields by -79bps due to refixing and general repricing. Customer deposits interest expense increased by €35,0 million, due to additional deposits originating from ex-ERB Cyprus at a higher nominal cost due to the difference in the customer profile vs that of ex-HB, increasing the combined nominal cost by 15bps (2025: average cost of deposits 37bps 2024: 22bps). Proforma annual cost of deposits for 2025 is about 50bps.

The negative effects of NII were partially mitigated by the positive contribution from bonds portfolio interest income by €30,9 million mainly affected by ex-ERB Cyprus and Insurance group bonds portfolios and resulting in a higher average balance of €857 million in 2025.

Reverse Repurchase agreements interest income increased by €36 million due to a higher volume of €1,3 billion in 2025, as well as €44,9 million positive variance from the settlement of targeted longer term refinancing operations (TLTROs) in June 2024. Additionally, following a liability management exercise, the Convertible Capital Securities 1 (CCS1) and Convertible Capital Securities 2 (CCS2) (Additional Tier 1 Capital) of €130 million were redeemed in December 2024 and the Senior Preferred Notes of €100 million with a coupon rate of 9% were repaid in July 2024, and a new issue was made in September 2024 with a coupon rate of 4% for €100 million which were subsequently repaid in September 2025. These actions led to a decrease in the interest expense by €16,3 million.

The Bank's NII at €576,1 million, €22,5 million or 3,8% below 2024 after excluding Insurance Group NII of €5 million in 2025 and €0,3 million in 2024. The decrease compared to 2024 relates to the factors mentioned above. Insurance Group NII mainly related to the Investment Securities portfolio held and included in Group Results.

Non-interest income

The Group's total non-interest income for 2025 amounted to €209,9 million, comprising net fee and commission income of €95 million, net income from insurance operations of €44 million, net trading loss and net gains on revaluation of financial instruments of €0,4 million (net gain), other income of €12 million and negative goodwill (gain on acquisition) of €58,5 million.

Compared to 2024, total non-interest income increased by €83,4 million, primarily due to higher net insurance results by €23,7 million following the acquisition of CNP Insurance companies, higher net fee and commission income of €14,2 million, mainly due to the inclusion of the four months' results of ex ERB Cyprus and the recognition of negative goodwill. During 2025, the Group recorded €0,4 million net gain in relation to net trading loss and net gains on revaluation of financial instruments compared to gains of €17,9 million in 2024.

MANAGEMENT REPORT (continued)

Bank non-interest income for 2025 was €162,6 million, €44,7 million higher compared to 2024. This increase was mainly due to the higher net fee and commission income by €15,4 million (following inclusion of ex ERB Cyprus), higher other income by €48 million which resulted from the increased dividend income received during 2025 from ERB Insurance Holdings following the acquisition of CNP Insurance companies and the recognition of the non-recurring gain of €10 million from the termination of the Business Transfer Agreement of ex-CCB with KEDIPEs. These positive variances were partly offset by a negative variance of €18,5 million from net trading loss and net gains on revaluation of financial instruments.

Net fee and commission income

Net fee and commission income for 2025 amounted to €95 million (Bank: €101,4 million), representing an increase of 18% (Bank: increase by 18%), compared to €80,8 million (Bank: €86,1 million) in 2024. This increase was primarily driven by the higher banking fees and commissions and asset management fees following the inclusion of the four-month results of ex-ERB Cyprus.

Net trading income/(loss) and net gains/(losses) on revaluation of financial instruments

The Group's net gains from trading and revaluation of financial instruments amounted to €0,4 million (Bank: €1,7 million loss) compared to gains of €17,9 million (Bank: €16,8 million) for FY2024. The net decrease of €17,5 million was mainly attributable to a net loss from derivatives of €4,7 million in 2025 (2024: gain €10,2 million). Additionally, there was a net decrease of €2,5 million in net gains on revaluation of equity securities, mainly from revaluation of Visa shares.

Net income from insurance operations

Net income from insurance operations totalled €44 million for 2025, compared to €20,3 million in 2024. This represents an increase of €23,7 million, primarily driven by the Group's insurance activities following the acquisition of Eurobank Insurance Companies (Ex-CNP) in April 2025.

Other income

Other income for 2025 amounted to €12 million (Bank: €63 million) increased by 60% (Bank: increase 316%) compared to €7,5 million in 2024 (Bank: €15,1 million). This increase was primarily attributed to higher other income by €10 million, following the termination of the obligations and guarantees related to the Business Transfer Agreement of ex-CCB with KEDIPEs in September 2025. Additionally, there was a reduction in income from REO disposals by €3,5 million. For the Bank, there was an additional dividend income of €48 million from ERB Insurance Holdings, which is eliminated at Group level.

Gain on acquisition net of acquisition related costs

On 16 April 2025, following receipt of all necessary relevant regulatory approvals, the Bank completed the acquisition of CNP Cyprus Insurance Holdings Limited from CNP Assurances S.A., for a total cash consideration of €182 million. As of May 2025, the acquired entity was renamed ERB Cyprus Insurance Holdings Limited.

The acquisition resulted in a gain of €58,5 million. The former CNP Group's results were incorporated in the Group's financial statements prospectively, as of 1 April 2025. For the nine-month period ended 31 December 2025, the former CNP Cyprus group contributed €42,3 million to the Group's turnover and €27,5 million to Group's net profit for the year. Had the acquisition taken place on 1 January 2025, the former CNP Cyprus subgroup would have contributed additionally €8,3 million to the Group's turnover and €5,8 million to its net profit for the period up to 31 March 2025.

In October 2025, the insurance companies' legal merger was completed, transferring all insurance portfolios, assets, and liabilities from Hellenic Life Insurance Company Ltd and Pancyprian Insurance Ltd to ERB Cyprialife Ltd and ERB Asfalistiki Ltd, respectively.

In addition, on 13 October 2025 Eurobank Ergasias Services and Holdings S.A. (Eurobank Holdings) and its subsidiary Eurobank S.A. announced that Fairfax Financial Holdings Ltd (Fairfax) shall procure that certain affiliates of Fairfax will acquire a 45% of the share capital of ERB Asfalistiki Ltd (ERBA), the non-life insurance subsidiary of the Bank, for a cash consideration equal to 1,45 times of the net assets value of ERBA as at 31 August 2025 by applying 45% (which is approximately €55 million). Fairfax will also have the right to acquire the remaining 55% of the share capital of ERBA over time. This transaction is subject to regulatory approvals.

MANAGEMENT REPORT (continued)

Operating Expenses

The Group's total operating expenses for 2025 amounted to €274,1 million (Bank: €266,9 million) up by 8% compared to €252,7 million (Bank: €248,9 million) for 2024 (Bank up by 7%), mainly driven by the inclusion from ex-ERB Cyprus and ex-CNP Insurance companies' opex.

Cost discipline is one of the Group's main priorities, and this is supported by the low cost to income ratio of 37% (excluding negative goodwill). This ratio compares favourably with the EU Bank average of 53,3%, as reported for Q4 2025 by the European Banking Authority ('EBA') quarterly risk dashboard.

Staff costs

The Group's staff costs for FY2025 amounted to €154,7 million (Bank €152,6 million), an increase of 11% compared to €139,3 million for FY2024 (Bank: €137,9 million). The main drivers for the increase in staff costs were the inclusion of the results of ex-ERB Cyprus and ex-CNP Group and the annual salary increments.

In February 2025, the Bank launched a Voluntary Exit Scheme ('VES') for the members of staff of the Bank and its insurance subsidiaries at the time. The scheme was offered to all permanent members of staff of ex-HB (including Pancyprian Insurance Ltd and Hellenic Life Insurance Company Ltd), with service exceeding 5 years as of the date the scheme was announced. The compensation amount per person who chose to exit under the scheme was the lower of the €200,000 or 70% of the remaining remuneration of the employee (salaries up to retirement). Upon completion of the scheme, 154 members of staff (approximately 7% of the Group's head count) were approved to participate, with an estimated annual savings on personnel expenses of around €11 million.

Depreciation and Amortisation

The Group's total depreciation and amortization at €22,9 million for FY2025 (Bank: €22,3 million) increased by 12% compared to last year's corresponding period of €20,4 million (Bank: €20,2 million) mainly driven by the inclusion of ex-ERB Cyprus and ex-CNP Group.

Administrative and other expenses

The Group's total administrative and other expenses for FY2025 amounted to €96,4 million (Bank: €92 million) reporting 3% increase compared to FY2024 of €93 million (Bank: €90,7 million) mainly driven by the inclusion of ex-ERB Cyprus and ex-CNP Group.

Net gains on derecognition of financial assets measured at amortised cost

Net gains on derecognition of financial assets measured at amortized cost amounted to €7,8 million in 2025 (Bank: €7,8 million), up by €6,1 million compared to €1,7 million in 2024 (Bank: €1,7 million). The increase was mainly attributable to gains on derecognition of credit impaired loans due to increased deleveraging efforts through campaigns and cash settlements, which reached €10 million in 2025, representing a €2 million increase from 2024. Additionally, there was a decrease in losses from modification of facilities by €4,6 million, from €6,8 million in 2024 to €2,2 million in 2025.

Impairments

Impairment losses of €17,1 million compared to €2,2 million for 2024. This amount comprises of impairment relating to loans and advances to customers of €15,9 million (Bank: €15,9 million) compared to gains of €6,8 million in 2024 (Bank: €6,8 million); reversal of impairment losses on other financial assets €6,3 million (Bank: €5,9 million) compared to gains of €8,1 million in 2024 (Bank €8,1 million), external debt collection servicer fees of €6,9 million compared to €9,2 million in 2024; and other impairments and risk provisions of €0,6 million compared to €7,9 million in 2024.

Impairment losses relating to loans and advances to customers amounted to €15,9 million (Bank: €15,9 million) compared to gains of €6,8 million in 2024 (Bank: €6,8 million). The change was mainly due to the additional provision booked to account in the calculation for the consideration receivable from APS sale portfolio which was classified as Held for Sale following the signing of the sales agreement in September 2025.

The Group reported a reversal of impairment losses on other financial assets totalling €6,3 million for FY2025 (Bank: €5,9 million), reduced from €8,1 million in FY2024 (Bank: €8,1 million). This amount relates mainly to the APS related asset. The APS scheme was terminated as part of the transaction of KEDIPES with effect from end of January 2026.

MANAGEMENT REPORT (continued)

The cost of risk for the full year 2025 and 2024, including the re-estimation of cash flows for the APS indemnification asset and servicer fees, stood at 0,14% and 0,13% respectively.

Other Impairments, risk provisions and related costs

Impairment losses on non-financial assets for the Group in FY2025 amounted to €0,6 million (Bank: €3,6 million) reflecting a decrease of €7,3 million compared to €7,9 million for FY2024 (Bank: €8,2 million). The decrease was primarily due to lower impairment losses on stock of properties of €3,8 million in 2025 compared to €7,8 million in 2024; a release of provision for litigations and claims and warranties mainly relating to Starlight warranties in 2025 (€5,8 million compared to €1,5 million in 2024) and increased operational and sundry losses (€2,6 million compared to €1,5 million in 2024).

Special Levy on Deposits

Special Levy on Deposits for 2025 for Group at €27,5 million (Bank: €27,5 million) compared to €22,6 million in 2024 (Bank: €22,6 million), representing an increase of 22%. This rise is related to the volume of deposits in 2025 reported at €23,9 billion compared to €15,7 billion in 2024.

Taxation

The Group's taxation for FY2025 amounted to a tax charge of €60,3 million (FY2024: €61,5 million), which includes corporation tax charge of €54,4 million (FY2024: €54,6 million), Taxes withheld at source of €1,7 million (FY2024: €0,4 million), €2,9 million Pillar Two income tax provision (FY2024: €6,4 million) and deferred tax charge of €1,3 million (FY2024: €0,0 million).

The Banks's taxation for FY2025 amounted to a tax charge of €53,8 million (FY2024: €59,4 million), which includes corporation tax charge of €48,6 million (FY2024: €53,1 million), taxes withheld at source of €1,7 million (FY2024: 0,4 million), €2,6 million Pillar 2 income tax provision (FY2024: 5,9 million) and deferred tax charge of €1,0 million (FY2024: €0,0 million).

As from 1 January 2025 the Domestic Minimum Top up Tax (DMTT) and Under Taxed Profits Rule (UTPR) provisions of Law 151(I)2024 Ensuring a Global Minimum Level of Taxation of Multinational Enterprise Groups and Large-Scale Domestic Groups in the Union Law of 2024 (Pillar II) are in effect and the Bank therefore and all Cyprus Subsidiaries are subject to the Top Up Tax provisions in Cyprus.

Restructuring costs

Restructuring costs totalled €43,3 million (Bank: €41,5 million). This amount comprises €26,9 million relating to the Voluntary Exit Scheme (VES). In February 2025, the Bank introduced a VES for members of staff of both the Bank and its insurance subsidiaries, resulting in 154 members of staff opting to leave under the scheme at a total cost of €26,9 million. Additionally, €16,4 million was incurred in connection with transformation activities and the integration of business operations.

Loan Portfolio Quality

Effective as of 1 September 2025, pursuant to the provisions of the Transfer of Banking Business and Collateral Law of 1997 (as amended) and the agreement dated 31 July 2025 between Hellenic Bank Public Company Limited (Hellenic Bank) and Eurobank Cyprus Ltd, all assets and liabilities of Eurobank Cyprus Ltd (Reg. No. 217050) were transferred to the Bank (the Transfer). In this respect, from the said date, the relevant information including, NPLs and the stock of property of ex ERB Cyprus are also incorporated in the year end results.

Non-performing exposures reduction

The Group's non-performing exposures (NPEs) as defined by the EBA amounted to €188 million as at 31 December 2025 (excluding Held For Sale portfolio), compared to €451 million as at 31 December 2024, decreasing by 58%.

The reduction of NPEs during FY2025 was mainly driven by the assignment to Held For Sale of €184 million NPEs (KEDIPES) whilst €79 million reduction was driven by organic deleveraging via cash collections, cures and write-offs (including non-contractual write-offs executed during FY2025 of c.€6 million), partially offset by new defaults and accrued interest.

MANAGEMENT REPORT (continued)

During 2025, 194 REOs were sold reducing the REO stock by 39% (year on year, number of properties) while the book value ('BV') has been reinstated at the same level (€75 million) in view of the Transfer. The BV of the ex-HB REOs reduced year-on-year by 20% to €61 million in BV terms and in terms of number of properties by 48% (406 to 213 REOs).

At the end of 2025, the Bank managed to have the lowest numbers in terms of REOs' Market value ('MV'), BV and number of properties in stock, since 2017, when the massive onboardings through the foreclosure process and debt to asset swaps/settlements took place.

Organic deleveraging of the year along with the pro forma deleveraging of KEDIPES Sale amounts to €256 million net GBV NPLs reduction for ex-HB during the year.

The pro forma stock of the Bank (excluding NPLs under KEDIPES transaction) as at 31/12/2025 is Gross Book Value ('GBV') c€188m (ex HB €126 million, ex ERB Cyprus €62 million) out of a total loan book of GBV c€8,9 billion. The 2,1% pro forma NPL ratio (as at 31/12/2025 excluding NPLs under KEDIPES transaction) of the Bank allowed the Bank to request waiver from the obligation to prepare and submit on an annual basis as well as, to monitor on a semi-annual basis a three year strategic and operational plan addressing the high level of NPEs and foreclosed assets.

The Bank's NPE ratio as at 31 December 2025 was at 2,1%, excluding Held For Sale vs 2,4% excluding APS (pre-merge) as at 31 December 2024 (5,1% for the merged entity). Reduction driven by the NPE reduction (from €451 million to €188 million) as well as increased Performing exposures (from €8,428 million to €8,692 million) driven by new lending.

The net NPEs to total assets ratio as at 31 December 2025 stood at 0,26% (31 December 2024: 1,4%).

The net NPEs to total assets ratio as at 31 December 2024 stood at 1,4% (31 December 2023: 1,5%), while the ratio excluding the NPEs covered by the APS agreement as at 31 December 2024 stood at 0,5% (December 2023: 0,4%). Pro forma for HFS portfolio, as at 31 December 2023, these ratios remained the same.

Total accumulated impairment losses

The Bank's total accumulated on and off Balance Sheet impairment losses amounted to €112 million as at 31 December 2025 (31 December 2024: €125 million) and represented 1,3% of the total gross loans (31 December 2024: 2,1%).

The Bank's NPEs coverage ratio based on all Stages provisions on and off Balance Sheet, stood at 60,0% as at 31 December 2025 (December 2024: 32,6%).

Statement of Financial Position Analysis

Loans and advances to customers as at the end of 2025 amounted to €8,8 billion reporting an increase of €3,0 billion (53%) compared to 2024. The increase mainly relates to the loan portfolio of ex-ERB Cyprus which was transferred as part of the transfer of business, amounting to €2,9 billion. During 2025, net loans of €108 million as at the end of December 2025 relating to the KEDIPES transaction was classified as held for sale.

The loan credit expansion covered all the Bank's main pillars with the Corporate Banking Division reporting the highest loans delta followed by International and Shipping Divisions.

The Group's Bond portfolio amounted to €8,3 billion as at the end of 2025, reporting an increase of €2,6 billion, driven primarily by the transfer of the ex-ERB Cyprus portfolio and the acquisition of the Insurance Group which were consolidated in the results of 2025, as well as additional bond acquisitions performed in 2025.

Group Total assets amounted to €28,9 billion vs €18,4 billion in 2024, reflecting the addition of ex-ERB Cyprus and the ex-CNP Insurance Group, and also fueled by increased Deposits and profitability during the year.

MANAGEMENT REPORT (continued)

Customer Deposits at the end of 2025 amounted to €23,9 billion, reporting an increase of €8,3 billion (52,9%) compared to 2024. About 64% of these deposits relate to demand and savings deposits, and the remaining deposits represent time and notice deposits.

Average cost of deposits has increased by 15bps, from 0,22% for the year 2024. The increase in the cost of deposits is related both to the difference in the customer profile vs that of ex-HB being mainly Institutional, Corporate and Wealth Management enjoying higher interest rates, as well as the shift from sight to time deposits vs 2024, resulting to a Sight:Time mix of 64%:36% in 2025 compared to 66%:34% in 2024.

In addition, invested assets under management recorded strong results and reported an increase of 13,6% or €0,7 billion in comparison to 2024 (€5,2 billion including €4,7 billion of ex ERB Cyprus) reaching €5,9 billion.

As of 31 December 2025, total Risk Weighted Assets ('RWAs') increased to €8,62 billion (31 December 2024: €6,0 billion) over the year.

This increase is primarily attributed to increased credit related RWAs, following the legal merger. The major increases were experienced in loans & advances to customers and investments in subsidiaries following the acquisition of Insurance subsidiaries during the year. Operational risk RWAs also experienced an increase due to the legal merger, despite the benefit in RWAs obtained from the application of CRR III.

As at 31 December 2025, the total own funds amounted to €3,1 billion reporting an increase of 62%, mainly led by the legal merger and this year's profitability. The strengthening of the Bank's capital base outweighs the increase in RWAs, which resulted in an increase of the Bank's capital adequacy and CET1 ratios as at the year end 2025 by 418bps to 36,4% and 523bps to 33,9%, respectively. The capital base for 2025 includes audited profits for the year after the deduction of any foreseeable dividends, in accordance with the payout ratio as per the Bank's dividend policy.

Similarly, the leverage ratio increased to 10,1% as at 31 December 2025 (31 December 2024: 9,4%), mainly due to the increase in Tier 1 capital, which outweighs the increase in the exposure measure (both due to the legal merger).

MREL ratio rose to 36,4% (31 December 2024: 34,3%). During the year, the Bank redeemed its MREL-eligible senior preferred instruments of €100 million.

On the Bank's Annual General Meeting on 9 December 2025, the Bank declared a dividend of €0,245894 per ordinary share for the financial years ended 31 December 2007-2022. As a result, c.€159 million dividend was declared, of which €133 million were paid by the Bank and remaining c.€26 million through a claim made by the Bank's sole shareholder Eurobank S.A. for Special Defence Contribution withheld in previous years. Based on the Group's financial performance for the financial year 2025, the Bank intends to distribute an amount of c.€159 million. This is in line with the dividend policy of the Bank and the dividend is subject to the approval of the Annual General Meeting of its shareholders. This amount is deducted from the own funds' calculation in terms of capital adequacy purposes as per provisions of the relevant regulations.

The financial position, development and performance of the Group as presented in these financial statements are considered satisfactory.

Liquidity

The CRD/CRR sets forth the guidelines for calculating liquidity measures such as the Liquidity Coverage Requirement Ratio (LCR) and the Net Stable Funding Ratio (NSFR). As at 31 December 2025, the Group was in compliance with all regulatory liquidity requirements.

The Group's LCR stood at 324% as at 31 December 2025, compared to 519% as at 31 December 2024, which is considerably higher than the minimum regulatory limit of 100%. The liquidity surplus in LCR as at 31 December 2025 amounted to €9,3 billion, compared to €7,7 billion as at 31 December 2024.

MANAGEMENT REPORT (continued)

The Group's NSFR stood at 196% as at 31 December 2025 compared to 225% as at 31 December 2024. This is considerably higher than the minimum regulatory requirement of 100%. The NSFR liquidity surplus for 31 December 2025 amounted to €10,9 billion compared to €8,6 billion as at 31 December 2024.

Additional information on liquidity requirements will be disclosed in the Pillar III disclosures for the year ended 31 December 2025, which will be available on the Bank's website.

ADOPTION OF NEW INTERNATIONAL FINANCIAL REPORTING STANDARDS

Details on the Group's accounting policies and financial results are disclosed in Note 3 of the Financial Statements.

Business outlook and risks

The current economic environment remains significantly shaped by external geopolitical shocks and shifting global policy dynamics. The ongoing Russia-Ukraine conflict, which began in February 2022, continues to weigh on confidence and energy markets, while renewed tensions in the Middle East are adding to uncertainty at the start of 2026. Against this backdrop, the disinflation process since mid-2024 has allowed the European Central Bank (ECB) to begin easing monetary policy: Looking ahead, risks to the global outlook remain elevated, including the renewed rise of trade protectionism and the possibility of commodity-price shocks, both of which could transmit to Cyprus through trade, tourism and energy prices.

Cyprus' growth performance remained robust in 2025, confirming the economy as one of the stronger performers in the Eurozone. National accounts indicate that real GDP expanded by 3,8% year on year in 2025, while CySTAT's seasonally and working day adjusted data show growth of 4,5% in Q4 2025. The expansion was supported by resilient activity in trade, tourism and transport, alongside steady contributions from ICT, real estate and professional services. Tourism continued to be a key driver: tourist arrivals reached 4,5 million in 2025 (from 4,0 million in 2024), while tourism revenue in January-December 2025 is estimated at €3,7 billion (vs €3,2 billion in the corresponding period of 2024).

The outlook remains positive, albeit with growth expected to moderate from the strong pace of 2025. In its December 2025 forecast, the Central Bank of Cyprus (CBC) projects real GDP growth of 3,5% in 2025 and 3,0% in both 2026 and 2027, while the European Commission's Autumn 2025 forecast places growth at 3,4% in 2025, easing to 2,6% in 2026 and 2,4% in 2027. In the medium term, real activity is expected to be supported by EU funds under the Resilience and Recovery Facility (RRF), with Cyprus set to receive €1,2 billion during 2021-2026 to advance the green transition and digital transformation. Nonetheless, downside risks persist from geopolitical developments, potential trade restrictions and a less supportive external environment.

Labor market conditions strengthened further through 2025, consistent with near full-employment dynamics. According to CySTAT, the unemployment rate fell to 4,1% in Q3 2025 (the lowest level since 2008), while vacancy indicators remained elevated: the job vacancy rate averaged 3,1% in the first nine months of 2025, broadly in line with the 3,2% recorded in the first nine months of 2024, pointing to sustained labor demand. In its latest projections, the CBC expects unemployment to decline from 4,9% in 2024 to 4,5% in 2025 and remain around that level thereafter, while the European Commission forecasts 4,7% in 2025, easing to 4,5% in 2026 and 4,3% in 2027.

Inflation normalized further in 2025, supported mainly by lower energy prices and, to a lesser extent, moderating food prices. Headline inflation is estimated to have closed at 0,8% in 2025 (down from 2,3% in 2024). Looking ahead, the CBC expects inflation to rise to 1,7% in 2026 and 2,2% in 2027, while the European Commission forecasts 1,5% in 2026 and 1,9% in 2027, noting that underlying inflation excluding energy and food may remain slightly higher due to persistent services price pressures linked to strong tourism demand. Risks remain tilted to the upside if global trade disruptions, protectionist policies, or renewed commodity shocks intensify. Inflation in Cyprus averaged 1,1% in January-February 2026 (down from 2,6% in the same period of 2025), with monthly readings moderating to 1,2% in January and 0,9% in February. These readings, however, reflect conditions prior to the recent escalation in the MENA region, which may exert upward pressure on energy prices and alter the inflation outlook over the course of the year.

MANAGEMENT REPORT (continued)

In the banking sector, the improvement in asset quality has continued, further reinforcing financial stability amid resilient macroeconomic fundamentals. Total non-performing exposures (NPEs) declined to €0,8 billion, representing 3,2% of gross loans at end December 2025, from €1,5 billion (6,1% of total loans) at end December 2024. At the same time, banks' loss absorbing capacity strengthened, with the coverage ratio increasing to 62,3% in December 2025 from 59,9% a year earlier.

Cyprus' fiscal performance remained among the strongest in the Eurozone, supported by robust activity and prudent public-finance management. CySTAT's preliminary fiscal results show that the General Government balance for January-December 2025 recorded a surplus of €939,2 million (2,6% of GDP), compared with a surplus of €1.439,3 million (4,1% of GDP) in the same period of 2024. Public debt continued to ease: central government debt declined to €21,1 billion in Q3 2025 and remained broadly stable versus end-2024 (€21,2 billion). After falling steadily from the 2020 peak, the debt-to-GDP ratio reached 65,3% in 2024 and is expected by institutions to continue declining towards around 44% of GDP by 2028.

Cyprus' sovereign credit profile strengthened further in 2025, reflecting continued fiscal outperformance, declining public debt and resilient growth. Rating agencies maintained Cyprus firmly in the "A" category while improving their outlooks: Fitch Ratings (21/11/2025) revised the Outlook on Cyprus' Long-Term Foreign-Currency Issuer Default Rating (IDR) to Positive from Stable and affirmed the rating at "A-", while S&P (14/11/2025) revised the outlook on its long-term sovereign ratings on Cyprus to Positive from Stable, affirming the "A/A-2" ratings.

The recent escalation of regional conflict involving Iran has heightened economic uncertainty in Cyprus, adding to inflationary pressures and increasing downside risks for domestic activity. The magnitude of the impact will depend largely on the duration of the conflict: a swift resolution would likely limit the effects, whereas a prolonged escalation could exert more pronounced pressures on economic activity.

Environmental sustainability, social responsibility and governance

Pursuant to ESRS 2 and the amendments to the Cyprus Companies Law, Cap. 113, introduced through the 2025 CSRD transposition package, Eurobank Limited is exempt from issuing its own sustainability statement.

The Bank's and its subsidiaries' sustainability related information is fully incorporated into the consolidated sustainability statement of Eurobank S.A., in line with national and EU sustainability reporting requirements.

Eurobank S.A. is incorporated in Greece, with its registered office at 8 Othonos Street, Athens 105 57. Following the completion of the merger by absorption of "Eurobank Ergasias Services and Holdings S.A." on 12 December 2025, Eurobank S.A. Group became the ultimate parent company of the Group.

The website address, where the annual financial report of the Eurobank S.A. Group is uploaded, including the consolidated sustainability statement is:

<https://www.eurobank.gr/en/group/investor-relations/oikonomika-apotelesmata-eurobank>.

Throughout the years, both Hellenic Bank and Eurobank Cyprus Ltd have fostered sustainability practices within their operations, aiming to enhance their environmental and social impact through comprehensive corporate responsibility programs aligned with sustainability strategies. Following the merger of the two institutions, this shared goal is further strengthened and enriched by the extensive know how and experience of Eurobank S.A. in relation to sustainability matters.

Eurobank supports the transition towards a sustainable economy and considers sustainability and climate change as an opportunity. A key strategic objective is to adapt the business and operation in a way that addresses climate change challenges, accommodates social needs within its business model and safeguards prudent governance for itself and its counterparties, in accordance with supervisory initiatives, and following international standards and best practice.

To this end, Eurobank S.A. has designed, approved and is currently implementing its Sustainability Strategy, across two key pillars: Operational Impact Strategy (OIS) and Financed Impact Strategy (FIS), aiming to embed sustainability within its business model and operations.

MANAGEMENT REPORT (continued)

The OIS focuses on minimizing the operational environmental footprint, ensuring that its own activities are sustainable, and aligning its operations with climate and sustainability goals. The key elements of this strategy are:

- **Environmental Impact:** Minimising negative impact of Eurobank S.A.'s operations, to promote environmental stewardship with a clear goal of achieving climate neutrality.
- **Societal Impact:** Providing a diverse and inclusive environment for Eurobank S.A.'s people and clients, while fostering sustainable development and prosperity for the benefit of society.
- **Governance & Business Impact:** Focusing on building sustainability awareness, internally and across its value chain, while intensifying Eurobank S.A.'s efforts for ethics and transparency.

This strategy is supported by a governance structure with project streams, milestones, KPIs, annual targets and long-term interim targets. Progress is monitored through internal committees, aligned with Transformation streams and ISO Management System standards, and validated through internal reviews and external assurance.

The FIS focuses on fostering favorable economic, social and environmental outcomes across all aspects of its financing activities, with a commitment to sustainability and responsible stewardship. To achieve this objective, the FIS is structured around 4 strategic pillars:

- **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 financing solutions, that are guided by the financing approaches and the eligible activities of the Sustainable Finance Framework, goals and ambitions.
- **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 the Bank's loan and investment portfolios, including assessing exposure to transition and physical risks linked to climate change.

The FIS supports Eurobank S.A.'s commitment to sustainable financing, ensuring that its financial activities align with sustainability goals, such as reducing the carbon footprint of financed projects.

During 2025, Eurobank S.A. continued to apply its formally approved Sustainability Strategy, as described above. At the same time, a Group-wide process was launched to review and update this strategy. The aim is to enhance the effectiveness of the existing framework and further integrate sustainability into Eurobank S.A.'s (including Eurobank Limited) operations, governance, and business decisions.

The process focuses on redefining key sustainability topics by considering the Eurobank S.A. Group's strategic priorities, performance, stakeholder and regulatory expectations, and leading market practices. Through this work, Eurobank S.A. identifies and prioritizes strategic drivers and focus areas to support long-term value creation, specifically by driving business growth, strengthening risk management, and improving operational efficiency across the Eurobank S.A. Group.

Following formal approval of the updated Eurobank S.A. Group Sustainability Strategy, the next phases will include setting specific targets and KPIs and developing detailed action plans, supported by appropriate governance and monitoring mechanisms.

Eurobank Limited, being part of Eurobank S.A. Group, implements a wide range of sustainability initiatives that reflect the Eurobank S.A. Group's sustainability commitments and strategic priorities. In 2025, Eurobank Limited made significant progress across its sustainability agenda, including climate action, sustainable finance, ESG risk management, workforce and governance practices, customer experience, digital transformation, and data protection:

MANAGEMENT REPORT (continued)

Summary of Sustainability Actions in 2025

Climate Change Actions

Eurobank Limited continued implementing its decarbonisation strategy by expanding onsite renewable energy generation and improving energy efficiency. Photovoltaic systems were installed in five buildings, producing approximately 210,000 kWh annually, with six additional installations planned to generate another 230,000 kWh per year. The Bank also transitioned its electricity procurement towards suppliers generating power from photovoltaic parks, strengthening the renewable profile of purchased electricity. Energy efficiency projects were initiated across eight buildings, with one completed in 2025 and others to follow in 2026. The Bank maintains the ISO 14001 certification for environmental management, while for ex Hellenic Bank buildings it also holds the ISO 50001 certification for energy management. Staff awareness initiatives on recycling and responsible energy use supported behavioural change and aligned employees with the Bank's environmental goals. The Action Plans for decarbonisation of own operations will be updated for the merged entity within 2026.

Interbank ESG Questionnaire and ESG Risk Assessment

To align credit risk assessment processes with growing regulatory expectations, Eurobank Limited adopted the Interbank ESG Questionnaire developed collaboratively among Cypriot banks. This harmonized tool supports consistent ESG assessments, allows clients to improve ESG performance based on scores and recommendations. The Bank combines the Interbank ESG Questionnaire with its Climate Risk Scorecard to form a comprehensive ESG Risk Assessment framework. This framework classifies clients as High, Medium, or Low ESG risk and informs credit decisions accordingly. This framework supports the Bank's strategic objectives, strengthens ESG risk awareness, and ensures alignment with the Eurobank S.A. Group's risk appetite.

Sustainable Finance Actions

Eurobank Limited is developing localised versions of the Eurobank S.A. Group's Sustainable Finance Framework (SFF) and Sustainable Investment Framework (SIF). These frameworks standardize the identification, classification, monitoring, and reporting of sustainable finance across retail and wholesale banking and investment portfolios, while ensuring compliance with EU Taxonomy requirements and Group-level reporting. As part of its efforts to promote sustainable financing, the Bank offers a range of green lending products, including Green Home and energy-efficiency loans, as well as Green Car loans for the purchase of electric and hybrid vehicles.

Sustainability Awareness and Engagement

In 2025, Eurobank Limited delivered extensive ESG training programs for staff and management, including workshops, structured training sessions, and a dedicated internal ESG e learning course. Employees also attended external ESG seminars, contributing to the integration of ESG considerations into business processes and strengthening the internal sustainability culture.

Own Workforce & Equal Treatment

The Bank strengthened its diversity, inclusion, and workforce governance practices through established policies such as the Code of Conduct and Ethics, Whistleblowing Policy, Personal Grievance Committee, and Workplace Anti-Harassment Code. Gender equality and diversity principles are embedded in recruitment, succession planning, and remuneration processes. Women represented 67% of the workforce in 2025. The Bank achieved a 100% employee performance evaluation completion rate and monitors gender pay equity, with targets set for senior level diversity. Additional initiatives include leave donation schemes for employees in need and women's empowerment activities.

Customer Information, Accessibility & Inclusion

Eurobank Limited is committed to delivering high-quality, secure, and accessible information and services, ensuring responsible banking and transparency. The Customer Contact Center is ISO 18295-1 certified, with trained staff and a formal complaints process that meets regulatory requirements and supports continuous service improvement.

MANAGEMENT REPORT (continued)

In line with the European Accessibility Act, the Bank is in the process of developing a comprehensive accessibility framework covering products, services, digital channels, communications, and physical service points. It has issued a Declaration of Conformity and follows standards such as EN 301549:2021 and WCAG 2.1 AA, with a goal of achieving full WCAG 2.2 AA compliance. Digital banking channels are being upgraded to enhance accessibility, while physical branches and ATMs incorporate features supporting users with visual, hearing, mobility, or other impairments.

Branches provide priority service, accessible facilities, and support for guide dogs, with most locations wheelchair accessible. ATMs include mobility-friendly layouts, embossed keys, headphone ports, and high-contrast screens. Across all customer touchpoints, the Bank integrates accessibility into design and operations, supported by internal assessments, staff training, and ongoing monitoring to ensure inclusive and customer-centric service delivery.

Innovation & Digital Transformation

Significant strides were made in digitalization, with a strong focus on customer experience and process efficiency. Key advancements include automation of KYC and identification renewal processes, the introduction of SEPA Instant Payments with payee verification, and the Card Self Service PIN Unblock feature. The Bank expanded automated internal workflows to reduce processing time and enhance control. An end to end digital unsecured lending solution was developed within the MobileApp, offering a fully digital loan journey. AI driven tools, such as the Athina AI Assistant chatbot, improved internal knowledge access and operational efficiency.

Ethical Integrity

Eurobank Limited adheres to the Central Bank of Cyprus' governance directives and maintains a comprehensive Code of Business Conduct and Ethics. Mandatory annual training covers information security, fraud prevention, AML, sanctions, GDPR, anti harassment, and leadership. The Bank upholds a zero tolerance stance on bribery, corruption, and market abuse, with no incidents reported in 2025. The Code was updated and approved by the Board in December 2025 and is acknowledged annually by all staff.

Data Security and Customer Privacy

Data Security and Customer Privacy Data protection remains central to the Bank's governance and sustainability priorities. Eurobank Limited's Data & Privacy Security Program employs a defence in depth model across on premise and on cloud environments. Oversight by the Chief Information Security Officer and Data Protection Officers ensures alignment with GDPR and local regulations. Privacy by design principles guide new initiatives, supported by continuous training and customer awareness programs. The Bank will continue strengthening its security and privacy practices in 2026 to safeguard trust and support responsible digital growth.

Employee Matters

The year 2025 was marked by substantial progress in the Bank's human capital agenda, driven by the completion of major initiatives, including the legal merger with Eurobank Cyprus Ltd, the further integration of HR practices with the Eurobank S.A. Group's frameworks, and the strengthening of governance and workforce-related processes.

Towards the end of the year, another major milestone was the renewal of the Collective Agreement (CA) between ETYK and the Employer's Association of Cyprus Banks (EACB) for the years 2023–2027. This long-term agreement forms the governing framework for employment terms across all banks represented by the EACB and plays a pivotal role in stabilizing industrial relations moving forward. It enables efficient workforce planning and supports the Bank's wider transformation and culture initiatives by ensuring consistent employee conditions across the board.

Additionally, in the context of the operational merger with CNP Insurances, also a major project for the Bank, HR initiated all people related integration actions towards the onboarding of the members of staff and the alignment of HR processes.

MANAGEMENT REPORT (continued)

The Bank's performance management framework provides a common methodology of translating the Bank's strategy into tangible business objectives ("what") for all members of staff and supports a common culture by driving the Bank's organizational capabilities/behaviours ("how") throughout the organization, ensuring a baseline for human capital processes (e.g. career progression and promotions, incentive/variable remuneration, talent identification, succession planning, participation in learning and development programs). Throughout 2025, integration with the Group standards continued to advance, supported by preparatory work for the setting of a unified performance evaluation framework for 2026, while the 2025 cycle continued under a dual-track approach for ex-HB and ex-ERB Cyprus members of staff. As part of this transition, common performance indicators were designed where appropriate, to support alignment and ensure that evaluation outcomes could be seamlessly integrated into the Group's practices.

During the year, HR also strengthened its governance framework through a structured policy review. In alignment with the Group's standards and the regulatory developments, HR undertook a broad refinement of the majority of its internal policies, focusing on improving procedural consistency, and ensuring that members of staff experience a unified and transparent approach to HR matters.

Workforce planning activities focused primarily on enhancing internal mobility, driven by recent organisational structural changes, resource optimisation initiatives, and the strategic utilisation of the Bank's existing talent pool. A deliberate shift toward expanding internal rotations and cross departmental transfers enabled the organisation to better leverage its internal capabilities and respond effectively to evolving business needs following the recent merger.

This strategic realignment reinforces the Bank's commitment to a people centric talent framework that prioritises employee development and the long term strengthening of critical organisational capabilities.

The Bank is committed to offer learning opportunities to its employees, so that they are appropriately equipped and highly competent to perform in their roles, develop their talents and achieve the Bank's strategic priorities. In 2025, HR maintained a focused approach to learning and capability building, by promoting reskilling and upskilling, focusing on mandatory regulatory training, role-critical skills, and transformation related development. Through a wide range of training programs and development initiatives offered, HR ensured alignment of development activities with regulatory expectations and organisational transformation needs.

In support of the ESG agenda, HR continued to strengthen its contribution by enhancing the quality and reliability of workforce related disclosures. HR worked closely with the Sustainability Unit to ensure accurate reporting in alignment with regulatory standards and Group expectations. At the same time, HR processes supported fairness and transparency and reinforced an inclusive working environment that reflects the Bank's values and broader societal commitments.

Throughout 2025, HR placed particular emphasis on maintaining a cohesive employee experience during the Bank's ongoing transition. Communication efforts, wellbeing initiatives, cultural alignment activities, volunteering and community engagement, all supported employees through change, fostering a sense of shared identity and purpose. Together with continuous efforts to promote collaboration and engagement, these initiatives contributed to the development of a unified, collaborative, and purpose driven working environment.

Overall, 2025 was a significant year of advancement for the Bank's people agenda. The efforts to harmonise employment terms, the renewal of the Collective Agreement, the progress achieved in Group integration, particularly with regard to HR systems and policies, established consistent people processes across all legacy entities.

All 2025 initiatives have enabled the Bank to evolve its people practices with greater clarity, transparency, and strategic alignment. These initiatives form part of a broader effort to streamline operations and establish a fully integrated HR model, providing a solid foundation for the future as the Bank continues to refine its approach to managing and supporting its workforce.

MANAGEMENT REPORT (continued)

Going concern assessment

Taking into consideration the above mentioned factors as described in sections “Review of developments, position and performance of the Bank’s and Group’s business” and “Business outlook and risks” as well as the Bank’s capital and liquidity position and factors included in note 2 of the financial statements, the Board of Directors is satisfied that the financial statements of the Bank and the Group are prepared on a going concern basis.

Financial risk management

The Bank is exposed to risks, the most significant of which are credit risk, liquidity risk, and market risk. The Bank monitors, manages and mitigates these risks through various control mechanisms. Detailed information relating to the Bank’s risk management is set out in note 55 of the financial statements.

Future developments of the Bank

The Bank’s vision is to be the biggest and the best bank in Cyprus. In delivering its strategy, the Bank aims to fulfil shareholder’s aspirations by enhancing its value through a strengthened strategic position, sustainable profitability, and long-term growth. As a universal bank, the Bank is advancing across all segments to grow income, maintaining disciplined risk management, and achieving operational excellence to drive improved returns, while contributing to sustainable economic development and acting as a trusted partner to the community.

A significant milestone achieved was the legal merger of Eurobank S.A.’s two wholly owned Cypriot subsidiaries - Eurobank Cyprus Ltd and Hellenic Bank Public Company Limited. As of 1 September, 2025, all assets and liabilities of Eurobank Cyprus Ltd were transferred to Hellenic Bank Public Company Limited, which has since been renamed to Eurobank Limited. Another significant milestone was the legal merger of CNP insurance business with Hellenic Life and Pancyprian Insurance, the insurance subsidiaries of ex Hellenic Bank. The organisation is now proceeding with the operational merger of the entities, both on the Bank and on the Insurance side. This is a transformative step for the Group in Cyprus, combining the strengths, expertise, and client bases of the merged institutions.

With assets surpassing €28,9 billion, the newly merged bank is now the largest financial institution in Cyprus. This merger represents a significant turning point in Cypriot banking, ushering in a new phase of stability, growth and global expansion, according to the Bank’s leadership.

The Bank’s strategy comprises four pillars: Deposit growth, Loan growth, Cross selling and Cost control. In order to execute its strategy, the Bank is implementing a transformation plan, with focus on enhancing customer experience to drive sales and achieving efficiencies.

The Bank has sufficient liquidity, allowing the exploitation of opportunities in various sectors of the economy, such as technology, communications, energy, trade, health and, of course, household financing. At the same time, it aims to attract international investment and establish Cyprus as a gateway to the European market.

The Bank monitors closely the developments in the Cypriot, European and Global economic environment and assesses the evolving situation, whilst continuing the implementation of its strategy. The operating environment remains challenging; however, the Bank aims to remain vigilant of developments and to turn these challenges into opportunities.

Results

The Group’s and Bank’s results for the year are set out on pages 29 to 31 and 35 to 37 respectively. Dividend distribution will be made in accordance with the Bank’s approved dividend policy.

Share capital

As at 31 December 2025, 646,538,700 fully paid ordinary shares were in issue, with a nominal value of €0,50 each (31 December 2024: 412,805,230 fully paid ordinary shares with a nominal value €0,50 each).

MANAGEMENT REPORT (continued)

Effective as of 1 September 2025, pursuant to the provisions of the Transfer of Banking Business and Collateral Law of 1997 (as amended) and the agreement dated 31 July 2025 between Hellenic Bank Public Company Limited (Hellenic Bank) and Eurobank Cyprus Ltd, all assets and liabilities of Eurobank Cyprus Ltd (Reg. No. 217050) were transferred to the Bank. Following the said transfer, Eurobank Cyprus Ltd was renamed to ERB Cyprus Holdings Ltd and Hellenic Bank Public Company Limited was renamed to Eurobank Limited. In consideration for the aforesaid transfer, Eurobank Limited issued and allotted to ERB Cyprus Holdings Ltd 233.733.470 new ordinary shares in the issued share capital of Eurobank Limited with a nominal value of €0,50 each at the price of €1,101,230,118.69 (which included the amount of €0,601,230,118.69 as premium for each share).

On 3 December 2025, Eurobank Limited reduced its issued capital by €116,866,735 via cancellation of 233,733,470 ordinary shares of nominal value of €0,50 each, which were held by ERB Cyprus Holdings Ltd, and simultaneously increased its issued share capital by €116,866,735 via the issue and allotment of 233,733,470 ordinary shares of nominal value €0,50 each to Eurobank S.A., being the sole shareholder of Eurobank Limited.

Share premium reserve

The difference between the issue price of share capital and its nominal value is recognised in the share premium reserve. On 1 September 2025 Eurobank Limited issued 233,733,470 new ordinary with a nominal value of €0,50 each at the price of €1,101,230,118.69 (which included the amount of €0,601,230,118.69 as premium for each share). The excess over nominal value of €140,527,602 was recorded in the share premium reserve. As at 31 December 2025, the Group's share premium reserve balance was €693,942 thousand (31 December 2024: €553,414 thousand) and the Bank's €693,809 thousand (31 December 2024: €553,281 thousand).

Details on share capital and share premium reserve are disclosed in Note 44 of the Consolidated Financial Statements.

Board of Directors

The members of the Board of Directors of the Bank as at the date of this Report are listed on page 1. All Directors were members of the Board throughout the year 2025 and up to the date of this Report, except as disclosed below.

On 24 June 2025, Mr Damianos Charalampidis was appointed as Independent Non-Executive Member of the Board of Directors of the Bank.

On 3 September 2025, Mr Demetris Shacallis was appointed as Executive Member of the Board of Directors of the Bank / Chief Financial Officer, following the same day resignation of the former Executive Member of the Board / Chief Financial Officer, Mr Antonis Rouvas.

On 1 October 2025, the Independent Non-Executive Members of the Board of Directors of the Bank, Ms Miranda Xafa and Mr Stephen John Albutt resigned from the Board.

On 2 October 2025, Mr Michael Stefan Redferne was appointed as Independent Non-Executive Member of the Board of Directors of the Bank and Mr Stavros Ioannou as Non-Executive Member of the Board of Directors of the Bank.

On 27 March 2026, Ms Androulla Pittas was appointed as Independent Non-Executive Member of the Board of Directors of the Bank.

At the Annual General Meeting (AGM) of the Shareholders held on 9 December 2025, the Independent Non-Executive Members, Mr Damianos Charalampidis and Mr Michael Stefan Redferne, were re-elected to the Board of Directors of the Bank. Furthermore, Mr Stavros Ioannou was re-elected as non-Executive Member of the Board of Directors of the Bank and Mr Demetris Shacallis was re-elected as Executive Member of the Board.

MANAGEMENT REPORT (continued)

At the said AGM, Ms Androulla Pittas was elected to the Board of Directors of the Bank. Her appointment to the Board was subject to the approval of the Central Bank of Cyprus / European Central Bank and she was duly appointed on 27 March 2026.

The Bank's Articles of Association provide that at each AGM, provided they have completed three years in office from the date of their last election to the Board, one third of the Board Members for the time being, or, if their number is not three or a multiple of three, then the number nearest to one third, and any person appointed by the Board in accordance with the Articles of Association, shall retire from office and shall, if willing to act, be eligible for re-election.

The Board Members to retire at each AGM shall be those who have been longest in office since the date of their last election, but as between persons who were last elected on the same day those to retire shall be those Board Members longest in office since the date of their first appointment to the Board (and as between persons whose first appointment to the Board was on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot).

In accordance with the provisions of the Bank's Articles of Association, there are no Directors retiring at the next Annual General Meeting of the Shareholders.

Reference to Directors' emoluments, fees and compensation is provided in Note 48 of the Financial Statements, of the Annual Financial report.

Bank Management

The Bank's Executive Committee as at the date of this report is shown on page 1.

Events after the balance sheet date

KEDIPEs

In April 2025, the Bank signed a pre settlement agreement with the Cyprus Asset Management Company Limited ("KEDIPEs") for:

- a) the buyback by KEDIPEs of a portfolio of €0,2 billion non-performing exposures ("NPE") at a consideration of ~€180 million (the "NPEs Sale"),
- b) 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 the Bank, and
- c) the settlement of disputes arising from the agreement to acquire certain assets and liabilities of CCB for an amount of €10 million payable to the Bank (the "Disputes") (the "Transaction").

Following the approvals of the Ministry of Finance and the Directorate General for Competition in September 2025, the respective Transaction agreements which were subject to customary approvals (e.g. the Cyprus Commission for the Protection of Competition) were signed.

Soon after the signing of the Transaction agreements, the Disputes were resolved/settled and the €10 million payable to the Bank was collected and recognized as Other Income.

The NPEs Sale was effected through the transfer of the NPEs to Creditum Holdings Limited, a newly incorporated Cypriot private limited liability company (the "SPV") and in accordance with the provisions of:

1. the Credit Servicers and Credit Purchasers and Related Matters Law of 2024 (No.122(I)/2024 as amended) ("Servicers Law"),
2. the Sale of Credit Facilities and Related Matters Law of 2015 (L.169(I)/2015 as amended) ("Sale of Loans Law") and
3. the Companies Law, Cap.113 as amended ("Companies Law", Scheme of Arrangement provisions).

MANAGEMENT REPORT (continued)

Accordingly, in late January 2026, when all the provisions of the above mentioned laws were met the NPEs were transferred to the SPV and on 30 January 2026 the shares of the SPV were transferred to KEDIPES (Transaction Completion).

As of 30 September 2025, the Bank classified the said loan portfolio and the corresponding indemnification asset, as a result of the APS, as held for sale. The impact of the classification, which was calculated by reference to the estimated net consideration to be received from the Transaction, was insignificant to the Bank's results.

With the Transaction Completion the Bank collected 50% of the agreed Consideration and the remaining is due in 3 quarterly installments (subject to interest). The Bank continues to service the said portfolio (administration and hosting support, subject to servicing fees) until migration (expected to take place by the end of Q2 2026).

Voluntary Exit Scheme

Furthermore, in March 2026 the Bank announced a VES addressed to the eligible members of staff of the Bank and its Insurance companies as part of its ongoing initiatives to enhance operational efficiency and optimize the organizational structure. The scheme provides financial incentives for voluntary participation and is expected to contribute to the optimization of the Group's cost base over the coming years. The cost of the VES will be recognized in the financial statements of 2026.

Geopolitical situation – Middle East

The geopolitical situation in Middle East escalated on 28 February 2026, with the actions taken by the United States and Israel against targets in Iran. Cyprus has experienced geopolitical sensitivity due to its proximity to the Middle East and the presence of the United Kingdom's Sovereign Base Areas at Akrotiri and Dhekelia. As of the date of authorisation of the financial statements, the conflict continues to evolve in Middle East as military activity persists.

The conflict has caused volatility in global energy markets and disruptions to the supply of oil and gas, contributing to increased uncertainty in commodity prices and potential inflationary pressures. Broader consequences have also been observed in financial markets and global supply chains, particularly affecting energy and transportation sectors, as heightened geopolitical tensions around key shipping routes add to market uncertainty.

The financial effect of the current crisis on the global economy and overall business activities cannot be estimated with reasonable certainty at this stage, due to the pace at which the conflict is evolving and the high level of uncertainties arising from the inability to reliably predict the outcome.

These are events that are indicative of conditions that arose after the reporting period. Therefore, these are considered as a non-adjusting event and thus, are not reflected in the recognition and measurement of the assets and liabilities in the financial statements as at 31 December 2025.

Although Eurobank Limited has very limited direct exposure, the conflict may still create negative effects on the Cypriot economy. Rising energy prices, fluctuations in foreign exchange rates, increased financial market volatility, supply chain disruptions and intensified inflationary pressures may indirectly impact the operations of Eurobank Limited. In addition, any potential adverse effects on the hospitality sector, may further influence economic activity and business conditions. The indirect implications remain uncertain and will invariably depend on the extent and duration of the conflict.

Events after the balance sheet date are described in note 57 of the financial statements.

Auditors

The Independent Auditors, KPMG Limited, have expressed their willingness to continue in office.

MANAGEMENT REPORT (continued)

OTHER MATTERS

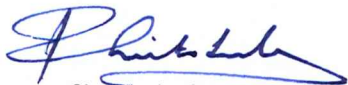
Agreement of Eurobank S.A and Eurobank Holdings with Fairfax to acquire ERB Asfalistiki Cyprus

On 13 October 2025 Eurobank Ergasias Services and Holdings S.A. (Eurobank Holdings) and its subsidiary Eurobank S.A. announced that Fairfax Financial Holdings Ltd (Fairfax) shall procure that certain affiliates of Fairfax will acquire a 45% of the share capital of ERB Asfalistiki Ltd ('ERBA'), the non-life insurance subsidiary of the Bank, for a cash consideration equal to 1,45 times of the net assets value of ERBA as at 31 August 2025 by applying 45% (which is approximately €55 million). Fairfax will also have the right to acquire the remaining 55% of the share capital of ERBA over time. This transaction is subject to regulatory approvals.

Fairfax's investment in ERBA's share capital represents a strong vote of confidence in ERBA, the Bank and the broader Cypriot Economy.

The signing of the share purchase agreement and the completion of the transaction is expected within the second quarter of 2026. The transaction is 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 Eurobank S.A Bank's website

On behalf of the Board of Directors,



Petros Christodoulou
Chairman of the Board of Directors

Nicosia, 24 April 2026

INDEPENDENT AUDITORS' REPORT



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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EUROBANK LIMITED

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Eurobank Limited (the “Bank”), and its subsidiaries (together with the Bank, the “Group”), which are presented on pages 29 to 250 and comprise the consolidated and separate statement of financial position as at 31 December 2025, and the consolidated and separate statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of the Group and the Bank as at 31 December 2025, and of their financial performance and their consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113 (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 “*Auditor’s Responsibilities for the Audit of the Consolidated and Separate Financial Statements*” section of our report. We remained independent of the Group and the Bank throughout the period of our appointment 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.

Key audit matters incorporating the most significant risks of material misstatements, including assessed risk of material misstatements due to fraud

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Expected credit losses on loans and advances to customers	
Refer to Notes 3.13.5, 5.1 and 15 to the financial statements.	
Key audit matter	How the matter was addressed in our audit
<p>As at 31 December 2025, gross loans and advances to customers at Group level amounted €8.879.685 thousand and at Bank level €8.879.698 thousand and the related expected credit losses (“ECL”) at Group and Bank level amounted to €102.262 thousand.</p> <p>The estimation of ECL on loans and advances to customers, involves significant judgement and estimates.</p> <p>Key judgments and estimates in respect of the timing and measurement of ECL include:</p> <ul style="list-style-type: none"> ▪ The allocation of loans and advances to customers to Stages 1, 2 or 3 using criteria in accordance with IFRS 9; ▪ The inputs, assumptions and probability weightings assigned multiple economic scenarios for the models used in estimating ECL which are inherently judgmental and involve determining probability of default (PD), loss given default (LGD) and exposure at default (EAD); and ▪ The identification of loans and advances to customers which are individually assessed and the measurement of their ECL. <p>As a result of the significance of the amount and the judgements and estimates involved, we have determined that ECL on loans and advances to customers is a key audit matter.</p>	<p>Our audit procedures in this area included, among others:</p> <ul style="list-style-type: none"> • We evaluated the design and implementation and tested the operating effectiveness of the key controls relevant to the ECL process . • We selected a sample of loans and advances to customers to determine whether they were allocated to the appropriate stage by evaluating the criteria used to allocate loans and advances to customers to each stage in accordance with IFRS 9. • With the support of our financial risk management specialists, we performed the following: <ul style="list-style-type: none"> ○ We assessed the Bank’s model methodology against IFRS 9 requirements. ○ We evaluated the appropriateness of the models’ methodology by testing mathematical integrity and statistical robustness and assessed whether the modeling approach is in line with market practice. ○ We assessed the reasonableness of the key assumptions of each ECL sub-component (PD, LGD, EAD, significant increase in credit risk (“SICR”)) including collateral allocation, credit scoring, macroeconomic forecasts and scenario weights used. ○ We re-performed management’s calculation of each ECL model sub-component (PD, LGD, EAD, SICR, collateral allocation) in accordance with management’s documented methodology and we used a challenger model to estimate relevant model sub-components where necessary. ○ We applied sensitivities of changes in the assumptions in order to assess the potential financial impact on the Bank’s ECL. ○ We assessed the results of management’s independent model validation activities for each model sub-component. • We selected a sample of collateral valuations used in the ECL calculation and assessed with the support of our real estate valuation

	<p>specialists, the reasonableness and appropriateness of the methodology used to determine the fair value of the collaterals. We also performed an assessment of the competency and independence of the real estate valuation experts used by the Bank.</p> <ul style="list-style-type: none"> • We selected a sample of the individually assessed loans and advances to customers performed by the Bank and we evaluated the appropriateness of the staging allocation and the reasonableness of the ECL, including the main assumptions and inputs used, such as collateral value, liquidation date and estimated cash flows. • We assessed the appropriateness and adequacy of disclosures against the relevant accounting standards.
--	---

Reporting on Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Management Report.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon, except as required by the Companies Law, Cap.113.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

With regards to the Management Report, our report is presented in the "Report on other legal and regulatory requirements" section.

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

The Board of Directors is responsible for the preparation of consolidated and separate financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the European Union 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 consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the Board of Directors is responsible for assessing the Group's and the Bank'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 liquidate the Bank or to cease operations, or there is no realistic alternative but to do so.

The Board of Directors and those charged with governance are responsible for overseeing the Group's and the Bank's financial reporting process.



Auditors' Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate 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 consolidated and separate financial statements.

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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.



From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters.

Report on Other Legal and Regulatory Requirements

Requirements of Article 10(2) of the EU Regulation 537/2014:

1. Date of appointment and period of engagement

We were first appointed auditors of the Bank on 9 December 2025 by the General Meeting of the Bank's members to audit the consolidated and separate financial statements of the Bank for the year ended 31 December 2025. Our total uninterrupted period of engagement is 1 year covering the year ended 31 December 2025.

2. Consistency of auditor's report to the additional report to the Audit Committee

We confirm that our audit opinion on the consolidated and separate financial statements expressed in this report is consistent with the additional report presented to the Audit Committee of the Company, which is dated 22 April 2025, in accordance with Article 11 of the EU Regulation 537/2014.

3. Provision of Non-audit Services ("NAS")

We have not provided any prohibited NAS referred to in Article 5 of EU Regulation 537/2014 as applied by Section 72 of the Auditors Law of 2017 ("Law L.53(I)/2017").

Other Legal Requirements

Pursuant to the additional requirements of Law L.53(I)/2017, and based on the work undertaken in the course of our audit, we report the following:

- In our opinion, the Management Report, the preparation of which is the responsibility of the Board of Directors, has been prepared in accordance with the requirements of the Companies Law, Cap. 113, and the information given is consistent with the consolidated and separate financial statements.
- In light of the knowledge and understanding of the business and the Group's and the Bank's environment obtained in the course of the audit, we have not identified material misstatements in the Management Report.

Other Matters

Reporting responsibility

This report, including the opinion, has been prepared for and only for the Bank's members as a body in accordance with Article 10(1) of the EU Regulation 537/2014 and 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.



Comparative figures

The financial statements of Eurobank Limited (ex-Hellenic Bank Public Company Limited) for the year ended 31 December 2024, were audited by another auditor who expressed an unmodified opinion on those statements on 20 March 2025.

The engagement partner on the audit resulting in this independent auditors' report is Panayiotis A. Peleties.

A handwritten signature in blue ink, appearing to read 'Panayiotis A. Peleties', written over a faint, illegible background.

Panayiotis A. Peleties, FCA
Certified Public Accountant and Registered Auditor
for and on behalf of

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

24 April 2026



Financial Statements of the Eurobank Limited Group

Member of  **EUROBANK**

For the year ended 31 December 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	2025 €'000	2024 €'000
Interest income calculated using the effective interest method	6	664.746	717.093
Other interest income	6	31.916	12.279
Interest expense calculated using the effective interest method	7	(95.098)	(120.384)
Other interest expense	7	(20.340)	(10.278)
Net interest income		581.224	598.710
Fee and commission income	8	111.093	93.919
Fee and commission expense	9	(16.055)	(13.078)
Net fee and commission income		95.038	80.841
Net trading income/(loss) and net gains/(losses) on revaluation of financial instruments	10	449	17.907
Net income from insurance operations	11	44.000	20.348
Other income	12	12.034	7.510
Gain on acquisition net of acquisition related costs	51	58.450	-
Total net income		791.195	725.316
Staff costs	13	(154.735)	(139.325)
Depreciation and amortisation	34, 35	(22.886)	(20.363)
Administrative and other expenses	14	(96.447)	(93.034)
Total expenses		(274.068)	(252.722)
Profit from operations before impairments, provisions and other related costs and levies		517.127	472.594
Net gains on derecognition of financial assets measured at amortised cost		7.847	1.734
(Impairment losses)/reversal of impairment losses relating to loans and advances to customers	15	(15.923)	6.782
External Debt Collection Servicer Fees		(6.890)	(9.156)
Reversal of impairment losses on other financial assets	16	6.347	8.069
Other Impairments, risk provisions and related costs	17	(614)	(7.865)
Special Levy on Deposits	18	(27.539)	(22.561)
Restructuring costs	19	(43.300)	(5.550)
Profit before taxation		437.055	444.047
Taxation	20	(60.267)	(61.462)
Profit for the year		376.788	382.585
Profit attributable to:			
Shareholders of the parent company		376.788	382.587
Non-controlling interests		-	(2)
Profit for the year		376.788	382.585

The notes on pages 41 to 250 form an integral part of these Financial Statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME



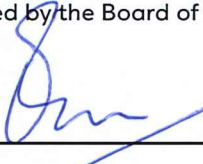

	Note	2025 €'000	2024 €'000
Profit for the year		376.788	382.585
Other comprehensive income			
Items that will not be reclassified in the statement of profit or loss			
Transfer to investment property		(219)	-
Deficit on revaluation of land and buildings	46	(325)	-
Employee benefit Obligations (Equity impact)		28	-
Other: Reclassification from OCI (Non-Recyclable OCI realisations)		(34)	-
Deferred taxation on property revaluation	46	(135)	(158)
Gain/(loss) on disposal of equity securities at fair value through other comprehensive income		204	(10)
Net revaluation deficit of investments in equity securities and collective investments units at fair value through other comprehensive income	46	<u>1.586</u>	<u>720</u>
		<u>1.105</u>	<u>552</u>
Items that are or may be reclassified subsequently in the statement of profit or loss			
Net finance income/(expenses) from insurance and reinsurance contracts	11	548	-
Deferred taxation on net finance income/(expenses) from insurance and reinsurance contracts		(104)	-
Net losses from fair value hedging discontinuance	46	(435)	-
Impairment allowances on investments in debt securities measured at fair value through other comprehensive income	46	(61)	-
Net revaluation surplus/(deficit) of investments in debt securities measured at fair value through other comprehensive income	46	<u>499</u>	<u>(337)</u>
		<u>447</u>	<u>(337)</u>
Total other comprehensive income for the year before taxation		<u>1.552</u>	<u>215</u>
Total comprehensive income for the year		<u>378.340</u>	<u>382.800</u>
Total comprehensive income for the year attributable to:			
Shareholders of the parent company		378.340	382.802
Non-controlling interests		-	(2)
		<u>378.340</u>	<u>382.800</u>

The notes on pages 41 to 250 form an integral part of these Financial Statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	2025 €'000	2024 €'000
Assets			
Cash and balances with Central Banks	21, 23	8.057.611	5.730.544
Placements with other banks	22, 23	578.052	355.416
Reverse repurchase agreements	24	2.126.466	300.274
Loans and advances to customers	25	8.777.423	5.738.111
Debt securities	26	8.308.859	5.675.674
Equity securities and collective investment units	27	401.600	145.676
Reinsurance contract assets	29	48.039	28.489
Tax receivable		291	4.249
Stock of property	30	75.591	76.229
Investment properties	31	58.865	5.420
Derivatives	32	36.259	21.605
Property, plant and equipment	34	215.558	173.108
Intangible assets	35	109.861	51.157
Assets and disposal group held for sale	36	118.163	-
Other assets	37	81.523	51.766
Total assets		28.994.161	18.357.718
Liabilities			
Deposits by banks	38	406.065	165.122
Customer deposits and other customer accounts	39	23.936.267	15.658.085
Tax payable	20	32.572	19.500
Deferred tax liability	40	16.233	11.504
Derivatives	32	12.311	205
Other liabilities	41	300.491	199.110
Insurance contract liabilities	29	683.595	106.314
Investment contract liabilities	42	71.753	-
Loan capital	43	209.731	309.659
Total liabilities		25.669.018	16.469.499
Equity			
Share capital	44	323.269	206.403
Reserves	44, 45, 46	3.001.874	1.681.806
Equity attributable to shareholders of the parent company		3.325.143	1.888.209
Non-controlling interest		-	10
Total equity		3.325.143	1.888.219
Total liabilities and equity		28.994.161	18.357.718

The Consolidated Financial Statements have been approved by the Board of Directors on 24 April 2026.

			
Petros Christodoulou Chairman of the Board of Director	Michalis Louis Chief Executive Officer	Oliver Bernard Ellingham Chairman of the Audit Committee of the Board	Demetris Shacallis Chief Financial Officer

The notes on pages 41 to 250 form an integral part of these Financial Statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to shareholders of the parent company					Insurance/ reinsurance/ finance reserves	Total attributable to shareholders of the parent company	Non- controlling interest (Note 28)	Total equity
	Share capital (Note 44) €'000	Reduction of share capital reserve (Note 44) €'000	Share premium reserve (Note 44) €'000	Revenue reserve (Note 45) €'000	Revaluation reserves (Note 46) €'000				
Balance 1 January 2025	206.403	260.269	553.414	805.845	62.278	-	1.888.209	10	1.888.219
Total comprehensive income for the year net of taxation									
Profit for the year	-	-	-	376.788	-	-	376.788	-	376.788
Other comprehensive income for the year	-	-	-	-	910	-	910	-	910
Transfer on disposal of equity securities at fair value through other comprehensive income	-	-	-	790	(586)	-	204	-	204
Transfer on disposal of property	-	-	-	2.529	(2.529)	-	-	-	-
Transfer of excess depreciation on revaluation surplus	-	-	-	292	(292)	-	-	-	-
Insurance finance (expenses) for insurance contracts issued	-	-	-	-	-	548	548	-	548
Deferred taxes	-	-	-	-	-	(104)	(104)	-	(104)
Employee benefit Obligations (Equity impact)	-	-	-	28	-	-	28	-	28
Other: Reclassification from OCI (Non Recyclable OCI realisations)	-	-	-	(34)	-	-	(34)	-	(34)
Increase due to transfer of business and operations of Eurobank Cyprus Ltd (Note 52)	116.866	-	140.528	933.420	787	-	1.191.601	-	1.191.601
	116.866	-	140.528	1.313.813	(1.710)	444	1.569.941	-	1.569.941
Transactions with shareholders									
Contributions and distributions									
Dividend paid	-	-	-	(133.000)	-	-	(133.000)	-	(133.000)
Loss from the disposal of Minority Interest (Note 28)	-	-	-	(7)	-	-	(7)	(10)	(17)
	-	-	-	(133.007)	-	-	(133.007)	(10)	(133.017)
Balance 31 December 2025	323.269	260.269	693.942	1.986.651	60.568	444	3.325.143	-	3.325.143

The notes on pages 41 to 250 form an integral part of these Financial Statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

	Attributable to shareholders of the parent company					Total attributable to shareholders of the parent company	Non- controlling interest (Note 28)	Total equity
	Share capital (Note 44) €'000	Reduction of share capital reserve (Note 44) €'000	Share premium reserve (Note 44) €'000	Revenue reserve (Note 45) €'000	Revaluation reserves (Note 46) €'000			
Balance 1 January 2024	206.403	260.269	553.414	423.223	63.032	1.506.341	12	1.506.353
Total comprehensive income for the year net of taxation								
Profit/(loss) for the year	-	-	-	382.587	-	382.587	(2)	382.585
Other comprehensive income for the year	-	-	-	-	225	225	-	225
Transfer on disposal of equity securities at fair value through other comprehensive income	-	-	-	292	(302)	(10)	-	(10)
Transfer to retained earnings due to disposal of immovable property	-	-	-	82	(82)	-	-	-
Transfer of excess depreciation on revaluation surplus	-	-	-	595	(595)	-	-	-
	-	-	-	383.556	(754)	382.802	(2)	382.800
Transactions with shareholders								
Contributions and distributions								
Defence on deemed dividend distribution	-	-	-	(934)	-	(934)	-	(934)
	-	-	-	(934)	-	(934)	-	(934)
Balance 31 December 2024	206.403	260.269	553.414	805.845	62.278	1.888.209	10	1.888.219

The notes on pages 41 to 250 form an integral part of these Financial Statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	2025 €'000	2024 €'000
Cash flows from operating activities			
Profit for the year		376.788	382.585
Adjustments to reconcile profit for the year to net cash flows:			
Net gains on derecognition of financial assets measured at amortised cost		(7.847)	(1.734)
(Impairment losses)/reversal of impairment losses relating to loans and advances to customers	15	15.923	(6.782)
Reversal of impairment losses on other financial assets	16	(6.347)	(8.069)
Other Impairments, risk provisions and related costs	17	614	7.865
Net loss on performing loans' modifications		961	1.059
Depreciation of property, plant and equipment and amortisation of intangible assets	34, 35	25.600	21.331
Net (gains)/losses on disposal and write-offs of property, plant and equipment and intangible assets		(298)	272
Net gains on disposal and revaluation of investments in debt securities, equity securities and collective investment units	10	(19.092)	(9.308)
Interest expense on lease liability	7	467	513
Loss on derecognition of lease liability		(23)	(9)
Gain on disposal of bonds at amortised cost		(99)	(16)
Net (gains)/losses from revaluation of investment properties		(907)	460
Interest expense from indemnification assets	7	65	23
Net gain from the disposal of stock of property	12	(2.897)	(6.350)
Interest income from debt securities	6	(189.581)	(153.069)
Other income on debt securities		(435)	-
Dividend income	12	(1.669)	(3.321)
Interest income from other financial assets	6	(189)	(399)
Interest income from reverse repurchase agreements	6	(36.349)	(274)
Interest expense on loan capital	7	24.536	40.849
Loss from the disposal of Minority Interest		(20)	-
Gain on acquisition	51	(60.992)	-
Interest expense on funding by Central Banks	7	-	44.941
Taxation	20	60.267	61.462
Net cash generated from operating activities before working capital changes		178.476	372.029
Working capital changes			
(Increase)/decrease in loans and advances to customers		(261.711)	289.475
Increase in loans and advances to customers held for sale		-	(505)
(Increase)/decrease in other assets		(6.913)	12.292
Increase in customer deposits and other customer accounts		814.641	343.297
Decrease in other liabilities		(16.676)	(12.173)
Decrease/(increase) in placements with other banks		156.440	(17.953)
Decrease in obligatory reserves with Central Banks		2.634.370	2.553
Increase in deposits by banks		137.088	68.323
Net proceeds on disposal of loans and advances		-	4.152
Net proceeds from the disposal of stock of property		15.104	26.053
Increase/(decrease) in derivative financial instruments		3.512	(24.711)
Increase/(decrease) in reinsurance contract assets	29	4.956	(4.974)
Increase in insurance contract liabilities	29	63.902	18.785
Increase in investment contract liabilities	42	6.879	-
Net cash from operating activities before taxation		3.730.068	1.076.643
Tax paid		(62.960)	(72.421)
Net cash from operating activities		3.667.108	1.004.222
Cash flows from investing activities			
Proceeds net of cash received for Acquisition of CNP Group	51	(159.018)	-
Dividend received	12	1.669	3.321
Interest received from debt securities		136.904	111.825
Additions of investments in debt securities		(1.730.128)	(1.863.893)
Additions of investments in equity securities and collective investment units		(43.218)	(30.778)
Proceeds on disposal/maturity/redemption of investments in debt securities		1.525.805	1.225.841
Proceeds on disposal of investments in equity securities and collective investment units		36.271	29.364
Additions of property, plant and equipment	34	(12.253)	(9.250)
Additions of intangible assets	35	(28.903)	(16.276)
Additions of investment properties	31	(167)	-
Disposals of investment properties	31	522	-
Purchase of reverse repurchase agreements	24	(716.573)	(300.000)
Proceeds on disposal of property, plant and equipment		9.706	434
Net cash used in investing activities		(979.383)	(849.412)
Cash flows from financing activities			
Payments of lease liability	41	(3.039)	(2.144)
Net proceeds from the issue of loan capital		-	99.094
Repayment of loan capital		(100.000)	(229.666)
Payment of funding from central banks		-	(2.400.450)
Payment on defence on deemed dividend distribution		(934)	(612)
Payment of dividends		(133.000)	-
Interest paid on loan capital	7	(24.500)	(42.433)
Net cash used in financing activities		(261.473)	(2.576.211)
Net increase/(decrease) in cash and cash equivalents		2.426.252	(2.421.401)
Effect of exchange rate fluctuations on cash and cash equivalents		51.792	(21.911)
Cash and cash equivalents at the beginning of the year	23	5.851.135	8.294.447
Cash and cash equivalents at the end of the year	23	8.329.179	5.851.135

The notes on pages 41 to 250 form an integral part of these Financial Statements.

STATEMENT OF PROFIT OR LOSS

	Note	2025 €'000	2024 €'000
Interest income calculated using the effective interest method	6	659.551	716.983
Other interest income	6	31.911	12.279
Interest expense calculated using the effective interest method	7	(95.017)	(120.382)
Other interest expense	7	<u>(20.340)</u>	<u>(10.278)</u>
Net interest income		<u>576.105</u>	<u>598.602</u>
Fee and commission income	8	117.312	99.133
Fee and commission expense	9	<u>(15.902)</u>	<u>(13.078)</u>
Net fee and commission income		<u>101.410</u>	<u>86.055</u>
Net trading income/(loss) and net gains/(losses) on revaluation of financial instruments	10	(1.704)	16.758
Other income	12	<u>62.894</u>	<u>15.107</u>
Total net income		<u>738.705</u>	<u>716.522</u>
Staff costs	13	(152.613)	(137.883)
Depreciation and amortisation	34, 35	(22.282)	(20.247)
Administrative and other expenses	14	<u>(91.962)</u>	<u>(90.742)</u>
Total expenses		<u>(266.857)</u>	<u>(248.872)</u>
Profit from operations before impairments, provisions and other related costs and levies		471.848	467.650
Net gains on derecognition of financial assets measured at amortised cost		7.847	1.734
(Impairment losses)/reversal of impairment losses relating to loans and advances to customers	15	(15.923)	6.782
External Debt Collection Servicer Fees		(6.890)	(9.156)
Reversal of impairment losses on other financial assets	16	5.853	8.073
Other Impairments, risk provisions and related costs	17	(3.550)	(8.180)
Special Levy on Deposits	18	(27.539)	(22.561)
Restructuring costs	19	<u>(41.493)</u>	<u>(5.550)</u>
Profit before taxation		390.153	438.792
Taxation	20	<u>(53.810)</u>	<u>(59.382)</u>
Profit for the year		<u>336.343</u>	<u>379.410</u>

The notes on pages 41 to 250 form an integral part of these Financial Statements.

STATEMENT OF COMPREHENSIVE INCOME

	Note	2025 €'000	2024 €'000
Profit for the year		336.343	379.410
Other comprehensive income			
Items that will not be reclassified in the statement of profit or loss			
Deferred taxation on property revaluation	46	(171)	(158)
Gain/(loss) on disposal of equity securities at fair value through other comprehensive income		204	(10)
Net revaluation gain of investments in equity securities and collective investment units at fair value through other comprehensive income	46	563	720
		596	552
Items that are or may be reclassified subsequently in the statement of profit or loss			
Net revaluation surplus/(deficit) of investments in debt securities at fair value through other comprehensive income	46	118	(337)
Impairment allowances on investments in debt securities measured at fair value through other comprehensive income		(61)	-
Net losses from fair value hedging discontinuance	46	(435)	-
		(378)	(337)
Total other comprehensive income for the year net of taxation		218	215
Total comprehensive income for the year		336.561	379.625

The notes on pages 41 to 250 form an integral part of these Financial Statements.

STATEMENT OF FINANCIAL POSITION

	Note	2025 €'000	2024 €'000
Assets			
Cash and balances with Central Banks	21,23	8.057.609	5.730.544
Placements with other banks	22,23	550.594	351.209
Reverse repurchase agreements	24	2.126.466	300.274
Loans and advances to customers	25	8.777.436	5.738.111
Debt securities	26	7.805.948	5.662.807
Equity securities	27	46.394	44.701
Investments in subsidiary companies	28	280.151	83.333
Property, plant and equipment	34	190.497	165.142
Stock of property	30	24.733	36.091
Investment properties	31	4.399	6.303
Derivatives	32	36.259	21.605
Intangible assets	35	88.454	35.188
Tax receivable		78	4.460
Assets and disposal group held for sale	36	118.163	-
Other assets	37	72.918	52.743
Total assets		28.180.099	18.232.511
Liabilities			
Deposits by banks	38	406.065	165.122
Customer deposits and other customer accounts	39	23.936.267	15.658.085
Amounts due to subsidiary companies	28	44.143	13.768
Tax payable	20	28.087	18.791
Deferred tax liability	40	13.744	10.976
Derivatives	32	12.311	205
Other liabilities	41	273.814	197.604
Loan capital	43	209.731	309.659
Total liabilities		24.924.162	16.374.210
Equity			
Share capital	44	323.269	206.403
Reserves	44, 45, 46	2.932.668	1.651.898
Total equity		3.255.937	1.858.301
Total liabilities and equity		28.180.099	18.232.511


The Financial Statements have been approved by the Board of Directors on 24 April 2026.



Petros Christodoulou
Chairman of the Board of
Director



Michalis Louis
Chief Executive Officer



Oliver Bernard Ellingham
Chairman of the Audit
Committee of the Board



Demetris Shacallis
Chief Financial Officer

The notes on pages 41 to 250 form an integral part of these Financial Statements.

STATEMENT OF CHANGES IN EQUITY

	Share capital (Note 44) €'000	Reduction of share capital reserve (Note 44) €'000	Share premium reserve (Note 44) €'000	Revenue reserve (Note 45) €'000	Revaluation reserves (Note 46) €'000	Total equity €'000
Balance 1 January 2025	206.403	260.269	553.281	779.677	58.671	1.858.301
Total comprehensive income for the year net of taxation						
Profit for the year	-	-	-	336.343	-	336.343
Other comprehensive income for the year	-	-	-	-	14	14
Transfer on disposal of equity securities at fair value through other comprehensive income	-	-	-	790	(586)	204
Transfer on disposal of property	-	-	-	2.529	(2.529)	-
Transfer of excess depreciation on revaluation surplus	-	-	-	292	(292)	-
Increase due to transfer of business and operations of Eurobank Cyprus Ltd (Note 52)	116.866	-	140.528	935.894	787	1.194.075
	<u>116.866</u>	<u>-</u>	<u>140.528</u>	<u>1.275.848</u>	<u>(2.606)</u>	<u>1.530.636</u>
Transactions with shareholders						
Contributions and distributions						
Dividend paid	-	-	-	(133.000)	-	(133.000)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(133.000)</u>	<u>-</u>	<u>(133.000)</u>
Balance 31 December 2025	323.269	260.269	693.809	1.922.525	56.065	3.255.937

The notes on pages 41 to 250 form an integral part of these Financial Statements.

STATEMENT OF CHANGES IN EQUITY (continued)

	Share capital (Note 44) €'000	Reduction of share capital reserve (Note 44) €'000	Share premium reserve (Note 44) €'000	Revenue reserve (Note 45) €'000	Revaluation reserves (Note 46) €'000	Total equity €'000
Balance 1 January 2024	206.403	260.269	553.281	400.232	59.425	1.479.610
Total comprehensive income for the year net of taxation						
Profit for the year	-	-	-	379.410	-	379.410
Other comprehensive income for the year	-	-	-	-	225	225
Transfer on disposal of equity securities at fair value through other comprehensive income	-	-	-	292	(302)	(10)
Transfer on disposal of property	-	-	-	82	(82)	-
Transfer of excess depreciation on revaluation surplus	-	-	-	595	(595)	-
	-	-	-	380.379	(754)	379.625
Transactions with shareholders						
Contributions and distributions						
Defence on deemed dividend distribution	-	-	-	(934)	-	(934)
	-	-	-	(934)	-	(934)
Balance 31 December 2024	206.403	260.269	553.281	779.677	58.671	1.858.301

The notes on pages 41 to 250 form an integral part of these Financial Statements.

STATEMENT OF CASH FLOWS

	Note	2025 €'000	2024 €'000
Cash flows from operating activities			
Profit for the year from continuing operations		336.343	379.410
Profit for the year		336.343	379.410
Adjustments to reconcile profit for the year to net cash flows:			
Net gains on derecognition of financial assets measured at amortised cost		(7.847)	(1.734)
Impairment losses relating to loans and advances to customers	15	15.923	(6.782)
Impairment losses on other financial assets	15	(5.853)	(8.073)
Other Impairments, risk provisions and related costs	15	3.550	8.180
Net loss on performing loans' modifications		961	1.059
Depreciation of property, plant and equipment and amortisation of intangible assets	34, 35	22.282	20.247
Net (gains)/losses on disposal and write-offs of property, plant and equipment and intangible assets		(413)	216
Net (gains)/losses on disposal and revaluation of investments in debt securities, equity securities and collective investment units	10	4.944	(6.592)
Interest expense on lease liability	7	466	511
Net expense/(income) from revaluation of investment properties	12	-	557
Interest expense from indemnification assets	7	65	23
Gain on derecognition of lease liability		2	(11)
Interest income from other financial assets	6	(189)	(399)
Interest income from reverse repurchase agreements	6	(36.349)	(274)
Gain on disposal of bonds at amortised cost		(867)	748
Other income - changes due to hedging discontinuance		(435)	-
Interest expense on funding by Central Banks	7	-	44.941
Interest income from debt securities	6	(179.224)	(152.874)
Dividend income	12	(48.576)	(10.414)
Net gain from the disposal of stock of property	12	(2.880)	(6.350)
Interest expense on loan capital	7	24.651	40.849
Loss/(gain) from the disposal of subsidiary companies	12	85	(224)
Taxation	20	53.810	59.383
		180.449	362.397
Working capital changes			
(Increase)/decrease in loans and advances to customers		(261.713)	289.474
Increase in loans and advances to customers (classified as assets held for sale)		-	(505)
(Increase)/decrease in other assets		(5.533)	11.321
Increase in customer deposits and other customer accounts		801.946	343.297
Decrease in other liabilities		(20.803)	(11.901)
Decrease/(increase) in placements with other banks		156.441	(17.957)
Decrease in obligatory reserves with Central Banks		2.634.370	2.553
Increase in deposits by banks		137.088	68.323
Decrease in amounts due from subsidiary companies		29.624	1.582
Net proceeds from the disposal of loans and advances		-	4.152
Net proceeds from the disposal of stock of property		14.846	26.053
Derivative financial instruments		3.512	(24.711)
Net cash from operating activities before taxation		3.670.227	1.054.078
Tax paid		(57.420)	(70.502)
Net cash from operating activities		3.612.807	983.576
Cash flows from investing activities			
Net increase in investment in subsidiary companies	28	(184.665)	(505)
Net proceeds on disposal of investment in subsidiary companies		-	4.351
Dividend received	12	48.576	10.414
Interest received from debt securities		126.570	111.764
Additions of investments in debt securities		(1.601.624)	(1.834.095)
Proceeds on disposal/maturity/redemption of investments in debt securities		1.407.656	1.207.667
Proceeds on disposal of investments in equity securities		1.314	155
Additions of property, plant and equipment	34	(11.777)	(9.229)
Additions of intangible assets	35	(27.943)	(15.992)
Purchase of reverse repurchase agreements	24	(716.573)	(300.000)
Proceeds on disposal of property, plant and equipment		9.688	434
Net cash used in investing activities		(948.778)	(825.036)
Cash flows from financing activities			
Payments of lease liability	41	(2.592)	(2.115)
Repayment of funding from central banks		-	(2.400.450)
Payment of dividends		(133.000)	-
Net proceeds from the issue of loan capital		-	99.094
Repayment of loan capital		(100.000)	(229.666)
Payment on defence on deemed dividend distribution		(934)	(612)
Interest paid on loan capital	7	(24.500)	(42.433)
Net cash used in financing activities		(261.026)	(2.576.182)
Net increase/(decrease) in cash and cash equivalents		2.403.003	(2.417.642)
Foreign exchange difference		51.792	(21.914)
Cash and cash equivalents at the beginning of the year		5.846.920	8.286.476
Cash and cash equivalents at the end of the year	23	8.301.715	5.846.920

The notes on pages 41 to 250 form an integral part of these Financial Statements.

1. INCORPORATION AND PRINCIPAL ACTIVITY

Eurobank Limited (Reg. No. HE6771) (the "Bank") was renamed from Hellenic Bank Public Company Limited on 2 September 2025. The Bank was incorporated and is domiciled in Cyprus and is a private company registered in accordance with the provisions of Companies Law (Cap. 113). The Bank's registered office is located at 200, Corner of Limassol and Athalassa Avenues, 2025 Strovolos, P.O. Box 24747, 1394 Nicosia, Cyprus. On 27 June 2025 the Bank's shares were delisted from the Cyprus Stock Exchange.

The Bank is the holding company of Eurobank Limited Group in Cyprus (the "Group"). The Group consists of the Bank along with its subsidiaries. The principal activity of the Group continues to be the provision of a wide range of banking and financial services, which include amongst other corporate, commercial and retail banking, insurance, wealth management, factoring, leasing etc.

As from 30 July 2024, the Group is a member of the Eurobank S.A Group (www.eurobank.gr/en/group/about-eurobank). On 25 November 2024 Eurobank S.A. announced that following the ETYK (Cyprus Union of Bank Employees) transactions acquiring a shareholding of 12,85%, it had entered into share purchase agreements with Demetra Holdings PLC and Logicom Services Limited to acquire 24,66% in the Bank and in addition to the then holding of 55,96% increased its holding to 93,47% after the completion of the transaction which was concluded on 10 February 2025. On 11 April 2025, the Bank announced that the acceptance procedure of the mandatory takeover bid was completed on 9 April 2025 providing the Eurobank S.A with a total participation of 98,458%. Further to the announcement of 8 May 2025 in relation to the approval by the Cyprus Securities and Exchange Commission of the application for the exercise of the Squeeze Out right for the acquisition of 100% of the shares of the Bank, Eurobank S.A announced on 11 June 2025 the completion of the Squeeze Out procedure. Following this procedure, Eurobank S.A attained 100% ownership of the Bank and is the Bank's holding company.

Acquisition of CNP Cyprus Insurance Holdings Limited

On 24 April 2024, the Bank entered into exclusive negotiations and a put option with CNP Assurances S.A. for the acquisition of 100% of the shares in CNP Cyprus Insurance Holdings Limited (the "Transaction"), which operates in Cyprus and Greece and consists of amongst others: CNP Cyprialife Ltd, CNP Asfalistiki Ltd, CNP Zois SA and CNP Cyprus Properties Ltd. Under the put option, CNP Assurances S.A. had the option to sell, and the Bank was irrevocably committed to acquire CNP Cyprus Insurance Holdings if such option was exercised. On 9 July 2024, following the completion of the consultation of CNP Assurances S.A. with its European Works Council, the Bank and CNP Assurances S.A. signed the relevant Sales and Purchase Agreement. The Bank announced on 17 April 2025 that all regulatory approvals were granted, and the Transaction was completed with a total cash consideration of €182 million additional related costs to acquisition of €2,5 million. As of May 2025, the acquired entity has been renamed ERB Cyprus Insurance Holdings Limited (refer to Note 51). As part of the Transaction, CNP Cyprialife Ltd and CNP Asfalistiki Ltd, have been renamed to ERB Cyprialife Ltd and ERB Asfalistiki Ltd respectively (refer to Note 51).

Merger of Group's Insurance companies

The Bank implemented its intention to transfer the business and operations of Hellenic Life Insurance Company Limited and Pancyprian Insurance Limited to ERB Cyprialife and ERB Asfalistiki respectively, by a virtue of a court order issued on 8 October 2025 and published in the Official Gazette of the Republic of Cyprus on 10 October 2025. On 10 October 2025, as result of this Group reorganization, ERB Cyprialife issued 2.625.252 ordinary shares with a nominal value of €0,85 each, ERB Asfalistiki issued 4.124.121 ordinary shares with a nominal value of €1,71 each and ERB Cyprus Insurance Holdings issued 36.964 ordinary shares with a nominal value of €1 each.

1. INCORPORATION AND PRINCIPAL ACTIVITY (continued)

Transfer of Business and Operations of Eurobank Cyprus Ltd

Effective as of 1 September 2025, pursuant to the provisions of the Transfer of Banking Business and Collateral Law of 1997 (as amended) and the agreement dated 31 July 2025 between Hellenic Bank Public Company Limited and Eurobank Cyprus Ltd, all assets and liabilities of Eurobank Cyprus Ltd (Reg. No. 217050) were transferred to the Bank. Following the said transfer, Eurobank Cyprus Ltd was renamed to ERB Cyprus Holdings Ltd and Hellenic Bank Public Company Limited was renamed to Eurobank Limited. Subsequently to the said transfer, the two entities entered into a reorganization and merger scheme which was legally completed on 3 December 2025 and as a result ERB Cyprus Holdings Ltd was dissolved refer to Note 52).

2. GOING CONCERN

The Financial Statements of the Group and the Bank for the year ended 31 December 2025 have been prepared on a going concern basis, as the Board of Directors considered it as appropriate. For assessing the appropriateness of the basis of preparation, Management considered the following:

a) Position of the Group and the Bank

The major macroeconomic risks and uncertainties in Greece and the region for the next 12 months, include (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 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. 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 Cyprus Economy

The current economic environment remains significantly shaped by external geopolitical shocks and shifting global policy dynamics. The ongoing Russia-Ukraine conflict, which began in February 2022, continues to weigh on confidence and energy markets, while renewed tensions in the Middle East are adding to uncertainty at the start of 2026. Against this backdrop, the disinflation process since mid-2024 has allowed the European Central Bank (ECB) to begin easing monetary policy: Looking ahead, risks to the global outlook remain elevated, including the renewed rise of trade protectionism and the possibility of commodity-price shocks, both of which could transmit to Cyprus through trade, tourism and energy prices.

Cyprus' growth performance remained robust in 2025, confirming the economy as one of the stronger performers in the Eurozone. National accounts indicate that real GDP expanded by 3,8% year on year in 2025, while CySTAT's seasonally and working day adjusted data show growth of 4,5% in Q4 2025. The expansion was supported by resilient activity in trade, tourism and transport, alongside steady contributions from ICT, real estate and professional services. Tourism continued to be a key driver: tourist arrivals reached 4,5 million in 2025 (from 4,0 million in 2024), while tourism revenue in January-December 2025 is estimated at €3,7 billion (vs €3,2 billion in the corresponding period of 2024).

2. GOING CONCERN (continued)

The outlook remains positive, albeit with growth expected to moderate from the strong pace of 2025. In its December 2025 forecast, the Central Bank of Cyprus (CBC) projects real GDP growth of 3,5% in 2025 and 3,0% in both 2026 and 2027, while the European Commission's Autumn 2025 forecast places growth at 3,4% in 2025, easing to 2,6% in 2026 and 2,4% in 2027. In the medium term, real activity is expected to be supported by EU funds under the Resilience and Recovery Facility (RRF), with Cyprus set to receive €1,2 billion during 2021-2026 to advance the green transition and digital transformation. Nonetheless, downside risks persist from geopolitical developments, potential trade restrictions and a less supportive external environment.

Labor market conditions strengthened further through 2025, consistent with near full-employment dynamics. According to CySTAT, the unemployment rate fell to 4,1% in Q3 2025 (the lowest level since 2008), while vacancy indicators remained elevated: the job vacancy rate averaged 3,1% in the first nine months of 2025, broadly in line with the 3,2% recorded in the first nine months of 2024, pointing to sustained labor demand. In its latest projections, the CBC expects unemployment to decline from 4,9% in 2024 to 4,5% in 2025 and remain around that level thereafter, while the European Commission forecasts 4,7% in 2025, easing to 4,5% in 2026 and 4,3% in 2027.

Inflation normalized further in 2025, supported mainly by lower energy prices and, to a lesser extent, moderating food prices. Headline inflation is estimated to have closed at 0,8% in 2025 (down from 2,3% in 2024). Looking ahead, the CBC expects inflation to rise to 1,7% in 2026 and 2,2% in 2027, while the European Commission forecasts 1,5% in 2026 and 1,9% in 2027, noting that underlying inflation excluding energy and food may remain slightly higher due to persistent services price pressures linked to strong tourism demand. Risks remain tilted to the upside if global trade disruptions, protectionist policies, or renewed commodity shocks intensify. Inflation in Cyprus averaged 1,1% in January-February 2026 (down from 2,6% in the same period of 2025), with monthly readings moderating to 1,2% in January and 0,9% in February. These readings, however, reflect conditions prior to the recent escalation in the MENA region, which may exert upward pressure on energy prices and alter the inflation outlook over the course of the year.

In the banking sector, the improvement in asset quality has continued, supporting financial stability alongside strong macro fundamentals. Total non-performing exposures (NPEs) declined significantly, reaching €1,6 billion or 6,5% of gross loans by the end of September 2024 (from 17,7% at end-2020), while the coverage ratio increased to 55,7% in September 2024 (from 46,2% at end-2020).

Cyprus' fiscal performance remained among the strongest in the Eurozone, supported by robust activity and prudent public-finance management. CySTAT's preliminary fiscal results show that the General Government balance for January-December 2025 recorded a surplus of €939,2 million (2,6% of GDP), compared with a surplus of €1,439,3 million (4,1% of GDP) in the same period of 2024. Public debt continued to ease: central government debt declined to €21,1 billion in Q3 2025 and remained broadly stable versus end-2024 (€21,2 billion). After falling steadily from the 2020 peak, the debt-to-GDP ratio reached 65,3% in 2024 and is expected by institutions to continue declining towards around 44% of GDP by 2028.

Cyprus' sovereign credit profile strengthened further in 2025, reflecting continued fiscal outperformance, declining public debt and resilient growth. Rating agencies maintained Cyprus firmly in the "A" category while improving their outlooks: Fitch Ratings (21/11/2025) revised the Outlook on Cyprus' Long-Term Foreign-Currency Issuer Default Rating (IDR) to Positive from Stable and affirmed the rating at "A-", while S&P (14/11/2025) revised the outlook on its long-term sovereign ratings on Cyprus to Positive from Stable, affirming the "A/A-2" ratings.

The recent escalation of regional conflict involving Iran has heightened economic uncertainty in Cyprus, adding to inflationary pressures and increasing downside risks for domestic activity. The magnitude of the impact will depend largely on the duration of the conflict: a swift resolution would likely limit the effects, whereas a prolonged escalation could exert more pronounced pressures on economic activity.

2. GOING CONCERN (continued)

c) 2026 Budget and 3 Year Business Plan 2027-2028

Management considered the 2026 Budget and 2027-2028 Business Plan approved by the Board in December 2025 which presented the Bank's profitability key drivers and challenges, financial projections and key transformation plan deliverables. Management also considered a wide range of information relating to current and future economic and monetary policy developments based on which adverse scenarios were formulated, and the impact on net interest income, profitability, cash flows, capital and liquidity requirements was assessed.

d) Going concern assessment

Based on the above and taking into account:

- the Bank's financial, capital and liquidity position as described in the Management Report;
- the completion of the acquisition of CNP Cyprus Insurance Holdings Limited;
- the merger of the Bank with Eurobank Cyprus Ltd creating a leading financial institution in Cyprus;
- that the Bank is a wholly-owned subsidiary of the Eurobank Group S.A, one of the leading banking groups in Greece and the region;

The Board of Directors and Management concluded that there are no material uncertainties which could cast significant doubt over the Group's and the Bank's ability to continue as a going concern for at least the next 12 months from the date of approval of the Financial Statements of the Group and the Bank for the year ended 31 December 2025.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in the Group's Consolidated Financial Statements and the Bank's Separate Financial Statements (throughout the document collectively referred to as "Financial Statements") and have been applied consistently by all companies of the Group, except if mentioned otherwise.

3.1. Basis of preparation

The Financial Statements are presented in Euro (€), which is the functional and presentation currency of the Bank and its subsidiaries. All figures have been rounded to the nearest thousand, except where otherwise indicated. The figures presented in the primary financial statements and the notes may not sum precisely to the totals provided due to rounding.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Basis of consolidation

The financial statements for the year ended 31 December 2025 (the "Financial Statements"; "Group Financial Statements"; "Consolidated Financial Statements") comprise the financial statements of Eurobank Limited and its subsidiary companies, which together are referred to as the Group.

The financial information of the subsidiaries is prepared as of the same reporting date as that of the Bank. When necessary, adjustments are made to the financial information of subsidiaries to bring their accounting policies in line with the Bank's accounting policies.

On 16 April 2025, the Bank completed the acquisition of ERB Cyprus Insurance Holdings Limited (former "CNP subgroup") which consists of amongst others: ERB Cyprialife Ltd, ERB Asfalistiki Ltd, CNP Zois SA and CNP Cyprus Properties Ltd. For the year ended 31 December 2025, the financial results of the former CNP subgroup were incorporated in the Group's financial statements prospectively, as of 1 April 2025.

Additional information on the acquired assets and liabilities assumed is presented in Note 51.

(a) Going concern principle

The Financial Statements have been prepared on a going concern basis. Additional information on going concern is presented in Note 2.

(b) Statement of compliance

The Financial Statements have been prepared in accordance with IFRS Accounting Standards as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap.113.

(c) Basis of measurement

The Financial Statements have been prepared on the historical cost basis, except from derivative financial instruments, financial assets at fair value through profit and loss (FVPL), investments at fair value through other comprehensive income (FVOCI), financial assets and liabilities designated as hedged items in qualifying fair value hedging relationships (which otherwise would have been measured at amortised cost) measured at amortised cost adjusted for hedging gain or loss, properties held for own use and investment properties which are measured at fair value, stock of property which is measured at the lower of cost and net realisable value and insurance and reinsurance contract assets and liabilities which are measured based on their fulfilment cash flows and the, Contractual Service Margin, if any.

3.2. 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.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(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 and have not been early applied by the Group. The following standards/amendments have been endorsed by the EU. 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 statement of profit or loss 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 statement of profit or loss, 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 statement of profit or loss 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 impact 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,

-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,

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

-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.

3.3. Foreign currency

Transactions in foreign currency

Transactions in foreign currencies are translated into the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated into the functional currency at the exchange rate at the date when the fair value was determined. Foreign currency differences arising on retranslation are recognised in the statement of profit or loss, except for differences arising on the translation of a financial liability designated as the hedging instrument in a hedge of the net investment in a foreign operation or in a qualifying cash flows hedge, which are recognised directly in equity. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

3.4. 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 and swaptions, are initially recognised in the statement of financial position at fair value, on the date on which the derivative contracts are entered into, and are subsequently re measured at their fair value. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

Fair values of derivatives are determined based on quoted market prices, including recent market transactions, or by using other valuation techniques, as appropriate. The principles for the fair value measurement of financial instruments, including derivative financial instruments, are described in Notes 5.4. and 49.

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 statement of financial position 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 3.13.

On the other hand, derivatives embedded in financial liabilities, 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 carried at fair value through profit or loss. These embedded derivatives are separated in the statement of financial position and accounted for as stand-alone derivatives measured at fair value with changes in fair value recognised in the statement of profit or loss.

Derivatives embedded in non-financial host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contract.

Derivatives held for hedge accounting

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

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Accordingly, the Bank, as part of its risk management strategy, may enter into transactions with external counterparties to hedge partially or fully 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 Bank's interest rate limits;
- Manage efficiently interest rate risk and achieve optimisation and stabilisation 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 variability deriving from the fair value changes of derivatives embedded in financial assets;
- Manage future variable cash flows;
- Reduce foreign currency risk or inflation risk;
- Reduce variability of the consideration to be paid/received to acquire/sell a debt security under a forward transaction;

Hedge accounting

The Bank 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). The Bank's risk management strategy includes the use of fair value hedging of its core non maturity deposits held. Accordingly, the Bank applies the provisions of IAS 39 carve out that enables entities to designate core deposits as hedged items in a portfolio hedge of interest rate risk. 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 Bank forms a hedging relationship between a hedging instrument or group of hedging instruments and a related item or group of items to be hedged. A hedging instrument is a designated derivative or group of derivatives, or a designated non derivative financial asset or financial liability whose fair value or cash flows are expected to offset changes in the fair value or cash flows of a designated hedged item or group of items. Specifically, the Bank designates certain derivatives as hedges of the exposure to changes in the fair value of recognised assets or liabilities on a single or portfolio basis or unsettled forward transactions (fair value hedging).

In order to apply hedge accounting specified criteria should be met. Accordingly, at the inception of the hedge accounting relationship, the Bank documents the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions, together with the method that will be used to assess the effectiveness of the hedging relationship. The Bank 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 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 Bank 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.

(i) Fair value hedging

The Bank 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.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

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 amortised cost;
- 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 amortising loans (macro hedging) measured at AC;
- portfolios of liabilities (macro-hedging) and more specifically demand deposits with interest rates determined by the Bank 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 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 Bank uses the regression analysis or the dollar-offset method at inception (prospective measurement) and on an ongoing basis (retrospective measurement), in order to assess the effectiveness of fair value hedges, on a single or portfolio basis.

Specifically, the regression analysis is the default method of assessing effectiveness which applies to all single fair value hedging relationships and portfolios hedging of interest rate risk (macro-hedging) and demonstrates that there is high historical and expected future correlation between the interest rate risk designated as being hedged and the interest rate risk of the hedging instrument. 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 dollar-offset method is used, which is a quantitative method that involves the comparison of the change in the fair value of the hedging instrument with the change in the fair value of the hedged item attributable to the hedged risk. The above comparison constitutes the dollar-offset ratio and should be within the range of 80% -125% for the hedge to be highly effective.

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

In addition, for hedging relationships where the critical terms of the hedged item match the ones of the hedging instrument such as coupon, maturity, and payment frequency, it is presumed that by construction, effectiveness is expected to be highly effective.

The Bank 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.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Fair value hedging adjustments and discontinuation of hedge accounting

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the statement of profit or loss line “Net trading income/(loss) and net gains/(losses) on revaluation of financial instruments” 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 statement of financial position, with the exception of hedging adjustments for portfolios of fixed rate assets in the context of macro hedging (see below). If the hedged item would otherwise be measured at cost or amortised cost, then its carrying amount is adjusted accordingly.

The Bank 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 amortised to profit or loss in the statement of profit or loss line “interest income” or “interest expense” over the remaining period to maturity with amortisation 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 statement of profit or loss.

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 Bank voluntarily designates and de-designates the hedge relationship on a monthly basis.

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

For the core deposits’ portfolios, the Bank 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 behavioural model that utilises a number of assumptions regarding the behaviour and evolution of demand deposits balances, which are assessed, monitored and documented in accordance with the Bank’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, their sensitivity on interest rates and their withdrawal patterns and expected maturity profile analysed 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 amortising profile, compared to the hedging instruments’ profile in order to ensure that there is no over hedge.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Against this modelled interest rate exposure, the Bank then uses groups of interest rate swaps with maturity up to ten years, designated as hedging instruments, 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 in aggregate the estimated amortisation profile of the hedged core deposits per time bucket. Additionally, their volume is re-assessed on a monthly basis. 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 Bank 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 statement of profit or loss.

For hedge effectiveness assessment purposes, the regression analysis is used to demonstrate that there is high historical and expected future correlation between the interest rate risk designated as being hedged and the interest rate risk of the hedging instrument, as described above.

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 statement of financial position line due to customers. Considering the designation and de-designation process for a portfolio hedging of interest rate risk is performed on a monthly basis, the hedging adjustments are recorded in the statement of profit or loss line "Net trading income/(loss) and net gains/(losses) on revaluation of financial instruments", begin amortisation on the month they occur and are amortised per bucket on a straight line basis, 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 profit and loss. 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 profit or loss.

(ii) 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 Bank's hedging objectives and risk management policies that may not qualify for hedge accounting, are recognised in the statement of profit or loss under "Net trading income/(loss) and net gains/(losses) on revaluation of financial instruments".

The fair values of derivative instruments held for trading, including those entered into as economic hedges, and hedge accounting purposes are disclosed in Note 32.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

3.5. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker, which is the Management Board of the Bank under the leadership of the Chief Executive Officer. The chief operating decision-maker is the person or group that is responsible for allocating resources to and assessing the performance of the operating segments of the Group. The Group's operations are mainly concentrated in Cyprus.

For management purposes, the Group is organised into two operating segments in Cyprus based on the provision of services, as follows:

- Banking and financial services segment - principally providing banking and financial services, including financing and investment services, custodian and factoring services as well as management and disposal of properties. Banking and financial services segment also includes the share of results of associate company;
- Insurance services segment - principally providing life and general insurance services.

Management monitors the operating results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss before taxation which is measured in the same manner as in the Financial Statements.

Transfer prices between segments are on an arm's length basis in a manner similar to transactions with third parties. Balances and transactions between segments are eliminated on consolidation. Segmental information is presented in Note 50.

3.6. Turnover

Turnover comprises interest income, fee and commission income, net trading income/(loss) and net gains/losses on revaluation of financial instruments and other income. Group turnover also includes net income from insurance operations.

3.7. Interest income and expense

Net interest income comprises interest income and interest expense calculated using the effective interest method (EIR) and other methods. The EIR is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial asset or liability to the gross carrying amount of the financial asset or to the amortised cost of a financial liability.

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

Interest income on financial assets at amortised cost and on financial assets at fair value through other comprehensive income (FVOCI) is calculated by applying the EIR on the gross carrying amount of the asset, unless the asset is credit impaired. For financial assets that are credit impaired, interest income is calculated by applying EIR to the amortised cost (i.e. gross carrying amount less credit loss allowance). For purchased or originated credit impaired (POCI) financial assets, interest income is recognised by applying a credit adjusted EIR (CAEIR) (based on an initial expectation of further credit losses) on the amortised cost of the financial asset. 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.

Interest expense on financial liabilities held at amortised cost is calculated using the effective interest method (EIR) which allocates interest over the expected life of the financial liabilities.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For financial assets and financial liabilities measured at FVPL which accrue interest, the Group follows the principles of the effective interest method with the only difference being the treatment of fees that are integral to the financial asset/financial liabilities. That is, for financial assets and financial liabilities classified at FVPL the fees are recognised as revenue or expense when the instrument is initially recognised and not as part of the EIR calculation.

Interest income from financial assets at amortised cost and financial assets at FVOCI is presented within “Interest income calculated using the effective interest method” in the statement of profit or loss, which also includes negative interest on certain financial liabilities at amortised cost. Interest expense on financial liabilities held at amortised cost is presented within “Interest expense calculated using the effective interest method” which also includes negative interest on certain financial assets held at amortised cost. Interest income and expense on derivative financial instruments are included in “Other interest income” and “Other interest expense” respectively in the statement of profit or loss.

For inflation-linked instruments the Group recognises interest income and expense by adjusting the effective interest rate on each reporting period due to changes in expected future cash flows, incorporating changes in inflation expectations over the term of the instruments. The adjusted effective interest rate is applied in order to calculate the new gross carrying amount on each reporting period.

Presentation

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

Interest income calculated using the effective interest method presented in the statement of profit or loss includes:

- interest on financial assets and financial liabilities measured at amortised cost;
- interest on debt instruments measured at FVOCI;
- negative interest on financial liabilities measured at amortised cost.

Interest expense calculated using the effective interest method presented in the statement of profit or loss includes:

- financial liabilities measured at amortised cost;
- negative interest on financial assets measured at amortised cost; and
- Interest expense on lease liabilities

Other interest income and other interest expense presented in the statement of profit or loss includes interest from/on derivative financial instruments measured at FVTPL.

Further details on interest income and interest expense are disclosed in Note 6 and Note 7 respectively.

3.8. Fee and commission income and expense

The Group earns fee and commission income from a diverse range of services it provides to its clients performed either at a point in time or over a certain period of time.

Other fee and commission income is recognised over time as the related services are being provided to the customer, to the extent that it is highly probable that a significant reversal of the revenue amount recognised will not occur. Transaction-based fees such as foreign exchange transactions, imports-exports, remittances, bank charges and brokerage fees 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.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

In the case of a contract with a customer that results in the recognition of a financial instrument in the Bank's financial statements which may be partially in the scope of IFRS 9 and partially in the scope of IFRS 15, the Bank 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.

The Group applies a five-step revenue recognition model to recognise commissions and fee income, under which the performance obligations as well as the timing of their satisfaction are identified and income is recognised when control of goods and services is transferred, i.e. the contractual performance obligation to the client has been satisfied. The amount of income is measured on the basis of the contractually agreed transaction price and is allocated to the performance obligations defined in the contract.

Fee and commission expense is recognised in the statement of profit or loss on an accruals basis, as the related services are performed.

Further details on fee and commission income and expense are disclosed in Note 8 and Note 9 respectively.

3.9. Leases

The Group leases land and building for its branches. At inception of a contract, the Group assesses whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates consideration in the contract to each lease component on the basis of its relative stand-alone price. However, for leases of branches and office premises the Group elected not to separate non-lease components and accounts for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove any improvements made to the branches or office premises.

The right-of-use asset is subsequently depreciated using the straight line method from the commencement date to the end of the lease term and recorded to the statement of profit or loss within "Depreciation and amortisation". In addition, right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. The Group presents right-of-use assets in Note 34 "Property, plant and equipment" in the statement of financial position.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. The incremental borrowing rate reflects what 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.

The lease liability is measured at amortised cost using the effective interest method with interest charged to the statement of profit or loss within "Interest expense". It is remeasured when there is a change in future lease payments arising from the change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset and any remaining difference is recorded in the statement of profit or loss within "Other income". The Group presents lease liabilities in "Other liabilities" in the statement of financial position.

For leases that at commencement date have a lease term of 12 months or less and leases for which the underlying asset is of low value, the Group applies either the short-term exemption or the low value asset exemption and such assets are not presented on the Group's statement of financial position. Instead, payments are recognised on a straight line basis over the lease term in Note 14 "Administrative and other expenses". Such exemptions were applied for lease contracts of vehicles and equipment.

In addition, where practicable/feasible, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options are exercisable by the Group companies and not the lessor. As a result, the Group applied judgement to determine whether it is reasonably certain that an extension option or termination option will be exercised which in effect impacts the determination of the lease term and hence, the determination of the discount rate and the amounts that the lease liability and right-of-use assets are recognised.

Group as lessor

When the Group acts as a lessor, it determines at lease inception whether the lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease, if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Group applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

3.9.1. Determination of the lease term

The Group determines the lease term as the non-cancellable term of the lease. Where practicable/feasible, the Group seeks to include extension options in new leases to provide operational flexibility. As the extension options are exercisable by the Group companies, the Group applies judgement to determine whether it is reasonably certain that an extension option or termination option will be exercised which in effect impacts the determination of the lease term and the amounts that the lease liability and right of use assets are recognised.

3.9.2. Estimating the incremental borrowing rate

In determining the carrying amount of the right of use asset and lease liabilities, the Group is required to estimate the incremental borrowing rate since the interest rate implicit in the lease is not readily determined. The incremental borrowing rate therefore reflects what 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.

3.10. Employee benefits

(i) Defined contribution plans

The Group participates in different defined contribution retirement plans.

The terms of employment of the majority of Group employees are in accordance with the provisions of the Collective Agreement (CA) between the Cyprus Bankers Employers' Association and the Cyprus Union of Bank Employees and/or between Eurobank Limited and the Cyprus Union of Bank Employees. Under these terms of employment, a defined contribution Provident Fund scheme for employees was set up.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The rules and regulations of the Provident Fund (the "Fund") scheme is governed by the Cyprus legislation. The employer's contribution to the Provident Fund for the majority of Eurobank Limited employees is set at 9%. Different terms also apply for a small number of employees who have not chosen to become members of the said Fund.

The Bank also offers to employees whose employment contracts are not in accordance with the terms of employment of the CA, the option to become members of multi-employer defined contribution Provident Fund schemes of their choice to which the employer's contribution is mainly set at 9%.

Group obligations towards the employees' retirement benefits are limited to payment of the contributions to each Provident Fund. Employer's contributions are recognised as staff costs (refer to Note 13).

Prepaid contributions are recognised as an asset to the extent that cash will be refunded or future payments will be reduced.

(ii) Short-term employee 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 the related service is provided.

A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3.11. Income tax

Income tax comprises current tax and deferred tax. It is recognised in the statement of profit or loss unless it relates to a business combination or items recognised directly in equity or in the statement of comprehensive income.

The Group has determined that the domestic minimum top-up tax, which it is required to pay under Pillar Two legislation, is an income tax in the scope of IAS 12. The Cyprus domestic top-up tax, is not considered a qualified domestic minimum top-up tax. Accordingly, the mandatory temporary relief from deferred tax accounting, does not apply.

Current tax

Current tax represents the amount of current income tax payable on the taxable profit of a tax period, using tax rates prevailing as at the date of the statement of financial position as well as any adjustments to tax payable in respect of previous years' results. The amount of tax payable or receivable is the best estimate of the tax amount expected to be paid or received. It is measured using tax rates enacted at the reporting date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and adjusts the tax position accordingly. Current tax assets and liabilities are offset only if certain criteria are met. Additional disclosures are provided in Note 20.

Deferred tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the carrying amounts of assets and liabilities in the statement of financial position and their tax base.

Deferred tax asset is recognised for deductible temporary differences and unused tax losses carried forward only to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences and the unused tax losses can be utilised. The carrying amount of deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that/it is uncertain whether there will be sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it becomes probable that future taxable profit will allow the deferred tax asset to be recovered.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Deferred tax liabilities are recognised for taxable temporary differences between the tax basis of assets and liabilities and their carrying amounts at the reporting date, which will give rise to taxable amounts in future periods.

Deferred tax is calculated at tax rates expected to be applicable in the period during which the asset will be utilised or the liability will be settled taking into consideration the tax rates and legislation enacted or substantially enacted at the reporting date.

Deferred tax assets and liabilities are offset only if certain criteria are met. Detailed disclosures on the deferred tax asset and deferred tax liability are provided in Note 40.

Current and deferred tax assets and liabilities are offset if they relate to taxes imposed by the same tax authority provided it allows such settlements, and provided the intention of the Group is to either settle the net amount or realise the asset and settle the obligation simultaneously.

3.12. Special Levy

According to the “Special Levy on Credit Institutions Law of 2011 to 2017”, special levy is imposed on credit institutions on a quarterly basis, at the rate of 0,0375% on qualifying deposits held by each credit institution on 31 December of the previous year for the quarter ending on 31 March, on 31 March of the same year for the quarter ending on 30 June, on 30 June of the same year for the quarter ending on 30 September and on 30 September of the same year for the quarter ending on 31 December. Based on an amendment to the Law effective as from 6 October 2017, an amount corresponding to the annual contribution of each credit institution to the Resolution Fund or to the Single Resolution Fund as the case may be, is deducted from the balance of special levy payable, up to the maximum amount of special levy for the same year.

Special levy is presented separately on the face of the statement of profit or loss.

3.13. Financial instruments

3.13.1. Recognition and initial measurement

The Group initially recognises loans and advances to customers, customers deposits and loan capital issued on the date at which they are originated. All other financial assets and liabilities are initially recognised on the trade date at which the Group becomes party to the contractual provisions of the instrument.

A financial asset or a financial liability is initially measured at fair value plus, for an item not measured at FVTPL, transaction costs that are directly attributable to its acquisition or issue. The fair value of a financial instrument at initial recognition is generally its transaction price. Financial instruments without significant financing component are initially measured at the transaction price.

3.13.2. Classification and Measurement of financial assets and liabilities

The classification of financial assets is determined on the basis of the Group’s business model within which the financial assets are managed and the contractual cash flow characteristics (whether the cash flows represent ‘solely payments of principal and interest’ (SPPI)).

Financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows (the “hold to collect” business model) and their contractual terms meet the SPPI criterion will be classified at amortised cost. Those debt instruments held within a business model whose objective is achieved by both collecting contractual cash flows and selling the asset (the ‘hold to collect and sell’ business model) and their contractual terms meet the SPPI criterion will be classified at FVOCI. Financial assets with contractual terms that do not meet the SPPI criterion are classified as FVTPL.

Financial assets that are held for trading and those that are managed and whose performance is evaluated on a fair value basis will be measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Business Model Assessment

The Group assessed the business model criteria at a portfolio level because this best reflects the way in which the business is managed, and information is provided to management. Information that is considered in determining the applicable business model includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice,
- how the performance of the business model and the financial assets held within that business model are evaluated and reported to the Group's management,
- the risks that affect the performance of the business model and, in particular the way in which those risks are managed,
- the frequency, volume and timing of sales in prior periods, the reason for such sales and expectations about future sales activity, which should be considered as part of an overall assessment of how the Group's stated objective for managing the financial assets is achieved and how cash flows are generated.

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

Assessment whether contractual cash flows are solely payments of principal and interest

The contractual cash flow characteristics of financial assets are assessed, at product level, with reference to whether the cash flows represent SPPI. "Principal" is defined as the fair value of the financial asset on initial recognition. "Interest" is defined as consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin.

In assessing whether the contractual cash flows are SPPI, the Group considers the existence of various features that could change the contractual cash flows so that it would not meet the condition for SPPI, including among others, contractually linked terms, prepayment terms, terms that introduce leverage 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. The existence of such features introduce variability that may be inconsistent with a traditional basic lending arrangement. In such circumstances, stakeholders assess if the impact of these contractual features is de-minimis on the contractual cash flows of the financial asset then it does not introduce substantial variability and hence does not affect classification.

Measurement categories of financial assets and liabilities

Financial Assets at amortised cost

Financial assets are classified and subsequently measured at amortised cost, unless designated under the fair value option, if the financial asset is held in a "Hold to Collect" business model and the contractual cash flows are SPPI.

At initial recognition, the financial asset is measured at fair value including any directly attributable transaction costs and are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. The amortised cost is also reduced with any expected credit loss. Interest income, foreign exchange gains and losses, realised gains and losses on derecognition and changes in expected credit losses from assets classified at AC, are included in the Statement of Profit or loss. Impairment losses are included in the "Impairment losses relating to loans and advances to customers" and "Impairment losses on other financial assets".

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The classification relates to cash and balances with Central Bank, placements with other banks, reversed repurchased agreements, loans and advances to customers that pass the SPPI test, debt securities held under the "Hold to collect" business model and indemnification assets.

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

A financial asset that has been originated, acquired or incurred principally for the purpose of trading or that is not managed within a "hold to collect" or a "hold to collect and sell" business model is measured at FVTPL. Additionally, instruments for which the contractual cash flows do not meet the SPPI assessment must be measured at FVTPL even if they are managed within a business model whose objective is "hold to collect" or "hold to collect and sell".

At initial recognition, the Group may also choose to irrevocably designate a financial asset as measured at fair value through profit and loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on different bases. All financial assets at FVTPL were mandatorily classified as such.

Upon subsequent measurement of FVTPL a gain or loss on financial asset is recognised in the statement of profit or loss in "Net gain/losses on revaluation of other financial instruments".

Included in this classification are equity securities and derivatives held for trading.

Debt Instruments at Fair Value through Other Comprehensive Income (FVOCI)

Debt Instruments are classified and measured at fair value through other comprehensive income (FVOCI), unless designated under the fair value option, if the financial asset is held in a "Hold to Collect and Sell" business model and the contractual cash flows are SPPI.

Upon subsequent measurement of FVOCI a gain or loss on debt instruments is recognised in other comprehensive income, except for interest revenue, foreign exchange gains and losses and impairment gains or losses, which are recognised in the statement of profit or loss in "Interest income calculated using the effective interest method", "Fee and Commission Income" and "Impairment losses on other financial assets" respectively. When the debt instrument is derecognised the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the statement of profit or loss in "Other Income".

Included in this classification are debt securities held under the "Hold to collect and sell" business model.

Equity instruments at Fair Value through Other Comprehensive Income (FVOCI)

An equity instrument is any instrument that meets the definition of equity when it meets the definition of Equity under IAS 32 Financial Instruments: Presentation. Equity instruments are measured at FVTPL, unless they are not held for trading purposes. For such instruments the Group has made an irrevocable election on initial recognition to measure them at FVOCI. The measurement of such instruments is determined on an instruments-by instrument basis. For equity securities at FVOCI, other net gains and losses are recognised in OCI and are never reclassified to the statement of profit or loss. No impairment loss is recognised in the statement of profit or loss.

Financial Liabilities

Financial liabilities are classified in the following categories: financial liabilities measured at amortised cost and financial liabilities measured at fair value through profit or loss.

Financial liabilities measured at amortised cost include deposits by banks, customer deposits and other customer accounts and loan capital.

Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense is recognised in the statement of profit or loss in "Interest Expense calculated using the effective interest method". Any gain or loss on derecognition is also recognised in the statement of profit or loss in "Other Income".

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Financial liabilities at fair value through profit or loss comprise of two sub categories: financial liabilities held for trading and financial liabilities designated at FVTPL upon initial recognition. Financial liabilities held for trading, which include short positions of debt securities (sold but not yet purchased), are liabilities that the Group incurs principally for the purpose of repurchasing in the near term for short term profit or in the context of economic hedging strategies of groups of assets and/or liabilities or net positions for which hedge accounting is not applied.

The Group may, at initial recognition, irrevocably designate financial liabilities at FVTPL when one of the following criteria is met:

- the designation eliminates or significantly reduces an accounting mismatch which would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases; or
- a group of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis in accordance with a documented risk management or investment strategy; or
- the financial liability contains one or more embedded derivatives as components of a hybrid contract which significantly modify the cash flows that otherwise would be required by the contract.

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

Loan capital

On issuance of bonds an assessment is made to determine whether the instruments issued should be classified as financial liabilities or as compound financial instruments that contain both liability and equity elements, as these are accounted for separately, as financial liabilities and equity respectively. In addition, an assessment is made whether the instrument is a hybrid instrument containing a derivative and a financial liability host contract.

Bonds issued that represent contracts that will or may be settled in the entity's own equity instruments and they are non-derivative contracts that consist of an obligation for the entity to deliver a variable number of its own equity instruments are classified as financial liabilities. Furthermore, a single obligation to deliver a variable number of an entity's own equity instruments is a non-derivative obligation that meets the definition of a financial liability and cannot be subdivided into components for the purpose of evaluating whether the instrument contains a component that meets the definition of equity.

Bonds issued that are classified as financial liabilities under loan capital are initially measured at the fair value of the consideration received minus transaction costs that are directly attributable to the issue of the loan capital. Subsequently these are measured at amortised cost using the effective interest method, in order to amortise the difference between the cost and the redemption value, over the period to the earliest date that the Bank has the right to redeem the loan capital.

Based on this assessment, the loan capital issued contains an embedded derivative, represented by the mandatory conversion feature. This assessment does not apply for Notes issued under the EMTN program.

3.13.3. Reclassification of financial assets and liabilities

Financial assets subsequent to their initial recognition are not reclassified to other measurement category (as mentioned above), unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model. A change in the business model is made only in exceptional circumstances.

Financial liabilities are never reclassified.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

3.13.4. Derecognition of financial assets and financial liabilities

Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

The main transactions that are subject to the above de-recognition rules are repurchase agreements and stock lending transactions, where 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 recognised in OCI for financial assets at FVOCI, is recognised in the statement of profit or loss, except for cumulative gains or losses of FVOCI equity instruments which are not reclassified from OCI to statement of profit or loss at the date of derecognition.

Derecognition of financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in the statement of profit or loss.

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 recognised 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 amortised 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.

Derecognition and contract modification

The Bank sometimes modifies the terms of loans provided to customers due to commercial renegotiations, or for distressed loans, with a view to maximising recovery. Such restructuring activities include extended payment term arrangements, change in interest rates, payment holidays, payment forgiveness or exchange of debt instruments.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

A forbore exposure may be derecognised and the renegotiated loan recognised as a new loan at fair value when the new terms are substantially different to the original terms. The renegotiation date is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred. However, the Group also assesses whether the "new" financial asset recognised is deemed to be credit impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences between the carrying amount of the original terms and the fair value at initial recognition of the "new" loan are recognised as a gain or loss in "Net gains on derecognition of financial assets measured at amortised cost" in the statement of profit or loss.

If the terms are not substantially different, the renegotiation or modification does not result in derecognition, and the Group recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognises a modification gain or loss in the statement of profit or loss in line "Impairment losses relating to loans and advances to customers" for non-performing exposures and to "Other Income" for performing ones. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate (or credit adjusted effective interest rate for purchased or originated credit impaired financial assets) and is compared to the gross carrying amount of the original loan.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

3.13.5. Impairment of financial assets

The "Expected Credit Loss (ECL)" approach applies to all financial assets that are measured at amortised cost or FVOCI, and to off balance sheet lending commitments such as loan commitments and financial guarantees. Under the ECL model provisions are recognised upon initial recognition of the financial asset reflecting the expectation of potential credit losses at the time of initial recognition. The Group recognises a loss allowance for such losses at each reporting date in "Impairment losses relating to loans and advances to customers" in the statement of profit or loss.

Following the transfer of business and operations of ex-ERB Cyprus Limited with ex-HB Public Limited Company on 1 September 2025, and until full data migration and operationalization of common system concludes in new combined entity, each respective portfolio is treated having in mind its respective specificities with regards to ECL measurement and setting of risk parameters. For ECL purposes methodologies have been aligned to the extent possible; where methodologies and/or approaches followed diverge, this is clearly disclosed in the financial statements.

Measurement of ECL

The measurement of ECL reflects an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes and considering reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions. The Group calculates ECL as the product of probability of default (PD), exposure at default (EAD) and loss given default (LGD). Refer to the sections below for details on each of these components.

ECL for exposures in Stage 1 are calculated by multiplying the 12-month PD by LGD and EAD. Lifetime ECL is calculated by multiplying the lifetime PD by LGD and EAD.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

A loss allowance is recognised either at an amount equal to 12-month ECL or lifetime ECL. At initial recognition, an impairment allowance is required for expected credit losses (ECL) resulting from default events that are possible within the next 12 months (12-month ECL). In the event of a significant increase in credit risk, an allowance is required for ECL resulting from all possible default events over the expected life of the financial instrument (lifetime ECL). Facilities/customers are classified into four statuses, according to the increases in credit risk level, considering certain criteria:

- Stage 1: Financial Instruments are classified as stage 1 when the credit risk has not increased significantly since initial recognition. The Group recognises a credit loss allowance at an amount equal to 12 month expected credit losses. 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 recognised following a substantial modification accounted for as a derecognition, are classified initially in Stage 1.
- Stage 2: Financial Instruments are classified as stage 2 when the credit risk has increased significantly since initial recognition but not to the point that the asset is credit impaired. The Group recognises a credit loss allowance at an amount equal to lifetime expected credit losses. 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 are classified as stage 3 when the credit quality of a financial asset deteriorates to the point that the asset is credit impaired. The Bank aligned Stage 3 classification with the NPE classification consistent with the definition used for internal credit risk management purposes. The Group recognises a credit loss allowance at an amount equal to lifetime expected credit losses.
- POCI: POCI assets are financial assets that are credit-impaired on initial recognition. They are not subject to staging classification and are always measured on the basis of lifetime expected credit losses. Accordingly, ECL are only recognised to the extent that there is a subsequent change in the assets' lifetime expected credit losses. Any subsequent favourable change to their expected cash flows is recognised as impairment gain in the statement of profit or loss 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 instruments that are considered new assets, following a substantial modification accounted for as a derecognition.

Financial assets that are credit impaired upon initial recognition are categorised within Stage 3 with a carrying value already reflecting the lifetime expected credit losses. The accounting treatment for these purchased or originated credit impaired (POCI) assets is discussed further below.

For facilities/customers that meet the criteria to be individually assessed for provisions, the Bank reviews and validates the stage classification using a combination of backward looking, current and forward-looking indicators.

Loans and advances acquired as part of a business combination are initially recognised at fair value. The fair values on initial recognition form the gross amount of the loans irrespective of the principal amount of these loans and what constituted the gross carrying amount of these loans in the accounting records of the Seller. In cases where the acquired loans were credit impaired, the Bank includes the initial expected credit losses in the estimated cash flows when calculating the credit adjusted effective interest rate.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Probability of default (PD)

PD represents the likelihood of a borrower defaulting on their financial obligation in a specified time period, assuming it has not closed or defaulted since the reporting date. Projection of PDs is based on macroeconomic scenarios and are differentiated based on segment (e.g. Retail, SME and Corporate), and status (e.g. dpd, restructured). For the externally rated exposures (e.g. Treasury and International lending), the historical default rates published by Moody's per rating are utilized. For the non-externally rated facilities, i.e. local loan book, the PD is estimated based on the Bank's historical default rates.

Exposure at default (EAD)

EAD represents the amount expected to be owed if a default event was to occur. The EAD is determined by calculating the expected cash flows which vary depending on the product type. By analyzing the behavior of the product types, the behavioral maturity of these products is estimated. The utilization of the off-balance sheet amount of revolving facilities is also considered in determining the Credit Conversion Factor (CCF).

Loss given default (LGD)

LGD represents an estimate of the loss arising on default. It is calculated as the expected loss at default divided by EAD. LGD is based on factors that impact the likelihood and value of any subsequent loss, in which case it takes into account property prices, liquidation haircuts due to forced sale or market conditions, liquidation periods and other factors.

Definition of default

IFRS 9 does not define default but requires the definition to be consistent with the definition of default used for internal credit risk management purposes. The Group considers a financial instrument defaulted, and hence stage 3 for ECL calculations, when the borrower is unlikely to pay its credit obligations to the Group in full, or the borrower is more than 90 days past due on any material credit obligation to the Group. The Bank aligned Stage 3 classification with the European Banking Authority's (EBA) criteria for NPE classification.

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

- The borrower faces a significant difficulty in meeting his financial obligations.
- There has been a breach of contract, such as a default or unpaid amounts, above specified materiality thresholds, for more than 90 consecutive days.
- The Bank, for economic or contractual reasons relating to the borrower's financial difficulty, has granted to the borrower a concession(s) that the Bank would not otherwise consider.
- There is a probability that the borrower will enter bankruptcy or other financial re-organisation.
- For POCL financial assets, a purchase or origination at a deep discount that reflects incurred credit losses is considered a detrimental event. The Bank 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.

Purchased or Originated Credit Impaired Financial assets (POCI)

Financial assets are considered purchased or originated credit impaired (POCI) if upon initial recognition they are purchased or originated at a deep discount which indicates evidence of impairment.

The Bank 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.

Since the asset is originated credit impaired, the Bank only recognises the cumulative changes in lifetime ECL since initial recognition as a loss allowance in profit and loss until the POCL is derecognised.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Significant increase in credit risk

An assessment of whether credit risk has increased significantly since initial recognition is performed at each reporting date by considering the increase in the risk of default occurring over the remaining life of the financial instrument. When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Bank considers reasonable and supportable information that is relevant and available without undue cost or effort, including both quantitative and qualitative information and analysis based on the historical experience of each exposure, expert credit assessment and forward-looking information. The assessment of significant increase in credit risk is key in determining when to move from measuring an allowance based on 12-month ECLs to one that is based on lifetime ECLs.

The Bank differentiates between the approach adopted for ex-HB and ex-ERB Cyprus portfolio with each respective portfolio adopting its existing methodology. The respective methodologies will be revisited and aligned upon system integration.

Over and above the rules specified below, management may apply temporary collective adjustments when determining whether credit risk has increased significantly since initial recognition on exposures that share the same credit risk characteristics to reflect macro-economic or other factors which are not adequately addressed by the current credit risk models. These factors may depend on information such as the type of the exposure, counterparty's specific information and the characteristics of the financial instrument while their application requires the application of significant judgment.

The staging criteria applied are summarized below for each portfolio.

Ex-HB portfolio

For ex-HB portfolio, the criteria for determining whether the exposure has experienced significant deterioration in credit risk since origination are in line with Stage 2 criteria and are as follows:

- Days in Arrears: Exposures with more than 30 days in arrears. For exposures with arrears at inception, the increase in day in arrears compared to origination is considered rather than the absolute level of the arrears,
- Forbearance flag: A performing account with an active forbearance flag in line with the European Banking Authority (EBA) definition if this has not been originated as forborne,
- Accounts managed by recovery units (for early arrears before default),
- A pooling effect is applied at a customer level which classifies as Stage 2 accounts not meeting the above criteria but fall under the same customer whose other accounts exhibit credit triggers such as those above,
- Behavioural Scoring: Retail and SME exposures with high behavioural score (greater than 5 for ex-HB originated portfolio and greater than 6 for ex-CCB originated portfolio based on the Bank's behaviour scoring scale ranging from 1 (best/lower risk) to 10 (worst/higher risk)) resulting from models developed by the Bank for predicting defaults/delinquencies.
- PD comparisons: Exposures originated post IFRS 9 implementation in 2018 who have experienced a threefold increase in the current lifetime PD relative to the origination PD. The quantitative trigger of the SICR applied on 31 December 2025 and on 31 December 2024 varies depending on the credit quality at origination and specifically, the PD deterioration threshold for retail and corporate is 3x PD at origination.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Ex-ERB Cyprus portfolio

At each reporting date, the Bank 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.

Internal credit risk rating (on a borrower basis) is used as a basis for the identification of SICR with regards to lending exposures of the loan portfolio. Specifically, the Bank takes into consideration the changes of internal ratings by a certain number of notches. 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. 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.

For lending exposures, the comparison of origination PD curves and the residual lifetime PD curves at each reporting date is approximated by changes in credit rating bands. Accordingly, SICR thresholds are based on the comparison of the origination and reporting date credit ratings, as such rating downgrades will represent a relative increase in residual lifetime PD. The Bank segments the exposures based on asset class, loan type and credit.

As of 31 December 2025, the credit rating deterioration thresholds as per applicable borrower internal rating scale, that trigger allocation to Stage 2 per rating bands for the Bank's portfolio are set out in the table below:

Rating from	Rating to
1-4	>=6
5-6	>=7
7-9	1 notch downgrade
10	Automatic stage 2

Forbearance measures as monitored by the Bank 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 case they are classified as Stage 3. Additionally, any accounts exhibiting a fluctuating DPD behavior over the last year (DPD>=10 at least twice within the last year) are considered as associated with SICR and are classified into stage 2.

Transfers from Stage 2 to Stage 1

A financial asset, which is classified to Stage 2 due to 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 Bank 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 forbearance 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/Stage 1, when the criteria based on which the financial asset was characterised as credit-impaired, are no longer valid and/or the applicable probation period for the assets' return in non impaired status, ranging from three to twelve months, has passed.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Interest income recognition

Interest income is calculated on the gross carrying amount of the financial assets in Stages 1 and 2 by applying the effective interest rate (EIR). For financial assets at Stage 3, interest income is calculated by applying EIR to the credit adjusted amortised cost (i.e. gross carrying amount less credit loss allowance). For POCI financial assets, interest income is recognised by applying a credit adjusted EIR (CAEIR) (based on an initial expectation of further credit losses) on the amortised cost of the financial asset.

Write-offs

The Group reduces, either partially or in full, the carrying amount of a financial asset when there is no reasonable expectation of recovery. Write-offs are recognised in "Impairment losses on loans and advances to customers" in the statement of profit or loss.

Where the Bank 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 derecognised. Subsequent recoveries of amounts previously written off decrease the amount of the impairment losses in the statement of profit or loss.

Financial assets that are written off could still be subject to enforcement activities in order to comply with the Bank's procedures for recovery of amounts due. The Risk Management Unit and the Debt Recovery Unit are closely monitoring cases of non-performing borrowers and jointly recommend the write off amount based on the recovery analysis performed for such borrowers.

3.14. Impairment of non financial assets

Non-financial assets, including property, plant and equipment, stock of properties and 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 recognised in the statement of profit or loss for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows, where applicable. Non-financial assets for which an impairment loss was recognised in prior reporting periods, are reviewed for possible reversal of such impairment at each reporting date.

3.15. Cash and cash equivalents

Cash and cash equivalents are items which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents include cash in hand, unrestricted deposits with central banks, all interbank placements and reverse sale agreements with other banks with original maturities of three months or less. Funds restricted for a period of more than three months on origination are excluded from cash and cash equivalents.

Cash and cash equivalents are carried at amortised cost in the statement of financial position.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

3.16. 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 statement of financial position 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 amortised 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 amortised 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 recognised 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 recognised in the financial statements. Securities borrowed are recognised as trading liabilities when sold to third parties and measured at fair value with any gains or losses included in the statement of profit or loss.

3.17. Indemnification Asset

An indemnification asset arises when the seller in a business combination is contractually obliged to indemnify the acquirer for the outcome of a contingency or uncertainty related to all or part of a specific asset or liability. In other words, the seller guarantees that the acquirer's losses will not exceed a specified amount.

The indemnification asset is recognised as an asset of the Group (as the acquirer in a business combination) at the same time and on the same basis as the indemnified item. Thus, an indemnification asset is recognised by the Group at the acquisition date if and only if it relates to an indemnified asset or liability that is recognised at the acquisition date.

The indemnification asset is initially recognised at fair value. Subsequent to initial recognition, the indemnification asset is measured at amortised cost using the effective interest method. It is also subject to impairment requirements (refer to Note 3.13). The Group derecognises the indemnification asset only when it collects the asset, sells it or otherwise loses the right to it.

The Bank has recognised the following indemnification assets:

a) *Indemnification asset – Asset Protection Scheme (APS)*

The terms of the agreement relating to the acquisition of part of ex-CCB's assets and liabilities, include an asset protection scheme (APS) provided by ex-CCB, which has been recognised as an indemnification asset. Ex-CCB's obligations under the APS are guaranteed by the Republic of Cyprus ("RoC") pursuant to a guarantee agreement entered into prior to the completion of the acquisition between the Bank and the RoC. The APS is a single contract providing credit protection to the Bank in respect of parts of the acquired loan portfolio ("covered assets") against future losses. There is no change in the recognition and measurement of the covered assets as a result of the APS, which are measured at amortised cost subsequent to the acquisition. Impairment on covered assets is assessed and recognised in accordance with the Group's accounting policy for financial assets recognised at amortised cost. There is no change in how gains and losses on the covered assets are recognised in the statement of profit or loss or in other comprehensive income.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

b) Indemnification asset – certain off-balance items acquired

Under the BTA, the Bank identified and recognised an indemnification asset in relation to the certain off statement of financial position exposures acquired. Specifically, pursuant to the BTA, ex-CCB shall on demand indemnify the Bank against all losses in respect of certain off-balance sheet exposures.

Indemnification assets are presented in Other assets in Note 37.

3.18. Property, plant and equipment

Owner-occupied property is property held by the Group for use in the supply of services or for administrative purposes. The classification of property is assessed on a regular basis to account for any major changes in use. Owner occupied land and buildings are initially recognised at cost and are subsequently measured at fair value less accumulated depreciation and impairment losses. Fair value is determined from market-based valuations undertaken by professionally qualified valuers periodically between three to five years. Plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes all expenditure that is directly attributable to the acquisition of the asset. Subsequent expenditure is recognised in the asset's carrying amount only when it is probable that future economic benefits will flow to the Bank and the cost of the asset can be measured reliably. All other repair and maintenance costs are recognised in the statement of profit or loss as incurred.

Depreciation is calculated using the straight-line method to write down the cost of property, plant and equipment, to their residual values over their estimated useful life. Land is not depreciated.

The depreciation rates used are as follows:

Buildings	2%
Leasehold improvements	8% to 20%
Plant and equipment	8% to 25%

Depreciation methods, residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (refer to Note 3.14).

Gains and losses on disposal of property, plant and equipment, that are determined as the difference between the net disposal proceeds and the carrying amount of the asset, are included in the statement of profit or loss when the item is derecognised.

When the use of a property changes, the property is remeasured to fair value and reclassified accordingly. Any gain arising on this remeasurement is recognised in profit and loss to the extent that it reverses a previous impairment loss on the specific property, with any remaining gain recognised in the Statement of Comprehensive Income and presented in the revaluation reserve. Any loss is recognised in the statement of profit or loss.

3.19. Property revaluation reserve

Any surplus arising on the revaluation of land and buildings is credited to the property revaluation reserve that is included in equity. If, after a revaluation, the depreciation charge is increased, then an amount equal to the increase (net of deferred taxation), is transferred annually from the property revaluation reserve to retained earnings. Upon disposal of revalued property, any relevant accumulated revaluation surplus which remains in the property revaluation reserve is also transferred to retained earnings.

3.20. Investment properties

Investment properties, comprise properties which are not occupied by the Bank and are held for rental yields and/or capital appreciation.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Investment properties are initially measured at cost, including transaction costs, and subsequently at fair value with any change therein recognised in "Net gains from revaluation of investment properties" in the statement of profit or loss. Fair value is determined from market based valuations undertaken by professionally qualified valuers annually. Any gain or loss on disposal of investment properties (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit and loss. When investment properties that were previously classified as property, plant and equipment are sold, any related amount included in the revaluation reserve is transferred to retained earnings. Transfers to or from the investment properties are made only when there is a change in use.

3.21. Stock of property

Assets are classified as stock of property held for sale if their carrying amount will be recovered principally through a sale transaction rather than through own use. This category mainly includes properties acquired in satisfaction of debt.

The Group, in its normal course of business, repossesses properties through debt to asset swaps and/or through the foreclosure process. These properties are held either directly or by entities set up and controlled by the Bank (Special Purpose Vehicle(s) SPV) for liquidation optimisation purposes. The SPVs are mainly a single property owner. The initial measurement of the acquired property is based on the carrying amount of the debt settled.

Stock of property is initially measured at cost and subsequently is measured at the lower of cost and net realisable value (NRV). Any write down to NRV is recognised as an impairment charge in the period in which the write down occurs. Any reversal is recognised in the statement of profit or loss in the period in which the reversal occurs.

Gain or loss from disposal of stock of property, is the difference between the net consideration amount and the carrying value of the asset and is recognised in "Net gains from disposal of stock of properties" in the statement of profit or loss when the asset is disposed.

3.22. Assets held for sale and discontinued operations

The Group classifies non-current assets and disposal groups as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. The condition is regarded as met only when the sale is highly probable and the non-current asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less cost to sell, except for 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 deferred taxes, financial instruments, investment properties measured at fair value, insurance contracts and assets and liabilities arising from employee benefits. Those assets and liabilities should continue to be measured in accordance with the Group's relevant accounting policies for the specific assets and liabilities despite their classification as held for sale.

Impairment losses on initial classification and gains or losses from subsequent measurement are recognised in the statement of profit or loss. A gain is only recognised to the extent that it is not in excess of the cumulative impairment loss that has been recognised. An asset classified as held for sale, or included within a disposal group that is classified as held for sale, is not depreciated or amortised once classified as held for sale. Assets and liabilities classified as held for sale are presented separately on the face of the statement of financial position.

A disposal group qualifies as discontinued operation if an entity or a component of an 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;

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

- 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.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit and loss after tax from discontinued operations in the statement of profit or loss. Intercompany transactions between continuing and discontinued operations are eliminated in the consolidated statement of profit or loss in accordance with IFRS 10. Upon classification of a Group entity as a discontinued operation, the Group represents prior periods in the statement of profit or loss.

3.23. Intangible assets

Goodwill

Goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquired entities at the date of acquisition. When the excess is negative (gain on acquisition) is recognised immediately in the statement of profit or loss (refer to Note 3.29 (ii)).

Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. The carrying amount of goodwill is assessed for impairment at least on an annual basis.

Computer software

Acquired computer software licenses/programs are capitalised on the basis of the costs incurred to acquire and bring to use the specific software and measured at cost less accumulated amortisation and any accumulated impairment losses.

Expenditure on internally developed software is recognised as an asset when the Bank is able to demonstrate: that the product is technically and commercially feasible, its intention and ability to complete the development and use the software in a manner that will generate future economic benefits, and that it can reliably measure the costs to complete the development. The capitalised costs of internally developed software include all costs directly attributable to developing the software and capitalised borrowing costs, and are amortised over its useful life.

Internally developed software is stated at capitalised cost less accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Software is amortised on a straight-line basis in statement of profit or loss over its estimated useful life, from the date on which it is available for use. The annual amortisation rates used range between 5% and 33,33%.

Amortisation methods, residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

Gains and losses on disposal of computer software are determined by comparing proceeds with carrying amount and are included in "Administrative and other expenses" in the statement of profit or loss.

Other Intangible Assets

In accordance with IFRS 3, an acquirer shall recognise, separately from goodwill, the identifiable intangible assets acquired in a business combination at their acquisition date fair values. An intangible asset is recognised only if it is probable that the expected future economic benefits attributable to the asset will flow to the Bank and its cost can be measured reliably. Subsequently, amortisation is charged to profit and loss over the assets' estimated economic lives using methods that best reflect the pattern of economic benefits and is included in depreciation and amortisation.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

In accordance with IAS 38, an intangible asset is an identifiable non-monetary asset without physical substance. Such an asset is identifiable when it is separable, or when it arises from contractual or other legal rights.

Intangible assets are recognised if it is probable that the future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably.

Core deposits

As part of the acquisition of part of ex-CCB's banking operations in 2018, the Bank on-boarded some short-term deposits (e.g. current accounts) with credit balances over medium-to-long periods that carry lower interest rates compared to other medium-to-long term accounts. In such cases, an intangible asset was recognised since the Bank benefits from such lower interest expense, compared to the interest expense that would accrue to the bank should the borrowers have deposited the core amount in a term deposit.

Customer relationships (Purchased credit cards and overdrafts)

An additional intangible asset was recognised from the on-boarding of loans with revolving nature such as overdrafts and credit card accounts. Customers on-boarded by the Bank are expected to continue utilise their overdraft and credit card accounts in the future, creating an additional benefit to the Bank.

MAP Multi-Employer Provident Fund

As of 8 December, 2025, the Bank assumed the role of Principal Employer for the MAP Multi-Employer Provident Fund. MAP is a multi-employer Provident Fund registered in Cyprus and fully aligned with EU Directive 2003/41/EC, supervised by the Registrar of Occupational Retirement Benefit Funds (IORP), under the Ministry of Labour, Welfare and Social Insurance. The Bank will act as a service provider, leveraging its expertise and resources in Wealth Management and occupational pension funds. This transaction created an intangible asset of €11 million representing the amount payable by the Bank for undertaking the role of the principal employer in the Fund.

ERB Cyprialife Brand

Following the acquisition of CNP Cyprus Insurance Holdings Limited (refer to Note 51), the Group recognised an intangible asset relating to the Cyprialife name. The Cyprialife brand was recognised at the acquisition date at its fair value and the valuation was performed using the relief from royalty method, which estimates the present value of hypothetical royalty payments avoided through ownership of the brand.

Customer and Agents' Distribution network

Following the acquisition of CNP Cyprus Insurance Holdings Limited (refer to Note 51), the Group recognised an intangible asset relating to Customer and Agents' Distribution network in relation to Tied & Non-Tied Agent's distribution network of both Life and Non-Life Insurance subsidiaries. The intangible was recognised at fair value at the acquisition date using the Multi-Period Excess Earnings Method (MPEEM) based on the premise that their value can be captured through the present value of the revenue attributable to the customer relationships and the agents' network in place, net of any expected costs, discounts, taxes or any other relevant economic outflows

Under IAS 38, the intangible asset is measured at cost less accumulated amortisation and accumulated impairment losses.

The estimated useful economic lives of the above mentioned intangible assets are as follows:

Core deposits	10 years
Purchased credit cards and overdrafts	5 years
MAP Multi-Employer Provident Fund	12 years
ERB Cyprialife Brand	15 years
Customer and Agents' Distribution network	7-8 years

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Derecognition and impairment of Intangible assets

Intangible assets are derecognised from the statement of financial position at the time of disposal or when no economic benefits are expected from it.

Intangible assets are assessed for impairment when events relating to changes to circumstances indicate that the carrying value may not be recoverable. If the carrying amount exceeds the recoverable amount then the intangible assets are written down to their recoverable amount. Impairment charge is recognised in "Impairment losses on non financial assets" in the statement of profit or loss.

3.24. Share capital

Ordinary shares are classified as equity.

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

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

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, which do not include the distribution of dividends, and is otherwise subject to the provisions of the Cyprus Companies Law on reduction of share capital.

Any differences emerging from a reduction of the nominal value of share capital are transferred from share capital to a reduction of share capital reserve.

3.25. Provisions for pending litigations or complaints and/or claims or cases subject to arbitration proceedings

Provisions for pending litigations or complaints and/or claims or cases subject to arbitration proceedings are recognised when:

- (a) the Group has a present obligation (legal or constructive) as a result of a past event,
- (b) an outflow of resources embodying economic benefits to settle the obligation is probable and
- (c) a reliable estimate of the amount of the obligation can be made.

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the facts and circumstances of any litigation or arbitration proceedings. When a single obligation is measured, the most likely outcome may be considered the best estimate of the liability.

Where an individual provision is material, the fact that a provision has been made is stated and quantified, except to the extent doing so would be seriously prejudicial. In such rare cases, the Bank does not disclose the information, discloses the general nature of the dispute, together with the fact, and reason why, the information has not been disclosed. Any provision recognised does not constitute an admission of wrongdoing or legal liability.

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.

Where an outflow of resources embodying economic benefits to settle the obligation is possible, a contingent liability is disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

3.26. Provisions and contingent liabilities

Provisions are recognised 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 recognised as a provision is the best estimate of the expenditure required to settle the present obligation at each reporting date, taking into account the risks and uncertainties surrounding the amount of such expenditure. 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.

Contingent assets are not recognised in the financial statements but are disclosed when inflow of economic benefits is probable.

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 recognised 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.

The provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating losses are not provided for. A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the Group.

3.27. 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 Bank to financial institutions and other bodies on behalf of customers to secure loans, overdrafts and other banking facilities, are initially recognised 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 amortisation of the fee earned, where appropriate.

Financial guarantees purchased by the Bank 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.

Commitments to extend credit

Commitments represent off-balance sheet items where the Bank 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 Bank, for which an ECL allowance is recognised under IFRS 9.

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

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

3.28. Related party transactions

Related parties of the Bank include:

- a) an entity that has control over the Bank 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 Bank and entities controlled by this entity;
- c) members of key management personnel of the Bank, their close family members and entities controlled or jointly controlled by the abovementioned persons;
- d) associates and joint ventures of the Bank and the Group;
- e) fellow subsidiaries,
- f) post-employment benefit plans established for the benefit of the Bank'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.

3.29. Consolidation

(i) Subsidiaries

Subsidiaries are all entities (including special purpose 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.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

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 subsidiaries is set out in Note 28.

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 as 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.

Dividend income from subsidiaries is recognised in the Bank's separate financial statements when the Bank's right to receive the dividend is established.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Investments in subsidiaries are measured at cost less impairment. Investments in subsidiaries are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in the statement of profit or loss 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. An impairment loss recognised in prior years is reversed where appropriate if there has been a change in the estimates used to determine the recoverable amount.

(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 amounts for the items for which the accounting is incomplete. Those 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.

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 28.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(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.

3.30. Fiduciary activities

The Bank provides custody, depositary, execution, investment management and advisory services to third parties that result in the holding or investing of assets on behalf of its clients. This involves the Bank making allocation, purchase and sale decisions in relation to a wide range of financial instruments. The Bank receives fee income for providing these services. Those assets that are held in a fiduciary capacity are not assets of the Bank and are not recognised in the financial statements. In addition, the Bank does not guarantee these investments and as a result it is not exposed to any credit risk in relation to them.

3.31. Insurance and reinsurance contracts

3.31.1. Definition and classification of 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.

Life insurance includes Savings and Protection contracts and the Non Life includes Motor, Property, Liability, Accident and Health and Other contracts.

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.

The Group determines whether it has significant insurance risk, by comparing benefits payable after an insured event with benefits payable if the insured event had not occurred. 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. The unit-linked contracts issued by the Group as well as the contracts under a run-off conventional portfolio are classified as direct participating contracts or contracts without direct participation features. 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.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

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.

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.

This category of contracts does not meet the definition of insurance contracts, and are accounted for as investment contracts. These include, amongst others, single premium structured products with death benefit equal to 101% of the fund value of the product. Class 7 contracts refer to contracts with corporate customers for the provision of management services of group pension/provident funds of the customers. For this type of business there is no insurance element, and thus no insurance risk, and no guarantees are provided. The Group performs purely the management of the funds and the administration of the units of the policyholders.

These investment contracts are financial liabilities whose fair value is dependent on the fair value of underlying financial assets, which are linked to these contracts. Management designates these investment contracts to be measured at fair value through profit and loss because such designation eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as 'an accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

The fair value of financial liabilities for these contracts is determined using the current unit values in which the contractual benefits are denominated. These unit values reflect the fair values of the financial assets contained within the relevant investment funds linked to the financial liability. The fair value of the financial liabilities is obtained by multiplying the number of units attributed to the members/policyholders at the reporting date by the unit value for the same date.

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.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

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;
- 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.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

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.

Once contracts are allocated to a group, they are not re-allocated to another group, unless they are substantively modified.

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.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

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.

In determining whether all the risks have been reflected either in the premium or in the level of benefits, the Group considers all risks that policyholders would transfer had it issued the contracts (or portfolio of contracts) at the reassessment date. Similarly, the Group concludes on its practical ability to set a price that fully reflects the risks in the contract or portfolio at a renewal date by considering all the risks that it would assess when underwriting equivalent contracts on the renewal date for the remaining service. The assessment on the Group's practical ability to reprice existing contracts takes into account all contractual, legal and regulatory restrictions. In doing so, the Group disregards restrictions that have no commercial substance. The Group also considers the impact of market competitiveness and commercial considerations on its practical ability to price new contracts and repricing existing contracts. Judgement is required to decide whether such commercial considerations are relevant in concluding as to whether the practical ability exists at the reporting date.

The Group issues contracts that include an option to add insurance coverage at a future date so that the Group is obligated to provide additional coverage if the policyholder exercises the option.

The Group has no right to compel the policyholder to pay premiums and the option to add insurance coverage at a future date is an insurance component that is not measured separately from the insurance contract.

When the insurance option is not in substance a separate contract and the terms are guaranteed by the Group, the cash flows arising from the option are within the boundary of the contract. If the option is not a separate contract and the terms are not guaranteed by the Group, the cash flows arising from the option might be either within or outside the contract boundary, depending on whether the Company has the practical ability to set a price that fully reflects the reassessed risks of the whole contract. If the Group does not have the practical ability to reprice the whole contract when the policyholder exercises the option to add coverage, the expected cash flows arising from the additional premiums after the option exercise date would be within the original contract boundary.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

In estimating expected future cash flows of the group of contracts the Group applies its judgement in assessing future policyholder behavior surrounding the exercise of options available to them such as surrenders options, and other options falling within the contract boundary.

The Group assesses the contract boundary at initial recognition and at each subsequent reporting date to include the effect of changes in circumstances on the Group's substantive rights and obligations.

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.

Insurance acquisition cash flows arising before the recognition of the related group of contracts are recognized as an asset. Insurance acquisition cash flows arise when they are paid or when a liability is required to be recognized under a standard other than IFRS 17. Such an asset is recognized for each group of contracts to which the insurance acquisition cash flows are allocated. The asset is derecognized, fully or partially, when the insurance acquisition cash flows are included in the measurement of the group of contracts.

For contracts that are measured under the PAA, if the coverage period for each contract in the group is one year or less, the Group chooses to expense insurance acquisition cash flows when they are incurred, instead of including them in the measurement of the liability for remaining coverage.

At each reporting date, the Group revises the amounts allocated to groups to reflect any changes in assumptions that determine the inputs to the allocation method used. Amounts allocated to a group are not revised once all contracts have been added to the group.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Acquisition expenses

Acquisition expenses include (a) agent related expenses, comprising of commissions and other sales force expenses and (b) directly attributable administration expenses. These are part of the cash flows during the calculation of CSM and Best Estimate, Risk Adjustment Liabilities. Commission expenses are recognised on premiums received in line with the in-force insurance and investment contracts in place.

Sales force expenses, which comprise of agent production and other related expenses other than commissions, are recognised on an accrual basis based on the agent contracts in place and the Company's sales policy. Directly attributable administration expenses comprise administration expenses which are considered as acquisition related expenses that can be allocated to IFRS 17 insurance portfolios.

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.

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 current estimate of LIC comprises the fulfilment cash flows related to current and past service allocated to the group at the reporting date.

The carrying amount of a group of insurance contracts at each reporting date 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.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

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 is a component of the overall carrying amount of a group of insurance contracts representing unearned profit the Group will recognize as it provides insurance contract services over the coverage period.

On initial recognition of a group of insurance contracts, if the total of (a) the fulfilment cash flows, (b) any cash flows arising at that date and (c) any amount arising from the derecognition of any assets or liabilities previously recognized for cash flows related to the group (including assets for insurance acquisition cash flows) is a net inflow, the CSM is measured as the equal and opposite amount of the net inflow, which results in no gain no loss, arising on initial recognition.

If the total is a net outflow, then the group is onerous. In this case, the net outflow is recognized as a loss in profit or loss. A loss component is created to depict the amount of the net cash outflow, which determines the amounts that are subsequently presented in profit or loss as reversals of losses on onerous contracts and are excluded from insurance revenue.

The Group determines, at initial recognition, the group's coverage units and allocates the group's CSM based on the coverage units provided in the period.

At the end of each reporting period, the Group updates the fulfilment cash flows for both LRC and LIC to reflect current estimates of the amounts, timing and uncertainty of future cash flows, as well as discount rates and other financial variables.

Experience adjustments are the difference between (a) the expected cash flow estimate at the beginning of the period and (b) the actual cash flows for premiums received in the period (and any related cash flows paid such as insurance acquisition cash flows).

Experience adjustments relating to current or past service are recognised in the profit or loss. For incurred claims (including incurred but not reported) and other incurred insurance service expenses, experience adjustments always relate to current or past service. They are included 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. The release of the CSM depends on whether the contract does not participate, participates indirectly or directly participates in the performance of the specified underlying items.

At the end of each reporting period, the Group re-estimates the LRC fulfilment cash flows, updating for changes in assumptions relating to financial and non-financial risks.

Premium Allocation Approach (PAA)

The PPA is applied to short-term contracts which the coverage period of each insurance contract in the group is one year or less 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.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

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). On initial recognition, the CSM of a group of reinsurance contracts represents a net cost or net gain on purchasing reinsurance. It is measured as the equal and opposite amount of the total of (a) the fulfilment cash flows, (b) any amount arising from the derecognition of any assets or liabilities previously recognized for cash flows related to the group, (c) any cash flows arising at that date and (d) any income recognized in profit or loss because of onerous underlying contracts recognized at that date.

However, if any net cost on purchasing reinsurance coverage relates to insured events that occurred before the purchase of the group, then the Group recognizes the cost immediately in profit or loss as an expense.

The measurement of reinsurance contracts held follows the same principles as those for insurance contracts issued, with the exception of the following modifications:

The Group determines the risk adjustment for non-financial risk so that it represents the amount of risk being transferred to the reinsurer.

The Group recognizes both day 1 gains and day 1 losses at initial recognition in the statement of financial position as a CSM and releases this to profit or loss as the reinsurer renders services, except for any portion of a day 1 loss that relates to events before initial recognition as described below.

Changes in the fulfilment cash flows are recognized in profit or loss if the related charges arising from the underlying ceded contracts have been recognized in profit or loss. Alternatively, changes in the fulfilment cash flows adjust the CSM. The PAA is also applied to certain short-term reinsurance contracts where appropriate.

Modifications and Derecognition

The Group derecognises insurance contracts when:

-the rights and obligations relating to the contract are extinguished (i.e. discharged, cancelled or expired);
or

-the contract is modified such that the modification results in:

*the contract being outside the scope of IFRS 17;

*a different insurance contract due to separating components from the host contract;

*a substantially different contract boundary;

*the contract being included in a different group of contracts.

If any of the modification criteria described above are met, the Group derecognises the initial contract and recognises the modified contract as a new contract. If the contract modification does not meet the above conditions the Group treats the effect of the modification as changes in the estimates of fulfilment cash flows.

On derecognition of a contract from within a group of contracts not measured under the PAA:

-the fulfilment cash flows allocated to the group are adjusted to eliminate those that relate to the rights and obligations derecognised;

-the CSM of the group is adjusted for the change in the fulfilment cash flows, except where such changes are allocated to a loss component or where the group has no remaining coverage period; and

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

-the number of coverage units for the expected remaining services is adjusted to reflect the coverage units derecognised from the group.

If a contract is derecognised because it is transferred to a third party, then the CSM is also adjusted for the premium charged by the third party, unless the group is onerous or the group has not remaining coverage period.

If a contract is derecognised because its terms are modified, then the CSM is also adjusted for the premium that would have been charged had the Group entered into a contract with the new contract's terms at the date of modification, less any additional premium charged for the modification. The new contract recognised is measured assuming that, at the date of modification, the Group received the premium that it would have charged less any additional premium charged for the modification.

For a group of insurance contracts measured under the PAA, the Group adjusts insurance revenue prospectively from the time of the contract modification.

Presentation

The Group presents separately in the statement of financial position the carrying amount of portfolios of insurance contracts and reinsurance contracts that are assets and those that are liabilities, portfolios of reinsurance contracts held that are assets and those that are liabilities.

Any assets for insurance acquisition cash flows recognised before the corresponding insurance contracts are recognised are included in the carrying amount of the related groups of insurance contracts issued.

The Group aggregates the amounts recognised in the statement of profit or loss into "Net result from insurance operations". This comprises of (a) an insurance service result, comprising insurance revenue and insurance service expenses, and (b) insurance finance income or expenses. The Group separately presents income or expenses from reinsurance contracts held from the expenses or income from insurance contracts issued in the note of "Net result from insurance operations. For contracts measured under the PAA insurance finance income or expenses reflect interest accreted on the future cash flows under the LIC and the effect of changes in interest rates and other financial assumptions. The Group disaggregates changes in the risk adjustment for non-financial risk between insurance service result and insurance financial income or expenses.

Based on the Group's accounting policy, period's insurance finance income or expenses is split between profit or loss and other comprehensive income (OCI). This accounting policy choice is applied on a portfolio-by-portfolio basis. The Group disaggregates insurance finance income or expenses between the profit or loss and the OCI for all its portfolios.

Net expenses from reinsurance contracts comprise an allocation of reinsurance premiums paid less amounts recovered from reinsurers.

Insurance Revenue

Insurance 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. The Group recognises such insurance revenue based on the passage of time by allocating premium receipts including premium experience adjustments to each period of service

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

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. The number of coverage units is the quantity of services provided by the contracts in the group, determined by considering for each contract the quantity of benefits provided and its expected coverage period. The coverage units are reviewed and updated at each reporting date.

Services provided by insurance contracts include insurance coverage and, for all direct participating contracts, investment services for managing underlying items on behalf of policyholders. In addition, some contracts may also provide investment services for generating an investment return for the policyholder, but only if:

-an investment component exists or the policyholder has a right to withdraw an amount (e.g. the policyholder's right to receive a surrender value on cancellation of a contract);

-withdrawal amount is expected to include an investment return; and

-the Group expects to perform investment activities to generate that investment return.

The expected coverage period reflects expectations of lapses and cancellations of contracts, as well as the likelihood of insured events occurring to the extent that they would affect the expected coverage period. The period of investment services ends no later than the date on which all amounts due to current policyholders relating to those services have been paid.

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

Insurance 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 expenses from reinsurance contracts comprise premiums ceded less recoveries. Commissions from reinsurers 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 in the carrying amount of the group of insurance and reinsurance contracts. 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. For contracts measured under the GMM insurance finance income or expenses reflect interest accreted on the future cash flows and the CSM and the effect of changes in interest rates and other financial assumptions. For contracts measured under the PAA insurance finance income or expenses reflect interest accreted on the future cash flows under the LIC and the effect of changes in interest rates and other financial assumptions.

4. COMPARATIVES

Representation of comparative information

The financial statements for the year ended 31 December 2025 provide comparative information in respect of the previous year. For the year ended 31 December 2025 certain reclassifications, representations and disaggregations were made and new line items were introduced in the statement of profit or loss and the statement of financial position, to align the presentation of the financial statements with Eurobank S.A Group's format and better reflect the nature of income and expenses and the presentation of the statement of financial position. These changes were made to improve comparability across the Eurobank S.A Group and provide more relevant information to users of the financial statements. Where considered necessary, changes in the comparative information and the relevant notes were made to conform with the presentation of the current year. Specifically:

- "Impairment losses on financial instruments" on the face of the statement of profit or loss was disaggregated into "Reversal of impairment losses/(impairment losses) relating to loans and advances to customers" and "(Impairment losses/reversal of impairment losses on other financial assets)" (refer to Note 15 and 16);
- "Other Impairments, risk provisions and related costs" was created on the face of the statement of profit or loss. This item consists of "Impairment losses on non-financial asset" and "provisions for litigation and sundry losses", the latter of which were previously classified within administrative and other expenses (refer to Note 17);
- "External debt collection servicer fees" was created on the face of the statement of profit or loss and the related fees were reclassified from administrative and other expenses and presented separately in this line;
- "Special Levy on Deposits" was created on the face of the statement of profit or loss and the related fees were reclassified from administrative and other expenses and presented separately in this line;
- "Restructuring costs" was created on the face of the statement of profit or loss and the related fees were reclassified from administrative and other expenses and presented separately in this line (refer to Note 19);
- Certain figures in "Dividend income", "Interest income", "Administrative and other expenses" and "Net gains/(losses) on revaluation of other financial instruments" and that related to Insurance operations under Variable Fee Approach ("VFA") model were reclassified from separate lines to "Net income from insurance operations" and specifically under Insurance finance expenses (refer to Note 11);
- Gains/(losses) on disposal of bonds were reclassified from "Net gains on derecognition of financial assets measured at amortised cost" to "Other Income" (refer to Note 12);
- Net modification loss on performing loans were reclassified from "Impairment losses relating to loans and advances to customers" to "Other Income" (refer to Note 12);
- Net gains on foreign currency transactions were reclassified from "Net gains on revaluation of financial instruments" to "Fee and Commission Income" (refer to Note 8);
- "Derivatives" was created on the face of the Statement of Financial Position, and the related amounts were reclassified from other assets and other liabilities respectively and presented separately in this line (refer to Note 32);
- "Investment properties" was created on the face of the Statement of Financial Position, and the related amounts were reclassified from other assets and presented separately in this line (refer to Note 31);

4. COMPARATIVES (continued)

- Certain items were reclassified between "Fee commission income" and "Fee commission expense" (refer to Note 9);
- Sundry income included under "Other income" was reclassified to "Fee and commission income" (refer to Note 8);
- Bank cheques were reclassified from "Deposits by Banks" to "Other liabilities" (refer to Note 41).

The above representations relate solely to changes in the presentation and classification of certain items in the statement of profit or loss and statement of financial position and do not affect previously reported net profit or equity for prior year.

5. SIGNIFICANT JUDGEMENTS AND ESTIMATES

The preparation of the Financial Statements requires Management to make use of judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and underlying assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances and the results of which form the basis of making judgments about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Therefore, they involve risks and uncertainties as they relate to events and depend on circumstances that will occur in the future. Actual results may differ from these estimates.

Estimates and underlying assumptions are assessed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and in future periods if the revision affects both current and future periods.

The significant estimates and judgments that are deemed significant to the Group's results and financial position are set out below:

5.1. Measurement of expected credit loss (ECL)

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

The Bank'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 measurement of the expected credit loss for financial assets measured at amortised cost and fair value through other comprehensive income (FVOCI) is an area that requires management's judgement in defining what is considered to be a significant increase in credit risk and in making assumptions and estimates to incorporate relevant information about past events, current conditions and forecasts of economic conditions. The assumptions used are based, to the extent possible, on data and evidence. Whenever sufficient data is not available, the impairment calculation incorporates assumptions based on management judgement.

5. SIGNIFICANT JUDGEMENTS AND ESTIMATES (continued)

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 Bank in accordance with the contractual terms of the instrument and the cash flows that the Bank expects to receive discounted at the original EIR of the same instrument, or the credit-adjusted EIR in case of 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 Bank expects to receive.

The Bank 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. In case of a collateralised 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.

ECL are calculated over the maximum contractual period over which the Bank is exposed to credit risk, which is determined based on the substantive terms of the instrument, or in case of revolving credit facilities, by taking into consideration factors such as the Bank's expected credit risk management actions to mitigate credit risk and past practice and/or behavioral maturity models.

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 evaluates individually loans, including loans of economic groups, that are individually significant based on certain thresholds set by the Bank. It collectively assesses loans that are not individually significant and loans which were individually assessed as Stage 1.

Individually assessed loans (Stages 2 and 3)

The amount of impairment loss on the value of loans and advances to customers which are examined on an individual basis, is measured for a) financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Bank in accordance with the contract and the cash flows that the Bank expects to receive); b) financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows. In cases where the interest rate of the loan is variable, the original effective interest rate is measured with reference to the initial margin corresponding to the current base rate of the interest rate and the value of the current base rate at the reporting date. The estimated future cash flows are based on assumptions about a number of factors and therefore the actual losses may be different. To determine the amount of impairment loss on the value of loans and advances to customers, judgment is involved regarding the amount and timing of estimated future cash flows. The estimated future cash flows include any expected cash flows from the borrower's operations, any other sources of funds and the expected proceeds from the liquidation of collateral, where applicable. The timing of these cash flows is estimated on a case by case basis.

Collectively assessed loans

For the calculation of impairment loss on a collective basis, loans and advances are grouped based on similar credit risk characteristics and appropriate models are applied that take into account the recent historical loss experience of each group with similar credit risk characteristics adjusted for current conditions using appropriate probabilities of default and loss given default. The grouping requires a number of judgments by management and considers factors such as the customer type, industry, product, days in arrears and restructuring status.

5. SIGNIFICANT JUDGEMENTS AND ESTIMATES (continued)

To measure ECL, the Group uses: (a) Exposure at default (EAD), (b) Probability of default (PD), (c) Loss given default (LGD). These calculations include estimates and the use of judgment to supplement, assess and adjust accordingly the historical information and past experience events which determine the parameters and the measurement of ECL as at the reporting date. The Bank 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 main assumptions used to estimate loss given default relate to property collateral such as the time needed for collateral liquidation and the liquidation discount at the point of sale.

In addition, management is required to exercise judgment in determining staging criteria for significant increase in credit risk as well as establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL.

With respect to model related changes, an increase of impairments c. €3,1 million was exhibited from the update of IFRS9 risk parameters (PD, LGD, EAD), for the year ended 31 December 2025 to reflect the latest macroeconomic projections and incorporation of latest available data in the model calibration. For ex-ERB Cyprus portfolio specifically, for LGD purposes the ex-HB model were leveraged given the more extensive historic data that was available. The LGD approach followed for ex-ERB Cyprus portfolio has gone from a segmental/LTV bucketing approach to a facility level approach using LGD risk parameters of ex-HB portfolio.

The update of the models reflects the latest macroeconomic projections as presented in table below.

Forward looking information

In line with IFRS 9 impairment requirements, forward-looking information, including current conditions and projections of macroeconomic and other factors, are incorporated in a range of unbiased future economic scenarios for ECL purposes. Determination of the forward-looking information, to be used in the ECL estimate, requires judgment and estimates about the future economic outlook. The ECL estimate incorporates the expected impact of all reasonable and supportable forward-looking information, taking into consideration the macroeconomic factors. The Bank incorporated three forward-looking macroeconomic scenarios in its ECL calculations process: a baseline scenario, an optimistic scenario and a pessimistic scenario. Probability weights were attributed to each scenario.

The macroeconomic variables affecting the level of ECL are real GDP growth, inflation rate, the rate of unemployment, real consumption, fixed gross capital formation and forward-looking prices of residential and commercial real estates.

Extrapolation after the 3-year period is performed by estimated a long-term/equilibrium value for each macro along with a convergence period to reach this long-term value.

The macroeconomic forecasts for the baseline, optimistic and pessimistic scenarios are determined by the Economic Research Department of the Bank, using external information including economic data and forecasts published by governmental bodies and monetary authorities in Cyprus and the EU.

For the estimation of the 2025 impairment losses, the Bank updated its macroeconomic forecasts to reflect latest macroeconomic developments as follows:

- In December 2025, the baseline scenario maintains a steady outlook for activity, with growth remaining broadly stable over the projection horizon. Labor market conditions stay supportive, with unemployment easing in the near term before edging slightly higher later on. Inflation remains contained, although it firms gradually as pressures from energy and service costs persist. Residential property prices continue to rise but at a more moderate pace following the initial strength, while commercial property price growth softens progressively. Relative to the 2024 December outlook, the overall profile points to a slightly stronger labor market and more resilient property dynamics, alongside inflation that is still manageable.

5. SIGNIFICANT JUDGEMENTS AND ESTIMATES (continued)

- In December 2025, the optimistic scenario reflects stronger momentum, with growth accelerating and remaining above the baseline throughout the horizon. The labor market tightens further, keeping unemployment on a declining path. Inflation pressures build more visibly during the upswing, driven in part by higher energy and service costs, before easing toward the end of the period. Residential property price growth remains robust and is revised upward relative to the 2024 December outlook, while commercial property prices also strengthen rather than flattening. Overall, the update points to sustained expansion with a firmer price backdrop, requiring some caution around inflation.
- In December 2025, the pessimistic scenario presents a more challenging path for the economy. Activity holds up at first but then weakens markedly, with a temporary downturn emerging before a gradual recovery takes hold later in the horizon. The labor market deteriorates, pushing unemployment higher and keeping it elevated for an extended period. Inflation rises and becomes more persistent amid renewed energy shocks, changes in global trade conditions, and supply-chain disruptions. Residential property prices are falling, while commercial property prices fall more sharply and remain subdued. Compared with the 2024 December outlook, risks appear more delayed but potentially more pronounced.

5. SIGNIFICANT JUDGEMENTS AND ESTIMATES (continued)

The tables below show the macroeconomic variables, for each scenario and the respective scenario weights used in estimating the ECL:

31 December 2025
Cyprus Economy - Macroeconomic Parameters

		2025	2026	2027	2028	Probability – weight %
Optimistic	Scenarios					
	Real GDP (% change)	3,2	4,2	5,3	3,8	
	Unemployment (%)	4,5	4,0	3,5	3,3	
	Inflation (% change)	1,4	2,7	4,0	2,9	
	Real Consumption (% change)	2,9	3,8	4,7	3,3	20%
	Fixed gross capital formation (% change)	9,3	14,0	17,7	7,8	
	Residential Price Index (% change)	4,5	5,5	4,8	3,3	
	Commercial Price Index (% change)	2,8	4,2	4,5	3,2	
	Real GDP (% change)	3,2	3,3	3,5	3,0	
	Unemployment (%)	4,5	4,3	4,1	4,4	
Baseline	Inflation (% change)	1,4	1,9	2,3	2,1	
	Real Consumption (% change)	2,9	3,4	3,3	2,6	50%
	Fixed gross capital formation (% change)	9,3	8,7	12,1	8,3	
	Residential Price Index (% change)	4,5	2,5	2,3	2,8	
	Commercial Price Index (% change)	2,8	2,0	1,8	1,3	
	Real GDP (% change)	3,2	(1,9)	1,1	2,0	
	Unemployment (%)	4,5	6,2	7,3	6,6	
	Inflation (% change)	1,4	4,2	2,8	2,1	
	Real Consumption (% change)	2,9	(1,0)	0,8	2,1	30%
	Fixed gross capital formation (% change)	9,3	2,3	4,6	5,2	
Pessimistic	Residential Price Index (% change)	4,5	(0,5)	(4,0)	(1,6)	
	Commercial Price Index (% change)	2,8	(2,5)	(6,0)	(4,0)	

5. SIGNIFICANT JUDGEMENTS AND ESTIMATES (continued)
31 December 2024
Cyprus Economy - Macroeconomic Parameters

Scenarios	2024	2025	2026	2027	Probability – weight %	
Optimistic	Real GDP (% change)	3,14	3,82	4,14	3,41	25%
	Unemployment (%)	5,71	5,00	4,50	4,20	
	Inflation (% change)	2,31	1,82	2,35	2,05	
	Real Consumption (% change)	4,10	4,40	3,90	3,00	
	Fixed gross capital formation (% change)	1,70	10,20	8,20	4,20	
	Residential Price Index (% change)	6,00	4,25	2,00	2,00	
	Commercial Price Index (% change)	2,25	2,50	2,25	2,25	
Baseline	Real GDP (% change)	3,14	3,20	3,40	3,70	50%
	Unemployment (%)	5,71	5,50	5,20	5,10	
	Inflation (% change)	2,31	2,00	1,80	1,70	
	Real Consumption (% change)	4,10	3,50	4,00	2,40	
	Fixed gross capital formation (% change)	1,70	8,10	6,80	2,90	
	Residential Price Index (% change)	6,00	3,00	1,65	1,50	
	Commercial Price Index (% change)	2,25	1,70	1,65	1,60	
Pessimistic	Real GDP (% change)	3,14	(1,26)	2,01	2,81	25%
	Unemployment (%)	5,71	7,20	6,50	6,00	
	Inflation (% change)	2,31	4,41	3,07	2,15	
	Real Consumption (% change)	4,10	(1,80)	2,30	2,80	
	Fixed gross capital formation (% change)	1,70	(0,90)	3,80	3,30	
	Residential Price Index (% change)	6,00	(0,40)	1,30	0,00	
	Commercial Price Index (% change)	2,25	(0,90)	1,15	0,00	

Determination of scenarios/IFRS9 weights

To achieve the objective of measuring ECL, the Bank evaluates a range of possible outcomes in line with the requirements of IFRS 9 through the application of a minimum of three macroeconomic scenarios i.e. baseline, pessimistic and optimistic, in a way that reflects an unbiased and probability weighted outcome. Each of the scenarios is based on Management's assumptions around future economic conditions in the form of macroeconomic, market and other factors. Changes in these assumptions and in other external factors could significantly impact ECL. The scenario weights applied in the context of IFRS9 ECL measurement are aligned between portfolios and are as follows: pessimistic 30% - base 50% - optimistic 20%. The IFRS 9 scenario weights have been rebalanced in December 2025 from 25%-50%-25% to 30%-50%-20% for pessimistic baseline and optimistic scenarios respectively to reflect increased downside risks due to geopolitical instability, elevated uncertainty and commencement of the trade war.

5. SIGNIFICANT JUDGEMENTS AND ESTIMATES (continued)

Determination of a significant increase in 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 Bank 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.

The Bank differentiates between the approach adopted for ex-HB and ex-ERB Cyprus portfolio with each respective portfolio adopting its existing methodology. The respective methodologies will be revisited and aligned upon system integration. For how Bank assessed SICR refer to Summary of Accounting policies (refer to Note 3).

Exposure at default (EAD)

EAD represents the expected exposure in the event of default during the life of a financial instrument taking into account the amortisation of the exposure (i.e. anticipated repayments, interest payments, accruals) as well as the behavioural maturity and credit conversion factor.

For performing exposures, the projected EAD is the amortised carrying value plus the credit conversion factor applied on the undrawn amount over the residual maturity of the exposure. The credit conversion factor and behavioural maturity for revolving facilities are derived based on historical data.

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. With regards to the credit-impaired exposures, the EAD is equal to the exposure at default as at the reporting date.

Probability of default (PD)

PD represents the likelihood of a borrower defaulting on their financial obligation in a specified time period, assuming it has not closed or defaulted since the reporting date. Projection of PDs is based on macro-economic scenarios and are differentiated based on segment (e.g. Retail, SME and Corporate), and status (e.g. dpd, restructured).

The Bank 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 ECLs for Stage 2, Stage 3 and POCI exposures.

5. SIGNIFICANT JUDGEMENTS AND ESTIMATES (continued)

For externally rated debt securities, PDs are obtained by an international rating agency using risk methodologies that maximise the use of objective non-judgmental variables and market data. For the non-externally rated facilities, i.e. local loan book, the PD is estimated based on the Bank's historical default rates.

Loss given default (LGD)

LGD represents the Bank'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 Bank 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 expressed as a percentage of EAD. The Bank estimates the LGD component using cure rates that reflect cash recoveries, estimated proceeds from collateral liquidation, estimates for timing realisation, realisation costs, etc.

For year ended 2025 for the purpose of calculation LGD for the ex-ERB Cyprus portfolio, the ex-HB models were leveraged given the more extensive historic data that was available. The LGD approach followed for ex-ERB Cyprus portfolio has gone from an LTV bucketing approach to a bottom-up approach using LGD risk parameters of ex-HB portfolio.

To this end, the LGD model considers parameters such as historical loss and/or recovery rates as well as the collateral value, which is discounted to the present value, determining the amount of the expected shortfall. The scenario weighted average liquidation period of the collateralised non-performing portfolio for the year ended 31 December 2025 was 5,7 years (2024: on average 7,5 years) while for performing loans, the liquidation period assumption was 6,0 years (2024: on average 6,3 years).

Liquidation haircuts are also applied to the value of the collateral for the purposes of estimating expected loss. The collateral information, which was incorporated both in collective and individual provisioning involves judgement and takes into account the specificities of the properties by segmenting them into various property types and sub types as well as by classifying them by district and location within each district. Different liquidation discounts are applied depending on the type and location of each collateral with the liquidation discount including cost ranging from 15% to 65%. The resulting weighted average liquidation discount for the collectively assessed portfolio for the year ended 31 December 2025 was 28,2% including costs (2024: 28,9%).

For the calculation of the provisions of the individually assessed exposures, the timing of recovery of collaterals as well as the haircuts used, are based on the specific facts and circumstances of each case. Any changes in these assumptions or variance between assumptions made and actual results could result in significant changes in the estimated amount of expected credit losses of loans and advances to customers.

Collateral

On the basis of the Group's policy, the amount of credit facilities granted should be based on the repayment capacity of the relevant counterparties. Furthermore, policies are applied for the hedging and mitigation of credit risk through the holding of collateral. These policies define the types of collaterals held and the methods for estimating their fair value.

The main collaterals held by the Group include mortgage interests over property, pledging of cash, government and bank guarantees, charges over business assets as well as personal and corporate guarantees.

The value of the real estate collateral involves, among others, judgments relating to the allocation of tangible security to each account and its indexation to today (based on latest available property prices if applicable). The value of the real estate collaterals is restricted up to the mortgaged amount or open market value for real estate.

5. SIGNIFICANT JUDGEMENTS AND ESTIMATES (continued)

Property collateral relates to commercial, residential and land real estate collateral. The Bank maintains a Property Valuations Policy, which provides a standardised approach for acceptable property valuations from independent professional valuers, the selection criteria and the processes to evaluate the performance of property valuers. Valuations are carried out by independent qualified valuers by applying valuation methodologies recommended by Royal Institute of Chartered Surveyors and International Valuation Standards Council. In arriving at their estimates of the fair value of properties, the valuers use their market knowledge and professional judgment and do not rely solely on historical transaction comparables, especially for asset classes where there is greater degree of uncertainty than would have existed in a more active market. The Policy outlines the frequency for revaluations, establish the criteria for monitoring collateral values and introduces the use of indexation. The open market value of property is indexed to present, using appropriate property indices (CBC and RICS). Indices are monitored, validated and back tested in order to accurately reflect the current market values of the property collaterals of the Bank.

Collaterals' values are also indexed from the latest valuation date to the reporting date. The Bank is indexing the property collaterals to the reporting period using publicly available indices. With respect to collateral values applicable at the liquidation date, the Bank is applying zero forward indexation to its property price collaterals.

Presentation of impairment allowance

For financial assets measured at amortised cost, impairment allowance is recognised as a loss allowance reducing the gross carrying amount of the financial assets in the statement of financial position. For debt instruments measured at FVOCI, impairment allowance is recognised in other comprehensive income and does not reduce the carrying amount of the debt instruments in the statement of financial position. 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.

Modified financial assets

In cases where the contractual cash flows of a financial asset have been modified and the modification is not considered substantial enough, the Bank recalculates the gross carrying amount of the financial asset and recognises the difference as a modification gain or loss in the statement of profit or loss 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.

Modeling and Management overlays / adjustments

A number of sophisticated models have been developed or modified to calculate ECL, while temporary management adjustments may be required to capture new developments and information available, which are not yet reflected in the ECL calculation through the risk models. Internal counterparty rating changes, new or revised models and data may significantly affect ECL.

As at 31 December 2025, the Bank 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.

Other considerations

The Bank, as part of its deleveraging strategy examines various options. Accordingly, when measuring the ECL of the NPE portfolio, the scenario of selling the exposure is considered relevant in estimating the credit loss expected to occur. It therefore considers the possibility of recovery under a scenario involving the disposal of the exposure as one of the potential strategies used in the estimation of the ECL for its NPE portfolio. The assessment of the probability of a recovery through a sale depends on the facts and circumstances as of the reference date and involves management judgment.

5. SIGNIFICANT JUDGEMENTS AND ESTIMATES (continued)
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.

Based on the above favourable and adverse scenario weighting variation, a re-estimation of key indicators linked to these variations, namely recovery periods, haircuts and PDs, was performed. In the first three scenarios of the below tables, the ECL was estimated with the application of 100% weight on each one of the base, pessimistic and optimistic IFRS 9 scenarios.

The tables below present the estimated effect in the Bank's ECL measurement (including off-balance sheet items) per stage, due to combined changes of forecasts in key indicators:

Increase/(decrease) on ECL for loans and advances to customers at amortised cost classified in 12 month ECL (Stage 1) and lifetime ECL not credit-impaired (Stage 2)

	Stage 1		Stage 2	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
Full pessimistic IFRS9 scenario (100%)	8.502	5.767	3.794	3.107
Full optimistic IFRS9 scenario (100%)	(5.932)	(3.108)	(2.849)	(2.266)
Full base IFRS9 scenario (100%)	(2.701)	(1.412)	(1.127)	(540)
Increase the expected recovery period by 1 year	316	247	704	855
Decrease the expected recovery period by 1 year	(295)	(230)	(539)	(866)
Increase the collateral realisation haircut by 5%	521	565	914	1.149
Decrease the collateral realisation haircut by 5%	(451)	(455)	(631)	(1.035)
Increase in the PDs by 20%	4.201	870	1.854	796
Decrease in the PDs by 20%	(4.216)	(870)	(1.961)	(1.042)

Increase/(decrease) on ECL for loans and advances to customers at amortised cost classified in lifetime ECL credit-impaired (Stage 3)

	2025	2024
	€'000	€'000
Full pessimistic IFRS9 scenario (100%)	5.059	14.968
Full optimistic IFRS9 scenario (100%)	(4.208)	(10.871)
Full base scenario: 100% base IFRS9 scenario	(1.352)	(2.783)
Increase the expected recovery period by 1 year	2.766	6.761
Decrease the expected recovery period by 1 year	(2.665)	(6.880)
Increase the collateral realisation haircut by 5%	2.723	8.831
Decrease the collateral realisation haircut by 5%	(2.565)	(7.550)

The Bank updates and reviews the reasonability and performs back testing of the applicable recovery periods and haircuts for ECL measurement, at least on an annual basis or earlier, based on facts and circumstances. In this context, experienced and dedicated staff within the Bank's Risk Management function monitors 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 Bank competent committees and ultimately the BRC.

5. SIGNIFICANT JUDGEMENTS AND ESTIMATES (continued)

5.2. Provisions for pending litigations or complaints and/or claims or cases subject to arbitration proceedings

In order to assess whether a provision must be recognised, the Group examines whether there is a present obligation (legal or constructive) as a result of a past event, for which an outflow of resources embodying economic benefits is probable and a reliable estimate for the amount of the obligation can be made.

The amounts recognised as provisions are the best estimates of the expenditure required to settle the present obligation at the end of the reporting period. When a separate liability is measured, the most likely outcome may be considered the best estimate of the liability. Given the subjectivity and uncertainty of determining the probability and amount of losses, the Group takes into account a number of factors including external legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgment is required to conclude on these estimates.

5.3. Impairment of goodwill

The process of identifying and evaluating impairment of goodwill is inherently uncertain because it requires Management to exercise judgment in making a series of estimates to determine their recoverable amount, the results of which are sensitive to the assumptions used.

To determine the recoverable amount of goodwill Management applies its judgment to determine future cash flows, which appropriately reflect Management's view of future business prospects, and the cost of capital used to discount these future cash flows.

5.4. Fair value of financial instruments

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

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

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

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

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

To the extent practicable, models use only observable data, however areas such as credit risk (both own and counterparty), volatilities and correlations require the Management to make estimates to reflect uncertainties in fair values resulting from the lack of market data inputs.

5. SIGNIFICANT JUDGEMENTS AND ESTIMATES (continued)

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 49.

5.5. Classification of financial instruments

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

Business model assessment

Judgment is exercised in order to determine the appropriate level at which to assess the business model. In assessing the business model of financial instruments, these are aggregated into groups (business lines) based on their characteristics, and the way they are managed in order to achieve the Group's business objectives. In general, the assessment is performed at the business unit level for lending exposures and based on the measurement category for debt securities. However, further disaggregation may be performed by business strategy, etc.

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

Contractual cash flow characteristics test (SPPI test)

The Group performs the SPPI assessment of lending exposures and debt securities by considering all the features which might potentially lead to SPPI failure. Judgment is applied by the responsible business units when considering whether certain contractual features significantly affect future cash flows. Accordingly, for non recourse financial assets, the Group assesses jointly criteria such as the adequacy of equity, LTV (Loan to Value) and DSCR (Debt Service Coverage Ratio) ratios as well as the existence of corporate and personal guarantees. Furthermore, in order to assess whether any variability in the cash flows is introduced by the modified time value of money element, the Bank performs a quantitative assessment. Moreover, the Bank evaluates certain cases on whether the existence of performance related terms exposes the Bank to asset risk rather to the borrower's credit risk.

The Group has established a robust framework to perform the necessary assessments in accordance with Group policies in order to ensure appropriate classification of financial instruments, including reviews by experienced staff. For the categorisation of financial instruments refer to Note 56.

5.6. Gain on acquisition

The acquisition of CNP Cyprus Insurance Holdings Limited and its subsidiaries (former "CNP subgroup") was accounted for as a business combination using the purchase method of accounting which has resulted into a gain on acquisition. Judgment was exercised in determining the cash-generating units (CGUs) of the acquired business for the purposes of allocation of goodwill or bargain purchase and in accordance with IFRS 3, all identifiable assets and liabilities acquired have to be measured at their fair value at the time of acquisition. The valuation techniques used for measuring the fair value of material assets and liabilities acquired were as follows:

- Insurance/ reinsurance contracts assets and liabilities:

Fair value was determined using an income approach, based on present value techniques which considers the present value of future cash flow, discounted using risk-free yield curves and incorporating a risk adjustment for non-financial risk.

5. SIGNIFICANT JUDGEMENTS AND ESTIMATES (continued)

The major assumptions used such as mortality assumption, lapses, expense assumptions, loss ratio and claims handling ratio and development factors has been disclosed in note 5.11. The yield curves are based on European Insurance and Occupational Pensions Authority (EIOPA) risk free rates. The Group adopts a Solvency II-consistent cost-of-capital approach, whereby the Risk Margin is determined as the present value of the cost of raising an amount of eligible own funds equal to the future Solvency Capital Requirement (SCR) for non-financial risks.

- Other identifiable intangible assets:

Other identifiable intangible assets were acquired where the following techniques were applied:

- Relief-from-royalty method – for brands and trademarks;
- Multi-period excess earnings method (MPEEM) – for customer relationships and distribution networks;
- Replacement cost method – for insurance licences.

5.7. Indemnification Asset

At the end of each reporting period, the Group measures the indemnification asset that was recognised at the acquisition date on the same basis as the indemnified asset, subject to any contractual limitations on its amount and management's assessment of the collectability of the indemnification asset. Estimates and judgments used for the measurement of the Indemnification asset are in line with the judgments and estimates management applies for the measurement of expected credit losses on loans and advances to customers.

5.8. Stock of property

Stock of property is measured at the lower of cost and Net Realisable Value ('NRV'), where cost is based on carrying amount of the debt settled and NRV the estimated selling price less the estimated cost to sell.

NRV is determined through valuation techniques, requiring significant judgment, which take into account all available reference points, such as expert valuation reports, current market conditions, the holding period of the asset, applying an appropriate illiquidity discount, where considered necessary, and any other relevant parameters. Estimated cost to sell is deducted from the estimated selling price and depending on the value of the underlying asset and available market information, the determination of costs to sell may require professional judgment which involves a degree of uncertainty due to the relatively low level of market activity.

5.9. Fair value of properties held for own use and investment properties

The Group's accounting policy for property held for own use, as well as for investment property requires that it is measured at fair value. In the case of property held for own use, valuations are carried out periodically so that the carrying value is not materially different from the fair value, whereas in the case of investment properties, the fair value is established at each reporting date. Valuations are carried out by qualified valuers by applying valuation methodologies recommended by the internationally accepted valuation standards.

In arriving at their estimates of the fair values of properties, the valuers used their market knowledge and professional judgment. For properties of low marketability or with a limited number of transactions in recent years, valuers did not rely solely on historical transactional comparable information, taking into consideration that there is a greater degree of uncertainty than that which exists in a more active market. Depending on the nature of the underlying asset and available market information, the determination of the fair value of property may require the use of estimates such as future cash flows from assets and discount rates applicable to those assets. All these estimates are based on local market conditions existing at the reporting date.

5. SIGNIFICANT JUDGEMENTS AND ESTIMATES (continued)

5.10. Taxation

Income and Indirect Taxes

The Group is subject to income and indirect taxes in the countries in which it operates. Estimates are required in determining the provision for such taxes at the reporting date. The Group recognises income tax and indirect tax liabilities for transactions and assessments whose tax treatment is uncertain. The Group has a number of open income tax returns with the tax authorities. Liabilities relating to these matters are based on management estimates at each reporting date. Where the final tax is different from the amounts initially recognised in the consolidated statement of profit or loss, such differences will impact the income and indirect tax expense, the tax liabilities and deferred tax assets or liabilities of the period in which the final tax is agreed with the relevant tax authorities.

On loans acquired the Bank opted to recognise current tax liability on their settlement date. The method followed is considered most appropriate, considering the complexity of other methods and also the fact that it captures the actual gain realised from each loan.

Deferred tax assets are recognised to the extent that it is probable that the Group will generate future taxable profits against which the tax losses and the deductible temporary differences can be utilised. The recognition of deferred tax assets is sensitive to judgments made in relation to the probability, sufficiency and timing of future taxable profits as well as the applicability of future tax planning strategies. These judgments rely on historical available information and estimations regarding, among others, macroeconomic conditions, changes in interest rates, real estate prices and demand, the level of the nonperforming exposures and the expected results of operations based on the business model and the currently approved Strategic Plan of the Group. The parameters underlying the judgments made are subject to uncertainty and may result in changes in the measurement of deferred tax asset compared to initial estimates.

5.11. Insurance contracts

The measurement for life and non-life insurance and reinsurance 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 and reinsurance contract liabilities are described in Note 3.31.

The following assumptions were used when estimating future cash flows:

Mortality and morbidity rates

ERB Cyprialife Ltd

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.

Insurance and Reinsurance contracts

Males
Females

Mortality rates 2025

70% AMC00
70% AMC00 rated down by 4 years

Longevity (immediate annuity business)

The annuity business is exposed to the risk that the policyholders live longer than anticipated, resulting in annuity payments for longer than expected. The Group set the mortality assumptions for the annuity business by considering potential mortality improvements.

5. SIGNIFICANT JUDGEMENTS AND ESTIMATES (continued)
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.

Lapse and surrender rates
ERB Cyprialife Ltd

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. The rates vary by product and duration in force. The table below is based on weighted average of surrender/lapse rate of the underlying products.

	2025				
Percentage %	1 year	5 year	10 year	15 year	20 year
Whole Life UL					
Full	6	4	4	4	3
Partial	0	6	6	6	3
Other UL					
Full	4	4	4	5	5
Partial	2	8	6	4	4
Single Premium UL					
Full	0	3	3	3	3
Partial	0	2	4	4	4
Term	10	12	9	5	4
Term Convertible	9	15	12	10	12
Term Decreasing	5	7	6	7	7
Annually renewable term	4	6	6	6	6
Riders Hellenic Life	6	11	11	8	8
Credit Life	4	7	9	9	9
Single Premium UL Hellenic Life	4	2	2	2	2
Protection Hellenic Life	5	12	5	5	5
Unit Linked Hellenic Life	6	11	11	7	7

For the runoff unit linked portfolio the average rate for full surrender was 4% for 2025 whereas the partial surrender rates was 5% for 2025. For the conventional with profit portfolio the rate remained stable at was 5%.

5. SIGNIFICANT JUDGEMENTS AND ESTIMATES (continued)

Discount rates

Life insurance contract liabilities are calculated by discounting expected future cash flows. The Group uses the bottom-up approach in determining the discount rates and hence uses a risk-free rate, plus an illiquidity premium. The risk-free rates are determined by reference to EIOPA yields and an illiquidity premium calculated based on the entity's own portfolio data reflecting the characteristics of the entity's portfolio, which makes the approach entity specific by reflecting the characteristics of the portfolio.

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

ERB Asfalistiki

1 year	2 years	5 years	10 years	20 year
2.22%	2.42%	2.62%	3.00%	3.35%

As at 31 December 2024, the ranges of yield curves used to discount the cash flows of insurance contracts per portfolios' duration are presented below:

Hellenic Life and Pancyprian

1 year	2 years	5 years	10 years	20 year
2.5%	2.3%	2.4%	2.5%	2.5%

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 determines the risk adjustment for non-financial risk at the entity level and then allocates it to all the groups of insurance contracts.

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 80% over a one-year period for ERB Asfalistiki and 85% for ERB Cyprialife.

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.

5. SIGNIFICANT JUDGEMENTS AND ESTIMATES (continued)

- 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 to adjust for the reduction of remaining coverage for claims paid, expectations of lapses and cancellation of contracts in the period. They are then allocated based on probability-weighted average duration of each coverage unit provided in the current period and expected to be provided in the future.

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**ERB Cyprialife Ltd and ERB Asfalistiki Ltd**

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.

Additionally for ERB Asfalistiki, historical claims development is mainly analysed by accident years, but can also be further analysed by significant business lines and claim types.

Assessment of directly attributable cash flows**ERB Asfalistiki Ltd**

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 fulfillment of insurance contracts.

Liability for remaining coverage - revenue recognition**ERB Asfalistiki**

The Group determines the insurance service revenue by the amount of expected premium receipts (including premium experience adjustments) allocated to the period. The adjustment to insurance service revenue to reflect the expectation of premium receipts from amounts not yet settled is determined by a loss allowance aiming to capture the probability of default of the debtor in settling premiums due. This loss allowance is estimated by the Group using an approach based on the provision matrix estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions where appropriate

6. INTEREST INCOME

	The Group		The Bank	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
Interest income calculated using the effective interest method				
Financial assets at amortised cost:				
Interest income from cash and balances with Central Banks	131.394	239.933	131.394	239.933
Interest income from placements with other banks	12.570	14.339	12.034	14.339
Interest income from reverse repurchase agreements	36.349	274	36.349	274
Interest income from loans and advances to customers	300.361	309.164	300.361	309.164
Interest income from debt securities	176.474	151.238	176.474	151.189
Interest income from other financial assets	189	399	189	399
Financial assets at fair value:				
Interest income from debt securities at fair value through other comprehensive income	7.409	1.746	2.750	1.685
	<u>664.746</u>	<u>717.093</u>	<u>659.551</u>	<u>716.983</u>
Other interest income				
Interest income from other financial instruments	31.394	12.279	31.394	12.279
Other interest income	522	-	517	-
	<u>31.916</u>	<u>12.279</u>	<u>31.911</u>	<u>12.279</u>
	<u>696.662</u>	<u>729.372</u>	<u>691.462</u>	<u>729.262</u>

Interest income from loans and advances to customers includes interest on the net carrying amount of impaired loans and advances amounting to €19,5 million for the Group and the Bank (31 December 2024: €25,8 million).

Other interest income relates mainly to interest on derivatives which are measured at fair value through profit and loss (FVTPL).

7. INTEREST EXPENSE

	The Group		The Bank	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
Interest expense calculated using the effective interest method				
Interest expense on deposits by other banks	1.237	300	1.237	300
Negative interest on funding by Central Banks	-	44.941	-	44.941
Interest expense on customer deposits and other customer accounts	68.793	33.758	68.598	33.758
Interest expense on loan capital	24.536	40.849	24.651	40.849
Interest expense on indemnification assets	65	23	65	23
Interest expense from lease liabilities	467	513	466	511
	<u>95.098</u>	<u>120.384</u>	<u>95.017</u>	<u>120.382</u>
Other interest expense				
Interest expense on other financial instruments	20.340	10.278	20.340	10.278
	<u>115.438</u>	<u>130.662</u>	<u>115.357</u>	<u>130.660</u>

Other interest expense relates mainly to interest on derivatives which are measured at fair value through profit and loss (FVTPL).

8. FEE AND COMMISSION INCOME

	The Group		The Bank	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
Banking fees and commissions	106.721	93.564	112.930	98.745
Custodian services and asset management fees	4.372	355	4.382	388
	111.093	93.919	117.312	99.133

Banking fees and commissions of the Group include credit related fees and commissions amounting to €34.836 thousand (31 December 2024: €31.692 thousand) and other banking commissions amounting to €71.885 thousand (31 December 2024: €61.872 thousand).

Banking fees and commissions of the Bank include credit related fees and commissions amounting to €34.836 thousand (31 December 2024: €31.692 thousand) and other banking commissions amounting to €78.094 thousand (31 December 2024: €67.053 thousand).

Custodian services and asset management fees relate to fiduciary activities.

9. FEE AND COMMISSION EXPENSE

	The Group		The Bank	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
Banking fees and commissions	14.420	12.123	14.420	12.123
Other fees and commissions	1.635	955	1.482	955
	16.055	13.078	15.902	13.078

Banking fees and commissions of the Group and the Bank include credit related fees and commissions amounting to €12.311 thousand (31 December 2024: Group and the Bank €10.797 thousand) and other banking commissions amounting to €2.109 thousand (31 December 2024: Group and the Bank €1.326 thousand).

10. NET TRADING INCOME/(LOSS) AND NET GAINS/(LOSSES) ON REVALUATION OF FINANCIAL INSTRUMENTS

	The Group		The Bank	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
Net trading income/(loss):				
Derivative financial instruments:				
Net (loss) on derivatives in qualifying hedging relationships	(1.834)	-	(1.834)	-
Net (loss)/income on derivative financial instruments (no hedge accounting)	(2.841)	10.166	(2.841)	10.166
	(4.675)	10.166	(4.675)	10.166
Net gains/(losses) on revaluation of financial instruments:				
Debt Securities at FVTPL	(110)	(3)	-	-
Equity Securities at FVTPL	5.234	7.744	2.971	6.592
	5.124	7.741	2.971	6.592
	449	17.907	(1.704)	16.758

10. NET TRADING INCOME/(LOSS) AND NET GAINS/(LOSSES) ON REVALUATION OF FINANCIAL INSTRUMENTS (continued)

Losses from derivative financial instruments of €4,7 million comprise mainly a) €2,8 million loss resulting from fair value changes of derivatives not designated in hedge accounting relationships (31 December 2024: €10,2 million gain) and b) €1,8 million loss from portfolio hedging of interest rate risk (macro hedging) (31 December 2024: nil), of which €406 thousand loss arise from hedge ineffectiveness and €1,4 million loss from fair value changes of the hedging derivatives that occur as part of the dynamic management of the pool of hedging instruments on a monthly basis, and include fair value changes before initial designation or after de-designation as well as realized gains of the liquidated positions following de-designation (notes 3.4. and 32).

11. NET INCOME FROM INSURANCE OPERATIONS

	The Group					
	2025			2024		
	<u>Life insurance</u>	<u>Non-Life insurance</u>	<u>Total</u>	<u>Life insurance</u>	<u>Non-Life insurance</u>	<u>Total</u>
€'000	€'000	€'000	€'000	€'000	€'000	
Insurance service revenue	67.891	118.272	186.163	22.490	43.391	65.881
Insurance service expenses	(35.983)	(72.281)	(108.264)	(12.034)	(27.185)	(39.219)
Insurance service result from insurance contracts issued	31.908	45.991	77.899	10.456	16.206	26.662
Allocation of reinsurance premium	(14.605)	(35.864)	(50.469)	(8.793)	(15.235)	(24.028)
Amounts recoverable from reinsurers for incurred claims	11.716	5.711	17.427	7.515	10.506	18.021
Net expense from reinsurance contracts held	(2.889)	(30.153)	(33.042)	(1.278)	(4.729)	(6.007)
Net Insurance Service Result	29.019	15.838	44.857	9.178	11.477	20.655
Insurance finance expense	(29.673)	(1.221)	(30.894)	(2.943)	(809)	(3.752)
Return on assets backing insurance contract liabilities	29.120	-	29.120	3.067	-	3.067
Reinsurance finance income	505	412	917	125	253	378
Net insurance claims and benefits	(48)	(809)	(857)	249	(556)	(307)
Net income from insurance operations	28.971	15.029	44.000	9.427	10.921	20.348

Insurance revenue

	The Group					
	2025			2024		
	<u>Life insurance</u>	<u>Non-Life insurance</u>	<u>Total</u>	<u>Life insurance</u>	<u>Non-Life insurance</u>	<u>Total</u>
€'000	€'000	€'000	€'000	€'000	€'000	
Contracts not measured under the PAA						
Amounts relating to changes in liabilities for remaining coverage						
- CSM recognised for services provided	13.632	579	14.211	2.022	487	2.509
- Change in risk adjustment for non-financial risk for risk expired	2.366	22	2.388	138	41	179
- Expected incurred claims and other insurance service expenses	26.246	117	26.363	3.380	219	3.599
Recovery of insurance acquisition cash flows	1.519	70	1.589	453	84	537
	43.763	788	44.551	5.993	831	6.824
Contracts measured under the PAA	24.128	117.484	141.612	16.497	42.560	59.057
Total insurance revenue	67.891	118.272	186.163	22.490	43.391	65.881

11. NET INCOME FROM INSURANCE OPERATIONS (continued)
Insurance service expenses

	The Group					
	2025			2024		
	<u>Life insurance</u>	<u>Non-Life insurance</u>	<u>Total</u>	<u>Life insurance</u>	<u>Non-Life insurance</u>	<u>Total</u>
<u>€'000</u>	<u>€'000</u>	<u>€'000</u>	<u>€'000</u>	<u>€'000</u>	<u>€'000</u>	
Incurred claims and other insurance service expenses	(31.465)	(58.186)	(89.651)	(13.534)	(14.997)	(28.531)
Changes that relate to past service: changes to liabilities for incurred claims	(82)	8.931	8.849	4.045	(5.737)	(1.692)
Amortisation of insurance acquisition cash flows	(4.316)	(23.164)	(27.480)	(2.486)	(6.531)	(9.017)
Changes that relate to future service: losses on onerous contracts and reversals of those losses	(120)	138	18	(59)	80	21
Total insurance service expenses	(35.983)	(72.281)	(108.264)	(12.034)	(27.185)	(39.219)

Allocation of reinsurance premiums

	The Group					
	2025			2024		
	<u>Life insurance</u>	<u>Non-Life insurance</u>	<u>Total</u>	<u>Life insurance</u>	<u>Non-Life insurance</u>	<u>Total</u>
<u>€'000</u>	<u>€'000</u>	<u>€'000</u>	<u>€'000</u>	<u>€'000</u>	<u>€'000</u>	
Amounts related to liabilities for remaining coverage:						
- CSM for the service received	(1.322)	(1.096)	(2.418)	207	(4.837)	(4.630)
- Risk adjustment for the risk expired	(770)	(108)	(878)	(623)	(442)	(1.065)
- Recoveries for expected incurred claims and other expenses	(11.411)	(535)	(11.946)	(8.016)	(2.797)	(10.813)
Contracts not measured under the PAA	(13.503)	(1.739)	(15.242)	(8.432)	(8.076)	(16.508)
Contracts measured under the PAA	(1.102)	(34.125)	(35.227)	(360)	(7.159)	(7.519)
Total allocation of reinsurance premiums	(14.605)	(35.864)	(50.469)	(8.792)	(15.235)	(24.027)

Amounts recovered from reinsurers

	The Group					
	2025			2024		
	<u>Life insurance</u>	<u>Non-Life insurance</u>	<u>Total</u>	<u>Life insurance</u>	<u>Non-Life insurance</u>	<u>Total</u>
<u>€'000</u>	<u>€'000</u>	<u>€'000</u>	<u>€'000</u>	<u>€'000</u>	<u>€'000</u>	
Recoveries for incurred claims and other expenses	9.028	8.479	17.507	10.882	3.217	14.099
Changes that relate to past service: changes to liabilities for incurred claims	2.688	(2.768)	(80)	(3.257)	7.289	4.032
Loss recoveries	-	-	-	(110)	-	(110)
Total amounts recovered from reinsurers	11.716	5.711	17.427	7.515	10.506	18.021

11. NET INCOME FROM INSURANCE OPERATIONS (continued)
Insurance finance income/ (expenses)

	The Group					
	2025			2024		
	<u>Life insurance</u>	<u>Non-Life insurance</u>	<u>Total</u>	<u>Life insurance</u>	<u>Non-Life insurance</u>	<u>Total</u>
€'000	€'000	€'000	€'000	€'000	€'000	
Interest accreted	(285)	(642)	(927)	(44)	-	(44)
Effect of changes in interest rates and other financial assumptions	(268)	(579)	(847)	168	(809)	(641)
Changes in fair value of underlying items of direct participating contracts	(29.120)	-	(29.120)	(3.067)	-	(3.067)
Total insurance finance income/(expenses) recognised in profit or loss	(29.673)	(1.221)	(30.894)	(2.943)	(809)	(3.752)
Total insurance finance income/(expenses) recognised in OCI	160	(254)	(94)	-	-	-

Reinsurance finance income/ (expenses)

	The Group					
	2025			2024		
	<u>Life insurance</u>	<u>Non-Life insurance</u>	<u>Total</u>	<u>Life insurance</u>	<u>Non-Life insurance</u>	<u>Total</u>
€'000	€'000	€'000	€'000	€'000	€'000	
Interest accreted	175	150	325	95	-	95
Effect of changes in interest rates and other financial assumptions	330	262	592	30	253	283
Total Reinsurance finance income/(expenses) recognised in profit or loss	505	412	917	125	253	378
Total Reinsurance finance income/(expenses) recognised in OCI	557	85	642	-	-	-

Insurance Service expenses include operating expenses directly attributable to insurance operations, which are analysed as follows:

	The Group	
	2025	2024
	€'000	€'000
Staff costs	21.769	5.213
Depreciation and amortisation	3.041	1.063
Administration and other	6.617	2.117
	31.427	8.393

12. OTHER INCOME

	The Group		The Bank	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
Dividend income	1.669	2.496	48.576	10.414
(Loss)/gain from the disposal of subsidiary company	(7)	-	(85)	224
Net gains from the disposal of stock of property	2.897	6.350	2.880	6.350
Gain on lease liability derecognised	23	-	23	-
Net losses from revaluation of investment properties	(64)	(460)	-	(557)
Sundry income	8.378	767	11.594	483
Gain/(losses) on disposal of financial instruments	99	(584)	867	(748)
Net loss on loans' modifications	(961)	(1.059)	(961)	(1.059)
	12.034	7.510	62.894	15.107

13. STAFF COSTS

	The Group		The Bank	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
Salaries	120.079	109.366	118.288	108.424
Employer's contributions for social insurance etc.	19.579	16.783	19.396	16.527
Provident Fund Contributions	9.140	8.039	9.081	7.940
Other staff expenses	5.937	5.137	5.848	4.992
	154.735	139.325	152.613	137.883

The Group contributes in different defined contribution retirement plans. Details are disclosed in Note 3.10.

On 31 December 2025, the number of staff employed by the Group was 2.911 (31 December 2024: 2.265) and by the Bank 2.489 (31 December 2024: 2.163). Out of the total number of staff employed by the Group, 2.866 were permanent staff and 45 were temporary staff (31 December 2024: 2.225 permanent staff, 40 temporary staff). The average number of staff employed by the Group and the Bank for 2025 was 1.954 and 1.743 respectively (2024: Group 2.263, Bank 2.156).

On 17 February 2025, the Bank announced the launch of a Voluntary Early Exit Scheme (the "Scheme") that was in force until 11 March 2025. The Scheme was offered to all permanent full-time employees of the Hellenic Bank (including Pancyprian Insurance Limited and Hellenic Life Insurance Company Limited), with more than 5 years of service as at the date of the announcement of the VEES. The amount of the ex-gratia payment per individual opted to depart with the Scheme was the lower of the following: €200,000 or 70% of remaining lost salaries for the employee (salaries to retirement).

Upon completion of the Scheme, 154 employees (approximately 7% of the Group's employees) were approved to participate in it, leading to an estimated annual saving of c.€11,2 million of payroll costs.

14. ADMINISTRATIVE AND OTHER EXPENSES

	The Group		The Bank	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
Repairs, maintenance and other related costs	36.959	30.827	36.689	30.714
Other property expenses	5.535	5.254	5.363	4.806
Consultancy and other professional services fees	13.692	15.273	12.126	14.302
Insurance expenses	1.950	2.979	1.944	2.772
Advertising, PR and promotional expenses	6.997	7.166	6.095	6.712
Communication expenses	5.853	5.002	5.818	4.921
Cash transfer and management of documents costs	2.921	2.497	2.921	2.461
Servicer's administration fees	2.651	2.606	2.438	2.364
Regulatory Supervisory fees	5.012	3.591	4.949	3.587
Deposit Guarantee Scheme contribution	4.946	5.469	4.946	5.469
Other administrative expenses	9.931	12.370	8.673	12.634
	96.447	93.034	91.962	90.742

Fees of statutory auditors

The total fees for statutory auditors (inclusive of out of pocket expenses and VAT) are analysed as follows:

	The Group		The Bank	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
Audit of annual accounts	2.783	1.732	2.116	1.404
Assurance services	350	437	253	395
Tax advisory	(31)	62	(31)	62
Other non-audit services	1.362	245	1.349	245
	4.464	2.476	3.687	2.106

Deposit Guarantee Scheme contribution

The Bank was subject to contributions to the Deposit Guarantee Fund ('DGF') on a semi-annual basis from 2020 until 3 July 2024, when the target level of at least 0,8% of covered deposits of all authorised credit institutions, set in accordance with the relevant legislation and the applicable EU Directive, was reached.

On 15 July 2025, the Management Committee ('MC') of the Deposit Guarantee and Resolution of Credit and Other Institutions Scheme ('DGS') informed the Bank of its decision to collect additional ex-anted contributions from authorised credit institutions, in order to reach an increased target level of 1,25% of the DGF than the previous target level of 0,8%. These additional contributions will be collected on a semi-annual basis over a period of 5 years (starting from the second half of 2025 to June 2030) and will be calculated in accordance with the new methodology for calculating contributions to the DGF published on 3 July 2024 and which can be found on CBC's website.

15. (IMPAIRMENT LOSSES)/REVERSAL OF IMPAIRMENT LOSSES RELATING TO LOANS AND ADVANCES TO CUSTOMERS

	The Group and the Bank	
	2025	2024
	€'000	€'000
Impairment losses on loans and advances to customers		
12 month expected credit losses (refer to Note 55)	3.211	13.673
Lifetime expected credit losses (Stage 2) (refer to Note 55)	(10.258)	6.305
Lifetime expected credit losses (Stage 3) (refer to Note 55)	2.152	(14.443)
Impact of net modification and cash flows re- estimation	10.391	12.708
Lifetime expected credit losses on the value of purchased or originated credit impaired (POCI) loan portfolio (refer to Note 55)	(27.411)	(13.300)
	<u>(21.915)</u>	<u>4.943</u>
Impairment losses on financial guarantees and loan commitments issued		
12 month expected credit losses (refer to Note 41)	(510)	1.379
Lifetime expected credit losses (Stage 2) (refer to Note 41)	(67)	75
Lifetime expected credit losses (Stage 3) (refer to Note 41)	6.572	399
Lifetime expected credit losses on the value of purchased or originated credit impaired (POCI) financial guarantees issued and loan commitments issued (refer to Note 41)	(3)	(14)
	<u>5.992</u>	<u>1.839</u>
	<u>(15.923)</u>	<u>6.782</u>

16. REVERSAL OF IMPAIRMENT LOSSES ON OTHER FINANCIAL ASSETS

	The Group		The Bank	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
Impairment losses on other receivables	(6.534)	489	(6.748)	489
Cash flows re-estimation of indemnification asset (refer to Note 37)	13.007	6.903	13.007	6.903
12 month expected credit losses on debt securities (refer to Note 26)	(23)	672	(299)	672
12 month expected credit losses on Balances with Central Banks and Placements with other banks (refer to Note 21 and 22)	(103)	5	(107)	9
	<u>6.347</u>	<u>8.069</u>	<u>5.853</u>	<u>8.073</u>

17. OTHER IMPAIRMENTS, RISK PROVISIONS AND RELATED COSTS

	The Group		The Bank	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
Other operational and sundry losses	(2.603)	(1.491)	(2.603)	(1.491)
Impairment of stock of properties (refer to Note 30)	(3.844)	(7.845)	(1.850)	(5.304)
Release of provisions for pending litigations or complaints and/or claims and warranties	5.833	1.471	5.833	1.471
Impairment losses on the cost of investment of a subsidiary company (refer to Note 28)	-	-	(4.930)	(2.856)
	<u>(614)</u>	<u>(7.865)</u>	<u>(3.550)</u>	<u>(8.180)</u>

18. SPECIAL LEVY ON DEPOSITS

According to the “Special Levy on Credit Institutions Law of 2011 to 2017”, special levy is imposed on credit institutions on a quarterly basis, at the rate of 0,0375% on qualifying deposits held by each credit institution on 31 December of the previous year for the quarter ending on 31 March, on 31 March of the same year for the quarter ending on 30 June, on 30 June of the same year for the quarter ending on 30 September and on 30 September of the same year for the quarter ending on 31 December. Based on an amendment to the Law effective as from 6 October 2017, an amount corresponding to the annual contribution of each credit institution to the Resolution Fund or to the Single Resolution Fund as the case may be, is deducted from the balance of special levy payable, up to the maximum amount of special levy for the same year.

19. RESTRUCTURING COSTS

Restructuring costs represent the Group’s Voluntary Exit Scheme of €26,9 million (Bank: €26,2 million), while the remaining costs of €16,4 million mainly relate to the Group’s transformation costs and initiatives as well as the Bank’s integration with Eurobank Cyprus Ltd, resulting from the transfer of business and operations (refer to Note 52).

20. TAXATION

	The Group		The Bank	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
Corporation tax	54.425	54.640	48.555	53.084
Taxes withheld at source	1.676	413	1.653	413
Deferred tax	1.309	17	958	(18)
Top up tax payable	2.857	6.392	2.644	5.903
	60.267	61.462	53.810	59.382

According to the Income Tax Law 118(I)/2002 as amended, the Bank’s taxable profit and that of its subsidiaries in Cyprus, is subject to income tax at the rate of 12,5%, for Insurance Companies engaged in the Life Sector the tax liability is the maximum of the tax calculated at the normal tax rates and 1,5% of the Gross Life insurance premiums. Following amendments to the Income Tax Law effected as from 1 January 2026 the income tax rate is increased to 15%, in addition for Insurance Companies engaged in the Life Sector the imposition of premium tax at 1,5% of the gross premiums is abolished. Tax losses of group companies in Cyprus, other than companies affected by article 13(8)(d)(i) of the Income Tax Law, can be offset against taxable profits of other group companies in Cyprus of the same year and any tax losses not utilised can be carried forward and offset against the same entity’s taxable profits of the next five years. As from year 2026 the tax losses may be carried forward and offset against profits of the next seven years. Article 13(8)(d)(i) of the Income Tax Law provides that in the case where the disposal of shares held by one company in another company member of the same group is taxed as a trading transaction then the two companies are not considered group companies for loss relief purposes.

Profits earned by subsidiary companies abroad or/and permanent establishments outside Cyprus are subject to taxation at the rates applicable in the country in which the operations are carried out.

Tax exemptions, allowances, deductions and offsets pursuant to Articles 8, 9, 10 and 13 of the Income Tax Law 118(I)/2002 are taken into consideration for the calculation of the tax liability.

Tax liabilities relating to open tax years are based on management estimates at each reporting date.

Pillar Two income taxes

On 12 December 2024 the Cyprus House of Representatives voted for the transposition into Law of the Council Directive (EU) 2022/2523 on ensuring a minimum global level of Taxation (minimum tax rate of 15%) for multinational enterprise groups and large-scale domestic groups in the Union with consolidated revenues over €750 million.

20. TAXATION (continued)

Following the acquisition of 55,96% of the Bank's share capital by Eurobank S.A. in 2024, the Bank and its subsidiaries were brought within the scope of the Pillar Two global minimum tax framework as part of the Eurobank S.A. consolidated group.

Furthermore, effective 1 January 2025, Cyprus implemented the Domestic Minimum Top-up Tax (DMTT) rules. Under this legislation, constituent entities of a Multinational Enterprise (MNE) group located in Cyprus must pay any required top-up tax locally. Consequently, from 2025 onwards, the Bank and its subsidiaries are subject to the DMTT and will pay any resulting top-up tax directly to the Cyprus tax authorities.

The Group is subject to the global minimum top-up tax under Pillar Two tax legislation. The top-up tax relates to the Group's operations in Cyprus, the statutory tax rate is 12,5% (2025), and top-up tax is levied on the Bank under the Income Inclusion Rule. The Group recognised a current tax expense of €2.857 thousand related to the top-up tax (2024: €6.392 thousand) and the Bank €2.644 thousand related to the top-up tax (2024: €5.903 thousand).

Reconciliation of taxation based on taxable income and taxation based on accounting profits

The Group	2025	2024
	€'000	€'000
Group profit before taxation	<u>437.055</u>	<u>444.047</u>
Taxation based on applicable tax rates	54.632	55.506
Expenses non-tax deductible	14.439	9.799
Non-taxable income	(14.646)	(11.670)
Pillar Two income tax	2.857	6.392
Taxes withheld at source	1.676	413
Adjustment in respect of income tax of prior years	-	1.005
Deferred tax	<u>1.309</u>	<u>17</u>
Tax charge for the year	<u>60.267</u>	<u>61.462</u>
The Bank	2025	2024
	€'000	€'000
Bank profit before taxation	<u>390.153</u>	<u>438.792</u>
Taxation based on applicable tax rates	48.769	54.849
Expenses non-tax deductible	11.444	9.488
Non-taxable income	(11.658)	(12.258)
Adjustment in respect of income tax of prior years	-	1.005
Pillar Two income tax	2.644	5.903
Taxes withheld at source	1.656	413
Deferred tax	<u>955</u>	<u>(18)</u>
Tax charge for the year	<u>53.810</u>	<u>59.382</u>

Taxation recognised in other comprehensive income:

	The Group		The Bank	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
Deferred taxation on property revaluation	<u>(135)</u>	<u>(158)</u>	<u>(171)</u>	<u>(158)</u>

20. TAXATION (continued)

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 and its subsidiaries 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.

21. CASH AND BALANCES WITH CENTRAL BANKS

	The Group		The Bank	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
Cash	109.968	100.684	109.966	100.684
Balances with Central Banks	7.947.643	5.629.860	7.947.643	5.629.860
	8.057.611	5.730.544	8.057.609	5.730.544

Cash and Balances with Central Banks of €8.058 million and €8.058 million for the Group and the Bank respectively (31 December 2024: Group and the Bank €5.731 million) mainly consist of balances with the Central Bank of Cyprus of €7.948 million (31 December 2024: Group and the Bank €5.630 million), which represents 99% of the total balance (2024: 98% of total balance).

Total cash and balances with Central Banks are analysed to:

	The Group		The Bank	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
Cash and balances with Central Banks available for use	7.821.514	5.578.561	7.821.512	5.578.561
Restricted balances with Central Banks	236.168	152.052	236.168	152.052
	8.057.682	5.730.613	8.057.680	5.730.613
Accumulated Expected Credit Losses	(71)	(69)	(71)	(69)
Total cash and balances with Central Banks	8.057.611	5.730.544	8.057.609	5.730.544

Movement of Accumulated Expected Credit Losses:

	The Group		The Bank	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
Balance 1 January	69	116	69	116
Movement of the year (refer to Note 16)	2	(47)	2	(47)
Closing balance	71	69	71	69

Cash and balances with Central Banks are classified as Stage 1, for ECL calculation purposes.

22. PLACEMENTS WITH OTHER BANKS

	The Group		The Bank	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
Other placements with Banks	225.130	139.608	197.671	135.400
Interbank accounts	352.922	215.808	352.923	215.809
	578.052	355.416	550.594	351.209

22. PLACEMENTS WITH OTHER BANKS (continued)

The analysis of placements with other banks based on their remaining contractual maturity is as follows:

	The Group		The Bank	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
On demand	496.145	272.165	480.203	268.208
Within three months	11.520	250	-	-
Between one year and five years	46.535	52.926	46.539	52.926
Over five years	23.852	30.075	23.852	30.075
	578.052	355.416	550.594	351.209

At 31 December 2025, an amount of €106 million (2024: € 85 million) is pledged as collateral with other banks.

Amounts held with financial institutions are mainly with A- to AA institutions.

Total placements with other banks are analysed to:

	The Group		The Bank	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
Placement with other banks with original maturity less than 3 months	507.665	272.254	480.203	268.055
Other placements with other banks	70.648	83.322	70.648	83.306
	578.313	355.576	550.851	351.361
Accumulated Expected Credit Losses	(261)	(160)	(257)	(152)
Total placements with other banks	578.052	355.416	550.594	351.209

Movement of Accumulated Expected Credit Losses:

	The Group		The Bank	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
Balance 1 January	160	118	152	114
Movement of the year (refer to Note 16)	101	42	105	38
Closing balance	261	160	257	152

Placements with other banks are classified as Stage 1, for ECL calculation purposes.

23. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash and available for use balances with Central Banks and placements with other banks, with original maturities of less than three months as follows:

	The Group		The Bank	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
Cash balances and non-obligatory balances with Central Banks	7.821.514	5.578.561	7.821.512	5.578.561
Placement with other banks with original maturity less than three months	507.665	272.574	480.203	268.359
Total cash and cash equivalents for the purposes of the statement of cash flows	8.329.179	5.851.135	8.301.715	5.846.920

23. CASH AND CASH EQUIVALENTS (continued)

Analysis of total cash and balances with Central Banks and Placements with other banks are presented below:

	The Group		The Bank	
	2025 €'000	2024 €'000	2025 €'000	2024 €'000
Cash balances and non-obligatory balances with Central Banks	7.821.443	5.578.492	7.821.441	5.578.492
Restricted balances with Central Banks	236.168	152.052	236.168	152.052
Total Cash and Balances with Central Banks (refer to Note 21)	8.057.611	5.730.544	8.057.609	5.730.544
Placement with other banks with original maturity less than three months	507.404	272.254	479.946	268.055
Other placements with other banks	70.648	83.162	70.648	83.154
Total Placements with other banks (refer to Note 22)	578.052	355.416	550.594	351.209

Restricted balances from Central Banks represent mandatory reserve deposit that are not available for use in the Bank's day-to-day operations.

24. REVERSE REPURCHASE AGREEMENTS

As at 31 December 2025, the Bank's outstanding Reverse Repo transactions with Eurobank S.A were at €2.126 million (31 December 2024: €300 million), with maturities up to 5 January 2028 and an average interest rate of c. 2,81% (31 December 2024: c. 2,74%). The collaterals obtained for these transactions were Sovereign bonds, Banks Bonds, Corporate bonds and Collateralised Loan Obligations (CLOs) with the fair value of c.€2.310 million (31 December 2024: €321 million) as at 31 December 2025. These transactions were executed under the Global Market Repurchase Agreement between the Bank and Eurobank S.A.

	The Group		The Bank	
	2025 €'000	2024 €'000	2025 €'000	2024 €'000
Reverse repurchase agreements	2.126.466	300.274	2.126.466	300.274
Closing balance	2.126.466	300.274	2.126.466	300.274

The analysis of Reverse repurchase agreements receivables based on their remaining contractual maturity is as follows:

	The Group		The Bank	
	2025 €'000	2024 €'000	2025 €'000	2024 €'000
Within three months	37.764	-	37.764	-
Between three months and one year	244.266	300.274	244.266	300.274
Between one year and five years	1.844.436	-	1.844.436	-
	2.126.466	300.274	2.126.466	300.274

The credit quality of the bonds held as collaterals for the reverse repurchase agreements, based on rating agencies' counterparty ratings, is analysed as follows as:

24. REVERSE REPURCHASE AGREEMENTS (continued)

	The Group and the Bank	
	2025	2024
	€'000	€'000
At amortised cost:		
Aaa to Aa3	1.306.913	300.274
A1 to A3	166.146	-
Baa1 to Baa3	626.464	-
Not rated	26.943	-
	<u>2.126.466</u>	<u>300.274</u>

25. LOANS AND ADVANCES TO CUSTOMERS

	The Group		The Bank	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
Gross loans and advances to customers	8.879.685	5.849.792	8.879.698	5.849.792
Accumulated impairment losses	(102.262)	(111.681)	(102.262)	(111.681)
Carrying amount	<u>8.777.423</u>	<u>5.738.111</u>	<u>8.777.436</u>	<u>5.738.111</u>

The carrying amount of loans and advances to customers includes fair value changes of loans in portfolio hedging of interest rate risk of €805 thousand (gains) (2024: nil) (refer to Note 32).

Analysis of loans and advances to customers as per industry sector they operate, as at 31 December, is as follows:

	The Group		The Bank	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
Trade	597.403	411.220	597.403	411.220
Construction and Real Estate	1.279.219	376.106	1.279.219	376.106
Manufacturing	503.223	363.110	503.223	363.110
Tourism	874.995	444.042	874.995	444.042
Retail	3.572.474	3.314.197	3.572.474	3.314.197
Other sectors	2.052.371	941.117	2.052.384	941.117
	8.879.685	5.849.792	8.879.698	5.849.792
Accumulated impairment losses	(102.262)	(111.681)	(102.262)	(111.681)
	<u>8.777.423</u>	<u>5.738.111</u>	<u>8.777.436</u>	<u>5.738.111</u>

Analysis of loans and advances to customers based on their remaining contractual maturity as at 31 December is as follows:

	The Group		The Bank	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
On demand	543.571	406.802	543.570	406.802
Within three months	87.235	23.167	87.235	23.167
Between three months and one year	145.415	81.615	145.415	81.615
Between one year and five years	2.302.976	1.112.223	2.302.976	1.112.223
Over five years	5.800.488	4.225.985	5.800.502	4.225.985
	8.879.685	5.849.792	8.879.698	5.849.792
Accumulated impairment losses	(102.262)	(111.681)	(102.262)	(111.681)
	<u>8.777.423</u>	<u>5.738.111</u>	<u>8.777.436</u>	<u>5.738.111</u>

The value of collaterals of total loans and advances to customers is analysed as below:

25. LOANS AND ADVANCES TO CUSTOMERS (continued)

	2025	2024
	<u>€'000</u>	<u>€'000</u>
Residential property	12.259.204	9.716.456
Commercial property	8.541.699	4.794.716
Land	<u>2.030.863</u>	<u>1.739.535</u>
Total property collaterals	22.831.766	16.250.707
Other collaterals	<u>2.966.926</u>	<u>2.020.732</u>
	<u>25.798.692</u>	<u>18.271.439</u>

26. DEBT SECURITIES

	The Group		The Bank	
	2025	2024	2025	2024
	<u>€'000</u>	<u>€'000</u>	<u>€'000</u>	<u>€'000</u>
Securities classified at fair value through other comprehensive income				
Listed	317.184	35.229	144.649	35.229
12 month expected credit losses	(65)	(3)	-	(3)
	<u>317.119</u>	<u>35.226</u>	<u>144.649</u>	<u>35.226</u>
Securities classified at amortised cost				
Listed	7.664.160	5.628.915	7.664.160	5.628.915
12 month expected credit losses	(2.861)	(1.334)	(2.861)	(1.334)
	<u>7.661.299</u>	<u>5.627.581</u>	<u>7.661.299</u>	<u>5.627.581</u>
Securities classified at fair value through profit and loss				
Listed	330.441	12.867	-	-
	<u>8.308.859</u>	<u>5.675.674</u>	<u>7.805.948</u>	<u>5.662.807</u>

Listed debt securities classified at fair value through profit and loss include an amount of €311,827 thousand (31 December 2024: €6,964 thousand) that relate to assets held to cover liabilities of unit linked funds, held by the Group's Life insurance subsidiaries (refer to Note 33).

The carrying amount of debt securities classified at amortised cost includes fair value changes of debt securities in portfolio hedging of interest rate risk of €15,539 thousand (losses) (2024: nil) (refer to Note 32).

There were no reclassifications between measurement classes of debt securities during the years ended 31 December 2025 and 2024.

The analysis of Debt securities is based on their remaining contractual maturity as at:

	The Group		The Bank	
	2025	2024	2025	2024
	<u>€'000</u>	<u>€'000</u>	<u>€'000</u>	<u>€'000</u>
Within three months	249.903	198.195	199.811	197.751
Between three months and one year	410.369	657.079	402.805	657.079
Between one year and five years	4.001.578	2.809.723	3.804.771	2.806.813
Over five years	<u>3.647.009</u>	<u>2.010.677</u>	<u>3.398.561</u>	<u>2.001.164</u>
	<u>8.308.859</u>	<u>5.675.674</u>	<u>7.805.948</u>	<u>5.662.807</u>

26. DEBT SECURITIES (continued)

Analysis of Debt securities by sector:

	The Group		The Bank	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
Concentration by sector:				
Governments	3.505.370	1.310.402	3.259.584	1.301.389
Banks	3.060.049	2.696.523	2.866.317	2.696.523
Other sectors	1.743.440	1.668.749	1.680.047	1.664.895
	8.308.859	5.675.674	7.805.948	5.662.807

As at 31 December 2025 the Group's and the Bank's exposure in Cyprus Government Bonds amounted to €1.112 million and €1.012 million respectively (31 December 2024: €771 million), rated at A3 Moody's equivalent credit rating (2024: A3).

The category "Other sectors" for the Group mainly consists of 47%, € 811 million securitisations, (31 December 2024: 50%, €835 million) 38%, €659 million Supranational organisations, (31 December 2024: 38%, €632 million) and 15%, €273 million Corporates, (31 December 2024: 12%, €202 million).

The category "Other sectors" for the Bank mainly consists of, 48%, € 811 million securitisations, (31 December 2024: 50%, €835 million) 39%, €657 million Supranational organisations, (31 December 2024: 38%, €628 million) and 13%, €212 million Corporates, (31 December 2024: 12%, €202 million).

The Group closely monitors developments in the international markets so that any measures needed are promptly taken to reduce credit risk.

Movement of Accumulated Expected Credit Losses:

	The Group		The Bank	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
Balance 1 January	1.337	2.009	1.337	2.009
Additions from transfer of business and operations (refer to Note 52)	1.225	-	1.225	-
Additions from acquisition of subsidiary (refer to Note 51)	356	-	-	-
Expected credit losses attributable	(15)	-	-	-
Movement for the year (refer to Note 16)	23	(672)	299	(672)
Closing Balance	2.926	1.337	2.861	1.337

The Group's investment portfolio mainly consists of investments in debt securities. The following tables analyse the Group's debt securities' portfolio per type and Moody's credit ratings equivalents:

Credit Rating Band (in €million)	The Group							
	2025				2024			
	Total	Amortised cost	FVOCI	FVTPL	Total	Amortised cost	FVOCI	FVTPL
Aaa to Aa3	5.143	4.989	68	86	4.336	4.323	-	13
A1 to A3	2.288	2.059	93	136	1.001	966	35	-
Baa1 to Baa3	643	384	154	105	95	95	-	-
Ba1 to Ba3	199	193	2	4	177	177	-	-
<B1	6	6	-	-	4	4	-	-
Unrated	30	30	-	-	63	63	-	-
	8.309	7.661	317	331	5.676	5.628	35	13

26. DEBT SECURITIES (continued)

Issuer Type (in €million)	The Group							
	2025				2024			
	Total	Amortised cost	FVOCI	FVTPL	Total	Amortised cost	FVOCI	FVTPL
Governments	3.505	3.173	148	184	1.310	1.266	35	9
Supranationals	659	657	1	1	632	628	-	4
Banks	1.081	838	137	106	501	501	-	-
Covered Bonds	1.980	1.980	-	-	2.196	2.196	-	-
Securitisations	811	801	10	-	835	835	-	-
Corporates	273	212	21	40	202	202	-	-
	8.309	7.661	317	331	5.676	5.628	35	13

Credit Rating Band (in €million)	The Bank							
	2025				2024			
	Total	Amortised cost	FVOCI	FVTPL	Total	Amortised cost	FVOCI	FVTPL
Aaa to Aa3	5.033	4.989	44	-	4.336	4.323	-	13
A1 to A3	2.089	2.059	30	-	1.001	966	35	-
Baa1 to Baa3	455	384	71	-	95	95	-	-
Ba1 to Ba3	193	193	-	-	177	177	-	-
<B1	6	6	-	-	4	4	-	-
Unrated	30	30	-	-	63	63	-	-
	7.806	7.661	145	-	5.676	5.628	35	13

Issuer Type (in €million)	The Bank							
	2025				2024			
	Total	Amortised cost	FVOCI	FVTPL	Total	Amortised cost	FVOCI	FVTPL
Governments	3.259	3.173	86	-	1.310	1.266	35	9
Supranationals	657	657	-	-	632	628	-	4
Banks	887	838	49	-	501	501	-	-
Covered Bonds	1.980	1.980	-	-	2.196	2.196	-	-
Securitisations	811	801	10	-	835	835	-	-
Corporates	212	212	-	-	202	202	-	-
	7.806	7.661	145	-	5.676	5.628	35	13

Project Starlight

Upon completion of Project Starlight, the Bank received in cash the consideration and participated with a 66,7% position in the Senior debt and 5% in each of the Mezzanine/Class B and the Junior debt issued to finance the transaction (securitisation). As at 31 December 2024 Bank's exposure in the said notes was €62.716 thousand.

During July 2025, Oxalis Holding S.a r.l. (being the Class B/Mezzanine Noteholders Representative) exercised its Call Option and, as a result, on the Interest Payment Date on 25 July 2025 the Issuer redeemed in full all Classes of Notes pursuant to the relevant clauses of the Information Memorandum of the Notes.

27. EQUITY SECURITIES, COLLECTIVE INVESTMENT UNITS AND ASSETS HELD TO COVER LIABILITIES OF UNIT LINKED FUNDS

	The Group		The Bank	
	2025 €'000	2024 €'000	2025 €'000	2024 €'000
Equity securities, collective investment units and assets held to cover liabilities of unit linked funds at fair value through profit and loss				
Listed securities	2.761	-	2.321	-
Non listed securities	27.522	29.747	27.517	29.747
Collective investment units	62.961	50.609	2.150	-
Assets held to cover liabilities of unit linked funds - Equity securities	<u>277.389</u>	<u>50.366</u>	<u>-</u>	<u>-</u>
	370.633	130.722	31.988	29.747
Equity securities classified at fair value through other comprehensive income				
Listed securities	17.389	1.405	828	1.405
Non listed securities	13.578	13.549	13.578	13.549
	<u>30.967</u>	<u>14.954</u>	<u>14.406</u>	<u>14.954</u>
	401.600	145.676	46.394	44.701

Equity securities and collective investment units include an amount of €277.389 thousand (31 December 2024: €50.366 thousand) that related to assets held to cover liabilities of unit linked funds, held by the Group's life insurance subsidiaries (refer to Note 33).

27. EQUITY SECURITIES, COLLECTIVE INVESTMENT UNITS AND ASSETS HELD TO COVER LIABILITIES OF UNIT LINKED FUNDS (continued)

	The Group		The Bank	
	2025 €'000	2024 €'000	2025 €'000	2024 €'000
Concentration by sector:				
Equity securities, collective investment units and assets held to cover liabilities of unit linked funds at fair value through profit and loss				
Other financial service activities, except insurance funds	93.846	41.509	24.557	22.316
Insurance	7.431	7.431	7.431	7.431
Energy	7.228	1.074	-	-
Governments	45.877	22.224	-	-
Consumer	43.176	6.635	-	-
Treasury	16.369	13.299	-	-
Materials	6.130	1.341	-	-
Real estate	14.294	1.829	-	-
Industrials	34.444	5.298	-	-
Health care	15.122	2.774	-	-
Utilities	9.468	1.777	-	-
Information technology	31.235	4.636	-	-
Communication services	12.464	2.005	-	-
Other	33.549	18.890	-	-
	370.633	130.722	31.988	29.747
Equity securities classified at fair value through other comprehensive income				
Other financial service activities, except insurance funds	16.313	13.549	13.577	13.549
Manufacture of bakery and farinaceous products	-	1.118	-	1.118
Insurance	1.737	-	-	-
Manufacture of cement, lime and plaster	10	6	10	6
Hotels and similar accommodation	816	277	816	277
Consumer	6.090	-	-	-
Materials	475	-	-	-
Industrial	2.155	-	-	-
Utilities	1.374	-	-	-
Information technology	1.221	-	-	-
Communication services	773	-	-	-
Other specialised wholesale	3	4	3	4
	30.967	14.954	14.406	14.954
	401.600	145.676	46.394	44.701

Equity securities classified at fair value through profit and loss

Group's listed equity securities at fair value through profit and loss include assets held to cover liabilities of unit linked funds, held by the Group's insurance subsidiaries.

Non listed equity securities at fair value through profit and loss include mostly the Group's and the Bank's participation in Visa Inc. through the holding of Series C and Series A Convertible Preferred Stock into Class A Common Stock which as at 31 December 2025 amounted to €22,4 million (31 December 2024: €22,3 million) and the Group's and the Bank's 18,6% (31 December 2024: 18,6%) participation in Universal Life Insurance Public Company Limited which as at 31 December 2025 amounted to €5,1 million (31 December 2024: €7,4 million).

27. EQUITY SECURITIES, COLLECTIVE INVESTMENT UNITS AND ASSETS HELD TO COVER LIABILITIES OF UNIT LINKED FUNDS (continued)

The Group's investments in collective investments units represent shares/units in exchange traded funds (ETFs), Money Market Funds (MMFs) and Mutual Funds (MFs).

Equity securities classified at fair value through other comprehensive income (FVOCI)

The Group and the Bank irrevocably made the election to classify its non-trading equity investments as equity investments at FVOCI. As at 31 December 2025 unlisted equity securities classified at fair value through other comprehensive income include the Group's and the Bank's investment in JCC Payment Systems Ltd of €13.166 thousand (31 December 2024: €13.138 thousand).

Listed equity securities classified at fair value through other comprehensive income include the Group's and the Bank's investment in securities listed in European Stock Exchanges and the Cyprus Stock Exchange, that are measured by reference to their quoted price as at 31 December 2025 and as at 31 December 2024.

There were no reclassifications between measurement classes of equity securities during the years ended 31 December 2025 and 2024.

28. INVESTMENTS IN SUBSIDIARY COMPANIES

Investments in subsidiary companies represent the cost of acquisition of shares or the cost of incorporation/investment net of any impairment of the investment, where applicable, in the following subsidiary companies:

	Line of Business	Country of operation and registration	Ownership %	Number of shares	The Bank	
					2025 €'000	2024 €'000
Hellenic Bank (Investments) Ltd	Inactive	Cyprus	100	3.750.000	4.127	4.127
Pancyprian Insurance Ltd	General Insurance	Cyprus	99,96*	15.700.000*	-	32.423
ERB Cyprus Insurance Holdings Ltd	Insurance	Cyprus	100	126.964	224.047	-
Hellenic Life Insurance Company Ltd	Life Insurance	Cyprus	100*	1.000.000*	-	7.179
Hellenic Bank Insurance Holding Ltd	Insurance services	Cyprus	100	1.000	1	1
HB Data Analytics Ltd	Auxiliary services	Cyprus	100	120/110	65	15
Hellenic Insurance Agency Ltd	Intermediation	Cyprus	100	50.000	-	86
Ezmero Holdings Ltd	SPV	Cyprus	100	220/210*	9.611	9.681
Anolia Industrial Ltd	SPV	Cyprus	100	250/230*	3.337	3.355
Drypto Holdings Ltd	SPV	Cyprus	100	240/220*	11.781	12.359
Arzetio Holdings Ltd	SPV	Cyprus	100	170/160*	3.747	3.755
Katlero Holdings Ltd	SPV	Cyprus	100	180/170*	10.292	10.352
Creditum Holdings Ltd	SPV	Cyprus	100	100	-	-
Foramonio Ltd	SPV	Cyprus	100	4.034.000	2.276	-
Lenevino Holdings Ltd	SPV	Cyprus	100	2.795.000	2.395	-
Rano Investments Ltd	SPV	Cyprus	100	2.994.000	1.828	-
Neviko Ventures Ltd	SPV	Cyprus	100	2.336.000	1.187	-
Volki Investments Ltd	SPV	Cyprus	100	352.000	123	-
Revasono Holdings Ltd	SPV	Cyprus	100	2.077.000	1.360	-
Zivar Investments Ltd	SPV	Cyprus	100	2.101.000	1.381	-
Amnavero Ltd	SPV	Cyprus	100	858.000	435	-
Elerovio Holdings Ltd	SPV	Cyprus	100	796.000	488	-
Adariano Investments Ltd	SPV	Cyprus	100	933.000	650	-
Ovedrio Holdings Ltd	SPV	Cyprus	100	511.000	411	-
Primoxia Holdings Ltd	SPV	Cyprus	100	656.000	609	-
					280.151	83.333

*as at 31 December 2024

28. INVESTMENTS IN SUBSIDIARY COMPANIES (continued)

The Bank's movement of the carrying amount of the investment in subsidiaries:

	The Bank	
	2025	2024
	€'000	€'000
1 January	83.333	89.811
Impairment losses on the cost of investment in SPV subsidiaries (refer to Note 17)	(4.930)	(2.856)
Increase in share capital of subsidiaries	220	-
Additions from transfer of business and operations (refer to Note 52)	17.169	-
Acquisition of subsidiary (refer to Note 51)	184.425	-
Dissolution of subsidiary	(86)	-
Reorganisation and dissolution of subsidiaries	-	(4.127)
Increase of investment in subsidiaries	20	505
31 December	280.151	83.333

Investment banking, asset management and brokerage

On 28 November 2016 the Board of Directors of Hellenic Bank (Investments) Ltd decided to discontinue all of its business activities, which primarily related to retail brokerage services. As at 31 December 2025 the company remains inactive.

SPVs

The Bank, as part of its non-performing exposures management, is entering into a number of debt-to-asset swap transactions. Assets acquired in satisfaction of debt are acquired either directly or indirectly through wholly owned Special Purpose Vehicles (SPVs).

In addition, during 2025 there was an increase in the investment in some of the SPVs via the issue of new shares.

The cost of investment of the SPVs was assessed at year end for impairment based on the fair valuation of the property held by each entity and an impairment loss on the cost of investment of the SPVs of €4.930 thousand was recognised in the statement of profit or loss for the year ended 31 December 2025 (31 December 2024: €2.856 thousand).

During 2025 the Bank set up a new subsidiary Creditum Holdings Ltd to facilitate the transfer of assets to KEDIPEs (refer to Note 36).

As part of the transfer of business and operations of Eurobank Cyprus Ltd to the Bank (refer to Note 52) SPVs under the ownership of ERB Cyprus Holdings Ltd (previously named Eurobank Cyprus Ltd) were transferred to the Bank.

Where necessary, the Bank provides financial support to all its subsidiaries either through the issuance of additional share capital or the financial support letters.

There are no restrictions on the Bank's ability to access or use assets and settle liabilities of the Group.

Agreement with CNP Assurances S.A. on CNP Cyprus Insurance Holdings Ltd

On 24 April 2024, the Bank entered into exclusive negotiations and a put option with CNP Assurances S.A. for the acquisition of 100% of the shares in CNP Cyprus Insurance Holdings Ltd (the "Transaction"), which operates in Cyprus and Greece and consists of amongst others: CNP Cyprialife Ltd, CNP Asfalistiki Ltd, CNP Zois SA and CNP Cyprus Properties Ltd. Under the put option, CNP Assurances S.A. had the option to sell, and the Bank was irrevocably committed to acquire CNP Cyprus Insurance Holdings Ltd if such option was exercised. On 9 July 2024, following the completion of the consultation of CNP Assurances S.A. with its European Works Council, the Bank and CNP Assurances S.A. signed the relevant Sales and Purchase Agreement. The Bank announced on 17 April 2025 that all regulatory approvals were granted, and the Transaction was completed with a total cash consideration of €182 million additional related costs to acquisition of €2,5 million. As of May 2025, the acquired entity has been renamed ERB Cyprus Insurance Holdings Ltd (refer to Note 51).

28. INVESTMENTS IN SUBSIDIARY COMPANIES (continued)

During 2025 Hellenic Insurance Agency Ltd was dissolved and also the remaining percentage of 0,04% in Pancyprian Insurance Ltd owned by minority interest was acquired for the amount of €20 thousand due to the acquisition of ERB Cyprus Insurance Holdings Ltd by the Bank.

The Bank implemented its intention to transfer the business and operations of Hellenic Life Insurance Company Limited and Pancyprian Insurance Limited to ERB Cyprialife and ERB Asfalistiki respectively, by a virtue of a court order issued on 8 October 2025 and published in the Official Gazette of the Republic of Cyprus on 10 October 2025. On 10 October 2025, as result of this Group reorganization, ERB Cyprialife issued 2.625.252 ordinary shares with a nominal value of €0,85 each, ERB Asfalistiki issued 4.124.121 ordinary shares with a nominal value of €1,71 each and ERB Cyprus Insurance Holdings issued 36.964 ordinary shares with a nominal value of €1 each.

28. INVESTMENTS IN SUBSIDIARY COMPANIES (continued)

The following analysis refers to intercompany balances and transactions between the Bank and its subsidiary companies:

	Interest received	Interest paid	Fees and Commission paid	Other income	Other assets	Deposits	Dividend paid
	2025	2025	2025	2025	2025	2025	2025
	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Hellenic Bank (Investments) Ltd	-	-	-	-	-	4.021	-
Pancyprian Insurance Ltd	-	-	2.379	203	-	-	-
ERB Cyprus Insurance Holdings Ltd	138	218	11	108	-	39.132	48.000
Hellenic Life Insurance Company Ltd	-	-	3.845	-	-	-	-
Hellenic Bank Insurance Holding Ltd	-	-	-	-	223	-	-
HB Data Analytics Ltd	-	-	-	25	8	41	-
Hellenic Insurance Agency Ltd	-	-	-	-	-	-	181
Ezmero Holdings Ltd	-	-	-	-	-	27	-
Anolia Industrial Ltd	-	-	-	-	-	22	-
Drypto Holdings Ltd	-	-	-	-	-	31	-
Arzetio Holdings Ltd	-	-	-	-	-	23	-
Katlero Holdings Ltd	-	-	-	-	-	46	-
Creditum Holdings Ltd	-	-	-	-	-	-	-
Foramonio Ltd	-	-	-	-	-	308	-
Lenevino Holdings Ltd	-	-	-	-	-	-	-
Rano Investments Ltd	-	-	-	-	-	21	-
Neviko Ventures Ltd	-	-	-	-	-	297	-
Volki Investments Ltd	-	-	-	-	-	11	-
Revasono Holdings Ltd	-	-	-	-	-	56	-
Zivar Investments Ltd	-	-	-	-	-	4	-
Amnavero Ltd	-	-	-	-	-	11	-
Elerovio Holdings Ltd	-	-	-	-	-	9	-
Adariano Investments Ltd	1	-	-	-	-	38	-
Ovedrio Holdings Ltd	-	-	-	-	-	23	-
Primoxia Holdings Ltd	-	-	-	-	-	22	-
	139	218	6.235	336	231	44.143	48.181

28. INVESTMENTS IN SUBSIDIARY COMPANIES (continued)

	Fees and Commission paid	Net income from insurance operations	Other income	Total expenses	Other assets*	Other liabilities*	Deposits	Dividend paid
	2024 €'000	2024 €'000	2024 €'000	2024 €'000	2024 €'000	2024 €'000	2024 €'000	2024 €'000
Hellenic Bank (Investments) Ltd	-	-	-	-	-	-	4.030	-
Pancyprian Insurance Ltd	1.632	11	241	335	492	142	3.057	-
Hellenic Life Insurance Company Ltd	3.582	-	235	-	313	-	6.123	7.700
Hellenic Insurance Agency Ltd	-	-	-	-	4	-	188	-
Hellenic Bank Insurance Holding Ltd	-	-	-	-	1.016	-	-	-
HB Data Analytics Ltd	-	-	25	-	4	-	3	-
Ezmero Holdings Ltd	-	-	-	-	-	-	96	-
Anolia Industrial Ltd	-	-	-	-	-	-	38	-
Drypto Holdings Ltd	-	-	-	-	-	-	120	-
Arzetio Holdings Ltd	-	-	-	-	-	-	28	-
Katlero Holdings Ltd	-	-	-	-	-	-	85	-
	5.214	11	501	335	1.829	142	13.768	7.700

29. REINSURANCE CONTRACT ASSETS / INSURANCE CONTRACT LIABILITIES

The Group utilises all three measurement models under IFRS 17 Insurance Contracts for the measurement of its Insurance Contract Liabilities and Reinsurance Contract Assets, depending on the characteristics of each relevant group of contracts.

The tables below present the Group's Insurance Contract Liabilities and Reinsurance Contract Assets disaggregated between each measurement model, i.e. the premium allocation approach ("PAA"), the general measurement model ("GMM") and the variable fee approach ("VFA"), for each line of business (Life business and Non-Life business). These are also further disaggregated between the liability for remaining coverage ("LRC") and the liability for incurred claims ("LIC").

	2025					
	Life			Non-Life		
	Insurance contract liabilities	Reinsurance contract assets	Total	Insurance contract liabilities	Reinsurance contract assets	Total
	€'000	€'000	€'000	€'000	€'000	€'000
GMM	5.012	16.505	21.517	631	8.411	9.042
VFA	568.811	-	568.811	-	-	-
PAA	10.846	2.125	12.971	98.294	20.998	119.292
	584.669	18.630	603.299	98.925	29.409	128.334

For 2025, the Insurance Contract Liabilities include Insurances Contract Assets of €70,3 million.

	2024					
	Life			Non-Life		
	Insurance contract liabilities	Reinsurance contract assets	Total	Insurance contract liabilities	Reinsurance contract assets	Total
	€'000	€'000	€'000	€'000	€'000	€'000
GMM	(1.032)	11.976	10.944	639	13.241	13.880
VFA	61.327	-	61.327	-	-	-
PAA	8.694	124	8.818	36.686	3.148	39.834
	68.989	12.100	81.089	37.325	16.389	53.714

For 2024, the Insurance Contract Liabilities include Insurances Contract Assets of €28,6m.

29. REINSURANCE CONTRACT ASSETS / INSURANCE CONTRACT LIABILITIES (continued)

Reconciliation from the opening to the closing balances of the liabilities for the remaining coverage and the liabilities for incurred claims for insurance contracts measured under VFA and GMM

	2025					
	Liabilities for remaining coverage €'000	Life Liabilities for incurred claims €'000	Total €'000	Liabilities for remaining coverage €'000	Non-Life Liabilities for incurred claims €'000	Total €'000
Insurance contract liabilities as at 1 January	57.253	3.042	60.295	16	623	639
Liabilities acquired under business combination	437.874	8.594	446.468	-	-	-
	495.127	11.636	506.763	16	623	639
<i>Changes in the statement of comprehensive income and statement of profit or loss</i>						
Insurance revenue	(43.762)	-	(43.762)	(788)	-	(788)
Insurance service expense	-	-	-	-	-	-
Incurred claims and other insurance service expenses	(2)	20.489	20.487	-	400	400
Acquisition expenses	1.519	-	1.519	70	-	70
Losses and reversal of losses on onerous contracts	123	-	123	-	-	-
Adjustments to liabilities for incurred claims	-	565	565	-	(100)	(100)
Insurance service result	(42.122)	21.054	(21.068)	(718)	300	(418)
Investment components	(52.240)	52.240	-	-	-	-
Insurance finance expenses	29.272	146	29.418	11	12	23
Total changes in the statement of profit and loss and comprehensive income	(65.090)	73.440	8.350	(707)	312	(395)
<i>Cash flows</i>						
Premiums received	151.343	-	151.343	738	-	738
Claims and other insurance service expenses paid, including investment components	-	(74.548)	(74.548)	-	(321)	(321)
Insurance acquisition cash flows	(14.415)	-	(14.415)	(30)	-	(30)
Total cash flows	136.928	(74.548)	62.380	708	(321)	387
Other	(4.661)	1.109	(3.552)	-	-	-
Insurance contract liabilities as at 31 December	562.304	11.637	573.941	17	614	631

Precoverage acquisition cost amounting to €118 thousand are not presented above.

29. REINSURANCE CONTRACT ASSETS / INSURANCE CONTRACT LIABILITIES (continued)

	2024					
	Liabilities for remaining coverage €'000	Life Liabilities for incurred claims €'000	Total €'000	Liabilities for remaining coverage €'000	Non-Life Liabilities for incurred claims €'000	Total €'000
Insurance contract liabilities as at 1 January	41.827	2.761	44.588	39	632	671
<i>Changes in the statement of comprehensive income and statement of profit or loss</i>						
Insurance revenue	(5.984)	-	(5.984)	(831)	-	(831)
Insurance service expense	-	-	-	-	-	-
Incurring claims and other insurance service expenses	-	3.752	3.752	-	259	259
Acquisition expenses	452	-	452	84	-	84
Losses and reversal of losses on onerous contracts	59	-	59	-	-	-
Adjustments to liabilities for incurred claims	-	(1.814)	(1.814)	-	(190)	(190)
Insurance service result	(5.473)	1.938	(3.535)	(747)	69	(678)
Investment components	(5.754)	5.754	-	-	-	-
Insurance finance expenses	2.871	-	2.871	21	18	39
Total changes in the statement of profit and loss and comprehensive income	(8.356)	7.692	(664)	(726)	87	(639)
<i>Cash flows</i>						
Premiums received	26.393	-	26.393	770	-	770
Claims and other insurance service expenses paid, including investment components	-	(7.411)	(7.411)	-	(96)	(96)
Insurance acquisition cash flows	(2.611)	-	(2.611)	(67)	-	(67)
Total cash flows	23.782	(7.411)	16.371	703	(96)	607
Insurance contract liabilities as at 31 December	57.253	3.042	60.295	16	623	639

29. REINSURANCE CONTRACT ASSETS / INSURANCE CONTRACT LIABILITIES (continued)

Reconciliation from the opening to the closing balances of the liabilities for the remaining coverage and the liabilities for incurred claims for insurance contracts measured under PAA

	2025							
	Life Liability for incurred claim			Total €'000	Non-Life Liability for incurred claim			Total €'000
Liabilities for remaining coverage €'000	Estimates of PV of future cash flows €'000	Risk adjustment €'000	Liabilities for remaining coverage €'000		Estimates of PV of future cash flows €'000	Risk adjustment €'000		
Insurance contract liabilities as at 1 January	248	8.037	409	8.694	4.910	29.892	1.884	36.686
Liabilities acquired under business combination	2.638	40	396	3.074	58.374	326	(350)	58.350
	2.886	8.077	805	11.768	63.284	30.218	1.534	95.036
<i>Changes in the statement of comprehensive income and statement of profit or loss</i>								
Insurance revenue	(24.128)	-	-	(24.128)	(130.677)	-	-	(130.677)
Insurance service expense	-	-	-	-	-	-	-	-
Incurred claims and other insurance service expenses	-	14.613	508	15.121	1	71.808	2.380	74.189
Acquisition expenses	2.797	-	-	2.797	23.093	-	-	23.093
Losses and reversal of losses on onerous contracts	-	-	-	-	(138)	-	-	(138)
Adjustments to liabilities for incurred claims	-	(514)	32	(482)	-	(7.416)	(1.157)	(8.573)
Insurance service result	(21.331)	14.099	540	(6.692)	(107.721)	64.392	1.223	(42.106)
Insurance finance expenses	-	95	7	102	-	1.131	69	1.200
Total changes in the statement of profit and loss and comprehensive income	(21.331)	14.194	547	(6.590)	(107.721)	65.523	1.292	(40.906)
<i>Cash flows</i>								
Premiums received	23.465	-	-	23.465	117.811	-	-	117.811
Claims and other insurance service expenses paid, including investment components	-	(15.557)	-	(15.557)	3	(58.152)	-	(58.149)
Insurance acquisition cash flows	(2.827)	-	-	(2.827)	(23.561)	(110)	-	(23.671)
Total cash flows	20.638	(15.557)	-	5.081	94.253	(58.262)	-	35.991
Other	(1.522)	2.109	-	587	6.067	2.112	14	8.193
Insurance contract liabilities as at 31 December	671	8.823	1.352	10.846	55.883	39.591	2.840	98.314

Precoverage acquisition cost amounting to €20 thousand are not presented above.

29. REINSURANCE CONTRACT ASSETS / INSURANCE CONTRACT LIABILITIES (continued)

	2024							
	Life				Non-Life			
	Liabilities for remaining coverage	Liability for incurred claim Estimates of PV of future cash flows	Risk adjustment	Total	Liabilities for remaining coverage	Liability for incurred claim Estimates of PV of future cash flows	Risk adjustment	Total
€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Insurance contract liabilities as at 1 January	83	8.673	371	9.127	5.890	23.705	1.579	31.174
<i>Changes in the statement of comprehensive income and statement of profit or loss</i>								
Insurance revenue	(16.496)	-	-	(16.496)	(43.137)	-	-	(43.137)
Insurance service expense	-	-	-	-	-	-	-	-
Incurring claims and other insurance service expenses	-	9.598	175	9.773	1	28.425	1.043	29.469
Acquisition expenses	2.033	-	-	2.033	6.447	-	-	6.447
Losses and reversal of losses on onerous contracts	-	-	-	-	(79)	-	-	(79)
Adjustments to liabilities for incurred claims	-	(2.084)	(147)	(2.231)	-	(2.930)	(787)	(3.717)
Insurance service result	(14.463)	7.514	28	(6.921)	(36.768)	25.495	256	(11.017)
Insurance finance expenses	-	63	9	72	-	721	50	771
Total changes in the statement of profit and loss and comprehensive income	(14.463)	7.577	37	(6.849)	(36.768)	26.216	306	(10.246)
<i>Cash flows</i>								
Premiums received	16.658	-	-	16.658	42.133	-	-	42.133
Claims and other insurance service expenses paid, including investment components	-	(8.213)	-	(8.213)	5	(19.915)	-	(19.910)
Insurance acquisition cash flows	(2.029)	-	-	(2.029)	(6.352)	(113)	-	(6.465)
Total cash flows	14.629	(8.213)	-	6.416	35.786	(20.028)	-	15.758
Insurance contract liabilities as at 31 December	249	8.037	408	8.694	4.908	29.893	1.885	36.686

29. REINSURANCE CONTRACT ASSETS / INSURANCE CONTRACT LIABILITIES (continued)

Reconciliation from the opening to the closing balance for each measurement component of insurance contracts held under VFA and GMM

	2025								
	Life			Non-Life					
	Estimates of PV of future cash flows €'000	Risk adjustment for non-financial risk €'000	Margin on Contractual Services €'000	Total €'000	Estimates of PV of future cash flows €'000	Risk adjustment for non-financial risk €'000	Margin on Contractual Services €'000	Total €'000	
Insurance contract liabilities as at 1 January	39.309	1.860	19.126	60.295	240	62	337	639	
Liabilities acquired under business combination	308.637	33.910	103.920	446.467	-	-	-	-	
	347.946	35.770	123.046	506.762	240	62	337	639	
<i>Changes in the statement of comprehensive income and statement of profit or loss</i>									
<i>Changes that relate to current services</i>									
Contractual service margin (CSM) recognised for services provided	-	-	(13.625)	(13.625)	-	-	(579)	(579)	
Risk adjustment recognised for the risk expired	-	(2.359)	-	(2.359)	-	(22)	-	(22)	
Experience adjustments	(6.419)	-	-	(6.419)	266	18	-	284	
Changes that relate to current services	(6.419)	(2.359)	(13.625)	(22.403)	266	(4)	(579)	(317)	
<i>Changes that relate to future services</i>									
Contracts initially recognised in the period	(7.110)	3.247	4.409	546	-	-	-	-	
Changes in estimates that adjust the CSM	(28.733)	5.996	23.333	596	(368)	5	363	-	
Changes in estimates that result in losses and reversal of losses on onerous contracts	(323)	(48)	-	(371)	-	-	-	-	
Changes that relate to future services	(36.166)	9.195	27.742	771	(368)	5	363	-	
<i>Changes that relate to past services</i>									
Adjustments to liabilities for incurred claims	566	(1)	-	565	(92)	(8)	-	(100)	
Changes that relate to past services	566	(1)	-	565	(92)	(8)	-	(100)	
Insurance service result	(42.019)	6.835	14.117	(21.067)	(194)	(7)	(216)	(417)	
Insurance finance expenses	29.345	(152)	225	29.418	14	1	8	23	
Total changes in the statement of profit or loss	(12.674)	6.683	14.342	8.351	(180)	(6)	(208)	(394)	
Cash flows	62.380	-	-	62.380	386	-	-	386	
Other	(5.290)	-	1.738	(3.552)	-	-	-	-	
Insurance contract liabilities as at 31 December	392.362	42.453	139.126	573.941	446	56	129	631	

Precoverage acquisition cost amounting to €118 thousand are not presented above.

29. REINSURANCE CONTRACT ASSETS / INSURANCE CONTRACT LIABILITIES (continued)

	2024								
	Life			Non-Life					Total €'000
	Estimates of PV of future cash flows €'000	Risk adjustment for non-financial risk €'000	Margin on Contractual Services €'000	Estimates of PV of future cash flows €'000	Risk adjustment for non-financial risk €'000	Margin on Contractual Services €'000	Total €'000		
Insurance contract liabilities as at 1 January	32.038	1.360	11.191	44.589	182	71	418	671	
<i>Changes in the statement of comprehensive income and statement of profit or loss</i>									
<i>Changes that relate to current services</i>									
Contractual service margin (CSM) recognised for services provided	-	-	(2.014)	(2.014)	-	-	(487)	(487)	
Risk adjustment recognised for the risk expired	-	(138)	-	(138)	-	(30)	-	(30)	
Experience adjustments	381	-	-	381	29	-	-	29	
Changes that relate to current services	381	(138)	(2.014)	(1.771)	29	(30)	(487)	(488)	
<i>Changes that relate to future services</i>									
Contracts initially recognised in the period	(4.470)	425	4.104	59	(337)	31	306	-	
Changes in estimates that adjust the CSM	(5.924)	190	5.725	(9)	(88)	3	84	(1)	
Changes that relate to future services	(10.394)	615	9.829	50	(425)	34	390	(1)	
<i>Changes that relate to past services</i>									
Adjustments to liabilities for incurred claims	(1.814)	-	-	(1.814)	(174)	(15)	-	(189)	
Changes that relate to past services	(1.814)	-	-	(1.814)	(174)	(15)	-	(189)	
Insurance service result	(11.827)	477	7.815	(3.535)	(570)	(11)	(97)	(678)	
Insurance finance expenses	2.727	23	120	2.870	20	2	17	39	
Total changes in the statement of profit or loss	(9.100)	500	7.935	(665)	(550)	(9)	(80)	(639)	
Cash flows	16.371	-	-	16.371	607	-	-	607	
Insurance contract liabilities as at 31 December	39.309	1.860	19.126	60.295	239	62	338	639	

29. REINSURANCE CONTRACT ASSETS / INSURANCE CONTRACT LIABILITIES (continued)
Reconciliation of measurement components of insurance contracts measured under the GMM

	2025								
	Life			Non-Life					
	Estimates of PV of future cash flows €'000	Risk adjustment for non-financial risk €'000	Margin on Contractual Services €'000	Total €'000	Estimates of PV of future cash flows €'000	Risk adjustment for non-financial risk €'000	Margin on Contractual Services €'000	Total €'000	Total €'000
Opening assets 1 January	13.176	875	(2.075)	11.976	11.505	761	976	13.242	
Assets acquired under business combination	(3.631)	4.879	4.658	5.906	-	-	-	-	
	9.545	5.754	2.583	17.882	11.505	761	976	13.242	
<i>Changes in the statement of comprehensive income and statement of profit or loss</i>									
<i>Changes that relate to current services</i>									
Contractual service margin (CSM) recognised for services provided	-	-	(1.322)	(1.322)	-	-	(1.096)	(1.096)	
Risk adjustment recognised for the risk expired	-	(770)	-	(770)	-	(108)	-	(108)	
Experience adjustments	(4.396)	422	-	(3.974)	3.035	22	-	3.057	
Changes that relate to current services	(4.396)	(348)	(1.322)	(6.066)	3.035	(86)	(1.096)	1.853	
<i>Changes that relate to future services</i>									
Contracts initially recognised in the period	(787)	873	(86)	-	-	-	-	-	
Changes in estimates that adjust the CSM	(3.668)	(453)	4.121	-	20	4	(24)	-	
Changes in RA that adjust the CSM	-	249	(249)	-	-	-	-	-	
Experience adjustments	(4.706)	(234)	4.940	-	(244)	-	244	-	
Changes that relate to future services	(9.161)	435	8.726	-	(224)	4	220	-	
<i>Changes that relate to past services</i>									
Adjustments to assets for incurred claims	2.747	40	-	2.787	(3.962)	(154)	-	(4.116)	
Changes that relate to past services	2.747	40	-	2.787	(3.962)	(154)	-	(4.116)	
Net expense from reinsurance contracts	(10.810)	127	7.404	(3.279)	(1.151)	(236)	(876)	(2.263)	
Net finance income from reinsurance contracts	1.168	(109)	(22)	1.037	172	13	22	207	
Total changes in the statement of profit or loss	(9.642)	18	7.382	(2.242)	(979)	(223)	(854)	(2.056)	
Cash flows	85	-	-	85	(2.775)	-	-	(2.775)	
Other	780	-	-	780	-	-	-	-	
Reinsurance contract assets as at 31 December	768	5.772	9.965	16.505	7.751	538	122	8.411	

29. REINSURANCE CONTRACT ASSETS / INSURANCE CONTRACT LIABILITIES (continued)

	2024								
	Life			Non-Life					Total €'000
	Estimates of PV of future cash flows €'000	Risk adjustment for non-financial risk €'000	Margin on Contractual Services €'000	Estimates of PV of future cash flows €'000	Risk adjustment for non-financial risk €'000	Margin on Contractual Services €'000	Estimates of PV of future cash flows €'000	Risk adjustment for non-financial risk €'000	
Opening assets 1 January	12.083	738	(1.568)	11.253	3.693	191	1.570		
<i>Changes in the statement of comprehensive income and statement of profit or loss</i>									
<i>Changes that relate to current services</i>									
Contractual service margin (CSM) recognised for services provided	-	-	207	207	-	-	(3.934)		(3.934)
Risk adjustment recognised for the risk expired	-	(623)	-	(623)	-	(442)	-		(442)
Experience adjustments	2.451	135	-	2.586	7.061	597	-		7.658
Changes that relate to current services	2.451	(488)	207	2.170	7.061	155	(3.934)		3.282
<i>Changes that relate to future services</i>									
Contracts initially recognised in the period	(615)	691	(76)	-	(4.086)	456	3.631		1
Changes in estimates that adjust the CSM	587	9	(596)	-	(53)	5	48		-
Changes in RA that adjust the CSM	-	-	-	-	-	12	(12)		-
Experience adjustments	(110)	-	-	(110)	438	-	(438)		-
Changes that relate to future services	(138)	700	(672)	(110)	(3.701)	473	3.229		1
<i>Changes that relate to past services</i>									
Adjustments to assets for incurred claims	(3.160)	(100)	-	(3.260)	(1.375)	(69)	-		(1.444)
Changes that relate to past services	(3.160)	(100)	-	(3.260)	(1.375)	(69)	-		(1.444)
Net expense from reinsurance contracts	(847)	112	(465)	(1.200)	1.985	559	(705)		1.839
Net finance income from reinsurance contracts	140	26	(41)	125	37	11	109		157
Total changes in the statement of profit or loss	(707)	138	(506)	(1.075)	2.022	570	(596)		1.996
Cash flows	1.798	-	-	1.798	5.791	-	-		5.791
Reinsurance contract assets as at 31 December	13.174	876	(2.074)	11.976	11.506	761	974		13.241

29. REINSURANCE CONTRACT ASSETS / INSURANCE CONTRACT LIABILITIES (continued)

Reconciliation of changes in reinsurance contracts held by remaining coverage and incurred claims measured under PAA

	2025							
	Life			Non-Life				
	Liabilities for remaining coverage	Estimates of PV of future cash flows	Risk adjustment	Liabilities for remaining coverage	Estimates of PV of future cash flows	Risk adjustment	Total	Total
€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Opening assets 1 January	(253)	365	11	123	(246)	3,149	246	3,149
Assets acquired under business combination	277	928	-	1,205	(2,350)	11,982	7,727	17,359
	24	1,293	11	1,328	(2,596)	15,131	7,973	20,508
<i>Changes in the statement of comprehensive income and statement of profit or loss</i>								
Net expenses from reinsurance contracts								
Reinsurance expenses	(1,208)	-	-	(1,208)	(33,284)	-	-	(33,284)
Recoveries of incurred claims and other insurance service expenses	(38)	1,707	68	1,737	-	4,605	836	5,441
Adjustments to assets for incurred claims	-	(140)	-	(140)	-	(226)	181	(45)
Net expense from reinsurance contracts	(1,246)	1,567	68	389	(33,284)	4,379	1,017	(27,888)
Net finance income from reinsurance contracts	-	18	-	18	-	189	17	206
Total changes in the statement of profit and loss and comprehensive income	(1,246)	1,585	68	407	(33,284)	4,568	1,034	(27,682)
<i>Cash flows</i>								
Premium paid	1,058	-	-	1,058	33,870	-	-	33,870
Amounts received	-	(1,244)	-	(1,244)	-	(4,746)	(557)	(5,303)
Other	-	576	-	576	(1,180)	80	705	(395)
Reinsurance contract assets as at 31 December	(164)	2,210	79	2,125	(3,190)	15,033	9,155	20,998

29. REINSURANCE CONTRACT ASSETS / INSURANCE CONTRACT LIABILITIES (continued)

	2024							
	Life			Non-Life				
	Liabilities for remaining coverage	Estimates of PV of future cash flows	Risk adjustment	Liabilities for remaining coverage	Estimates of PV of future cash flows	Risk adjustment	Total	Total
€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Opening assets 1 January	(79)	81	11	13	758	3,474	234	4,466
<i>Changes in the statement of comprehensive income and statement of profit or loss</i>								
Net expenses from reinsurance contracts								
Reinsurance expenses	(334)	283	-	(51)	(7,121)	-	-	(7,121)
Recoveries of incurred claims and other insurance service expenses	-	-	-	-	-	(375)	7	(368)
Adjustments to assets for incurred claims	-	-	-	-	-	783	-	783
Net expense from reinsurance contracts	(334)	283	-	(51)	(7,121)	408	7	(6,706)
Net finance income from reinsurance contracts	-	-	-	-	-	90	5	95
Total changes in the statement of profit and loss and comprehensive income	(334)	283	-	(51)	(7,121)	498	12	(6,611)
<i>Cash flows</i>								
Premium paid	161	-	-	161	6,117	-	-	6,117
Amounts received	-	1	-	1	-	(824)	-	(824)
Reinsurance contract assets as at 31 December	(252)	365	11	124	(246)	3,148	246	3,148

29. REINSURANCE CONTRACT ASSETS / INSURANCE CONTRACT LIABILITIES (continued)

Analysis of the expected recognition of the CSM remaining at the end of reporting period in profit or loss.

2025	Less than 1 year	In 1 to 2 years	In 2 to 3 years	In 3 to 4 years	In 4 to 5 years	In 5 to 10 years	>10 years	Total
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Insurance contracts								
GMM	3.044	2.552	2.211	1.917	1.659	7.096	2.029	20.508
VFA	9.866	9.282	8.705	8.134	7.561	31.891	43.308	118.747
Total CSM for insurance contracts	12.910	11.834	10.916	10.051	9.220	38.987	45.337	139.255
Reinsurance contracts								
GMM	(1.091)	(970)	(868)	(772)	(685)	(2.652)	(2.933)	(9.971)
Total CSM for reinsurance contracts	(1.091)	(970)	(868)	(772)	(685)	(2.652)	(2.933)	(9.971)
2024	Less than 1 year	In 1 to 2 years	In 2 to 3 years	In 3 to 4 years	In 4 to 5 years	In 5 to 10 years	>10 years	Total
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Insurance contracts								
GMM	1.647	1.301	1.073	935	815	3.815	580	10.166
VFA	781	721	666	604	538	3.303	2.686	9.299
Total CSM for insurance contracts	2.428	2.022	1.739	1.539	1.353	7.118	3.266	19.465
Reinsurance contracts								
GMM	213	224	206	188	174	935	136	2.076
Total CSM for reinsurance contracts	213	224	206	188	174	935	136	2.076

30. STOCK OF PROPERTY

	The Group		The Bank	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
1 January	76.229	100.351	36.091	57.671
Additions	2.457	3.426	2.457	3.427
Disposals	(12.207)	(19.703)	(11.965)	(19.703)
Additions from transfer of business and operations	13.868	-	-	-
Transfer to Investment Properties (refer to Note 31)	(913)	-	-	-
Impairment losses (refer to Note 17)	(3.843)	(7.845)	(1.850)	(5.304)
Closing balance	75.591	76.229	24.733	36.091

Stock of property includes houses, flats, offices and other commercial properties, industrial buildings and land (fields and plots). These properties were either acquired in satisfaction of debt or were previously used by the Group, which now intends to sell.

The Bank, as part of its non-performing exposures management, is entering into a number of debt to asset swap transactions or repossess assets through the foreclosure process. Repossessed assets are acquired either directly or indirectly through wholly owned Special Purpose Vehicles (SPVs) which are formed with the purpose of holding and managing these immovable properties. Until title deeds are issued in the name of the Bank/SPVs, the ownership is ensured via filing of the acquisition agreement in the Land Registry. As at 31 December 2025, stock of property owned by the Bank indirectly through SPVs amounted to €50.857 thousand (31 December 2024: €39.225 thousand).

As at 31 December 2025, the Group stock of property comprised stock of property acquired in satisfaction of debt amounting to €74.951 thousand (31 December 2024: €74.676 thousand) and owner occupied properties which are no longer in use and the Group intends to sell amounting to €640 thousand (31 December 2024: €1.553 thousand).

As at 31 December 2025, the Bank's stock of property comprised stock of property acquired in satisfaction of debt amounting to €24.093 thousand (31 December 2024: €35.451 thousand) and owner occupied properties which are no longer in use and the Bank intends to sell amounting to €640 thousand (31 December 2024: €640 thousand).

The table below shows the result on the disposal of stock of property in the year:

	The Group		The Bank	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
Net proceeds	15.104	26.053	14.846	26.053
Carrying value of stock of property disposed of	(12.207)	(19.703)	(11.966)	(19.703)
Net gains on disposal of stock of property	2.897	6.350	2.880	6.350

31. INVESTMENT PROPERTIES

Investment properties comprise of properties which are no longer occupied by the Bank and are held for rental yields. In 2019, pursuant to the BTA (Business Transfer Agreement) entered into between the Bank, ex-CCB and the RoC, the Bank acquired some properties from ex-CCB where, by virtue of the law, it became a lessor for parts of these properties and hence also form part of investment properties.

Movement on the value of investment properties:

	The Group		The Bank	
	2025	2024	2025	2024
	<u>€'000</u>	<u>€'000</u>	<u>€'000</u>	<u>€'000</u>
1 January	5.420	10.123	6.303	11.103
Transfer from/(to) property, plant and equipment (refer to Note 34)	5.093	(4.243)	(1.904)	-
Transfer from stock of property (refer to Note 30)	913	-	-	-
Arising from acquisition of subsidiary (refer to Note 51)	47.105	-	-	(4.243)
Additions	167	-	-	-
Disposals	(522)	-	-	-
Net gains/(losses) from revaluation of investment properties	689	(460)	-	(557)
Closing balance	<u>58.865</u>	<u>5.420</u>	<u>4.399</u>	<u>6.303</u>

During the year ended 31 December 2025, an amount of €1.147 thousand and €72 thousand were recognised as rental income and is recognised in the Group's and the Bank's statement of profit or loss respectively in "Other income" (2024: the Group and the Bank €441 thousand).

Investment properties include an amount of €18.006 thousand that relates to assets held to cover liabilities of unit linked funds, held by the Group's Life insurance subsidiary (refer to Note 33).

31. INVESTMENT PROPERTIES (continued)

The insurance subsidiaries of the Group hold investment property being land and buildings in each of the following districts: 1) Nicosia District, 2) Larnaca District, 3) Paphos District and 4) Limassol District. Their fair values are classified within Level 3 of the fair value measurement hierarchy. The Group's policy is to recognize transfers into and out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. There were no such transfers during the current year.

Fair value hierarchy	Limassol District	Nicosia District	Larnaca District	Paphos District	Greece	2025
	Level 3	Level 3	Level 3	Level 3	Level 3	Total
	€'000	€'000	€'000	€'000	€'000	€'000
Fair value at 1 January 2025	-	708	-	-	-	708
Additions						
- Arising from acquisition (business combination)	9.311	24.787	10.105	642	2.260	47.105
- Direct acquisitions	37	-	130	-	-	167
Disposals	-	-	(522)	-	-	(522)
Transfers from stock of properties to investment properties	-	356	557	-	-	913
Transfer from own use properties to investment properties	-	5.405	-	-	-	5.405
Net gains/(losses) from revaluation of investment property	77	444	108	-	60	689
Market value per external valuation report / Fair value at 31 December 2025	9.425	31.700	10.378	642	2.320	54.465
Fair value hierarchy	Limassol District	Nicosia District	Larnaca District	Paphos District	Greece	2025
	Level 3	Level 3	Level 3	Level 3	Level 3	Total
	€'000	€'000	€'000	€'000	€'000	€'000
Fair value at 1 January 2024	-	740	-	-	-	740
Net gains/(losses) from revaluation of investment property	-	(33)	-	-	-	(33)
Market value per external valuation report / Fair value at 31 December 2024	-	707	-	-	-	707

31. INVESTMENT PROPERTIES (continued)

The valuation techniques used for the valuation of these properties by the professional valuers are the Comparative method, the Investment method and the Comparative method in conjunction with capitalization method. Such techniques include certain unobservable data such as the rental income (yields) and the price per square meter. In case of significant increases/decreases of such values could result in a significantly higher/lower fair value of the properties.

2025 District	Level 3 - Significant unobservable inputs			
	Valuation €'000	Weighted Average Price per Square Meter €	Annual Rent (Weighted average) only for valuations using the investment method €'000	Annual Rent (Weighted average) only for valuations using the investment method %
Limassol District	9.425	1.727	N/A	N/A
Nicosia District	31.700	917	761	6,4%
Larnaca District	10.378	782	254	5,0%
Paphos District	642	1.551	N/A	N/A
Greece	2.320	574	195	8,4%
	54.465			

2024 District	Level 3 - Significant unobservable inputs			
	Valuation €'000	Weighted Average Price per Square Meter €	Annual Rent (Weighted average) only for valuations using the investment method €'000	Annual Rent (Weighted average) only for valuations using the investment method %
Nicosia District	707	1.136	N/A	N/A
	707			

32. DERIVATIVES

The Group and the Bank uses the following derivative instruments for both hedging and non-hedging:

- Foreign currency forwards: represent agreements for the purchase or sale of foreign currencies settled at a future date.
- Foreign currency swaps: represent agreements for the exchange of cash flows of different currencies.
- Interest rate swaps: represent agreements where one stream of future interest payments is exchanged for another based on a predetermined notional amount and time periods.
- Cross Currency Interest rate swaps: represent agreements for the exchange of cash flows of different currencies and in addition one stream of future interest payments is exchanged for another based on a predetermined notional amount and time periods.

32. DERIVATIVES (continued)

- Options: contracts which give to the owner the right to buy (call) or sell (put) an underlying asset or instrument at a preset price (strike price) within a specified period of time (for example currency options, cap and floors and swaptions).

The Group and the Bank 2025				
	Assets		Liabilities	
	<u>Contract/ notional</u>		<u>Contract/ notional</u>	
	<u>amount</u>	Fair values	<u>amount</u>	Fair values
	<u>€'000</u>	€'000	<u>€'000</u>	€'000
Derivatives for which hedge accounting is not applied/held for trading				
Currency options	170	-	1.021	2
Currency forward and spot deals	44.893	149	37.004	30
Interest rate and cross-currency interest rate swaps	92.629	256	92.988	533
Currency swaps	925.833	227	932.979	8.447
Cap and floor interest rate options	12.215	-	12.215	-
	<u>632</u>		<u>9.012</u>	
Derivatives designated as fair value hedges				
Interest rate swaps ¹	4.128.577	33.105	3.325.740	3.232
Cross-currency interest rate swaps	95.401	2.322	92.063	67
Swaptions ¹	2.500.000	200	-	-
	<u>35.627</u>		<u>3.299</u>	
	<u>36.259</u>		<u>12.311</u>	

¹ It includes deals that are transacted for macro hedging during the reporting month and will be included in the pool of hedging instruments at the end of the month.

The Group and the Bank 2024				
	Assets		Liabilities	
	<u>Contract/ notional</u>		<u>Contract/ notional</u>	
	<u>amount</u>	Fair values	<u>amount</u>	Fair values
	<u>€'000</u>	€'000	<u>€'000</u>	€'000
Derivatives for which hedge accounting is not applied/held for trading				
Currency forward and spot deals	-	-	3.348	34
Interest rate and cross-currency interest rate swaps	600.000	20.174	-	-
Currency swaps	140.276	1.431	41.208	171
	<u>21.605</u>		<u>205</u>	

32. DERIVATIVES (continued)

Maturity analysis of the fair value of the derivative assets/liabilities:

	The Group and the Bank			
	Fair Values			
	2025		2024	
	<u>Assets</u>	<u>Liabilities</u>	<u>Assets</u>	<u>Liabilities</u>
	<u>€'000</u>	<u>€'000</u>	<u>€'000</u>	<u>€'000</u>
Maturity analysis:				
On demand	208	11	-	-
Within three months	489	8.471	1.431	205
Between three months and one year	6.834	6	-	-
Between one year and five years	12.149	2.841	20.174	-
Over five years	16.579	982	-	-
	<u>36.259</u>	<u>12.311</u>	<u>21.605</u>	<u>205</u>

The Bank uses certain derivatives, designated in a qualifying hedged relationship, to reduce its exposure to market risks. The hedging practices applied by the Bank, as well as the relevant accounting policy, are disclosed in note 3.4. In particular:

(a) Fair value hedges

As from 2025, the Bank 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 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 Bank uses pay fixed/receive floating interest rate swaps to hedge its fixed rate debt securities held and loans. In 2025, the Bank recognized a gain of €11.288 thousand (2024: nil) from changes in the carrying amount of the hedging instruments and €11.460 thousand loss (2024: nil) 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 €172 thousand loss (2024: nil).

(b) Fair value hedges – portfolios of liabilities

As from 2025, the Bank hedges a portion of its existing interest rate risk resulting from any potential change in the fair value of a portfolio of demand deposits 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 Bank enters into a group of interest rate swaps that receives fixed interest rate and pays floating interest rate based on the benchmark rate and in swaptions that would be triggered if market rates would move below the strike price and their volume and effectiveness is re-assessed on a monthly basis. In 2025, the Bank recognized a loss of €1.537 thousand (2024: nil) from changes in the carrying amount of the hedging instruments and €1.131 thousand gain (2024: nil) from changes in the fair value of the designated hedged items attributable to the hedged risk. Accordingly, the amount of hedge ineffectiveness and fair value changes of the hedging derivatives that occur as part of the dynamic management of the pool of hedging instruments on a monthly basis, recognized for 2025 in “Net trading income/(loss)” was €406 thousand loss (2024: nil).

32. DERIVATIVES (continued)

At 31 December 2025, the amounts relating to items designated as fair value hedged items were as follows (31 December 2024: nil):

	The Group and the Bank 2025			<u>Accumulated amount of FV hedge adjustments remaining in the Statement of Financial Position related to the hedged items that have ceased to be adjusted for hedging gains/losses</u>
	<u>Carrying amount/ Exposure designated as hedged €'000</u>	<u>Accumulated FV hedge adj. related to the hedged item – Continued hedges €'000</u>	<u>Change in value as the basis for recognising hedge ineffectiveness €'000</u>	<u>€'000</u>
Assets				
Loans and advances to customers	103.801	805	486	-
Investment securities				
- Debt securities at amortised cost	1.503.332	(15.539)	(11.946)	(8.449)
- Debt securities at fair value through other comprehensive income	-	-	-	2.902
Liabilities				
Customer deposits and other customer accounts	5.100.000	(132)	1.131	(2.096)
	<u>6.707.133</u>	<u>(14.866)</u>	<u>(10.329)</u>	<u>(7.643)</u>

1 For loans and advances to customers hedges included in portfolio hedges and due to customers hedges, the exposure designated as hedged is presented.

32. DERIVATIVES (continued)

At 31 December 2025, the maturity profile of the nominal amount of the financial instruments designated by the Bank in fair value hedge relationships is presented in the tables below:

The Group and the Bank
31 December 2025

	<u>Maturity 1</u>	<u>Maturity</u>	<u>Total</u>
	<u>to 5 years</u>	<u>over 5 years</u>	<u>€'000</u>
	<u>€'000</u>	<u>€'000</u>	<u>€'000</u>
Interest rate swap - Loans and advances to customers	103.801	-	103.801
Interest rate swap - Investment securities at amortised cost	10.213	1.509.965	1.520.178
Interest rate swap - Due to customers	2.600.000	-	2.600.000
Swaptions - Due to customers	<u>2.500.000</u>	<u>-</u>	<u>2.500.000</u>
	<u>5.214.014</u>	<u>1.509.965</u>	<u>6.723.979</u>

The Group and the Bank
31 December 2025

	<u>Average rates of</u>		
	<u>hedging</u>		
	<u>Total</u>	<u>instruments %</u>	<u>Assets/Liability</u>
	<u>€'000</u>		
Interest rate swap - Loans and advances to customers (EUR)	100.500	3,77% (Fixed)	Assets
Interest rate swap - Loans and advances to customers (GBP)	3.301	3,64% (Fixed)	Assets
Interest rate swap - Investment securities at amortised cost (EUR) – vs Euribor +0,28%	1.407.838	3,06% (Fixed)	Assets
Interest rate swap - Investment securities at amortised cost (USD) – vs Sofr +0,33%	112.340	4,17% (Fixed)	Assets
Interest rate swap - Due to customers (vs Ester)	2.000.000	2,17% (Fixed)	Liabilities
Interest rate swap - Due to customers (vs Euribor)	600.000	3,24% (Fixed)	Liabilities
Swaptions ¹ - Due to customers	<u>2.500.000</u>	-	Liabilities
	<u>6.723.979</u>		

¹ The Bank has entered in Swaption that would be triggered if market rates would move below the strike price.

Counterparty credit risk for derivatives arises from the possibility of the counterparty's failure to meet the terms of any contract. In the case of derivatives, credit risk losses are a significantly smaller amount compared to the derivatives' notional amount. To manage counterparty credit risk, the Bank sets limits based on the creditworthiness of the involved counterparties and uses credit mitigation techniques such as netting and exchange of margin.

The Bank uses closeout netting agreements, usually based on standardized International Swaps and Derivatives Association (ISDA) Master Agreement. It provides the contractual framework within which dealing activity across a full range of over-the-counter (OTC) products is conducted and contractually binds both parties to apply close-out netting across all outstanding transactions covered by an agreement, if either party defaults. In most cases the parties execute a Credit Support Annex (CSA) agreements in conjunction with the ISDA Master Agreement. Under a CSA, margin is exchanged between the counterparties in order to mitigate the market contingent counterparty risk inherent in their open positions.

As at 31 December 2025, most of the Bank's derivative exposures are covered by ISDA netting arrangements and by CSA agreements. In addition to the netting agreements, the Bank uses clearing through Central Counterparties (CCPs) to reduce or eliminate counterparty credit risk.

32. DERIVATIVES (continued)

The net amount of margin (variation margin and independent amounts in cash) exchanged between the Bank and its counterparties with respect to its derivative transactions under the CSAs in place at 31 December 2025 amounted to €8.037 thousand in favour of the Bank of which €11.703 thousand is covered by ISDA agreements with Eurobank S.A. (31 December 2024: €14.155 thousand in favour of the Bank, held with third parties, of which €1.025 thousand is collateral held in favour of Eurobank S.A. to cover related transactions).

33. INVESTMENTS BACKING UNIT LINKED PORTFOLIOS AND INVESTMENT CONTRACTS

The Group holds in its normal line of business financial assets, backing, Unit Linked portfolios and Investment Contracts (incl. Class 7). The holders of these contracts bear the credit risk (as well as all other financial risk) arising from these assets.

Tables below show these financial assets as per hierarchy:

Investments backing Unit Linked portfolios

	2025				2024			
	Level 1 €'000	Level 2 €'000	Level 3 €'000	Total €'000	Level 1 €'000	Level 2 €'000	Level 3 €'000	Total €'000
Debt securities	238.845	25.979	-	264.824	6.964	-	-	6.964
Equity securities and collective investment units	195.781	75.872	1.714	273.367	50.366	-	-	50.366
Investment property	-	-	18.006	18.006	-	-	-	-
Placements with other banks (including Eurobank Limited placements)	20.403	-	-	20.403	-	-	-	-
Total Investments backing Unit Linked portfolios	455.029	101.851	19.720	576.600	57.330	-	-	57.330

Investments backing Investment Contracts (incl. Class 7)

	2025				2024			
	Level 1 €'000	Level 2 €'000	Level 3 €'000	Total €'000	Level 1 €'000	Level 2 €'000	Level 3 €'000	Total €'000
Debt securities	46.876	127	-	47.003	-	-	-	-
Equity securities and collective investment units	3.316	706	-	4.022	-	-	-	-
Placements with other banks (including Eurobank Limited placements)	1.348	-	-	1.348	-	-	-	-
Total Investments backing Investment Contracts (incl. Class 7)	51.540	833	-	52.373	-	-	-	-

33. INVESTMENTS BACKING UNIT LINKED PORTFOLIOS AND INVESTMENT CONTRACTS (continued)

TOTAL	2025				2024			
	Level 1 €'000	Level 2 €'000	Level 3 €'000	Total €'000	Level 1 €'000	Level 2 €'000	Level 3 €'000	Total €'000
Debt securities	285.721	26.106	-	311.827	6.964	-	-	6.964
Equity securities and collective investment units	199.097	76.578	1.714	277.389	50.366	-	-	50.366
Investment property	-	-	18.006	18.006	-	-	-	-
Placements with other banks (including Eurobank Limited placements)	21.751	-	-	21.751	-	-	-	-
GRAND TOTAL	506.569	102.684	19.720	628.973	57.330	-	-	57.330

34. PROPERTY, PLANT AND EQUIPMENT

The Group	Land and buildings	Right of use asset	Plant and equipment	Total
	2025	2025	2025	2025
	€'000	€'000	€'000	€'000
Net book value 1 January 2025	147.952	6.299	18.857	173.108
Additions	74	604	12.596	13.274
Additions from transfer of business and operations (refer to Note 52)	23.730	3.778	2.034	29.542
Additions from acquisition of subsidiary (refer to Note 51)	22.487	1.014	1.648	25.149
Contract modifications	-	2.152	-	2.152
Disposals/transfers	(9.119)	-	(706)	(9.825)
Depreciation for the year attributable	(250)	(410)	(348)	(1.008)
Revaluation deficit	(325)	-	-	(325)
Transfer to investment properties (refer to Note 31)	(5.093)	-	-	(5.093)
Depreciation for the year	<u>(2.598)</u>	<u>(2.147)</u>	<u>(6.671)</u>	<u>(11.416)</u>
Net book value 31 December 2025	<u>176.858</u>	<u>11.290</u>	<u>27.410</u>	<u>215.558</u>
1 January 2025				
Cost or valuation	149.953	14.922	109.138	274.013
Accumulated depreciation	<u>(2.001)</u>	<u>(8.623)</u>	<u>(90.281)</u>	<u>(100.905)</u>
Net book value	<u>147.952</u>	<u>6.299</u>	<u>18.857</u>	<u>173.108</u>
31 December 2025				
Cost or valuation	192.564	38.250	130.756	361.570
Accumulated depreciation	<u>(15.706)</u>	<u>(26.960)</u>	<u>(103.346)</u>	<u>(146.012)</u>
Net book value	<u>176.858</u>	<u>11.290</u>	<u>27.410</u>	<u>215.558</u>
The Group	Land and buildings	Right of use asset	Plant and equipment	Total
	2024	2024	2024	2024
	€'000	€'000	€'000	€'000
Net book value 1 January 2024	144.904	7.050	18.102	170.056
Additions	1.022	156	12.858	14.036
Contract modifications	-	838	-	838
Disposals/transfers	(489)	-	(4.824)	(5.313)
Depreciation for the year attributable	(94)	(19)	(117)	(230)
Transfer from investment properties (refer to Note 31)	4.243	-	-	4.243
Depreciation for the year	<u>(1.634)</u>	<u>(1.726)</u>	<u>(7.162)</u>	<u>(10.522)</u>
Net book value 31 December 2024	<u>147.952</u>	<u>6.299</u>	<u>18.857</u>	<u>173.108</u>
1 January 2024				
Cost or valuation	145.179	14.443	104.149	263.771
Accumulated depreciation	<u>(275)</u>	<u>(7.393)</u>	<u>(86.047)</u>	<u>(93.715)</u>
Net book value	<u>144.904</u>	<u>7.050</u>	<u>18.102</u>	<u>170.056</u>
31 December 2024				
Cost or valuation	149.953	14.922	109.138	274.013
Accumulated depreciation	<u>(2.001)</u>	<u>(8.623)</u>	<u>(90.281)</u>	<u>(100.905)</u>
Net book value	<u>147.952</u>	<u>6.299</u>	<u>18.857</u>	<u>173.108</u>

34. PROPERTY, PLANT AND EQUIPMENT (continued)

The Bank	Land and buildings	Right of use asset	Plant and equipment	Total
	2025	2025	2025	2025
	€'000	€'000	€'000	€'000
Net book value 1 January 2025	140.294	6.281	18.567	165.142
Additions	33	605	12.055	12.693
Additions from transfer of business and operations (refer to Note 52)	23.730	3.778	2.034	29.542
Contract modifications	-	1.749	-	1.749
Disposals/transfers	(8.883)	-	(704)	(9.587)
Transfers from investment property (refer to Note 31)	1.904	-	-	1.904
Depreciation for the year	(2.305)	(2.146)	(6.495)	(10.946)
Net book value 31 December 2025	154.773	10.267	25.457	190.497
1 January 2025				
Cost or valuation	142.035	14.763	105.958	262.756
Accumulated depreciation	(1.741)	(8.482)	(87.391)	(97.614)
Net book value	140.294	6.281	18.567	165.142
31 December 2025				
Cost or valuation	170.047	35.112	121.878	327.037
Accumulated depreciation	(15.274)	(24.845)	(96.421)	(136.540)
Net book value	154.773	10.267	25.457	190.497
The Bank				
	Land and buildings	Right of use asset	Plant and equipment	Total
	2024	2024	2024	2024
	€'000	€'000	€'000	€'000
Net book value at 1 January 2024	137.091	7.005	17.654	161.750
Additions	1.022	156	12.837	14.015
Contract modifications	-	840	-	840
Disposals/transfers	(452)	-	(4.805)	(5.257)
Transfers from investment property	4.243	-	-	4.243
Depreciation for the year	(1.610)	(1.720)	(7.119)	(10.449)
Net book value at 31 December 2024	140.294	6.281	18.567	165.142
1 January 2024				
Cost or valuation	137.225	14.284	100.945	252.454
Accumulated depreciation	(134)	(7.279)	(83.291)	(90.704)
Net book value	137.091	7.005	17.654	161.750
31 December 2024				
Cost or valuation	142.035	14.763	105.958	262.756
Accumulated depreciation	(1.741)	(8.482)	(87.391)	(97.614)
Net book value	140.294	6.281	18.567	165.142

Land and buildings

Land and buildings were revalued at 31 December 2023, by independent qualified valuers on a market value basis for their existing use. The impact of the property revaluation as at 31 December 2023 amounted to impairment losses in the profit and loss of €1.070 thousand (Bank: €699 thousand) and a net surplus in the revaluation reserve of €9.843 thousand (Bank: €8.441 thousand).

34. PROPERTY, PLANT AND EQUIPMENT (continued)

As at 31 December 2025 the value of the revalued freehold land, not subject to depreciation, amounted to €65.828 thousand (31 December 2024: €60.274 thousand) for the Group and €59.661 thousand (31 December 2024: €59.248 thousand) for the Bank.

The fair value of land and buildings is categorised as Level 3 of the fair value hierarchy.

The cost and net book value on a historic cost basis of the freehold land and buildings as at 31 December 2025 amounted to €166.014 thousand (31 December 2024: €130.078 thousand) and €146.000 thousand (31 December 2024: €112.114 thousand) respectively for the Group, and to €143.497 thousand (31 December 2024: €125.688 thousand) and €123.915 thousand (31 December 2024: €108.572 thousand) respectively for the Bank.

Plant and equipment

As at 31 December 2025, the renovation cost for branches, which is included under plant and equipment, amounted to €6.279 thousand for the Group and the Bank (31 December 2024: €741 thousand).

35. INTANGIBLE ASSETS
The Group

	Computer software	Goodwill	Core deposits	Customer relationships (Purchased credit cards and overdrafts)	MAP intangible	Brand and Distribution network	Total
	2025	2025	2025	2025	2025	2025	2025
	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Net book value 1 January 2025	36.023	14.120	665	349	-	-	51.157
Additions	17.903	-	-	-	11.000	-	28.903
Additions from transfer of business and operations (refer to Note 52)	36.659	-	-	-	-	-	36.659
Additions from acquisition of subsidiary (refer to Note 51)	2.845	-	-	-	-	3.473	6.318
Amortisation for the year attributable	(1.418)	-	-	-	-	(288)	(1.706)
Amortisation for the year	(11.134)	-	(181)	(155)	-	-	(11.470)
Net book value 31 December 2025	80.878	14.120	484	194	11.000	3.185	109.861
1 January 2025							
Cost	90.151	25.263	2.802	7.731	-	-	125.947
Accumulated amortisation and impairment	(54.128)	(11.143)	(2.137)	(7.382)	-	-	(74.790)
Net book value	36.023	14.120	665	349	-	-	51.157
31 December 2025							
Cost	170.229	25.263	2.802	7.731	11.000	3.473	220.498
Accumulated amortisation and impairment	(89.351)	(11.143)	(2.318)	(7.537)	-	(288)	(110.637)
Net book value	80.878	14.120	484	194	11.000	3.185	109.861

35. INTANGIBLE ASSETS (continued)
The Group

	Computer software	Goodwill	Core deposits	Customer relationships (Purchased credit cards and overdrafts)	Total
	2024	2024	2024	2024	2024
	€'000	€'000	€'000	€'000	€'000
Net book value 1 January 2024	30.013	14.120	846	504	45.483
Additions	16.253	-	-	-	16.253
Amortisation for the year attributable	(738)	-	-	-	(738)
Amortisation for the year	(9.505)	-	(181)	(155)	(9.841)
Net book value 31 December 2024	36.023	14.120	665	349	51.157
1 January 2024					
Cost	87.637	25.263	2.801	7.731	123.432
Accumulated amortisation and impairment	(57.624)	(11.143)	(1.955)	(7.227)	(77.949)
Net book value	30.013	14.120	846	504	45.483
31 December 2024					
Cost	90.151	25.263	2.802	7.731	125.947
Accumulated amortisation and impairment	(54.128)	(11.143)	(2.137)	(7.382)	(74.790)
Net book value	36.023	14.120	665	349	51.157

Goodwill includes the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquired entities at the date of acquisition of Pancyprian Insurance Ltd (PIL). Following the legal merger of the Group's insurance companies in October 2025, all insurance portfolios, assets and liabilities of Pancyprian Insurance Limited were transferred to ERB Asfalistiki Ltd, including the abovementioned goodwill. As of 31 December 2025, there was no indication for impairment after taking into consideration the agreement with Fairfax (refer to Note 57).

As at 31 March 2025 an intangible asset of €3.473 thousand resulted to the acquisition of ERB Cyprus Insurance Holdings Limited (refer to Note 51) was recognised relating to the fair value of the insurance assets/liabilities. The amount relates to the PPA adjustment for the recognition of Newly identified intangible assets following the business combination of Insurance subsidiaries, being the goodwill for the Life Insurance subsidiary's brand and the Tied & Non-Tied Agent's distribution network of both Life and Non-Life Insurance subsidiaries.

The selected method for valuing trademarks / trade names was the Relief from Royalty (RfR) method; as a trademark or brand can be reasonably separated and it is practical and possible to separately license it. In addition, its ownership rights can reasonably be compared to the rights under a license (i.e. exclusivity, geographic market coverage etc.).

The Multi-Period Excess Earnings Method (MPEEM) method used to value Customer and Agents' Distribution network intangible assets, based on the premise that their value can be captured through the present value of the revenue attributable to the customer relationships and the agents' network in place, net of any expected costs, discounts, taxes etc.

35. INTANGIBLE ASSETS (continued)
The Bank

	Computer software 2025 €'000	Core deposits 2025 €'000	Customer relationships (Purchased credit cards and overdrafts) 2025 €'000	MAP intangible 2025 €'000	Total 2025 €'000
Net book value 1 January 2025	34.174	665	349	-	35.188
Additions	16.943	-	-	11.000	27.943
Additions from transfer of business and operations (refer to Note 52)	36.659	-	-	-	36.659
Amortisation for the year	(11.000)	(181)	(155)	-	(11.336)
Net book value 31 December 2025	76.776	484	194	11.000	88.454
1 January 2025					
Cost	85.649	2.801	7.731	-	96.181
Accumulated amortisation and impairment	(51.475)	(2.136)	(7.382)	-	(60.993)
Net book value	34.174	665	349	-	35.188
31 December 2025					
Cost	156.292	2.801	7.731	11.000	177.824
Accumulated amortisation and impairment	(79.516)	(2.317)	(7.537)	-	(89.370)
Net book value	76.776	484	194	11.000	88.454

The Bank

	Computer software 2024 €'000	Core deposits 2024 €'000	Customer relationships (Purchased credit cards and overdrafts) 2024 €'000	Total 2024 €'000
Net book value 1 January 2024	27.667	846	504	29.017
Additions	15.969	-	-	15.969
Amortisation for the year	(9.462)	(181)	(155)	(9.798)
Net book value 31 December 2024	34.174	665	349	35.188
1 January 2024				
Cost	83.419	2.801	7.731	93.951
Accumulated amortisation and impairment	(55.752)	(1.955)	(7.227)	(64.934)
Net book value	27.667	846	504	29.017
31 December 2024				
Cost	85.649	2.801	7.731	96.181
Accumulated amortisation and impairment	(51.475)	(2.136)	(7.382)	(60.993)
Net book value	34.174	665	349	35.188

35. INTANGIBLE ASSETS (continued)*Core deposits*

For the year ended 31 December 2025 and 31 December 2024, the Bank assessed that there was no indication for impairment on core deposits intangible asset. As at 31 December 2025 the core deposits intangible assets' remaining expected life is 3 years.

Customer relationships (Purchased credit cards and overdrafts)

For the year ended 31 December 2025 and 31 December 2024, the Bank assessed that there was no indication for impairment on customer relationships intangible asset. As at 31 December 2025 the customer relationships intangible assets' remaining expected life is 1,5 years.

MAP Multi-Employer Provident Fund

As of December 8, 2025, the Bank assumed the role of Principal Employer for the MAP Multi-Employer Provident Fund. MAP is a multi-employer Provident Fund registered in Cyprus and fully aligned with EU Directive 2003/41/EC, supervised by the Registrar of Occupational Retirement Benefit Funds (IORP), under the Ministry of Labour, Welfare and Social Insurance. The Bank will act as a service provider, leveraging its expertise and resources in Wealth Management and occupational pension funds. This transaction created an intangible asset of €11 million and under IAS 38, it is measured at cost less accumulated amortisation and accumulated impairment losses. Its estimated useful economic life is 12 years.

Brand and Distribution network

Following the acquisition of ERB Cyprus Insurance Holdings Limited (refer to Note 51) a brand intangible asset of €1.667 thousand was recognised relating to the Cyprialife brand name and associated trademarks. In addition, the Group recognized an intangible asset of €1.519 thousand relating to Customer and Agents' Distribution network in relation to Tied & Non-Tied Agent's distribution network of both Life and Non-Life Insurance subsidiaries and of which €904 thousand relate to the Life component and €615 thousand to the Non-Life component.

36. ASSETS CLASSIFIED AS HELD FOR SALE

In April 2025, the 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 €0,2 billion non-performing exposures ("NPE"), 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"), and the settlement of disputes arising from the agreement to acquire certain assets and liabilities of CCB (the "Transaction").

Through the Transaction:

- KEDIPES buys back NPEs of Net Book Value of €192 million (with reference date 30 September 2024) at a consideration of €180 million in cash,
- KEDIPES pays the Bank an amount of €17,5 million for the termination of the APS, and
- KEDIPES pays the Bank an amount of €10 million for the settlement of disputes arising from the agreement to acquire certain assets and liabilities of CCB.

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 completed early in 2026. The non-performing loans' sale to KEDIPES took place via their transfer to Creditum Holdings Limited, a newly incorporated Cypriot private limited liability company, wholly owned by the Bank, which was sold to KEDIPES in January 2026.

36. ASSETS CLASSIFIED AS HELD FOR SALE (continued)

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. The impact of the classification, which was calculated by reference to the estimated net consideration expected to be received from the Transaction was insignificant to the Group Results. As at 31 December 2025, the carrying amount of the loan portfolio reached €108 million, comprising loans with gross carrying amount of €201 million, which carried an impairment allowance of €93 million and indemnification asset of €11 million as adjusted to reflect the loans' collections and expenses from the Transaction's reference date up to 31 December 2025. Furthermore, the Bank recognized in other income the €10 million received from KEDIPES for the settlement of disputes arising from the agreement to acquire certain assets and liabilities of CCB.

Assets classified as held for sale consists of:

	The Group and the Bank	
	2025	2024
	€'000	€'000
Assets held for sale		
Loans and advances to customers	107.655	-
Indemnification assets	10.508	-
	<u>118.163</u>	-

The movement analysis of loans and advances to customers classified as held for sale is presented as follows:

	Gross loans	Accumulated impairment losses	Total
	€'000	€'000	€'000
Classified as held for sale during the year	201.151	(93.496)	107.655
31 December 2025	<u>201.151</u>	<u>(93.496)</u>	<u>107.655</u>

Analysis of loans and advances to customers as per industry sector they operate as at 31 December is as follows:

	The Group and the Bank	
	2025	2024
	€'000	€'000
Trade	5.438	-
Construction and Real Estate	6.842	-
Manufacturing	2.943	-
Tourism	2	-
Retail	176.601	-
Other sectors	9.325	-
	<u>201.151</u>	-
Accumulated impairment losses	<u>(93.496)</u>	-
	<u>107.655</u>	-

36. ASSETS CLASSIFIED AS HELD FOR SALE (continued)

Loans and advances with forbearance measures are analysed, by industry sector, below:

	Gross Loans		Carrying amount	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
Trade	3.718	-	2.714	-
Construction and Real Estate	4.120	-	2.052	-
Manufacturing	2.468	-	1.510	-
Retail	105.569	-	59.194	-
Other sectors	5.011	-	2.766	-
	120.886	-	68.236	-

	The Group and the Bank	
	2025	2024
	€'000	€'000
On demand	129.128	-
Within three months	5	-
Between three months and one year	106	-
Between one year and five years	11.241	-
Over five years	60.671	-
	201.151	-

Movement of gross loans between stages according to the increase in credit risk level as at 31 December is analysed in the table below.

	The Group and the Bank - 2025				
	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired	Total
	€'000	€'000	€'000	€'000	€'000
1 October	4.666	2.871	82.952	122.377	212.866
Transfer from Stage 1 to Stage 2	(1.084)	1.084	-	-	-
Transfer from Stage 1 to Stage 3	(98)	-	98	-	-
Transfer from Stage 3 to Stage 2	-	3.947	(3.947)	-	-
Transfer from Stage 2 to Stage 1	(70)	70	-	-	-
Transfer from Stage 3 to Stage 1	(2.246)	-	2.246	-	-
Transfer from Purchased credit impaired to Stages 1 and 2	-	5	-	(5)	-
Interest accrued and other adjustments	(137)	337	1.080	1.679	2.959
New loans originated or purchased and drawdowns of existing facilities	(94)	(182)	(694)	1.058	88
Loans derecognised or repaid & other movements (excluding write-offs)	219	(1.344)	(4.085)	(9.552)	(14.762)
31 December	1.156	6.788	77.650	115.557	201.151

36. ASSETS CLASSIFIED AS HELD FOR SALE (continued)

The table below discloses the accumulated impairment losses on the value of loans and advances:

	The Group and the Bank - 2025				Total
	Stage 1	Stage 2	Stage 3	Purchased or	
				originated	
	€'000	€'000	€'000	credit impaired	€'000
1 October	725	485	41.185	48.043	90.438
Transfer from Stage 1 to Stage 2	(13)	13	-	-	-
Transfer from Stage 1 to Stage 3	(3)	-	3	-	-
Transfer from Stage 3 to Stage 2	-	754	(754)	-	-
Transfer from Stage 2 to Stage 1	(1)	1	-	-	-
Transfer from Stage 3 to Stage 1	(366)	-	366	-	-
Write offs net of recoveries of loan impairment losses	(59)	30	(869)	(3.347)	(4.245)
Contractual interest on impaired loans	41	206	4.884	7.119	12.250
Unwinding of discount	(30)	(159)	(2.487)	(5.105)	(7.781)
Increase due to derecognition	-	-	-	27	27
Charge/(reversal) for the year	<u>(44)</u>	<u>248</u>	<u>(990)</u>	<u>3.593</u>	<u>2.807</u>
31 December	<u>250</u>	<u>1.578</u>	<u>41.338</u>	<u>50.330</u>	<u>93.496</u>

Movement of carrying amount of loans and advances classified as Stage 3 and purchased or originated credit impaired (POCI):

	The Group and the Bank - 2025		
	Stage 3	Purchased or	Total
	€'000	€'000	€'000
30 September	41.767	74.334	116.101
Transfer from Stage 1 to Stage 3	95	-	95
Transfer from Stage 3 to Stage 2	(3.193)	-	(3.193)
Transfer from Stage 3 to Stage 1	1.880	-	1.880
Transfer from Purchased credit impaired to Stages 1 and 2	-	(5)	(5)
Net movement during the year	<u>(4.237)</u>	<u>(9.102)</u>	<u>(13.339)</u>
31 December	<u>36.312</u>	<u>65.227</u>	<u>101.539</u>

37. OTHER ASSETS

	The Group		The Bank	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
Prepaid expenses	15.097	9.209	14.585	9.090
Indemnification assets	-	3.200	-	3.200
Debtors and other receivables	66.426	39.357	58.333	40.453
	<u>81.523</u>	<u>51.766</u>	<u>72.918</u>	<u>52.743</u>

37. OTHER ASSETS (continued)
Indemnification Asset/(Liability)

Indemnification asset/(liability) was recognised as a result of the ex-CCB acquisition. The movement of the carrying amount of the indemnification assets/liabilities is analysed below:

	The Group and the Bank	
	2025	2024
	<u>€'000</u>	<u>€'000</u>
1 January	3.202	(1.634)
Claims reclassified to Debtors and other receivables	(35)	(2.675)
Indemnification asset written off	(6.601)	(371)
Fees paid/reclassified to Other Liabilities	1.000	1.000
Unwinding of discount	(65)	(21)
Cash flows re-estimation (refer to Note 16)	<u>13.007</u>	<u>6.903</u>
	10.508	3.202
Accumulated Expected Credit Losses	-	(2)
31 December	<u>10.508</u>	<u>3.200</u>
Estimated undiscounted amount	<u>-</u>	<u>3.740</u>

Indemnification asset/(liability) was transferred to assets classified as held for sale following the Bank's agreement with KEDIPEs (refer to Note 36).

a) Indemnification asset – APS
Assets covered under the scheme

The APS Agreement signed between the Bank and ex-CCB on 3 September 2018 concerned €2.300 million of the acquired loan portfolio (fair value) and offered protection against future losses. Under the APS Agreement there were, two pools (APS Assets):

1. APS Pool 1 (APS1): Assets having at the inception of the APS Agreement a fair value of €1.385 million, covered for a 12-year period from the Completion Date with an option to extend by a fixed 2 year period; and
2. APS Pool 2 (APS2): Assets having at the inception of the APS Agreement a fair value of €915 million, covered for a 10-year from the Completion Date with an option to extend by a fixed 2-year period.

The gross value of APS Assets in APS2 pool after the date falling five years after the Completion Date should not have exceeded 500 million.

Furthermore, in accordance with the terms of the APS agreement, the Bank must pay a guarantee fee of €1 million (8 payments in total) until the eleventh anniversary of Completion.

Within the context of the agreement reached with KEDIPEs for the sale/put back of APS NPLs as at 30 September 2024, the termination of the APS and the settlement of all disputes the last claim submitted under the APS was for the period ended 30 September 2024. In accordance with the terms of the APS agreement and the KEDIPEs agreement, the Bank has submitted a number of claims, including clawbacks, the cumulative net amount of which is €102,5 million and was deducted from the indemnification asset. Up to the reporting date, KEDIPEs settled the said obligation.

b) Indemnification asset – certain off-balance items acquired

As at 31 December 2024, the indemnification asset relating to the off-balance sheet exposures amounting to €371 thousand and according to the provisions of the APS Agreement had expired and thus it was written off in the statement of profit or loss.

38. DEPOSITS BY BANKS

	The Group and the Bank	
	2025	2024
	€'000	€'000
Interbank accounts	68.506	26.661
Cheque clearing	99	99
Money Market deposits	<u>337.460</u>	<u>138.362</u>
	<u>406.065</u>	<u>165.122</u>

The below analysis of deposits by banks is based on their remaining contractual maturity as at 31 December.

	The Group and the Bank	
	2025	2024
	€'000	€'000
On demand	318.912	27.110
Within three months	70.487	115.758
Between three months and one year	<u>16.666</u>	<u>22.254</u>
	<u>406.065</u>	<u>165.122</u>

On 31 December 2025, an amount of €27.463 thousand (31 December 2024: €21.957 thousand) is pledged as collateral by banks, being common practice among financial institutions.

39. CUSTOMER DEPOSITS AND OTHER CUSTOMER ACCOUNTS

	The Group and the Bank	
	2025	2024
	€'000	€'000
Demand deposits	9.441.464	5.025.348
Savings deposits	5.855.477	5.364.425
Notice deposits	827.754	839.782
Time deposits	<u>7.809.344</u>	<u>4.428.530</u>
	<u>23.934.039</u>	<u>15.658.085</u>
Fair value changes of deposits in portfolio hedging in interest rate risk	<u>2.228</u>	-
	<u>23.936.267</u>	<u>15.658.085</u>

The below analysis of customer deposits and other customer accounts is based on their remaining contractual maturity as at 31 December:

	The Group and the Bank	
	2025	2024
	€'000	€'000
On demand	16.268.885	11.239.494
Within three months	4.482.329	1.921.855
Between three months and one year	3.089.009	2.442.970
Between one year and five years	95.994	53.598
Over five years	<u>50</u>	<u>168</u>
	<u>23.936.267</u>	<u>15.658.085</u>

Customer deposits and other customers accounts include an amount of €5.100.000 thousand, the Group and the Bank designated as the hedged item in a portfolio for value hedges (refer to Note 31).

40. DEFERRED TAX LIABILITY

	The Group		The Bank	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
Deferred tax asset	(14.431)	(9.379)	(12.381)	(9.277)
Deferred tax liability	30.664	20.883	26.125	20.253
	16.233	11.504	13.744	10.976

Deferred tax asset that arose as a result of:

	The Group		The Bank	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
Expected credit losses	5.228	2.250	5.228	2.250
Stock of property	4.751	4.620	4.751	4.620
Property revaluation	2.190	2.358	2.154	2.358
Other temporary differences	2.262	151	248	49
	14.431	9.379	12.381	9.277

Movement of Deferred tax asset:

2025

	The Group					Balance 31 December €'000
	Balance 1 January €'000	Effect on statement of profit or loss €'000	Effect on revaluation reserve €'000	Deferred tax arising from transfer of business and operations (refer to Note 52) €'000	Arising from acquisition of subsidiary company (refer to Note 51) €'000	
Expected credit losses	2.250	1.847	-	1.131	-	5.228
Stock of property	4.620	131	-	-	-	4.751
Property revaluation	2.358	-	(168)	-	-	2.190
Other temporary differences	151	(112)	(299)	185	2.337	2.262
	9.379	1.866	(467)	1.316	2.337	14.431

2024

	The Group				Balance 31 December €'000
	Balance 1 January €'000	Effect on statement of profit or loss €'000	Effect on revaluation reserve €'000	Reclassification from Deferred tax liability €'000	
Expected credit losses	3.678	(1.428)	-	-	2.250
Stock of property	4.697	(77)	-	-	4.620
Property revaluation	2.393	-	(35)	-	2.358
Other temporary differences	-	210	-	(59)	151
	10.768	(1.295)	(35)	(59)	9.379

40. DEFERRED TAX LIABILITY (continued)
2025

	The Bank				Balance 31 December
	Balance 1 January	Effect on statement of profit or loss	Effect on revaluation reserve	Deferred tax arising from transfer of business and operations (refer to Note 52)	
Expected credit losses	2.250	1.847	-	1.131	5.228
Stock of property	4.620	131	-	-	4.751
Property revaluation	2.358	-	(204)	-	2.154
Other temporary differences	49	14	-	185	248
	<u>9.277</u>	<u>1.992</u>	<u>(204)</u>	<u>1.316</u>	<u>12.381</u>

2024

	The Bank				Balance 31 December
	Balance 1 January	Effect on statement of profit or loss	Effect on revaluation reserve	Reclassification from Deferred tax liability	
Expected credit losses	3.678	(1.428)	-	-	2.250
Stock of property	4.697	(77)	-	-	4.620
Property revaluation	2.393	-	(35)	-	2.358
Other temporary differences	-	108	-	(59)	49
	<u>10.768</u>	<u>(1.397)</u>	<u>(35)</u>	<u>(59)</u>	<u>9.277</u>

Given the legally enforceable right to offset deferred tax assets and liabilities relating to the same tax authorities, the Group and the Bank recognised deferred tax asset only to the extent that this could be offset with the corresponding deferred tax liability relating to the gain on acquisition on loans acquired as part of the business combination of the ex-CCB. This was due to the fact it is probable that taxable profit will be available against which a deductible temporary difference can be utilised, as there are sufficient taxable temporary differences relating to the same taxable entity, which are expected to reverse in the same period as the expected reversal of the deductible temporary difference. Furthermore, it was assessed that no additional temporary differences arose relating to the Cyprus domestic minimum top-up tax and thus no deferred tax asset or liability was recognised. As at 31 December 2025, for the Group and the Bank there was an amount of €3,8 million (31 December 2024: €3,2 million) relating to unrecognised deferred tax asset with no expiry date.

The applicable tax rate is 15% (31 December 2024: 12,5%). The tax losses relate to the same jurisdiction with the deferred tax asset.

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 and its subsidiaries 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.

40. DEFERRED TAX LIABILITY (continued)

Deferred tax liability that arose as a result of:

	The Group		The Bank	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
Property revaluation differences and temporary difference between depreciation and capital allowances	16.442	11.207	15.725	10.577
Assets acquired in business combination	10.400	9.676	10.400	9.676
Other temporary differences	3.822	-	-	-
	30.664	20.883	26.125	20.253

Movement of Deferred tax liability:

	The Group					
	Balance 1 January	Effect on statement of profit or loss	Effect on revaluation reserve	Deferred tax arising from transfer of business and operations (refer to Note 52)	Arising from acquisition of subsidiary company (refer to Note 51)	Balance 31 December
	€'000	€'000	€'000	€'000	€'000	€'000
Property revaluation differences and temporary difference between depreciation and capital allowances	11.207	2.313	(33)	2.955	-	16.442
Assets acquired in business combination	9.676	724	-	-	-	10.400
Other temporary differences	-	138	(195)	-	3.879	3.822
	20.883	3.175	(228)	2.955	3.879	30.664

	The Group				
	Balance 1 January	Effect on statement of profit or loss	Effect on revaluation reserve	Reclassification to deferred tax asset	Balance 31 December
	€'000	€'000	€'000	€'000	€'000
Property revaluation differences and temporary difference between depreciation and capital allowances	11.008	76	123	-	11.207
Assets acquired in business combination	11.030	(1.354)	-	-	9.676
Other temporary differences	59	-	-	(59)	-
	22.097	(1.278)	123	(59)	20.883

40. DEFERRED TAX LIABILITY (continued)

2025	The Bank				
	Balance 1 January €'000	Effect on statement of profit or loss €'000	Effect on revaluation reserve €'000	Deferred tax arising from transfer of business and operations (refer to Note 52) €'000	Balance 31 December €'000
Property revaluation differences and temporary difference between depreciation and capital allowances	10.577	2.226	(33)	2.955	15.725
Assets acquired in business combination	9.676	724	-	-	10.400
	<u>20.253</u>	<u>2.950</u>	<u>(33)</u>	<u>2.955</u>	<u>26.125</u>

2024	The Bank				
	Balance 1 January €'000	Effect on statement of profit or loss €'000	Effect on revaluation reserve €'000	Reclassification to deferred tax asset €'000	Balance 31 December €'000
Property revaluation differences and temporary difference between depreciation and capital allowances	10.515	(61)	123	-	10.577
Assets acquired in business combination	11.030	(1.354)	-	-	9.676
Other temporary differences	59	-	-	(59)	-
	<u>21.604</u>	<u>(1.415)</u>	<u>123</u>	<u>(59)</u>	<u>20.253</u>

Other temporary differences include deferred tax on insurance finance expenses for insurance contract issued.

41. OTHER LIABILITIES

	The Group		The Bank	
	2025 €'000	2024 €'000	2025 €'000	2024 €'000
Balances under settlement	63.649	26.382	63.649	26.382
Financial guarantees and loan commitments	10.507	13.057	10.507	13.057
Provisions for pending litigations or complaints and/or claims	3.605	3.549	3.605	3.549
Lease liability	12.225	6.876	11.121	6.859
Other accounts payable and other provisions	198.534	144.057	172.962	142.568
Duties and other taxes payable	11.971	5.189	11.970	5.189
	<u>300.491</u>	<u>199.110</u>	<u>273.814</u>	<u>197.604</u>

Financial guarantees and loan commitments:

The table below discloses the movement of the ECL allowance of financial guarantees and loan commitments acquired and issued as per stage:

41. OTHER LIABILITIES (continued)

	Stage 1	Stage 2	Stage 3	Purchased Credit Impaired	Total
	€'000	€'000	€'000	€'000	€'000
1 January 2025	2.510	633	9.885	29	13.057
Transfer from transfer of business and operations (refer to Note 52)	2.343	922	245	-	3.510
Transfer from Stage 1 to Stage 2	(88)	88	-	-	-
Transfer from Stage 1 to Stage 3	(2)	-	2	-	-
Transfer from Stage 2 to Stage 3	-	(2)	2	-	-
Transfer from Stage 3 to Stage 2	-	71	(71)	-	-
Transfer from Stage 2 to Stage 1	187	(187)	-	-	-
Transfer from Stage 3 to Stage 1	106	-	(106)	-	-
Transfer from POCl to Stage 1 to 2 (Release)/charge for the year (refer to Note 15)	-	-	-	(1)	(1)
	510	67	(6.572)	3	(5.992)
Exchange difference	(7)	-	4	-	(3)
Gain on derecognition of financial guarantees and loan commitments	(64)	-	-	-	(64)
2025	5.495	1.592	3.389	31	10.507

	Stage 1	Stage 2	Stage 3	Purchased Credit Impaired	Total
	€'000	€'000	€'000	€'000	€'000
1 January 2024	3.735	1.077	10.257	15	15.084
Transfer from Stage 1 to Stage 2	(11)	11	-	-	-
Transfer from Stage 1 to Stage 3	(34)	-	34	-	-
Transfer from Stage 2 to Stage 3	-	(12)	12	-	-
Transfer from Stage 3 to Stage 2	-	7	(7)	-	-
Transfer from Stage 2 to Stage 1	375	(375)	-	-	-
Transfer from Stage 3 to Stage 1	11	-	(11)	-	-
(Release)/charge for the year	(1.379)	(75)	(399)	14	(1.839)
Exchange difference	3	-	(1)	-	2
Gain on derecognition of financial guarantees and loan commitments	(190)	-	-	-	(190)
31 December 2024	2.510	633	9.885	29	13.057

Provisions for pending litigations or complaints and/or claims:

	The Group		The Bank	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
1 January	3.549	5.239	3.549	5.239
Additions from transfer of business and operations (refer to Note 52)	701	-	701	-
Net Release for the year	(99)	(1.471)	(99)	(1.471)
Provision utilised	(546)	(219)	(546)	(219)
Closing balance	3.605	3.549	3.605	3.549

The amounts recognised as provisions are the best estimates of the expenditure required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the facts and circumstances of any pending litigations or complaints and/or claims. Any provision recognised does not constitute an admission of wrong doing or legal liability.

41. OTHER LIABILITIES (continued)
Lease liability

	The Group		The Bank	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
1 January	6.876	7.522	6.859	7.478
Additions	604	156	604	156
Additions from acquisition of subsidiary (refer to Note 51)	1.078	-	-	-
Additions from transfer of business and operations (refer to Note 52)	4.032	-	4.032	-
Payments	(3.039)	(2.144)	(2.592)	(2.115)
Interest expense (refer to Note 7)	467	513	466	511
Contract modifications	2.207	829	1.752	829
Closing balance	12.225	6.876	11.121	6.859

Other accounts payable and other provisions

Other accounts payable and other provisions include among others, provisions for representations and warranties relating to the disposal of certain portfolios of the Group. Where an individual provision is material, the fact that a provision has been made is stated and quantified, except to the extent that doing so would be seriously prejudicial on the outcome of the case or the negotiations in relation to provisions for representations and warranties. These provisions for representations and warranties were settled in July 2025. Also, they include transit items that relate to banking operations.

42. INVESTMENT CONTRACT LIABILITIES

Investment Contract Liabilities include Class 7 and Structured products. This category of contracts does not meet the definition of insurance contracts and for this reason are accounted for as investment contracts. These include, amongst others, single premium structured products with death benefit equal to 101% of the fund value of the product. Class 7 contracts refer to contracts with corporate customers for the provision of management services of group pension/provident funds of the customers. For this type of business there is no insurance element, and thus no insurance risk, and no guarantees are provided. ERB Cyprialife Ltd performs purely the management of the funds and the administration of the units of the policyholders.

These investment contracts are financial liabilities whose fair value is dependent on the fair value of underlying financial assets, which are linked to these contracts. Management designates these investment contracts to be measured at fair value through profit and loss because such designation eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as 'an accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

	The Group and the Bank
	2025
	€'000
Arising from Acquisition of subsidiary (refer to Note 51)	64.874
Amounts recognised in profit and loss:	
Other income	153
Cash flows:	
Contributions received	17.063
Benefits paid	(12.215)
Movement related to the underlying asset	1.878
Closing balance	71.753

43. LOAN CAPITAL

	The Group		The Bank	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
Tier 2 Capital Subordinated Notes	209.731	209.178	209.731	209.178
Senior Preferred Notes	-	100.481	-	100.481
Closing balance	209.731	309.659	209.731	309.659

Senior Preferred Notes

On 11 September 2024, the Bank successfully priced an issue of €100 million Senior Preferred Notes (the "Notes") under the Bank's €1,5 billion Euro Medium Term Note (EMTN) Programme, subject to satisfaction of customary conditions precedent. The Notes were issued at par with a fixed coupon of 4% per annum, payable annually in arrear. The maturity date of the Notes was 17 September 2026, and the Notes were, subject to satisfaction of certain conditions and compliance with applicable prudential rules, be callable by the Bank at par on 17 September 2025 (2NC1). Settlement took place on 17 September 2024 and the Notes were listed on the Luxembourg Stock Exchange's Euro MTF market.

On 4 August 2025 the Bank announced its intention to redeem the Notes and proceed to their cancellation of listing, pursuant to Condition 6(c) (Redemption at the Option of the Issuer (Issuer Call)) of the terms and conditions of the Notes and paragraph 21 (Issuer Call) of the pricing supplement dated 13 September 2024 relating to the Notes (the 'Pricing Supplement'). On 17 September 2025 the Bank exercised its option to redeem all of the outstanding Notes at EUR 1.000 per Calculation Amount (as defined in the Pricing Supplement), together with accrued but unpaid interest from (and including) 17 September 2024 to (but excluding) the Redemption Date. The listing of the Notes on the Official List of the Luxembourg Stock Exchange and the admission of the Notes to trading on the Euro MTF was cancelled on, or shortly after, 17 September 2025.

For the year ended 31 December 2025 an amount of €3,5 million (31 December 2024: €6,8 million) has been recognised in the Group's and the Bank's statement of profit or loss relating to interest expenses.

Tier 2 Subordinated Notes

On 8 March 2023, the Bank announced that it has successfully issued a new €200 million Tier 2 Subordinated Notes (the "Notes") under its EMTN Programme. This issue constitutes the Bank's inaugural Tier 2 transaction under the EMTN Programme.

The Notes were issued at par with a fixed coupon of 10,25% per annum. The maturity date of the Notes is 14 June 2033 and are callable at par for a 3-month period commencing on 14 March 2028. The Notes were admitted to trading on the Luxembourg Stock Exchange's Euro MTF Market and listed on the Official List of the Luxembourg Stock Exchange.

For the year ended 31 December 2025 an amount of €21,1 million (31 December 2024: €21,1 million) has been recognised in the Bank's statement of profit or loss relating to interest expense on the Tier 2 Subordinated Notes.

The Notes are rated 'Ba2' by Moody's Ratings and at 'BBB-' by Fitch Ratings.

For the fair value of the Loan Capital refer to Note 49.

44. SHARE CAPITAL

	The Group and the Bank			
	2025	Number of	2024	Number of
	€'000	shares	€'000	shares
	(thousand)	(thousand)	(thousand)	(thousand)
Authorised				
1.032 million shares €0,50 each	516.000	1.032.000	516.000	1.032.000

	The Group and the Bank			
	2025	Number of	2024	Number of
	€'000	shares	€'000	shares
	(thousand)	(thousand)	(thousand)	(thousand)
Issued				
Fully paid shares				
1 January	206.403	412.805	206.403	412.805
Issue of shares	116.866	233.733	-	-
Issued share capital	323.269	646.538	206.403	412.805

Effective as of 1 September 2025, pursuant to the provisions of the Transfer of Banking Business and Collateral Law of 1997 (as amended) and the agreement dated 31 July 2025 between Hellenic Bank Public Company Limited (Hellenic Bank) and Eurobank Cyprus Ltd, all assets and liabilities of Eurobank Cyprus Ltd (Reg. No. 217050) were transferred to the Bank. Following the said transfer, Eurobank Cyprus Ltd was renamed to ERB Cyprus Holdings Ltd and Hellenic Bank Public Company Limited was renamed to Eurobank Limited. In consideration for the aforesaid transfer, Eurobank Limited issued and allotted to ERB Cyprus Holdings Ltd 233.733.470 new ordinary shares in the issued share capital of Eurobank Limited with a nominal value of €0,50 each at the price of €1,10123011869 (which included the amount of €0,60123011869 as premium for each share).

On 3 December 2025, Eurobank Limited reduced its issued capital by €116.866.735 via cancellation of 233.733.470 shares of nominal value of €0,50 each, which were held by ERB Cyprus Holdings Ltd, and simultaneously increased its issued share capital by €116.866.735 via the issue and allotment of 233.733.470 ordinary shares of nominal value €0,50 each to Eurobank S.A, being the sole shareholder of Eurobank Limited.

As at 31 December 2025, 646.538.700 fully paid shares were in issue, with a nominal value of €0,50 each (31 December 2024: 412.805.230 shares with a nominal value of €0,50 each).

There are no restrictions on the transfer of the Bank's ordinary shares, other than the provisions of the Business of Credit Institutions Law of the Republic of Cyprus (RoC) which require the approval of the Central Bank of Cyprus (CBC) prior to acquiring shares of the Bank above certain thresholds and the requirements of the EU Market Abuse Regulation. Additionally, the Bank does not have any shares in issue which carry special control rights.

Reduction of share capital Reserve

The difference that emerged from the reduction of the nominal value of every ordinary share in 2013 (from €0,43 each to €0,01 each) was transferred from the share capital to a reserve under the name "reduction of share capital reserve" pursuant to the provisions of article 64(1)(e) of the Companies' Law (Chapter 113). There was no change in the balance of this reserve since then.

Share premium reserve

The difference between the issue price of share capital and its nominal value is recognised in the share premium reserve. On 1 September 2025 Eurobank Limited issued 233.733.470 new ordinary with a nominal value of €0,50 each at the price of €1,10123011869 (which included the amount of €0,60123011869 as premium for each share). The excess over nominal value of €140.527.602 was credited to the share premium reserve. As at 31 December 2025, the Group's share premium reserve balance was €693.942 thousand (31 December 2024: €553.414 thousand) and the Bank's €693.809 thousand (31 December 2024: €553.281 thousand)

45. RETAINED EARNINGS

The balance of the retained earnings of the Bank is available for distribution to shareholders.

On the Bank's Annual General Meeting on 9 December 2025, the Bank declared a dividend of €0,245894 per ordinary share for the financial years ended 31 December 2007-2022. As a result, c.€159 million dividend were declared, of which €133 million were paid by the Bank and remaining c.€26 million through a claim made by the Bank's sole shareholder Eurobank S.A. for Special Defence Contribution withheld in previous years.

Dividend distribution is made in accordance with the Bank's approved dividend policy.

Special Contribution for the Defence

According to the provisions of the Special Contribution for the Defence of the Republic Law, Companies that do not distribute 70% of their profits after tax, as these profits are defined by this Law, during the two years following the end of the year to which the profits refer, will be deemed to have distributed this amount as dividend. Special contribution for defence at 17% will be payable on such deemed dividends to the extent that the shareholders (individuals and companies), at the end of the period of two years from the end of the fiscal year to which the profits refer, are Cyprus residents and in the case of individuals, Cyprus domiciled as well. In addition General Health System (GHS) contribution will be payable on such deemed dividends at the rate of 2,65% to the extent that the shareholders are Cyprus Tax resident Individuals.

The amount of the deemed dividend distribution is reduced by any actual dividend already distributed in respect of the year to which the profits refer. During 2025 an amount of €27 million was utilised based on the actual dividend paid in December 2025.

The special contribution for defence and GHS Contribution is paid by the Bank on account of the shareholders.

46. REVALUATION RESERVES

	The Group		The Bank	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
Property revaluation reserve				
1 January	48.119	48.954	44.591	45.426
Deficit on revaluation of land and buildings	(325)	-	-	-
Deferred taxation on property revaluation	(135)	(158)	(171)	(158)
Transfer to retained earnings due to excess depreciation	(292)	(595)	(292)	(595)
Transfer to investment property	(219)	-	-	-
Transfer to retained earnings due to disposal of immovable property	(2.529)	(82)	(2.529)	(82)
	<u>44.619</u>	<u>48.119</u>	<u>41.599</u>	<u>44.591</u>
Revaluation reserve of investments at fair value through Other Comprehensive income				
1 January	14.159	14.078	14.080	13.999
Net revaluation gain of investments in equity securities and collective investment units at fair value through other comprehensive income	1.586	720	563	720
Net revaluation surplus/(deficit) of investments in debt securities at fair value through other comprehensive income	499	(337)	118	(337)
Net losses from fair value hedging discontinuance	(435)	-	(435)	-
Impairment allowances for FVOCI bonds	(61)	-	(61)	-
Additions from transfer of business and operations (refer to Note 52)	787	-	787	-
Reversal on disposal of equity securities at fair value through other comprehensive income	(586)	(302)	(586)	(302)
	<u>15.949</u>	<u>14.159</u>	<u>14.466</u>	<u>14.080</u>
Total revaluation reserves	<u>60.568</u>	<u>62.278</u>	<u>56.065</u>	<u>58.671</u>

Any gains arising on the revaluation of land and buildings is credited to the property revaluation reserve that is included in equity. If, after a revaluation, the depreciation charge is increased, then an amount equal to the increase (net of deferred taxation), is transferred annually from the property revaluation reserve to retained earnings. Upon disposal of revalued property, any relevant accumulated revaluation gains which remains in the property revaluation reserve is also transferred to retained earnings. The balance of the revaluation reserves is not available for distribution to shareholders.

47. CONTINGENT LIABILITIES AND COMMITMENTS

	The Group		The Bank	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
Contingent liabilities				
Acceptances and endorsements	451	276	451	276
Guarantees	194.213	223.681	194.236	223.703
	<u>194.664</u>	<u>223.957</u>	<u>194.687</u>	<u>223.979</u>
Commitments				
Undrawn formal standby facilities	1.397.810	762.793	1.397.888	762.872
Undisbursed loan amounts	662.992	435.340	662.992	435.340
Other commitments	203.730	2.247	203.730	2.247
	<u>2.264.532</u>	<u>1.200.380</u>	<u>2.264.610</u>	<u>1.200.459</u>
	<u>2.459.196</u>	<u>1.424.337</u>	<u>2.459.297</u>	<u>1.424.438</u>

47. CONTINGENT LIABILITIES AND COMMITMENTS (continued)**Capital Commitments**

At 31 December 2025, the Group's and the Bank's commitments for capital expenditure, not recognised in the statement of financial position, amounted to €6.811 thousand for the Group and €6.811 thousand for the Bank (Group 2024: €2.035 thousand and the Bank 2024: €1.979 thousand).

Contingent liabilities for pending litigations or complaints and/or claims

The Group is engaged in various legal proceedings and regulatory matters arising out of its normal business operations, where an obligation may be created for which an outflow of resources embodying economic benefits is possible. The existence of these obligations will be confirmed only by the occurrence, or non occurrence, of one or more uncertain future events not wholly within the control of the Group.

Hence the effect of the outcome of these matters cannot be predicted with certainty but may impact the Group's financial results. The Group is of the opinion that there are adequate defenses in place for a successful outcome, in the course of the relevant proceedings. It is not practicable to provide an aggregate estimate of potential liability for such legal proceedings to be disclosed as a class of contingent liabilities.

Consumer Protection Service

On 12 October 2017, the Consumer Protection Service (the "CPS") of the Ministry of Energy Commerce and Industry has issued, following a complaint from certain borrowers, a decision in relation to certain terms of the Bank's housing loan agreements regarding two housing loans granted in 2007 and in 2008. The CPS took the view that these agreements contain certain unfair/non transparent terms and has invited the Bank to inform the CPS of any actions it intends to take in relation to its findings. Although the Bank does not share the views of the CPS and/or disputes the interpretation given by the CPS to the agreements, it has nevertheless discussed in good faith with the CPS and provided a list of certain actions that addressed certain of the CPS's concerns. Notwithstanding the above, in August 2020 the CPS filed an application to the competent court seeking a court order ordering the Bank to immediately stop using certain terms which had been considered unfair by the CPS, which is still pending. The Bank is objecting this application and, is of the opinion that there are adequate defences in place for the successful outcome, in the course of the relevant proceedings. However, the possible outcomes depend on various factors and as such, the final outcome cannot be known with certainty.

Cyprus Consumers' Association

In April 2021, the Cyprus Consumers' Association (CCA) filed a court application against the Bank, seeking, amongst other, (i) a court order ordering the Bank to stop using certain terms which have been considered unfair by the Consumer Protection Service (CPS), in the CPS decision against the Bank that was issued in October 2017 (decision relates to certain terms of the Bank's housing loan agreements for two housing loans granted in 2007 and in 2008), as well as in the CPS decision against ex-CCB that was issued in February 2018 (decision relates to certain terms of ex-CCB's loan agreements for loans granted during 2003-2010) and (ii) a court order ordering the Bank to proceed with any other corrective measures that the Court may deem appropriate, including a court order regarding the payment of reasonable / fair compensation to the affected consumers (subject to criteria to be decided by the Court). The Bank is objecting this application and, is of the opinion that there are adequate defences in place for the successful outcome, in the course of the relevant proceedings. However, the possible outcomes depend on various factors and as such, the final outcome cannot be known with certainty.

47. CONTINGENT LIABILITIES AND COMMITMENTS (continued)
Competition Authority of Cyprus

The Bank was served in January 2022, with a Complaint ('Καταγγελία') submitted to the Competition Authority of Cyprus (CPC), regarding the increase of fees & charges of banking services applicable as of 3 January 2022. The Complaint was filed by SYPRODAT (Borrowers' Protection Association) against both Bank of Cyprus and the Bank, claiming -inter alia- breach of competition legislation as a result of the two Banks acting in co-ordination. The Bank's position is that no such co-ordination ever took place and the Bank is currently liaising with its external lawyers in order to refute said Complaint. On the first hearing, SYPRODAT legal representatives requested to withdraw their petition for interim measures (by which they were requesting that the challenged charges are blocked from being applied by HB/BoC). The CPC formally issued their decision accepting the withdrawal at 28 March 2022; it is noted that withdrawal of the application for interim measures does not equate to withdrawal of the complaint. The Bank received an Request For Information by the CPC at 29 April 2022; initial deadline was set for 23 May 2022. However, given the substantial bulk of the deliverables, the Bank requested postponement to 30 July 2022, which was accepted by CPC. The Bank filed the response to the RFI on 29 July 2022 and the investigation is ongoing. As at the date of the Financial Statements, the Bank has assessed with its legal advisors the validity and subsequently, the possible financial impact of such complaint. Neither the resulting financial impact of such actions nor their consequent impact on the Bank and the Group, can be determined at present. Nevertheless, based on the current status of the assessment of the complaint, based on the information currently available, management believes that it is unlikely that the matter will have a material impact on the Bank's and Group's financial position.

Other cases

In December 2022, two lawsuits were served to the Bank by two companies with same beneficial ownership claiming the amounts of USD 740.258.989,01 and USD 256.593.137,80, respectively. On 19 February 2024 the lawsuit of USD 256.593.137,80 was withdrawn unreservedly by the Claimants. On 06 March 2024 a Statement of Claim was submitted for the remaining lawsuit and the total claim was reduced from USD 740.258.989,01 to USD 265.983.165,13; As at the date of the Financial Statements, the Bank has assessed with its legal advisors the validity and subsequently, the possible financial impact of such claim. Based on the current status of the assessment of the claim and the information currently available, management believes that it is unlikely that the matter will have a material impact on the Bank's and Group's financial position.

48. RELATED PARTY TRANSACTIONS
Members of the Board of Directors and connected persons

Connected persons include the spouse, the children, the parents and the companies in which Directors of the Bank hold, directly or indirectly, at least 20% of the voting rights at a general meeting.

The outstanding balances of the transactions with the members of the Board of Directors and their related parties and entities controlled or jointly controlled by them, are as follows:

	2025	2024
	€'000	€'000
Loans and advances	<u>40</u>	-
Deposits	<u>2.544</u>	<u>421</u>

The above table does not include year end balances of members of the Board of Directors and their connected persons who resigned during the year.

Additionally, as at 31 December 2025, there were contingent liabilities and commitments in respect of Members of the Board of Directors and their connected persons in the form of documentary credits, guarantees and unused limits amounting to €146 thousand which did not exceed 1% of the Bank's net assets (31 December 2024: €26 thousand).

48. RELATED PARTY TRANSACTIONS (continued)

For the year ended 31 December 2025 interest income in relation to Members of the Board of Directors and their connected persons amounted to €0,4 thousand (31 December 2024: €0,2), while interest expense in respect of Members of the Board of Directors and their connected persons was €5,3 thousand (31 December 2024: €2,6 thousand).

In addition, for the year ended 31 December 2025 there was commission income in relation to Members of the Board of Directors and their connected persons amounted to €5,8 thousand.

Emoluments and fees of Members of the Board of Directors

	2025 €'000	2024 €'000
Emoluments and fees of Members of the Board of Directors:		
Emoluments and benefits in executive capacity	1.906	665
Employer's contributions	254	88
Retirement benefits plan	-	57
Total emoluments for Executive Directors	<u>2.160</u>	<u>810</u>
Total fees and other benefits of members of the Board	<u>1.231</u>	<u>1.261</u>
Employer's contributions – Non-Executive Directors	<u>22</u>	<u>31</u>

Other transactions with Members of the Board of Directors and their connected persons

The sales of insurance policies for the year ended 31 December 2025 by the Group's Non Life Insurance subsidiary, ERB Asfalistiki Ltd, to Members of the Board and their connected persons as defined above, amounted to €14 thousand (31 December 2024: €4 thousand), while the sales of insurance policies by the Group's Life Insurance subsidiary, ERB Cyprialife Ltd amounted to €98 thousand (31 December 2024: €nil).

Key Management personnel who are not Directors and their connected persons

Key Management personnel are those persons who have the authority and the responsibility for the planning, management and control of the Banks' operations, directly or indirectly. The Group, according to the provisions of IAS 24 considers as Key Management personnel the members of the Executive Committee (ExCo) of the Bank who were not Directors.

Connected persons include spouses and minor children.

The outstanding balances of the transactions with the Key Management personnel and their related parties and entities controlled or jointly controlled by them, are as follows:

	2025 €'000	2024 €'000
Loans and advances	<u>538</u>	<u>80</u>
Collaterals	<u>48</u>	<u>-</u>
Deposits	<u>4.636</u>	<u>766</u>

As at 31 December 2025, there were contingent liabilities and commitments to Key Management personnel who were not Directors and their connected persons amounting to €563 thousand (2024: €93 thousand).

Interest income in relation to Key Management personnel and their connected persons for the year ended 31 December 2025 amounted to €19,7 thousand (31 December 2024: €3,1 thousand), while interest expense in relation to Key Management personnel and their connected persons amounted to €17,5 thousand (31 December 2024: €0,8 thousand)

48. RELATED PARTY TRANSACTIONS (continued)
Emoluments of Key Management personnel of the Group

The emoluments of Key Management personnel who were not Directors were:

	2025	2024
	€'000	€'000
Emoluments of Key Management personnel who were not Directors:		
Salaries and other short term benefits	4.147	964
Employer's contributions	181	67
Retirement benefits	189	68
	<u>4.517</u>	<u>1.099</u>

Other transactions with key Management personnel who are not Directors and their connected persons

The sales of insurance policies for the year ended 31 December 2025 by the Group's Non Life Insurance subsidiary, ERB Asfalistiki Ltd, to Key Management personnel and their connected persons, as defined above, amounted to €32,6 thousand (31 December 2024: €3,1 thousand) while the sales of insurance policies by the Group's Life Insurance subsidiary, ERB Cyprialife Ltd amounted to €126,4 thousand (31 December 2024: €2,4 thousand).

In addition, for the year ended 31 December 2025 there was commission income in relation to Members of the Board of Directors and their connected persons amounted to €3,8 thousand.

Shareholders with control and their connected persons

Related parties are considered, among others, the Shareholders who have control of the Bank or/and hold directly or indirectly more than fifty percent (50%) of the nominal value of the issued capital of the Bank.

As at 31 December 2025 Eurobank S.A. is the single Shareholder of Eurobank Limited Group with a 100% ownership of its share capital. For the year ended 31 December 2024, and pursuant to the provisions of IAS 24, related parties were considered, among others, the Shareholders who had significant influence to the Bank or/and hold directly or indirectly more than twenty percent (20%) of the nominal value of the issued capital of the Bank.

Eurobank S.A. which is the immediate controlling party of the Bank, is registered in Greece and produces consolidated financial statements available for public use.

As at 31 December 2025 Fairfax Financial Holding Limited continues to have significant influence over Eurobank S.A. with the percentage of voting rights in Eurobank S.A held directly or indirectly by Fairfax amounting to 32,67% of Eurobank S.A's total voting rights.

The outstanding balances of the transactions with the shareholder and its related parties which include the entities controlled by Eurobank S.A. are as follows:

	2025	2024
	€'000	€'000
Loans and advances	158.791	15
Reverse repurchase agreements (refer to Note 24)	2.126.466	300
Deposits	52.675	273

As at 31 December 2025 and 2024, the Bank entered into a Reverse Repurchase Agreement transactions with Eurobank S.A. (detailed analysis on the Reverse Repo transactions is presented in Note 24). An interest income of €37.307 thousand was recognised on these transactions in the statement of profit or loss and an amount of €353 thousand was accrued on these transactions for the year ended 31 December 2025 (31 December 2024: €274 thousand).

48. RELATED PARTY TRANSACTIONS (continued)

In addition, there was an interbank placement of €250 million made by a subsidiary of Eurobank S.A. with interest recognised in the statement of profit or loss for the year ended 31 December 2025 amounting to €160 thousand. For the year ended 31 December 2024, same subsidiary made on 30 December 2024 a €100 million interbank placement at an interest rate of 2,509% which matured on 7 January 2025. Interest expense of €7 thousand was accrued on this transaction for the year ended 31 December 2024.

For the year ended 31 December 2025, other interest income received in relation to Eurobank S.A and its related parties amounting to €15.716 thousand while interest expense amounted to €14.683 thousand. Commission income amounted to €168,5 thousand and commission expense amounted to €382,2 thousand. Net trading income amounted to €1.800 thousand and operating expenses amounted to €741,8 thousand.

On 31 December 2025, there were contingent liabilities and commitments in relation to Eurobank S.A. and its connected persons in the form of documentary credits, guarantees and unused limits amounting to €2.545 thousand (31 December 2024: €2.775 thousand).

The sales of insurance policies by the Group's Non-Life Insurance subsidiary company, ERB Asfalistiki Ltd to Eurobank S.A. and its connected persons amounted to €116,5 thousand for the year ended 31 December 2025.

As at 31 December 2025 Eurobank S.A. and its connected persons had in their possession Tier 2 Notes of value €196,1 million (31 December 2024: €32,9 million). For the year ended 31 December 2025, the interest on these holdings was €18,7 million.

All transactions with Members of the Board of Directors, Key Management personnel, Shareholders with significant influence and Shareholders with Control and their connected persons are at an arm's length basis. Regarding the Key Management personnel, facilities have been granted based on current terms as those applicable to the rest of the Group's personnel.

49. FAIR VALUE MEASUREMENT

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 at the measurement date 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.

The Group measures the fair value of an instrument using the quoted price in an active market, when available, 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 valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the main factors that market participants would take into account in pricing a transaction.

49. FAIR VALUE MEASUREMENT (continued)**Fair value of financial instruments**

The tables below present, at Group and Bank level, the carrying amount and fair value of financial instruments on the basis of the three-level hierarchy by reference to the source of data used to derive the fair values. The fair value hierarchy categorises the inputs used in valuation techniques into the following levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Data other than quoted prices included within level 1 that is observable for the asset or liability, either directly or indirectly.
- Level 3: Import data for the asset or liability that is not based on observable market data (non observable import data).

For assets and liabilities recognised at fair value in the Consolidated Financial Statements, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation at the end of each reporting period.

49. FAIR VALUE MEASUREMENT (continued)
Group

	Carrying amount	Fair value	Level 1	Level 2	Level 3
31 December 2025	<u>€'000</u>	<u>€'000</u>	<u>€'000</u>	<u>€'000</u>	<u>€'000</u>
Financial Assets measured at fair value:					
Debt securities measured at fair value through other comprehensive income	317.119	317.119	302.418	14.701	-
Debt securities measured at fair value through profit and loss	330.441	330.441	304.333	26.108	-
Equity securities, collective investment units and assets held to cover liabilities of unit linked funds at fair value through profit and loss	370.633	370.633	243.662	115.392	11.579
Equity securities measured at fair value through other comprehensive income	30.967	30.967	17.389	-	13.578
Derivatives	36.259	36.259	-	36.259	-
	1.085.419	1.085.419	867.802	192.460	25.157
Financial Assets not measured at fair value:					
Cash and balances with Central Banks	8.057.611	8.057.611	-	8.057.611	-
Placements with other banks	578.052	578.052	-	578.052	-
Reverse repurchase agreements	2.126.466	2.067.295	-	2.067.295	-
Loans and advances to customers	8.777.423	8.590.236	-	-	8.590.236
Assets held for sale	118.163	118.163	-	-	118.163
Debt securities measured at amortised cost	7.661.299	7.673.656	6.421.157	1.252.499	-
	27.319.014	27.085.013	6.421.157	11.955.457	8.708.399
Financial liabilities measured at fair value:					
Derivatives	12.311	12.311	-	12.311	-
Investment contract liabilities	71.753	71.753	71.753	-	-
	84.064	84.064	71.753	12.311	-
Financial liabilities not measured at fair value:					
Deposits by banks	406.065	406.065	-	406.065	-
Customer deposits and other customer accounts	23.936.267	23.905.689	-	-	23.905.689
Other financial liabilities	7.248	7.248	-	-	7.248
Balances under settlement	63.649	63.649	-	63.649	-
Loan capital	209.731	246.313	-	246.313	-
	24.622.960	24.628.964	-	716.027	23.912.937

49. FAIR VALUE MEASUREMENT (continued)
Group

	Carrying amount	Fair value	Level 1	Level 2	Level 3
	€'000	€'000	€'000	€'000	€'000
31 December 2024					
Financial Assets measured at fair value:					
Debt securities measured at fair value through other comprehensive income	35.226	35.226	35.226	-	-
Debt securities measured at fair value through profit and loss	12.867	12.867	12.867	-	-
Equity securities and collective investments measured at fair value through profit and loss	130.722	130.722	100.975	22.316	7.431
Equity securities measured at fair value through other comprehensive income	14.954	14.954	1.405	-	13.549
Derivatives	21.605	21.605	-	21.605	-
	215.374	215.374	150.473	43.921	20.980
Financial Assets not measured at fair value:					
Cash and balances with Central Banks	5.730.544	5.730.544	-	5.730.544	-
Placements with other banks	355.416	355.416	-	355.416	-
Reverse repurchase agreements	300.274	302.924	-	302.924	-
Loans and advances to customers	5.738.111	5.686.782	-	-	5.686.782
Debt securities measured at amortised cost	5.627.581	5.635.533	4.390.174	1.184.157	61.202
Indemnification assets	3.200	2.358	-	-	2.358
	17.755.126	17.713.557	4.390.174	7.573.041	5.750.342
Financial liabilities measured at fair value:					
Derivatives	205	205	-	205	-
Financial liabilities not measured at fair value:					
Deposits by banks	165.122	165.122	-	165.122	-
Customer deposits and other customer accounts	15.658.085	15.650.055	-	-	15.650.055
Other financial liabilities	943	943	-	-	943
Loan capital	309.659	350.737	-	350.737	-
	16.133.809	16.166.857	-	515.859	15.650.998

49. FAIR VALUE MEASUREMENT (continued)
Bank

	Carrying amount	Fair value	Level 1	Level 2	Level 3
31 December 2025	<u>€'000</u>	<u>€'000</u>	<u>€'000</u>	<u>€'000</u>	<u>€'000</u>
Financial Assets measured at fair value:					
Debt securities measured at fair value through other comprehensive income	144.649	144.649	134.986	9.663	-
Equity securities measured at fair value through statement of profit or loss	31.988	31.988	2.321	24.557	5.110
Equity and other securities at fair value through other comprehensive income	14.406	14.406	828	-	13.578
Derivatives	<u>36.259</u>	<u>36.259</u>	-	<u>36.259</u>	-
	<u>227.302</u>	<u>227.302</u>	<u>138.135</u>	<u>70.479</u>	<u>18.688</u>
Financial Assets not measured at fair value:					
Cash and balances with Central Banks	8.057.609	8.057.609	-	8.057.609	-
Placements with other banks	550.594	550.594	-	550.594	-
Reverse repurchase agreements	2.126.466	2.067.295	-	2.067.295	-
Loans and advances to customers	8.777.423	8.590.236	-	-	8.590.236
Assets held for sale	118.163	118.163	-	-	118.163
Debt Securities measured at amortised cost	<u>7.661.299</u>	<u>7.673.656</u>	<u>6.421.157</u>	<u>1.252.499</u>	-
	<u>27.291.554</u>	<u>27.057.553</u>	<u>6.421.157</u>	<u>11.927.997</u>	<u>8.708.399</u>
Financial liabilities measured at fair value:					
Derivatives	<u>12.311</u>	<u>12.311</u>	-	<u>12.311</u>	-
Financial liabilities not measured at fair value:					
Deposits by banks	406.065	406.065	-	406.065	-
Customer deposits and other customer accounts	23.936.267	23.905.689	-	-	23.905.689
Other financial liabilities	7.248	7.248	-	-	7.248
Balances under settlement	63.649	63.649	-	63.649	-
Loan capital	<u>209.731</u>	<u>246.313</u>	-	<u>246.313</u>	-
	<u>24.622.960</u>	<u>24.628.964</u>	-	<u>716.027</u>	<u>23.912.937</u>

49. FAIR VALUE MEASUREMENT (continued)
Bank

	Carrying amount	Fair value	Level 1	Level 2	Level 3
	€'000	€'000	€'000	€'000	€'000
31 December 2024					
Financial Assets measured at fair value:					
Debt securities measured at fair value through other comprehensive income	35.226	35.226	35.226	-	-
Equity securities measured at fair value through profit and loss	29.747	29.747	-	22.316	7.431
Equity securities measured at fair value through other comprehensive income	14.954	14.954	1.405	-	13.549
Derivatives	21.605	21.605	-	21.605	-
	101.532	101.532	36.631	43.921	20.980
Financial Assets not measured at fair value:					
Cash and balances with Central Banks	5.730.544	5.730.544	-	5.730.544	-
Placements with other banks	351.209	351.209	-	351.209	-
Reverse repurchase agreements	300.274	302.924	-	302.924	-
Loans and advances to customers	5.738.111	5.686.782	-	-	5.686.782
Debt Securities measured at amortised cost	5.627.581	5.635.533	4.390.174	1.184.157	61.202
Other financial assets	3.200	2.358	-	-	2.358
	17.750.919	17.709.350	4.390.174	7.568.834	5.750.342
Financial liabilities measured at fair value:					
Derivatives		205	205	205	-
Financial liabilities not measured at fair value:					
Deposits by banks	165.122	165.122	-	165.122	-
Customer deposits and other customer accounts	15.658.085	15.650.055	-	-	15.650.055
Other financial liabilities	943	943	-	-	943
Loan capital	309.659	350.737	-	350.737	-
	16.133.809	16.166.857	-	515.859	15.650.998

49. FAIR VALUE MEASUREMENT (continued)

The tables below present the movement of the fair value of securities categorised at level 3 hierarchy for the Group and the Bank:

	The Group		
	Equity securities at fair value through other comprehensive income		Total
	€'000	€'000	
1 January 2025	13.549	7.431	20.980
Gains/(losses) on revaluation	29	(2.395)	(2.366)
Additions	-	496	496
Additions from acquisition of subsidiary company	-	6.047	6.047
31 December 2025	13.578	11.579	25.157

	The Bank		
	Equity securities at fair value through other comprehensive income		Total
	€'000	€'000	
1 January 2025	13.549	7.431	20.980
Gains/(losses) on revaluation	29	(2.321)	(2.292)
31 December 2025	13.578	5.110	18.688

	The Group and the Bank		
	Equity securities at fair value through other comprehensive income		Total
	€'000	€'000	
1 January 2024	13.004	21.916	34.920
Gains on revaluation	545	1.300	1.845
Transfer out of level 3 hierarchy	-	(15.785)	(15.785)
31 December 2024	13.549	7.431	20.980

During the year ended 31 December 2025 and the year ended 31 December 2024 there were no transfers between Level 1 and Level 2.

Fair Value of financial instruments measured at fair value on the statement of financial position
Debt securities at fair value through profit and loss and fair value through other comprehensive income

For the measurement of the fair value of investments in debt securities categorised as Level 1, the Group uses quoted prices from active markets. For the fair value of the investments in debt securities categorised as Level 2 hierarchy, the Group utilises the respective curve for each currency (swap curve or government curve) at each valuation date while also adding the applicable spread if any to fairly value these level 2 debt securities. Alternatively, if available, other indicative quotes from the Bank's counterparties are utilised to fairly price these Level 2 instruments.

49. FAIR VALUE MEASUREMENT (continued)*Equity securities and collective investment units at fair value through profit and loss and fair value through other comprehensive income*

Equity securities and collective investment units consists of quoted securities/units in active markets, which are classified as Level 1, quoted securities/units in inactive markets, which are classified at Level 2, and unquoted securities. For the latter, valuation techniques or pricing models are formulated on a case by case basis and incorporate both observable and non-observable data and as such are classified as Level 3. Level 3 instruments are valued using the net asset values obtained directly from the fund managers, with no significant unobservable inputs applied. Based on the characteristics of the funds and their underlying investments, as well as the valuation methods used by the funds to value the investments, management classified these as level 3 fair value.

A change in the significant unobservable inputs by 15% used in the valuation techniques adopted for VISA Inc. shares, Universal Life shares and JCC shares would result in a change in the value of the equity securities by €3,4 million (31 December 2024: €3,3 million), €0,8 million (31 December 2024: €1,1 million) and €2,0 million (31 December 2024: €2,0 million) respectively.

Derivatives at fair value through profit and loss

Derivative financial instruments are valued using a valuation technique with observable market data. The valuation techniques most frequently used include forward pricing and swap models, using present value calculations. The models use various inputs including foreign exchange spot and forward rates and interest rate curves. Derivative instruments are generally classified as Level 2 on the basis that model inputs that are significant to their measurement are observable. Furthermore, it is essential to note that the vast majority of the Bank's derivative positions are performed with counterparties that the Bank has ISDA (International Swaps and Derivatives Association) and CSA (Credit Support Annex) agreements, exchanging cash collateral on a daily basis.

Fair Value of financial instruments not measured at fair value but for which fair value is disclosed*Loans and advances to customers*

The fair value of loans and advances to customers is based on the present value of expected future risk adjusted cash flows.

The level of subjectivity and degree of management judgment required is significant in these discounted cash flow models given that management is required to exercise judgment in the selection and application of parameters and assumptions where some or all of the parameter inputs are less observable. Future cash flows have been based on the future expected loss rate per loan category, taking into account expectations in the credit quality of the borrowers. The discount rate includes components that capture: the funding cost, liquidity risk premium, cost of capital, regulatory MREL requirements and adjustments for operational costs which are dependent on the definition of the principal market specified by the Bank for fair value purposes. For the Bank's loan book, the principal market is defined as the Republic of Cyprus as it mainly includes local lending in euro to Retail, SME and Corporate clients and thus the average market participant is assumed to be a) Banks operating in Cyprus of similar size and capital structure for the performing portfolio and b) credit acquiring companies for the default portfolio.

The Bank updates its risk parameter models applied in the calculation of the fair value as part of the regular model update cycle. The model update takes into account the latest macroeconomic projections and the available data and information. The fair value parameters are in full alignment with the Bank's provisioning assumptions.

Reverse repurchase agreements

Fair values of reverse repurchase agreements are determined by calculating the present value of future cash flows. The cashflows are discounted using the risk-free rate at the reference date plus the appropriate credit spread.

49. FAIR VALUE MEASUREMENT (continued)*Debt securities classified at amortised cost*

For the calculation of the fair value of investments in debt securities categorised as Level 1 the Group uses quoted prices from active markets. For the fair value of the investments in debt securities categorised under Level 2 hierarchy, the Group utilises the respective curve for each currency (swap curve or government curve) at each valuation date while also adding the applicable spread if any to fairly value these Level 2 debt securities. Alternatively, if available, other indicative quotes from the Bank's counterparties are utilised to fairly price these Level 2 instruments. For its investments classified as Level 3, the Bank utilizes indicative quotes from counterparties maintaining a stake in these positions, or calculates fair values based on proxy parameters in accordance with the risk characteristics of each instrument.

Financial assets and liabilities held for sale

The carrying value of financial assets and liabilities classified as held for sale is a close approximation of their fair value and they are categorised as Level 3.

Indemnification asset/liability

For the year ended 31 December 2024 the Indemnification asset/liability was included in other financial assets/liabilities and the fair value of which was determined based on the Income Approach.

Indemnification asset – APS

For the year ended 31 December 2024 the fair value was estimated as the sum of:

- a) The Present Value of claims to be made by the Bank in the event of APS Losses. The claims and timing of these claims reflect the measurement of the estimated future cash flows arising from claims to be made by the Bank in the event of APS losses. All calculations were made on an asset by asset basis, minus
- b) The Present Value of fees payable by the Bank to KEDIPES.

The present value of the APS indemnification asset was discounted at the equivalent prevailing market interest rate of sovereign exposures with similar maturity.

Indemnification asset – certain off-balance items acquired

The fair value was estimated on the recovery as a result of the estimated losses arising from the off-balance sheet exposures as described under the BTA agreement.

The expected recovery was the result of the estimated losses of the above elements, discounted at the equivalent prevailing market interest rates of sovereign exposures with similar maturity.

Other key inputs involved in the fair value measurement of the indemnification assets relating to APS and off-balance sheet exposures include the estimates and parameters involved in the measurement of ECL of the underlying loans and off-balance sheet exposures.

Loan Capital:

The Senior Preferred Notes and the Tier 2 Subordinated Notes are both listed on the Luxemburg Stock Exchange (active market) and as such are classified as Level 2.

Other financial instruments:

For the remaining financial assets and financial liabilities not described above or not separately disclosed in the above tables the fair value approximates to their carrying amounts.

49. FAIR VALUE MEASUREMENT (continued)

Fair Value of non financial assets

The fair value of properties held for own use and investment properties is based on valuations by independent qualified valuers and categorised as Level 3. As at 31 December 2025 the carrying amount of properties held for own use were €176.858 thousand and €154.773 thousand for the Group and the Bank respectively (31 December 2024: €147.952 thousand and €140.294 for the Group and the Bank respectively). As at 31 December 2025 the carrying amount of investment properties were €58.865 and €4.399 thousand for the Group and the Bank respectively (31 December 2024: €5.420 thousand and €6.303 thousand the Group and the Bank respectively). Significant fluctuations in the estimated values per square meter for properties valued with the comparable approach or significant fluctuations in the estimated rental yields for properties valued with the income capitalisation approach could significantly impact the fair value of the properties.

Fair value of deposits

When calculating the fair value adjustment of its deposits, the Bank breaks them down to products and maturity / repricing periods to formulate future cash flows in accordance with each deposit's contractual characteristics. It is important to note that for the purposes of this exercise, non-maturity deposits (NMDs), which are comprised by savings accounts and current accounts and do not have a distinct maturity date, are allocated in overnight time bands. Accordingly, the Bank uses forward rates to construct the curves and project the cost that could reprice its deposits at their maturity / repricing date, based on market expectations at the reference date of 31 December 2025.

Investment contract liabilities

The fair value of financial liabilities for these contracts is determined using the current unit values in which the contractual benefits are denominated. These unit values reflect the fair values of the financial assets contained within the relevant investment funds linked to the financial liability. The fair value of the financial liabilities is obtained by multiplying the number of units attributed to the members/policyholders at the reporting date by the unit value for the same date.

50. SEGMENTAL ANALYSIS

For management purposes, the Group is organised into two operating segments based on the provision of services, as follows:

- Banking and financial services segment - principally providing banking and financial services, including financing and investment services, as well as custodian and factoring services.
- Insurance services segment - principally providing life and general insurance services in Cyprus.

The Group is currently operating in Cyprus.

There was no turnover deriving from transactions with a single external customer that amounted to 10% or more of Group revenue.

The table below presents income, expenses, impairment losses on financial instruments and non financial assets, profit/(loss) for the year, taxation and information on assets, liabilities and capital expenditure regarding the Group's operating segments.

50. SEGMENTAL ANALYSIS (continued)

	Banking & Financial services		Insurance Services		Intersegment transactions/ other intercompany balances		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Continuing Operations								
Turnover	869.991	859.096	42.306	17.693	(48.059)	(7.733)	864.238	869.056
<i>Of which: Third parties</i>	863.854	853.882	384	15.174	-	-	864.238	869.056
<i>Of which: Inter-segment</i>	6.137	5.214	41.922	2.519	(48.059)	(7.733)	-	-
Net interest income	576.104	598.402	5.114	292	6	16	581.224	598.710
Net fees and commission income/(expenses)	101.403	86.055	(148)	(22)	(6.217)	(5.192)	95.038	80.841
Net gains/(losses) on revaluation of financial instruments	(1.704)	14.410	1.369	3.497	784	-	449	17.907
Net income from insurance operations	-	3.067	37.741	12.007	6.259	5.274	44.000	20.348
Other income/(expenses)	62.922	13.423	(1.923)	1.880	(48.965)	(7.793)	12.034	7.510
Gain on acquisition	-	-	-	-	58.450	-	58.450	-
Total net income	738.725	715.357	42.153	17.654	10.317	(7.695)	791.195	725.316
Staff costs	(152.613)	(138.027)	(2.034)	(1.298)	(88)	-	(154.735)	(139.325)
Depreciation and amortisation	(22.284)	(20.249)	(706)	(164)	104	50	(22.886)	(20.363)
Administrative and other expenses	(92.418)	(90.870)	(4.153)	(2.206)	124	42	(96.447)	(93.034)
Total expenses	(267.315)	(249.146)	(6.893)	(3.668)	140	92	(274.068)	(252.722)
Profit from operations before impairments provisions and other related costs and levies	471.410	466.211	35.260	13.986	10.457	(7.603)	517.127	472.594
Net gains on derecognition of financial assets measured at amortised cost (Impairment losses)/reversal of impairment losses relating to loans and advances to customers	7.847	1.734	-	-	-	-	7.847	1.734
External Debt Collection Servicer Fees	(15.923)	6.786	-	(1)	-	(3)	(15.923)	6.782
Reversal of impairment losses on other financial assets	(6.890)	(9.156)	-	-	-	-	(6.890)	(9.156)
Other Impairments, risk provisions and related costs	5.853	8.069	494	-	-	-	6.347	8.069
Special Levy on Deposits	(614)	(7.865)	(2)	-	2	-	(614)	(7.865)
Restructuring costs	(27.539)	(22.561)	-	-	-	-	(27.539)	(22.561)
Restructuring costs	(41.493)	(5.550)	(1.807)	-	-	-	(43.300)	(5.550)
Profit/(loss) before taxation	392.651	437.668	33.945	13.985	10.459	(7.606)	437.055	444.047
Taxation	(53.811)	(59.383)	(6.456)	(2.079)	-	-	(60.267)	(61.462)
Profit/(loss) for the year	338.840	378.285	27.489	11.906	10.459	(7.606)	376.788	382.585
Total assets	27.972.599	18.204.481	1.232.342	168.921	(210.780)	(15.684)	28.994.161	18.357.718
Total liabilities	24.919.451	16.370.076	791.300	111.387	(41.733)	(11.964)	25.669.018	16.469.499
Capital expenditure on land and buildings, property, plant & equipment and computer software	28.720	25.222	1.439	308	-	-	30.159	25.530

51. ACQUISITION OF CNP CYPRUS INSURANCE HOLDINGS LIMITED

Following the Bank's announcement dated 28 November 2024 regarding the Sale and Purchase Agreement with CNP Assurances S.A. for the acquisition of CNP Cyprus Insurance Holdings Limited (the "Transaction"), the Bank announced on 16 April 2025 that following the receipt of all regulatory approvals, the acquisition of the entire share capital of CNP Cyprus Insurance Holdings Limited from CNP Assurances S.A. was completed with a total cash consideration of €182 million. As of May 2025, the acquired entity has been renamed ERB Cyprus Insurance Holdings Limited (refer to Note 28).

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 Bank's existing position in the insurance market, increasing significantly its market share in the life and general insurance sectors.

The Bank acquired 100% of the issued share capital of CNP Cyprus Insurance Holdings Limited that is the holding company of all the former CNP subgroup companies.

The acquisition of CNP Cyprus Insurance Holdings Limited and its subsidiaries (former "CNP subgroup") was accounted for as a business combination using the purchase method of accounting as per the provisions of IFRS 3 - Business Combinations, where the financial results of the former CNP subgroup were incorporated in the Group's financial statements prospectively, as of 1 April 2025. Figures below also include the results of the fair value exercise by the Group to measure the identifiable assets acquired and liabilities incurred.

The valuation techniques used for measuring the fair value of assets and liabilities acquired are disclosed in Note 5.6.

The following table presents the values of the identifiable assets and liabilities of the former CNP subgroup as at 31 March 2025:

	€'000
Assets	
Placements with other banks	35.562
<i>of which intercompany placements with other banks</i>	12.694
Debt securities, Equity securities and collective investments units	700.604
Property, plant and equipment and Intangible assets (refer to Note 34 and 35)	31.467
Reinsurance contract assets	24.505
Investment property (refer to Note 31)	47.105
Deferred tax asset (refer to Note 40)	2.337
Other assets	8.131
Total assets assumed	<u>849.711</u>
Liabilities	
Insurance contract liabilities (refer to Note 29)	513.927
Investment contract liabilities (refer to Note 42)	64.874
Deferred tax liability (refer to Note 40)	3.879
Lease liability (refer to Note 41)	1.078
Other Liabilities	23.078
Total liabilities assumed	<u>606.836</u>
Net assets acquired	<u>242.875</u>
Purchase price/Net cash consideration	181.883
Gain on acquisition	60.992
Acquisition related costs	(2.542)
Gain on acquisition net of acquisition related costs	<u>58.450</u>

51. ACQUISITION OF CNP CYPRUS INSURANCE HOLDINGS LIMITED (continued)

The net cash outflow on acquisition, after cash and cash equivalents acquired, amounted to €159.018 thousand. The gain of €58.450 thousand has been presented as a separate line item in the statement of profit or loss. This gain is attributed to the particular terms of the acquisition, with the total consideration being equal to former CNP subgroup's book value as of 31 December 2023 and the improvement of its Net Assets thereafter.

For the year ended 31 December 2025, the former CNP subgroup contributed €42,3 million to the Group's turnover and €27,5 million to the Group's profit for the year. If the acquisition had occurred on 1 January 2025, the former CNP subgroup would have contributed € 8,3 million to the Group's turnover and €5,8 million to its profit for the period up to 31 March 2025. As at 31 December 2025, the total assets of the former CNP subgroup amounted to €1.067 million and total liabilities €787 million.

52. TRANSFER OF BUSINESS AND OPERATIONS OF EUROBANK CYPRUS LTD

Effective as of 1 September 2025, pursuant to the provisions of the Transfer of Banking Business and Collateral Law of 1997 (as amended) and the agreement dated 31 July 2025 between Hellenic Bank Public Company Limited (Hellenic Bank) and Eurobank Cyprus Ltd, all assets and liabilities of Eurobank Cyprus Ltd (Reg. No. 217050) were transferred to the Bank. The transaction was executed through the issuance of new common ordinary shares by Hellenic Bank to Eurobank Cyprus Ltd, representing 36,15% of its share capital. Following the said transfer, Eurobank Cyprus Ltd was renamed to ERB Cyprus Holdings Ltd and Hellenic Bank Public Company Limited was renamed to Eurobank Limited. Subsequently to the said transfer, the two entities entered into a reorganization and merger scheme which was legally completed on 3 December 2025 and as a result ERB Cyprus Holdings Ltd was dissolved.

The financial results of the ERB Cyprus were incorporated in the Bank's and the Group's financial statements prospectively, as of 1 September 2025.

As the transaction was between entities under common control, it was recognised using the book value method of accounting.

The following table shows the assets and liabilities transferred under the business agreement.

	€'000
Assets	
Cash and balances with Central Banks	2.719.039
Placements with other banks	167.799
Reverse repurchase agreements	1.073.270
Loans and advances to customers (refer to Note 55.2)	2.902.818
Debt securities*	1.928.464
Equity securities and collective investments units	2.139
Investment in subsidiary companies	17.169
Derivatives	10.915
Property, plant and equipment (refer to Note 34)	29.542
Stock of property (refer to Note 30)	13.868
Intangible assets (refer to Note 35)	36.659
Deferred tax asset (refer to Note 40)	1.316
Other assets	4.900
Total assets	<u>8.907.898</u>

52. TRANSFER OF BUSINESS AND OPERATIONS OF EUROBANK CYPRUS LTD (continued)
Liabilities

Deposits by banks	103.855
Customer deposits and other customer accounts	7.476.235
Amounts due to subsidiary companies	751
Tax payable	20.056
Deferred tax liability (refer to Note 40)	2.955
Derivatives	4.855
Financial guarantees and loan commitments (refer to Note 41)	3.510
Lease liability (refer to Note 41)	4.032
Other Liabilities	96.873
Provisions for pending litigations or complaints and/or claims	701
Total liabilities	<u>7.713.823</u>

Equity

Share capital	116.866
Reserves	
Share premium reserve	140.528
Revenue reserve	935.894
Revaluation reserves	787
Total equity	<u>1.194.075</u>
Total liabilities and equity	<u>8.907.898</u>

*Debt securities are net of ECL's.

As part of the agreement for the transfer of business and operations dated 31 July 2025, on 1 September 2025 Eurobank Limited issued and allotted to ERB Cyprus 233.733.470 new ordinary shares in the issued share capital of Eurobank Limited with a nominal value of €0,50 each at the price of €1.10123011869 (which included the amount of €0.60123011869 as premium for each share), increasing its share capital and share premium by €116.867 thousand and €140.528 thousand respectively. An amount of €935.894 thousand and €787 thousand were transferred to revenue reserves and revaluation reserves respectively.

For the year ended 31 December 2025, the ERB Cyprus contributed €148,1 million to the Group's and the Bank's turnover and €70,5 million to the Group's and the Bank's profit for the year. If the transfer of business and operations had occurred on 1 January 2025, ERB Cyprus would have contributed €278,0 million to the Group's and the Bank's turnover and €114,0 million to its profit for the period up to 31 August 2025. As at 31 December 2025, the total assets of ERB Cyprus amounted to €7.839 million and total liabilities €7.768 million.

53. CAPITAL MANAGEMENT

The objective of the Bank's capital and leverage policy is to retain sufficient capital and leverage levels and ratios by complying with the legal and regulatory framework requirements as well as any internal capital buffers set while safeguarding the best interests of shareholders and supporting the Group's business strategy.

Regulatory framework

In accordance with the European Council's Regulation 1024/2013, the ECB has taken on full responsibility for the supervision of important credit institutions in participating Member States, including amongst others the Group, with the assistance of the local supervisory authorities. The Central Bank of Cyprus, as part of its supervisory role, has adopted the recommendations of the Basel Committee and the European Directives on banking supervisory matters.

53. CAPITAL MANAGEMENT (continued)

Effective from 1 January 2014, the Capital Requirements Directive 2013/36/EU ("CRD IV") and the Capital Requirements Regulation (EU) No 575/2013 ("CRR"), were in force and formed the European regulatory package designed to transpose the new capital, liquidity and leverage standards of Basel III into the European Union's legal framework.

The CRR establishes the prudential requirements for capital, liquidity and leverage that credit institutions and large investment firms need to abide by and is immediately binding on all EU member states. The CRD governs access to deposit taking activities, internal governance arrangements including remuneration, board composition and transparency, while it also sets out additional capital buffer requirements. The CRR introduced significant changes in the prudential regulatory regime applicable to banks including amended minimum capital adequacy ratios, changes to the definition of capital and the calculation of RWAs and the introduction of new measures relating to leverage, liquidity and funding. The CRR permitted a transitional period for certain of the enhanced capital requirements and certain other measures, such as the leverage ratio, which were largely effective by 2019, and some other transitional provisions with phase in until 2029. The CRD IV, unlike the CRR, was transposed into national law by EU member states, and national regulators were allowed to impose additional capital buffer requirements.

In March 2018, the ECB published a non-performing exposures ("NPEs") addendum which supplements the NPL Guidance by specifying the ECB's supervisory expectations when assessing a bank's levels of prudential provisions for non performing exposures. The ECB, in this context, assesses, among other things, the length of time an exposure has been classified as non performing (vintage) as well as the collateral held. In April 2019, Regulation (EU) 2019/630 was issued, as regards to the minimum loss coverage for non-performing exposures, with an immediate effective date, prescribing the minimum provision coverages based on vintage and collateral held, for loans that originated after 26 April 2019.

In May 2019, the CRR II, which was applicable from 28 June 2021, amended significantly the CRR in several aspects such as the leverage ratio, the Net Stable Funding Ratio ("NSFR"), requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements. Also, in May 2019 the CRD V amended the CRD IV as regards to exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures. The CRD V was transposed into national law by EU member states.

In June 2024, Regulation (EU) 2024/1623 ("CRR III") and Directive (EU) 2024/1619 ("CRD VI") were published in the EU's Official Journal. These reflect the EU banking rules which implement, amongst other things, the finalisation of the Basel III framework. The CRR III entered into force on 9 July 2024, and most amended provisions of the CRR III have become effective on 1 January 2025, while certain reforms are expected to be subject to transitional arrangements or to be phased in over time. The CRR III amended Regulation (EU) No 575/2013 on requirements for credit risk, credit valuation adjustment risk, operational risk, market risk and the output floor. The CRD VI entered into force on 9 July 2024, and EU Member States are required to adopt and publish the laws, regulations, and administrative provisions necessary to comply with the CRD VI.

Regulatory capital

The Group's regulatory capital under Pillar I is calculated in accordance with the provisions of the CRR, where applicable.

The capital base of the Group, as at the reporting date, for regulatory purposes is divided into two main categories, namely the Common Equity Tier 1 ("CET1") capital and the Tier 2 ("T2") capital, which are described below in detail. The Group's CET1 instruments consist only of ordinary shares (refer to Note 44).

53. CAPITAL MANAGEMENT (continued)**I. Common Equity Tier 1 capital**

Common Equity Tier 1 capital includes the Bank's share capital, share premium, retained earnings including the profit or loss for the years/periods (after the deduction of any foreseeable dividends in accordance with the payout ratio as per the Bank's dividend policy), accumulated other comprehensive income (such as revaluation reserve of investments in debt securities, revaluation reserve of investments in equity securities and property revaluation reserve) and other reserves (such as reduction of share capital reserve). As per Article 26(1) of the CRR and EBA Guidelines on prudent valuations, a part of property revaluation reserve is not allowed to be included in CET1 capital.

Additional information on regulatory capital is disclosed in the Pillar III disclosures for the year ended 31 December 2025, which will be published on the Bank's website (Pillar 3 Disclosures - Eurobank Limited), under "Investor Relations".

II. Tier 2 capital

Tier 2 capital includes subordinated loan capital.

In March 2023, the Bank successfully priced a new €200 million Tier 2 Subordinated Notes (the "T2 Notes"), under its EMTN Programme (refer to Note 43).

III. Regulatory capital position

The Group and the Bank have complied with the relevant minimum capital requirements as at 31 December 2025 and 31 December 2024.

The insurance subsidiaries of the Group have complied with the requirements of Superintendent of Insurance and minimum solvency ratios as at 31 December 2025 and 31 December 2024. The Solvency and Financial Condition Reports of insurance subsidiaries are published annually on their official website.

Throughout this note, the capital ratios, leverage ratio and MREL ratio as at 31 December 2025, include audited profits for the year ended 31 December 2025, after the deduction of any foreseeable dividends, in accordance with the payout ratio as per the Bank's dividend policy, following permission granted by the Supervisory Authorities, in accordance with the ECB Decision (EU) 2015/656 on the conditions under which credit institutions are permitted to include interim or year-end profits in CET1 capital in accordance with the CRR. These ratios have been calculated in accordance with the legal framework in relation to the CRR capital requirements.

The position of the Group and the Bank's regulatory capital, risk weighted assets ("RWA"), capital and leverage ratios, as at the reporting date, which are above the minimum regulatory requirements, is presented below:

53. CAPITAL MANAGEMENT (continued)

	The Group		The Bank	
	2025 ¹	2024 ²	2025 ¹	2024 ²
	€'000	€'000	€'000	€'000
Regulatory capital				
Own funds				
Common Equity Tier 1 (CET 1)	2.925.237	1.725.891	2.922.201	1.722.833
Tier 1 (T1)	2.925.237	1.725.891	2.922.201	1.722.833
Tier 2 (T2)	209.731	209.178	209.731	209.178
Total regulatory capital	3.134.968	1.935.069	3.131.932	1.932.011
Risk weighted assets				
Credit risk	7.385.251	4.878.434	7.391.561	4.884.664
Market risk	26.284	2.496	26.284	2.496
Operational risk	1.193.148	1.111.530	1.194.755	1.114.935
Total risk exposure amount for credit valuation adjustments (CVA)	12.088	16.841	12.088	16.841
Total risk weighted assets	8.616.771	6.009.301	8.624.688	6.018.936
Capital and Leverage ratios				
Total Capital ratio	36,38%	32,20%	36,31%	32,10%
Tier 1 ratio	33,95%	28,72%	33,88%	28,62%
Common Equity Tier 1 ratio	33,95%	28,72%	33,88%	28,62%
Leverage ratio	10,08%	9,43%	10,06%	9,41%

1.As per the regulatory reporting submission, for which audited profits for the year ended 31 December 2025 are included, following permission granted by the Supervisory Authorities, after the deduction of any foreseeable dividends, in accordance with the payout ratio as per the Bank's dividend policy.

2.As per the Pillar III disclosures of Hellenic Bank Group for the year ended 31 December 2024, including audited profits for the year ended 31 December 2024 following permission granted by the Supervisory Authorities.

As at 31 December 2025, the Group's CET1 ratio increased by 523 bps reaching 33,95%, compared to 28,72% as at 31 December 2024. The Group's Total Capital ratio increased by 418 bps reaching 36,38%, compared to 32,20% as at 31 December 2024. The increase in capital ratios is due to the increase in CET1 capital, which outweighed the increase in RWAs, mainly driven by the transfer of business and operations between the Bank and Eurobank Cyprus Ltd (refer to Note 52).

Leverage Ratio

The regulatory framework has introduced the leverage ratio as a non-risk based measure which is intended to restrict the build-up of excessive leverage from on and off-balance sheet items in the banking sector. The leverage ratio is defined as Tier 1 capital divided by the total exposure measure. The Group and the Bank is subject to a 3% Pillar I Leverage ratio requirement.

As at 31 December 2025, the Group's Leverage ratio amounted to 10,08% compared to 9,43% as at 31 December 2024, which continues to be well above the minimum leverage ratio requirement of 3%.

IV. Capital Requirements

The minimum regulatory capital requirements (phase-in) of the Group and the Bank, inclusive of Pillar 2 Guidance ("P2G"), are presented below:

53. CAPITAL MANAGEMENT (continued)

	1 January		
	2026 ¹	2025 ²	2024 ³
	%	%	%
Pillar I			
CET 1	4,50	4,50	4,50
AT 1 ⁴	1,50	1,50	1,50
Tier 1	6,00	6,00	6,00
Tier 2	2,00	2,00	2,00
Total Capital Requirement – Pillar I	8,00	8,00	8,00
Pillar II			
CET 1	1,69	1,94	1,94
AT 1	0,56	0,65	0,65
Tier 1	2,25	2,59	2,59
Tier 2	0,75	0,86	0,86
Total Capital Requirement – Pillar II (P2R)	3,00	3,45	3,45
Total SREP Capital Requirement (TSCR)	11,00	11,45	11,45
Combined buffer requirement (CBR)			
Capital conservation buffer (CCoB)	2,50	2,50	2,50
Countercyclical capital buffer (CCyB) ⁵	1,50	0,95	1,00
Other systematically important institutions buffer (O-SII)	2,00	1,50	1,25
	6,00	4,95	4,75
Overall Capital Requirement (OCR)	17,00	16,40	16,20
Pillar 2 Guidance (P2G)	1,50	1,75	1,75
Minimum CET 1 Regulatory Requirement	13,69	13,14	12,94
Minimum Tier 1 Regulatory Requirement	15,75	15,29	15,09
Minimum Total Capital Regulatory Requirement	18,50	18,15	17,95

1.As per 2025 final SREP decision, the new capital requirements are effective from 1 January 2026.

2.The capital requirements established by the 2023 SREP decision continued to apply as the ECB did not issue a separate SREP decision for the 2024 SREP cycle for the Bank.

3.As per 2023 final SREP letter, the new capital requirements were effective from 1 January 2024.

4.Based on the current capital structure, following the redemption of Convertible Capital Securities 1 and Convertible Capital Securities 2 instruments on 31 December 2024, the Group no longer has any AT1 instruments in issue. Thus, the minimum requirement for AT1 for 31 December 2025 and 31 December 2024 shall be covered by CET1 capital.

5.The CCyB rate calculated at each reporting period may vary based on the CCyB rate for the risk exposures in other countries.

Combined buffer requirement (CBR)

Based on the provisions of the Macroprudential Oversight of Institutions Law of 2015 to 2022, which came into force on 1 January 2016, the CBC is the designated Authority responsible for setting the macroprudential buffers that derive from the CRD.

Capital Conservation buffer (“CCoB”)

The CCoB buffer is set at 2,50%, which has been fully phased-in since 1 January 2019.

Countercyclical Capital buffer (“CCyB”)

The institution-specific CCyB is calibrated periodically by the Bank, calculated as the weighted average of the CCyBs that apply in the jurisdictions where the relevant credit exposures of the Bank are located, which may vary from 0% - 2,50%. As at 31 December 2025, the Group’s CCyB has been calculated at approximately 0,95% (31 December 2024: approximately 1%).

53. CAPITAL MANAGEMENT (continued)

In June 2023, the CBC, announced its decision to increase the CCyB rate from 0,5% to 1,0% of the total risk exposure amount in Cyprus of each authorised credit institution incorporated in Cyprus, effective from 2 June 2024.

In January 2025, the CBC decided to increase the CCyB rate from 1% to 1,5% of the total risk exposure amount in Cyprus, effective from 14 January 2026. In March 2026, the CBC announced that it is deemed appropriate to maintain the CCyB rate at 1,5%, effective as from 14 January 2026. Therefore, for the year 2026 the Group's CCyB rate is projected to increase to 1,5%.

Other Systematically Important Institutions ("O-SII") buffer

The Bank has been designated as an Other Systemically Important Institution by the CBC. The O-SII buffer requirement is phased-in in two annual increases of 25 bps which is set to 1,50% effective from 1 January 2025 and to 1,75% effective from 1 January 2026.

In November 2025, following the CBC's annual reassessment, the fully phased-in O-SII buffer increased to 2,00% from 1,75%, effective from 1 January 2026. Therefore, for the year 2026 the Bank's fully phased-in O-SII buffer requirement increases to 2,00%.

Supervisory Review and Evaluation Process ("SREP")

The final 2025 SREP decision received in November 2025, and the capital requirements are effective from 1 January 2026.

As the Bank is a subsidiary of Eurobank S.A., and a member of the Eurobank S.A Group, the ECB did not issue a separate SREP decision for the 2024 SREP cycle for the Bank. As per the ECB's decision communicated to the holding company, the capital requirements established by the Bank's final 2023 SREP decision continued in full force and effect.

The Group is required to maintain for 2026, on a consolidated basis, a Total SREP Capital ratio requirement of 11,00% (2025 and 2024: 11,45%), which comprises of the Pillar I requirement of 8% (of which up to 1,5% can be met with Additional Tier 1 Capital and up to 2% with Tier 2 Capital) and Pillar II Requirement ("P2R") of 3,00% (2025 and 2024: 3,45%), to be held in the form of 56,25% of CET 1 capital and 75% of Tier 1 capital.

The Group is also required to maintain, effective from 1 January 2026, on a consolidated basis, a minimum Total Overall Capital Requirement ("OCR") of 17,00% (31 December 2025: 16,40% / 2024: 16,20%), which includes the Combined Buffer Requirement ("CBR") of 6,00% (31 December 2025: 4,95% / 2024: 4,75%), which for all years comprises the CCoB of 2,5% (which has to be made up with CET 1 capital), the O SII buffer of 2,00% (31 December 2025: 1,50% / 2024: 1,25%) and the CCyB of approximately 1,50% (31 December 2025: approximately 0,95% / 2024: approximately 1,00%).

Based on the final 2025 SREP decision, the Pillar II Requirement ("P2R") effective from 1 January 2026 is reduced at 3,00% compared to 3,45%.

Moreover, based on the final 2025 SREP decision, the ECB expects the Bank to adhere to a Pillar 2 Guidance ("P2G") of 1,50% effective from 1 January 2026 (down from 1,75% applicable until 2025) which is over and above the OCR, bringing the total OCR and P2G to 18,50%.

As at 31 December 2025, the Group's minimum required Total Capital Ratio, Tier 1 and CET 1 ratios, were set at 18,15% (31 December 2024: 17,95%), 15,29% (31 December 2024: 15,09%) and 13,14% (31 December 2024: 12,94%), respectively. Similarly, effective from 1 January 2026, the Group's minimum required Total Capital Ratio, Tier 1 and CET 1 ratios, are set at 18,50%, 15,75% and 13,69%, respectively. These capital ratios include P2G, as presented in the table above.

The Group's capital ratios remain above the SREP requirements.

53. CAPITAL MANAGEMENT (continued)**Pillar III disclosures**

The Pillar III disclosures for the year ended 31 December 2025 with respect to the requirements of Part Eight of the Capital Requirements Regulation (EU) No 575/2013, as amended, are published on the Bank's official website (Pillar 3 Disclosures - Eurobank Limited), under "Investor Relations".

Minimum requirement for own funds and eligible liabilities (MREL)

The Bank is subject to the Minimum Requirement for Own Funds and Eligible Liabilities (MREL) in accordance with the Bank Recovery and Resolution Directive (BRRD) and its national transposition. As a non-resolution entity within Eurobank S.A Group which is subject to a Single Point of Entry (SPE) resolution strategy, the Bank is required to comply with internal MREL, ensuring that the adequate loss-absorbing and recapitalization capacity is available at the resolution entity through eligible instruments issued intragroup. Internal MREL supports the effective implementation of the preferred resolution strategy, in line with the Single Resolution Board's (SRB) MREL framework.

In December 2025, the Bank received notification from the Central Bank of Cyprus of the Single Resolution Board's (SRB) decision for the binding MREL requirement for the Bank. In accordance with the said Decision, Eurobank Limited must comply with the MREL target on an individual basis at the level of 24,64% (2024: 24,69%), plus CBR for MREL TREA and 5,91% (2024: 5,91%) for MREL LRE at all times. The own funds used by the Bank to meet the combined buffer requirements (CBR) will not be eligible to meet its MREL requirements expressed in terms of risk weighed assets.

Taking into consideration the applicable CBR requirements, the final MREL target resulted to 29,59% of TREA as at 31 December 2025. This is based on the CBR calculated at 4,95% as at 31 December 2025, of which CCoB of 2,5%, CCyB rate of 0,95% and O-SII buffer of 1,50%.

As at 31 December 2025, the Bank's MREL ratio on an individual basis was 36,31% of TREA and 10,79% of LRE and on a consolidated basis was 36,38% of TREA and 10,80% of LRE.

The Bank has established a Euro Medium Term Note (EMTN) program of a €1,5 billion size to issue MREL. In March 2023 the Bank issued a €200 million Tier 2 Subordinated Notes (the "T2 Notes"), with a fixed coupon of 10,25%, maturing on 14 June 2033 and callable at par during a 3-month period commencing on 14 March 2028 (10,25NC5,25). Going forward, all MREL funding needs of the Bank will be covered through funding from the Eurobank S.A Group.

As at 31 December 2024, the Bank had in issue €100 million Senior Preferred Notes, under its EMTN program. On 17 September 2025 the Bank exercised its option to redeem all Senior Preferred Notes (refer to Note 43).

54. 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 take advantage of specific investment opportunities.

Eurobank S.A. Group managed funds

Eurobank S.A. Group establish 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 (Luxemburg) S.A., it is engaged with the management of different types of mutual funds, including fixed income, equities, funds of funds and money market.

The Group purchases and holds units in funds managed by Eurobank S.A. Group which include mutual funds.

Non-Group managed funds

The Group purchases and holds units of third party managed funds including mutual funds and private equity.

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 Bank's and the Group's interests in unconsolidated structured entities, recognized in the statement of financial position as at 31 December 2025 and 2024, 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 and 2024 is also provided:

54. UNCONSOLIDATED STRUCTURED ENTITIES (continued)

The Group 31 December 2025	Funds managed by the Eurobank S.A Group			Third party managed funds			Total €'000
	Mutual funds	Private equity funds	Securitisations and other	Mutual funds ¹	Private equity funds ¹	Securitisations and other	
	€'000	€'000	€'000	€'000	€'000	€'000	
Investment securities at FVOCI	-	-	-	-	-	9.663	9.663
Investment securities at FVTPL	2.565	-	-	51.685	4.750	-	59.000
Investment securities at AC	-	-	18.115	-	-	783.187	801.302
Total carrying amount of assets in relation to the Group's interests in the funds	2.565	-	18.115	51.685	4.750	792.850	869.965

1 Investment securities of €265 million (2024: €50 million) that are backing unit-linked insurance and investment contract liabilities are not included.

	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Interest	-	-	104	-	-	18.902	19.006
Dividends	-	-	-	585	37	-	622
Gains from sale of the Group interest	-	-	-	(495)	-	-	(495)
Gains from assets measured at FVTPL	47	-	-	1.588	228	-	1.863
Losses from assets measured at FVTPL	-	-	-	-	(55)	-	(55)
	47	-	104	1.678	210	18.902	20.941

The Bank 31 December 2025	Funds managed by the Eurobank S.A Group			Third party managed funds			Total €'000
	Mutual funds	Private equity funds	Securitisations and other	Mutual funds	Private equity funds	Securitisations and other	
	€'000	€'000	€'000	€'000	€'000	€'000	
Investment securities at FVOCI	-	-	-	-	-	9.663	9.663
Investment securities at FVTPL	2.150	-	-	-	-	-	2.150
Investment securities at AC	-	-	18.115	-	-	783.187	801.302
Total carrying amount of assets in relation to the Bank's interests in the funds	2.150	-	18.115	-	-	792.850	813.115

	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Interest	-	-	104	-	-	18.902	19.006
Gains from assets measured at FVTPL	19	-	-	-	-	-	19
	19	-	104	-	-	18.902	19.025

54. UNCONSOLIDATED STRUCTURED ENTITIES (continued)
**The Group
31 December 2024**

	Funds managed by the Eurobank S.A Group			Third party managed funds			Total
	Mutual funds	Private equity funds	Securitisations and other	Mutual funds ¹	Private equity funds ¹	Securitisations and other	
	€'000	€'000	€'000	€'000	€'000	€'000	
Investment securities at FVTPL	-	-	-	40.335	10.274	-	50.609
Investment securities at AC	-	-	-	-	-	835.077	835.077
Total carrying amount of assets in relation to the Group's interests in the funds	-	-	-	40.335	10.274	835.077	885.686
	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Interest	-	-	-	-	-	19.119	19.119
Gains from assets measured at FVTPL	-	-	-	568	-	-	568
Losses from assets measured at FVTPL	-	-	-	(83)	-	-	(83)
	-	-	-	485	-	19.119	19.604

**The Bank
31 December 2024**

	Funds managed by the Eurobank S.A Group			Third party managed funds			Total
	Mutual funds	Private equity funds	Securitisations and other	Mutual funds	Private equity funds	Securitisations and other	
	€'000	€'000	€'000	€'000	€'000	€'000	
Investment securities at AC	-	-	-	-	-	835.077	835.077
Total carrying amount of assets in relation to the Bank's interests in the funds	-	-	-	-	-	835.077	835.077
	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Interest	-	-	-	-	-	19.119	19.119
	-	-	-	-	-	19.119	19.119

55. RISK MANAGEMENT

Introduction and overview

The Group has exposure to the following key risks from its operations and from the use of financial instruments:

- Credit risks
- Market risks
- Liquidity risks
- Operational risks
- Sustainability risks

The Group is also exposed to insurance risk which arises from its insurance operations.

This note presents information about the Group's exposure to each of the above risks, the Bank's objectives, policies and processes for measuring and managing risk.

Risk Management Unit (RMU)

The management and monitoring of all Group's risks is centralised under a single unit, Risk Management, to which the following specialised risk management departments report:

- Enterprise Risk Management and Governance (ERMG)
- Credit Risk Management (CRM)
- Credit Control (CC)
- Field Reviews and Credit Projects (FR&CP)
- Risk Strategy and Analytics (RSA)
- Investment, Market and Liquidity Risk Management (IMLRM)
- Non-Financial Risk Management (NFRM)
- Sustainability Risk (SR)
- Model Validation (MV)
- Insurance Risk Management (IRM)

The Bank's RMU consists of the above departments and is functionally independent from other units with executive authority and reports to the Board of Directors (BoD), through the Board Risk Committee (BRC).

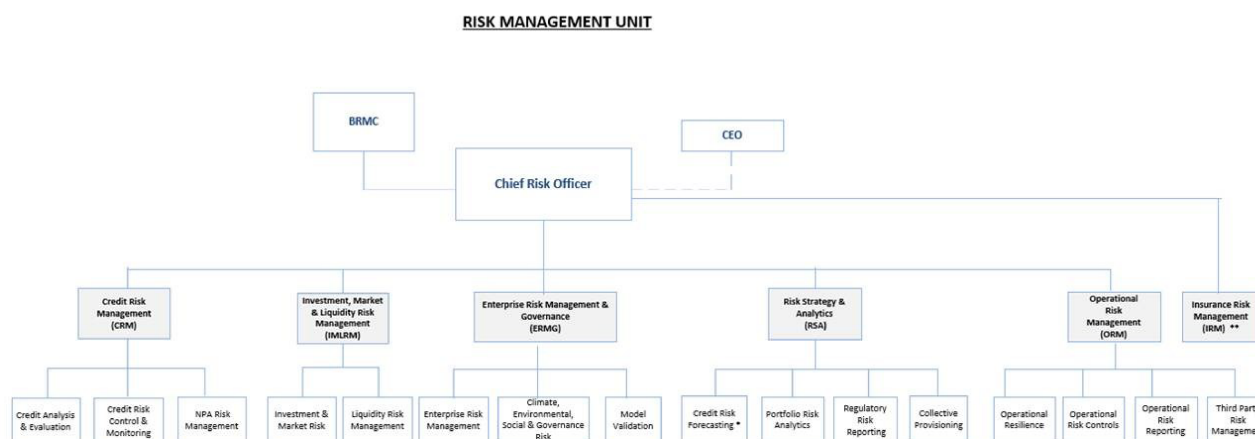
The departments cover all risk areas across the Group's operations and are intensively working to ensure that the Bank fully conforms to the provisions of the Accord of Basel III, the Directives of the regulatory authorities and international best practices.

The Risk Management Unit is organised in such a way as to cater for the needs of the Bank, in this dynamic landscape, cognisant of the intricacies of the Bank's business model and those of the external market and regulatory environment. The current structure aims to enhance the organisation of RMU and to reinforce the role of the second line of defence throughout the risk management cycle, with a special focus on the Bank's material risks.

55. RISK MANAGEMENT (continued)

Risk Management Unit (RMU) (continued)

Risk Management Unit Structure



55.1 Enterprise Risk Management and Governance

The Enterprise Risk Management & Governance department serves as a horizontal function, that supports the holistic management of risks by bringing together all of RMU's practices under one integrated structure and to facilitate the development and review of the Risk Appetite Framework (RAF) and Risk Appetite Statement (RAS). The department also co-ordinates and drives cross-departmental and departmental projects (such as the Recovery Plan, ICAAP and other risk-based propositions) which enhance the management, monitoring of risks establishing a strong Risk Governance. Further to this the department ensures that a consistent approach is applied in Risks Identification and Materiality Assessment (RIMA) process.

During the year, the full integrated RAS and RAF for the new entity Eurobank Limited, was approved by the Board of Directors on 16 December 2025. The RAS and RAF were developed by the RMU in line with international standards and best practices. The RAF prescribes the process for risk appetite setting, feeding from the formulation of 'Risk Identification and Materiality Assessment' (RIMA) following the updating of the Bank's Risk Identification Template (RIT) which covers the whole spectrum of risk types and emerging risks.

The Bank's RAS considers the resilience of risk limits and risk capacity under stress and makes the intrinsic link to the Bank's stress testing in the Internal Liquidity Adequacy Assessment Process (ILAAP) and the Internal Capital Adequacy Assessment Process (ICAAP). The outcomes of the stress tests are thereby incorporated into the capital metrics of the Risk Appetite, in the Business Plan, the Capital Plan and the Contingency Funding Plan (CFP) of the Bank. The RAS encompasses both Quantitative and Qualitative limits across an array of the risk types facing the Bank and delineates responsibilities for its implementation, monitoring and governance (including RAS escalation process) in line with the Three Lines of Defence model. During this year's RAS Cycle, both Quantitative and Qualitative Statements were developed taking into consideration the Bank's Strategic focus and the Material Risks identified during the materiality assessment exercise. The RAS structure is segmented in 3 Levels:

- Level 1 RAS cover the strategic view of the Bank's Management Body
- Level 2 RAS mainly cover the Bank's Material Risk categories as identified through the latest materiality assessment process

55. RISK MANAGEMENT (continued)

55.1 Enterprise Risk Management and Governance (continued)

- Level 3 (Business Line Statements) represent the cascading of RAS into operational limits at business level, covering business segments, business lines and portfolios.

Contingency Risk Management

The Bank continues to closely monitor the latest developments in the Middle East and other Geopolitical developments and provides regular updates to the Executive Committees and Board Committees on contingency risk management actions and risk mitigation. The Bank is also taking all necessary and appropriate measures to manage all related risks and to comply with the applicable sanctions imposed. The monitoring of customers has also intensified, while transactions are strictly monitored and vetted accordingly. The Bank will continue to monitor the situation, taking all necessary measures to mitigate the impact on its operations and financial performance.

In response to the sanctions restrictions, the Bank remains fully committed to compliance with all applicable sanctions regulations, applying a zero-tolerance policy through rigorous and strict controls and measures.

55.2 Credit Risk

Credit risk is the risk of financial loss to the Bank if a customer and/or other counterparty to a financial instrument fail to meet their contractual obligations. This risk principally arises from lending, trade finance activities and treasury operations. The management of credit risk is one of the most important areas in the Bank's operations and is essential for its long-term soundness. The Credit Risk management department (CRM) involves detecting, evaluating, measuring and observing/controlling credit risk, based on the strategic objectives of the Bank.

CRM is responsible for the holistic credit risk management of the Corporate, Commercial, Retail and International sectors, as well as for specialised lending such as Ship Finance and Factoring. The department has 3 sub-units: a. Commercial and Corporate Risk; b. Large Corporate and International; and c. NPL Risk Management.

CRM responsibilities focus on credit risk portfolio management in order to maximise Bank's risk-adjusted rate of return by maintaining credit risk exposure within acceptable risk appetite thresholds. In particular, CRM is inter-alia engaged in the following areas:

- Provides independent Credit Assessment, and specifically:
 - provides independent second line of defence advice and recommendations to the Approving Authorities for all credit applications, according to the terms of reference of each Committee;
 - ensures that risk opinions and recommendations are adequately recorded/acknowledged at the Approving Authorities' approval level;
- Participates with veto and/or escalation rights in Credit Committees, according to the Approval Levels defined in the Credit Policy Manual (CPM).
- Supports the formulation and delivery of the de-risking and deleveraging activities of the Bank relating to NPA risk Management.
- Provides independent second line of defence advice and recommendations to the respective Approving Authority for all restructuring applications which fall within the limits of Arrears and Property Management Committee.

55. RISK MANAGEMENT (continued)**55.2 Credit Risk (continued)****Credit Control (CC)**

Credit Control is supporting Risk Management in credit monitoring and regulatory risk reporting. In particular, CC is responsible for the following areas:

- Defines credit risk methodology, reviews assumptions and validates Individual Impairment assessment of clients/group preliminarily performed by all business/front-line units;
- Monitors areas identified, measured, assessed and monitored through Key Risk Indicators and controlled until they are reduced within tolerance limits;
- Monitors the effectiveness of the Arrears Management Strategy by measuring and controlling risks (KRIs) as well as reducing / eliminating the risks identified;
- The unit is involved in CRR responsibilities such as COREP submissions, CRR Compliance, Basel IV implementation, completion of FINREP credit risk related templates and other credit risk standalone regulatory reports submissions.

Field Reviews and Credit Projects (FR&CP)

CRM liaises with Field Reviews and Credit Projects for the review and update of credit policies. In particular, FR&CP is responsible for the following areas:

- Leads the establishment and review of credit risk policies related to the performing and non-performing portfolio and ensures that these are in line with internal and external regulatory requirements;
- Prepare and update the methodological framework for the field and thematic reviews of the loan portfolio of the Bank, clearly depicting the scope of the reviews that the Business Units are in conformity to approved policies and guidelines;
- Lead or participate in relevant risk related projects including but not limited to supervisory investigations, Asset Quality Reviews etc.

Risk Strategy and Analytics (RSA)

Risk Strategy and Analytics is supporting Risk Management in credit risk modelling matters. It focuses on the analytically related elements of Risk Management with a focus on credit risk such as collective provisioning, rating and scoring models and regulatory and internal reporting.

Risk Strategy & Analytics, is a critical risk department, structured into the following four pillars and respective sub-units:

- a. Credit Risk Forecasting,
- b. Collective Provisioning, and
- c. Portfolio Risk Analytics

55. RISK MANAGEMENT (continued)
55.2 Credit Risk (continued)

Risk Strategy & Analytics assesses the strategy's robustness, coherence and compatibility with the Bank's current business model and environment to identify relevant risks and their impact on Bank's risk profile and to ensure alignment with the Risk Appetite metrics which RSA sets and monitors. The department also participates in specialised projects of strategic significance to the Bank along with the involvement in stress testing exercises, Early Warning and Forecasting.

RSA also maintains ownership of ECL, Collective provisioning process, specifically with respect to probabilities of default (PDs), Loss Given Default (LGDs) and Exposure at Default (EAD) models and parameters. Furthermore, RSA through the Portfolio Risk Analytics sub-unit is responsible for the preparation of the credit risk reporting and other credit related reporting as this is requested by the Committees under RSA responsibilities.

55.2.1 Exposure to credit risk
55.2.1.1 Loans per staging

Movement of gross loans between stages according to the increase in credit risk level as at 31 December is analysed in the table below.

	The Group - 2025				Total €'000
	Stage 1 €'000	Stage 2 €'000	Stage 3 €'000	Purchased or originated credit impaired €'000	
1 January	5.136.498	237.760	233.960	241.574	5.849.792
Additions from transfer of business and operations	2.737.913	162.350	63.253	-	2.963.516
Transfer from Stage 1 to Stage 2	(149.041)	149.041	-	-	-
Transfer from Stage 1 to Stage 3	(10.664)	-	10.664	-	-
Transfer from Stage 2 to Stage 3	-	(11.749)	11.749	-	-
Transfer from Stage 3 to Stage 2	-	14.032	(14.032)	-	-
Transfer from Stage 2 to Stage 1	135.836	(135.836)	-	-	-
Transfer from Stage 3 to Stage 1	11.819	-	(11.819)	-	-
Write offs net of recoveries of loan impairment losses	(1.548)	(259)	(9.539)	(9.074)	(20.420)
Interest accrued and other adjustments	230.955	11.745	6.609	5.114	254.423
New loans originated or purchased and drawdowns of existing facilities	1.893.567	55.165	6.629	1.915	1.957.276
Transfer to assets classified as held for sale (refer to Note 36)	(4.666)	(2.871)	(82.952)	(122.377)	(212.866)
Loans derecognised or repaid & other movements (excluding write-offs)	(1.727.397)	(83.510)	(43.208)	(23.123)	(1.877.238)
Exchange difference	(34.467)	(276)	(52)	(3)	(34.798)
31 December	8.218.805	395.592	171.262	94.026	8.879.685

55. RISK MANAGEMENT (continued)
55.2 Credit Risk (continued)

	The Bank - 2025				Total
	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired	
	<u>€'000</u>	<u>€'000</u>	<u>€'000</u>	<u>€'000</u>	<u>€'000</u>
1 January	5.136.498	237.760	233.960	241.574	5.849.792
Additions from transfer of business and operations	2.737.926	162.350	63.253	-	2.963.529
Transfer from Stage 1 to Stage 2	(149.041)	149.041	-	-	-
Transfer from Stage 1 to Stage 3	(10.664)	-	10.664	-	-
Transfer from Stage 2 to Stage 3	-	(11.749)	11.749	-	-
Transfer from Stage 3 to Stage 2	-	14.032	(14.032)	-	-
Transfer from Stage 2 to Stage 1	135.836	(135.836)	-	-	-
Transfer from Stage 3 to Stage 1	11.819	-	(11.819)	-	-
Write offs net of recoveries of loan impairment losses	(1.548)	(259)	(9.539)	(9.074)	(20.420)
Interest accrued and other adjustments	230.955	11.745	6.609	5.114	254.423
New loans originated or purchased and drawdowns of existing facilities	1.893.567	55.165	6.629	1.915	1.957.276
Transfer to assets held for sale (refer to Note 36)	(4.666)	(2.871)	(82.952)	(122.377)	(212.866)
Loans derecognised or repaid & other movements (excluding write-offs)	(1.727.397)	(83.510)	(43.208)	(23.123)	(1.877.238)
Exchange difference	(34.467)	(276)	(52)	(3)	(34.798)
31 December	8.218.818	395.592	171.262	94.026	8.879.698

	The Group and the Bank - 2024				Total
	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired	
	<u>€'000</u>	<u>€'000</u>	<u>€'000</u>	<u>€'000</u>	<u>€'000</u>
1 January	5.198.834	404.409	269.845	288.744	6.161.832
Transfer from Stage 1 to Stage 2	(53.180)	53.180	-	-	-
Transfer from Stage 1 to Stage 3	(23.884)	-	23.884	-	-
Transfer from Stage 2 to Stage 3	-	(25.616)	25.616	-	-
Transfer from Stage 3 to Stage 2	-	19.663	(19.663)	-	-
Transfer from Stage 2 to Stage 1	163.351	(163.351)	-	-	-
Transfer from Stage 3 to Stage 1	9.855	-	(9.855)	-	-
Write offs net of recoveries of loan impairment losses	(949)	(30)	(27.224)	(14.345)	(42.548)
Interest accrued and other adjustments	263.410	13.811	17.209	17.463	311.893
New loans originated or purchased and drawdowns of existing facilities	1.080.667	14.772	7.577	11.176	1.114.192
Loans derecognised or repaid & other movements (excluding write-offs)	(1.515.314)	(79.092)	(52.973)	(61.468)	(1.708.847)
Exchange difference	13.708	14	(456)	4	13.270
31 December	5.136.498	237.760	233.960	241.574	5.849.792

55. RISK MANAGEMENT (continued)
55.2 Credit Risk (continued)

The table below discloses the accumulated impairment losses on the value of loans and advances:

	The Group and the Bank - 2025				Total €'000
	Stage 1 €'000	Stage 2 €'000	Stage 3 €'000	Purchased or originated credit impaired €'000	
1 January	9.184	12.130	89.597	770	111.681
Additions from transfer of business and operations	3.460	2.265	54.941	-	60.666
Transfer from Stage 1 to Stage 2	(591)	591	-	-	-
Transfer from Stage 1 to Stage 3	(101)	-	101	-	-
Transfer from Stage 2 to Stage 3	-	(602)	602	-	-
Transfer from Stage 3 to Stage 2	-	3.855	(3.855)	-	-
Transfer from Stage 2 to Stage 1	5.996	(5.996)	-	-	-
Transfer from Stage 3 to Stage 1	2.202	-	(2.202)	-	-
Transfer from Purchased credit impaired to Stages 1 and 2	4	9	-	(13)	-
Write offs net of recoveries of loan impairment losses	(1.489)	(289)	(6.311)	(5.727)	(13.816)
Contractual interest on impaired loans	246	400	7.024	6.772	14.442
Unwinding of discount	(195)	(167)	(3.623)	(7.699)	(11.684)
(Decrease)/increase due to derecognition Charge/(reversal) for the year (refer to Note 15)	(3.166)	10.011	(1.146)	23.800	29.499
Exchange difference	(34)	(5)	(15)	4	(50)
Transfer to assets held for sale (refer to Note 36)	(725)	(485)	(41.185)	(48.043)	(90.438)
31 December	14.712	21.717	93.926	(28.092)	102.263

55. RISK MANAGEMENT (continued)
55.2 Credit Risk (continued)

	The Group and the Bank - 2024				Total
	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired	
	<u>€'000</u>	<u>€'000</u>	<u>€'000</u>	<u>€'000</u>	<u>€'000</u>
1 January	17.186	20.597	99.848	80	137.711
Transfer from Stage 1 to Stage 2	(459)	459	-	-	-
Transfer from Stage 1 to Stage 3	(293)	-	293	-	-
Transfer from Stage 2 to Stage 3	-	(1.544)	1.544	-	-
Transfer from Stage 3 to Stage 2	-	4.397	(4.397)	-	-
Transfer from Stage 2 to Stage 1	5.691	(5.691)	-	-	-
Transfer from Stage 3 to Stage 1	1.805	-	(1.805)	-	-
Write offs net of recoveries of loan impairment losses	(949)	(30)	(26.963)	(14.345)	(42.287)
Contractual interest on impaired loans	320	647	15.486	17.319	33.772
Unwinding of discount	(251)	(396)	(8.534)	(16.650)	(25.831)
Decrease due to derecognition	(227)	(4)	(123)	1.068	714
Charge/(reversal) for the year (refer to Note 15)	(13.673)	(6.305)	14.443	13.300	7.765
Exchange difference	34	-	(195)	(2)	(163)
31 December	9.184	12.130	89.597	770	111.681

Unwinding of discount amounting to €11,7 million (2024: €25,8 million) relates to interest income on impaired loans and advances to customers and is recognised in the statement of profit or loss.

The contractual amount outstanding that was written off which relates to non contractual write offs in 2025 amounted to €5,8 million (2024: €24,3 million).

The value of collaterals of loans and advances to customers classified as Stage 3 and purchased or originated credit impaired is analysed as below:

	2025	2024
	€'000	€'000
Residential property	818.487	775.886
Commercial property	339.959	317.023
Land	136.212	172.173
Total property collaterals	1.294.658	1.265.082
Other collaterals	34.055	57.577
	1.328.713	1.322.659

55. RISK MANAGEMENT (continued)
55.2 Credit Risk (continued)
Forborne Exposures

Consistent with the European Banking Authority's (EBA) technical standards the Group and the Bank consider forbore exposures to be (i) exposures which involve changes in their terms and/or conditions and (ii) the forbearance measures consist of concessions towards a debtor which aim to address existing or anticipated difficulties on the part of the borrower to service debt in accordance with the current repayment schedule. Changes in the terms and conditions of a contract that do not occur because the customer is not able to meet the terms and conditions of the contract due to financial difficulties do not constitute forbearance measures.

Loans and advances with forbearance measures are analysed, by industry sector, below:

	Gross Loans		Carrying amount	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
Trade excluding held for sale	14.889	33.446	10.209	26.164
Construction and Real Estate	39.702	23.696	33.404	17.532
Manufacturing	5.735	4.829	5.252	4.346
Tourism	34.232	8.368	31.207	7.749
Retail	53.126	187.942	41.720	155.246
Other sectors	32.696	16.595	21.399	16.212
	180.380	274.876	143.191	227.249

The value of collaterals of loans and advances to customers with forbearance measures is analysed below:

	2025	2024
	€'000	€'000
Residential property	371.118	342.985
Commercial property	311.629	209.209
Land	70.552	89.625
Total property collaterals	753.299	641.819
Other collaterals	25.222	43.540
	778.521	685.359

55.2.1.2 Loans by risk categories
Risk categories

The loans and advances, are presented in risk categories based on the credit risk assessment system of the Group. The risk categories are as follows:

Grade 1 (Low Risk):

An immediate ability to repay the credit facility is assumed. As of 31 December 2025, the weighted average 12m PD was 0,9% (2024: 1,0%).

Grade 2 (Medium Risk):

The probability of indirect recovery of the credit facility is assumed. As of 31 December 2025, the weighted average 12m PD was 3,0% (2024: 7,8%).

Grade 3 (High Risk):

The debtor presents a higher risk compared to Grade 1 and 2 on the existence of direct and indirect recovery of the credit facility. As of 31 December 2025, the weighted average 12m PD was 94,8% (2024: 98,2 %).

55. RISK MANAGEMENT (continued)
55.2 Credit Risk (continued)
Past due loans and advances

Represent loans and advances for which the contractual interest or principal repayments are past due.

Based on the above categories, loans and advances to customers are presented below:

	The Group - 2025				Total
	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired	
	€'000	€'000	€'000	€'000	
Grade 1 (low risk)	6.704.578	4.412	-	27.613	6.736.603
Grade 2 (medium risk)	1.508.621	382.363	-	49.673	1.940.657
Grade 3 (high risk)	<u>5.607</u>	<u>8.812</u>	<u>171.262</u>	<u>16.744</u>	202.425
Gross amount	8.218.806	395.587	171.262	94.030	8.879.685
Accumulated Impairment losses	<u>(14.713)</u>	<u>(21.718)</u>	<u>(93.927)</u>	<u>28.096</u>	(102.262)
Carrying amount	<u>8.204.093</u>	<u>373.869</u>	<u>77.335</u>	<u>122.126</u>	8.777.423
Past due exposures					
0+ up to 30 days	54.494	42.949	2.761	4.627	104.831
30+ up to 60 days	320	9.335	2.991	838	13.484
60+ up to 90 days	-	3.207	4.448	207	7.862
90 days+	<u>18</u>	<u>241</u>	<u>102.260</u>	<u>1.589</u>	104.108
Gross amount	54.832	55.732	112.460	7.261	230.285
Accumulated Impairment losses	<u>(6.072)</u>	<u>(5.463)</u>	<u>(84.163)</u>	<u>1.397</u>	(94.301)
Carrying amount	<u>48.760</u>	<u>50.269</u>	<u>28.297</u>	<u>8.658</u>	135.984
Forborne exposures					
Carrying amount	<u>6.233</u>	<u>94.490</u>	<u>17.954</u>	<u>24.514</u>	143.191

	The Bank - 2025				Total
	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired	
	€'000	€'000	€'000	€'000	
Grade 1 (low risk)	6.704.592	4.412	-	27.613	6.736.617
Grade 2 (medium risk)	1.508.621	382.363	-	49.673	1.940.657
Grade 3 (high risk)	<u>5.605</u>	<u>8.812</u>	<u>171.262</u>	<u>16.744</u>	202.423
Gross amount	8.218.818	395.587	171.262	94.030	8.879.697
Accumulated Impairment losses	<u>(14.713)</u>	<u>(21.718)</u>	<u>(93.926)</u>	<u>28.096</u>	(102.261)
Carrying amount	<u>8.204.105</u>	<u>373.869</u>	<u>77.336</u>	<u>122.126</u>	8.777.436
Past due exposures					
0+ up to 30 days	54.494	42.949	2.761	4.627	104.831
30+ up to 60 days	320	9.335	2.991	838	13.484
60+ up to 90 days	-	3.207	4.448	207	7.862
90 days+	<u>18</u>	<u>241</u>	<u>102.260</u>	<u>1.589</u>	104.108
Gross amount	54.832	55.732	112.460	7.261	230.285
Accumulated Impairment losses	<u>(6.072)</u>	<u>(5.463)</u>	<u>(84.163)</u>	<u>1.397</u>	(94.301)
Carrying amount	<u>48.760</u>	<u>50.269</u>	<u>28.297</u>	<u>8.658</u>	135.984
Forborne exposures					
Carrying amount	<u>6.233</u>	<u>94.490</u>	<u>17.954</u>	<u>24.514</u>	143.191

55. RISK MANAGEMENT (continued)
55.2 Credit Risk (continued)

	The Group and the Bank - 2024				
	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired	Total
	<u>€'000</u>	<u>€'000</u>	<u>€'000</u>	<u>€'000</u>	<u>€'000</u>
Grade 1 (low risk)	4.909.556	-	-	32.614	4.942.170
Grade 2 (medium risk)	221.464	237.759	-	60.322	519.545
Grade 3 (high risk)	5.901	-	233.948	148.228	388.077
Gross amount	5.136.498	237.759	233.948	241.164	5.849.792
Accumulated Impairment losses	(9.184)	(12.130)	(89.597)	(770)	(111.681)
Carrying amount	<u>5.127.314</u>	<u>225.629</u>	<u>144.351</u>	<u>240.394</u>	<u>5.738.111</u>
Past due exposures					
0+ up to 30 days	58.315	17.325	9.398	10.538	95.576
30+ up to 60 days	481	17.472	5.154	4.258	27.365
60+ up to 90 days	69	4.636	8.126	1.502	14.333
90 days+	329	1.135	148.866	111.081	261.411
Gross amount	59.194	40.568	171.544	127.379	398.685
Accumulated Impairment losses	(1.140)	(2.411)	(71.934)	(30.479)	(105.964)
Carrying amount	<u>58.054</u>	<u>38.157</u>	<u>99.610</u>	<u>96.900</u>	<u>292.721</u>
Forborne exposures					
Carrying amount	<u>10.583</u>	<u>49.524</u>	<u>41.888</u>	<u>125.254</u>	<u>227.249</u>

Based on the above categories, loans and advances to customers held for sale are presented below. There were no loans and advances to customers held for sale as at 31 December 2024.

	The Group and the Bank - 2025				
	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired	Total
	<u>€'000</u>	<u>€'000</u>	<u>€'000</u>	<u>€'000</u>	<u>€'000</u>
Grade 2 (medium risk)	1.150	6.788	-	8.735	16.673
Grade 3 (high risk)	5	-	77.413	107.060	184.478
Gross amount	1.155	6.788	77.413	115.795	201.151
Accumulated Impairment losses	(250)	(1.577)	(41.321)	(50.348)	(93.496)
Carrying amount	<u>905</u>	<u>5.211</u>	<u>36.092</u>	<u>65.447</u>	<u>107.655</u>
Past due exposures					
0+ up to 30 days	-	692	1.819	3.231	5.742
30+ up to 60 days	-	378	2.384	1.908	4.670
60+ up to 90 days	-	41	845	1.052	1.938
90 days+	-	-	58.731	89.855	148.586
Gross amount	-	1.111	63.779	96.046	160.936
Accumulated Impairment losses	-	(288)	(35.849)	(44.792)	(80.929)
Carrying amount	<u>-</u>	<u>823</u>	<u>27.930</u>	<u>51.254</u>	<u>80.007</u>
Forborne exposures					
Carrying amount	<u>902</u>	<u>2.306</u>	<u>12.253</u>	<u>52.777</u>	<u>68.238</u>

55. RISK MANAGEMENT (continued)
55.2 Credit Risk (continued)

Movement of carrying amount of loans and advances classified as Stage 3 and purchased or originated credit impaired (POCI):

	The Group and the Bank - 2025		
	Stage 3 credit impaired €'000	Purchased or originated €'000	Total €'000
1 January	144.363	240.804	385.167
Transfer from transfer of business and operations	8.312	-	8.312
Transfer from Stage 1 to Stage 3	10.563	-	10.563
Transfer from Stage 2 to Stage 3	11.147	-	11.147
Transfer from Stage 3 to Stage 2	(10.177)	-	(10.177)
Transfer from Stage 3 to Stage 1	(9.617)	-	(9.617)
Transfer from Purchased credit impaired to Stages 1 and 2	-	13	13
Net movement during the year	(76.001)	(118.685)	(194.686)
Exchange difference	(37)	(7)	(44)
31 December	78.553	122.125	200.678
	The Group and the Bank - 2024		
	Stage 3 credit impaired €'000	Purchased or originated €'000	Total €'000
1 January	169.997	288.664	458.661
Transfer from Stage 1 to Stage 3	23.591	-	23.591
Transfer from Stage 2 to Stage 3	24.072	-	24.072
Transfer from Stage 3 to Stage 2	(15.266)	-	(15.266)
Transfer from Stage 3 to Stage 1	(8.050)	-	(8.050)
Net movement during the year	(49.720)	(47.866)	(97.586)
Exchange difference	(261)	6	(255)
31 December	144.363	240.804	385.167

55.2.1.3 Concentration of credit risk

The Group monitors concentration of credit risk by sector and by geographic location.

The concentration by geographic location for loans and advances to customers is measured based on the geographical location of the customer. The concentration by geographic location for investments and placements with other banks is based on the geographical location of the risk country of the issuer of the security and counterparty, respectively.

55. RISK MANAGEMENT (continued)
55.2 Credit Risk (continued)

The analysis of concentration of credit risk by sector is shown below:

	The Group					
	Loans and advances to customers		Loans and advances held for sale		Placements with other banks	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	<u>€'000</u>	<u>€'000</u>	<u>€'000</u>	<u>€'000</u>	<u>€'000</u>	<u>€'000</u>
Carrying amount	8.777.423	5.738.111	107.655	-	578.052	355.416
Businesses	5.307.211	2.535.595	24.550	-	-	-
Individuals	3.572.474	3.314.197	176.601	-	-	-
Banks	-	-	-	-	578.313	355.576
	8.879.685	5.849.792	201.151	-	578.313	355.576
Accumulated impairment losses	(102.262)	(111.681)	(93.496)	-	(261)	(160)
	8.777.423	5.738.111	107.655	-	578.052	355.416

	The Bank					
	Loans and advances to customers		Loans and advances held for sale		Placements with other banks	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	<u>€'000</u>	<u>€'000</u>	<u>€'000</u>	<u>€'000</u>	<u>€'000</u>	<u>€'000</u>
Carrying amount	8.777.436	5.738.111	107.655	-	550.594	351.209
Businesses	5.307.224	2.535.595	24.550	-	-	-
Individuals	3.572.474	3.314.197	176.601	-	-	-
Banks	-	-	-	-	550.851	351.361
	8.879.698	5.849.792	201.151	-	550.851	351.361
Accumulated impairment losses	(102.262)	(111.681)	(93.496)	-	(257)	(152)
	8.777.436	5.738.111	107.655	-	550.594	351.209

55. RISK MANAGEMENT (continued)
55.2 Credit Risk (continued)

Businesses in the above table include trade, construction and real estate, manufacturing, tourism and other companies as disclosed in Note 25.

The table below presents the geographical concentration of Loans and advances to customers, Loans and advances held for sale and Placements with other banks by country of risk based on the country of residency for individuals and the country of registration for companies:

	The Group					
	Loans and advances to customers		Loans and advances held for sale		Placements with other banks	
	<u>2025</u> €'000	<u>2024</u> €'000	<u>2025</u> €'000	<u>2024</u> €'000	<u>2025</u> €'000	<u>2024</u> €'000
Carrying amount	8.777.423	5.738.111	107.655	-	578.052	355.416
Eurozone	7.835.033	5.428.968	200.794	-	374.275	138.119
Other European countries	729.538	89.065	300	-	59.338	59.876
America	143.619	183.745	-	-	141.926	154.878
Oceania	39.156	50.987	57	-	-	-
Asia	17.522	244	-	-	2.672	2.560
Middle East	7.710	2.778	-	-	75	113
Africa	107.107	94.005	-	-	27	30
	8.879.685	5.849.792	201.151	-	578.313	355.576
Accumulated expected credit losses	(102.262)	(111.681)	(93.496)	-	(261)	(160)
	8.777.423	5.738.111	107.655	-	578.052	355.416

	The Bank					
	Loans and advances to customers		Loans and advances held for sale		Placements with other banks	
	<u>2025</u> €'000	<u>2024</u> €'000	<u>2025</u> €'000	<u>2024</u> €'000	<u>2025</u> €'000	<u>2024</u> €'000
Carrying amount	8.777.436	5.738.111	107.655	-	550.594	351.209
Eurozone	7.835.046	5.428.968	200.794	-	363.538	136.497
Other European countries	729.538	89.065	300	-	42.613	57.284
America	143.619	183.745	-	-	141.926	154.878
Oceania	39.156	50.987	57	-	-	-
Asia	17.522	244	-	-	2.672	2.560
Middle East	7.710	2.778	-	-	75	113
Africa	107.107	94.005	-	-	27	29
	8.879.698	5.849.792	201.151	-	550.851	351.361
Accumulated expected credit losses	(102.262)	(111.681)	(93.496)	-	(257)	(152)
	8.777.436	5.738.111	107.655	-	550.594	351.209

55.2.1.4 Group's exposure in countries with high credit risk

The Group closely monitors developments in the international markets so that any measures needed to reduce credit risk are promptly taken.

The monitoring of exposures in countries of high risk is centralised through systems that fully and on an ongoing basis cover all material exposures to these countries such as interbank placements, debt securities, other investments etc. Also, maximum acceptable levels are specified taking into account the countries' credit ratings, political, economic and other factors.

55. RISK MANAGEMENT (continued)**55.2 Credit Risk (continued)**

For the classification of a country as "High Risk" country, the Non-Investment Grade status of the country which as per the CRR is the worst, out of the best two ratings from Moody's, Fitch and S&P as well as its Credit Rating Outlook or the rating of the dependent territory are primarily considered.

Category "Other countries" includes less material exposures in a number of countries.

The analysis of concentration of credit risk in countries with high credit risk at the reporting date is shown below:

55. RISK MANAGEMENT (continued)
55.2 Credit Risk (continued)
At 31 December 2025

	Iran €'000	Lebanon €'000	Liberia €'000	Marshall Islands €'000	Moldova €'000	Panama €'000	Russia €'000	Serbia and Montenegro €'000	South Africa €'000	Ukraine €'000	Other countries €'000	Total €'000
Financial assets at amortised cost												
<i>Placements with other Banks</i>												
Carrying amount (amortised cost)	-	-	-	-	-	-	7	-	27	-	26	60
Accumulated Expected Credit Losses	-	-	-	-	-	-	-	-	-	-	-	-
Fair value	-	-	-	-	-	-	7	-	27	-	26	60
<i>Loans and advances to customers</i>												
Carrying amount (amortised cost)	285	713	106.323	38.920	801	40.929	855	21.566	79	408	38	210.917
Accumulated Expected Credit Losses	(545)	2	(688)	(65)	15	(40)	(460)	29	-	104	(4)	(1.652)
Fair value	256	711	108.253	39.383	816	41.082	839	21.629	77	567	37	213.650
Total carrying amount (amortised cost)	285	713	106.323	38.920	801	40.929	862	21.566	106	408	64	210.977
Total accumulated expected credit losses	(545)	2	(688)	(65)	15	(40)	(460)	29	-	104	(4)	(1.652)
Total fair value	256	711	108.253	39.383	816	41.082	846	21.629	104	567	63	213.710

At 31 December 2024

	Bahrain €'000	Lebanon €'000	Liberia €'000	Marshall Islands €'000	Panama €'000	Iran €'000	Belarus €'000	South Africa €'000	Russia €'000	Ukraine €'000	Other countries €'000	Total €'000
Financial assets at amortised cost												
<i>Placements with other Banks</i>												
Carrying amount (amortised cost)	26	-	-	-	-	-	-	29	5	-	20	80
Accumulated Expected Credit Losses	-	-	-	-	-	-	-	-	-	-	-	-
Fair value	26	-	-	-	-	-	-	29	5	-	20	80
<i>Loan and advances to customers</i>												
Carrying amount (amortised cost)	-	183	93.416	50.756	72.141	298	316	479	1.599	119	49	219.356
Accumulated Expected Credit Losses	-	-	(71)	(154)	(73)	(529)	(1)	-	(489)	(53)	(43)	(1.413)
Fair value	-	177	88.809	47.842	67.333	257	313	480	1.547	110	48	206.916
Total carrying amount (amortised cost)	26	183	93.416	50.756	72.141	298	316	508	1.604	119	69	219.436
Total accumulated expected credit losses	-	-	(71)	(154)	(73)	(529)	(1)	-	(489)	(53)	(43)	(1.413)
Total fair value	26	177	88.809	47.842	67.333	257	313	509	1.552	110	68	206.996

55. RISK MANAGEMENT (continued)
55.2 Credit Risk (continued)
55.2.1.5 Loans and advances at amortised cost by product/sector

The tables below present a breakdown of loans and advances at amortised cost and their corresponding accumulated impairment losses with stage allocation by asset classification into product/sector.

The coverage ratio represents the accumulated impairment losses divided by gross amount of loans and advances.

At 31 December 2025	Stage 1	Stage 2			Total Stage 2	Stage 3	Purchased or originated credit impaired
		Not past due	<=30 days past due	>30 days past due			
	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Gross amount of loans and advances							
Loans and advances	8,218,804	377,117	14,225	4,245	395,587	171,262	94,032
General Governments*	31,148	5	-	-	5	-	235
Other financial corporations	650,108	16,203	39	-	16,242	8,637	-
Non-financial corporations	4,122,021	296,550	8,686	811	306,047	76,272	21,561
<i>of which: Small and Medium-sized enterprises</i>	<i>3,207,603</i>	<i>234,056</i>	<i>8,685</i>	<i>803</i>	<i>243,544</i>	<i>75,583</i>	<i>21,560</i>
<i>of which: Commercial real estate</i>	<i>2,355,051</i>	<i>191,108</i>	<i>6,525</i>	<i>662</i>	<i>198,295</i>	<i>49,998</i>	<i>20,592</i>
By sector							
1. Construction	260,361	16,996	695	108	17,799	6,254	11,147
2. Wholesale and retail trade repair of motor vehicles and motorcycles	518,534	42,879	595	337	43,811	22,277	2,061
3. Real estate activities	907,497	48,557	1,178	82	49,817	16,550	519
4. Accommodation and food service activities	828,196	64,521	5,008	40	69,569	10,374	3,309
5. Manufacturing	428,948	63,024	22	11	63,057	3,966	3,281
6. Other	1,178,485	60,573	1,188	233	61,994	16,851	1,244
Households	3,415,527	64,359	5,500	3,434	73,293	86,353	72,236
<i>of which: Residential mortgage loans</i>	<i>2,801,613</i>	<i>51,338</i>	<i>3,757</i>	<i>2,503</i>	<i>57,598</i>	<i>71,314</i>	<i>61,826</i>
<i>of which: Credit for consumption</i>	<i>301,273</i>	<i>9,090</i>	<i>1,281</i>	<i>599</i>	<i>10,970</i>	<i>11,925</i>	<i>6,768</i>

*General governments include central governments, state or regional governments, and local governments, including administrative bodies and non-commercial undertakings, but excluding public companies and private companies held by these administrations that have a commercial activity, social security funds; and international organisations, such as the European Community, the International Monetary Fund and the Bank for International Settlements.

55. RISK MANAGEMENT (continued)
55.2 Credit Risk (continued)

At 31 December 2025	Stage 1		Stage 2		Total Stage 2	Stage 3	Purchased or originated credit impaired
	€'000	Not past due €'000	<=30 days past due €'000	>30 days past due €'000			
Accumulated impairment losses							
Loans and advances	14.713	20.889	517	311	21.717	93.927	(28.095)
General Governments*	39	-	-	-	-	-	(334)
Other financial corporations	1.288	1.476	18	1	1.495	7.217	-
Non-financial corporations	9.022	17.271	238	26	17.535	47.862	(5.487)
<i>of which: Small and Medium-sized enterprises</i>	6.707	6.785	238	27	7.050	47.171	(5.488)
<i>of which: Commercial real estate</i>	5.161	11.606	186	17	11.809	32.838	(4.507)
By sector							
1. Construction	597	252	8	1	261	3.320	268
2. Wholesale and retail trade repair of motor vehicles and motorcycles	1.848	1.106	17	11	1.134	12.598	(839)
3. Real estate activities	975	3.012	33	4	3.049	8.698	(566)
4. Accommodation and food service activities	1.585	746	149	2	897	8.278	(78)
5. Manufacturing	1.382	7.640	-	-	7.640	1.018	(1.747)
6. Other	2.635	4.515	31	8	4.554	13.950	(2.525)
Households	4.364	2.142	261	284	2.687	38.848	(22.274)
<i>of which: Residential mortgage loans</i>	2.836	1.493	125	152	1.770	29.183	(16.285)
<i>of which: Credit for consumption</i>	918	503	99	106	708	6.302	(2.372)

*General governments include central governments, state or regional governments, and local governments, including administrative bodies and non-commercial undertakings, but excluding public companies and private companies held by these administrations that have a commercial activity, social security funds; and international organisations, such as the European Community, the International Monetary Fund and the Bank for International Settlements.

55. RISK MANAGEMENT (continued)
55.2 Credit Risk (continued)

At 31 December 2025	Stage 1		Stage 2		Total Stage 2	Stage 3	Purchased or originated credit impaired
	€'000	Not past due €'000	<=30 days past due €'000	>30 days past due €'000			
Carrying amount of loans and advances							
Loans and advances	<u>8.204.091</u>	<u>356.228</u>	<u>13.708</u>	<u>3.934</u>	<u>373.870</u>	<u>77.335</u>	<u>122.127</u>
General Governments*	<u>31.109</u>	<u>5</u>	<u>-</u>	<u>-</u>	<u>5</u>	<u>-</u>	<u>569</u>
Other financial corporations	<u>648.820</u>	<u>14.727</u>	<u>21</u>	<u>(1)</u>	<u>14.747</u>	<u>1.420</u>	<u>-</u>
Non-financial corporations	<u>4.112.999</u>	<u>279.279</u>	<u>8.448</u>	<u>785</u>	<u>288.512</u>	<u>28.410</u>	<u>27.048</u>
<i>of which: Small and Medium-sized enterprises</i>	3.200.896	227.271	8.447	776	236.494	28.412	27.048
<i>of which: Commercial real estate</i>	2.349.890	179.502	6.339	645	186.486	17.160	25.099
By sector							
1. Construction	259.764	16.744	687	107	17.538	2.934	10.879
2. Wholesale and retail trade repair of motor vehicles and motorcycles	516.686	41.773	578	326	42.677	9.679	2.900
3. Real estate activities	906.522	45.545	1.145	78	46.768	7.852	1.085
4. Accommodation and food service activities	826.611	63.775	4.859	38	68.672	2.096	3.387
5. Manufacturing	427.566	55.384	22	11	55.417	2.948	5.028
6. Other	1.175.850	56.058	1.157	225	57.440	2.901	3.769
Households	<u>3.411.163</u>	<u>62.217</u>	<u>5.239</u>	<u>3.150</u>	<u>70.606</u>	<u>47.505</u>	<u>94.510</u>
<i>of which: Residential mortgage loans</i>	2.798.777	49.845	3.632	2.351	55.828	42.131	78.111
<i>of which: Credit for consumption</i>	300.355	8.587	1.182	493	10.262	5.623	9.140

*General governments include central governments, state or regional governments, and local governments, including administrative bodies and non-commercial undertakings, but excluding public companies and private companies held by these administrations that have a commercial activity, social security funds; and international organisations, such as the European Community, the International Monetary Fund and the Bank for International Settlements.

55. RISK MANAGEMENT (continued)
55.2 Credit Risk (continued)

At 31 December 2025	Stage 1		Stage 2		Total Stage 2	Stage 3	Purchased or originated credit impaired
		Not past due	<=30 days past due	>30 days past due			
Coverage ratio							
Loans and advances	0,2%	5,5%	3,6%	7,3%	5,5%	54,8%	(29,9)%
General Governments*	0,1%	2,3%	0,0%	0,0%	2,3%	0,0%	(142,0)%
Other financial corporations	0,2%	9,1%	47,1%	0,0%	9,2%	83,6%	0,0%
Non-financial corporations	0,2%	5,8%	2,7%	3,3%	5,7%	62,7%	(25,5)%
<i>of which: Small and Medium-sized enterprises</i>	0,2%	2,9%	2,7%	3,3%	2,9%	62,4%	(25,5)%
<i>of which: Commercial real estate</i>	0,2%	6,1%	2,9%	2,6%	6,0%	65,7%	(21,9)%
By sector							
1. Construction	0,2%	1,5%	1,1%	1,2%	1,5%	53,1%	2,4%
2. Wholesale and retail trade repair of motor vehicles and motorcycles	0,4%	2,6%	2,9%	3,4%	2,6%	56,5%	(40,7)%
3. Real estate activities	0,1%	6,0%	2,8%	5,4%	6,1%	52,6%	(109,1)%
4. Accommodation and food service activities	0,2%	1,2%	3,0%	4,4%	1,3%	79,8%	(2,4)%
5. Manufacturing	0,3%	12,1%	1,1%	4,2%	12,1%	25,7%	(53,3)%
6. Other	0,2%	7,5%	2,6%	3,2%	7,3%	82,8%	(203,0)%
Households	0,1%	3,3%	4,7%	8,3%	3,7%	45,0%	(30,8)%
<i>of which: Residential mortgage loans</i>	0,1%	2,9%	3,3%	6,1%	3,1%	40,9%	(26,3)%
<i>of which: Credit for consumption</i>	0,3%	5,5%	7,7%	17,8%	6,5%	52,9%	(35,1)%

*General governments include central governments, state or regional governments, and local governments, including administrative bodies and non-commercial undertakings, but excluding public companies and private companies held by these administrations that have a commercial activity, social security funds; and international organisations, such as the European Community, the International Monetary Fund and the Bank for International Settlements.

55. RISK MANAGEMENT (continued)
55.2 Credit Risk (continued)

At 31 December 2024	Stage 1		Stage 2		Total Stage 2	Stage 3	Purchased or originated credit impaired
	€'000	Not past due €'000	<=30 days past due €'000	>30 days past due €'000			
Gross amount of loans and advances							
Loans and advances	<u>5.136.498</u>	<u>197.192</u>	<u>17.324</u>	<u>23.244</u>	<u>237.760</u>	<u>233.960</u>	<u>241.574</u>
General Governments*	<u>17.788</u>	-	-	-	-	-	<u>270</u>
Other financial corporations	<u>118.999</u>	<u>2.449</u>	<u>2</u>	-	<u>2.451</u>	<u>1.355</u>	<u>60</u>
Non-financial corporations	<u>2.055.546</u>	<u>145.957</u>	<u>4.846</u>	<u>3.539</u>	<u>154.342</u>	<u>55.778</u>	<u>42.002</u>
<i>of which: Small and Medium-sized enterprises</i>	1.530.865	144.880	4.846	3.537	153.263	48.730	42.001
<i>of which: Commercial real estate</i>	1.215.095	131.860	3.284	2.811	137.955	41.152	31.479
By sector							
1. Construction	127.667	7.749	18	5	7.772	7.569	13.408
2. Wholesale and retail trade repair of motor vehicles and motorcycles	332.698	33.167	507	772	34.446	24.204	6.261
3. Real estate activities	192.414	9.382	848	1	10.231	3.530	4.768
4. Accommodation and food service activities	394.512	73.616	80	182	73.878	8.558	6.319
5. Manufacturing	337.792	7.560	995	326	8.881	4.192	6.199
6. Other	670.463	14.483	2.398	2.253	19.134	7.725	5.047
Households	<u>2.944.165</u>	<u>48.786</u>	<u>12.476</u>	<u>19.705</u>	<u>80.967</u>	<u>176.827</u>	<u>199.242</u>
<i>of which: Residential mortgage loans</i>	2.328.462	34.923	9.468	15.593	59.984	129.116	159.498
<i>of which: Credit for consumption</i>	278.809	5.413	2.561	1.770	9.744	24.698	19.383

*General governments include central governments, state or regional governments, and local governments, including administrative bodies and non-commercial undertakings, but excluding public companies and private companies held by these administrations that have a commercial activity, social security funds; and international organisations, such as the European Community, the International Monetary Fund and the Bank for International Settlements.

55. RISK MANAGEMENT (continued)
55.2 Credit Risk (continued)

At 31 December 2024	Stage 1		Stage 2		Total Stage 2	Stage 3	Purchased or originated credit impaired
	€'000	Not past due €'000	<=30 days past due €'000	>30 days past due €'000			
Accumulated impairment losses							
Loans and advances	9.184	9.718	515	1.897	12.130	89.597	770
General Governments*	23	-	-	-	-	-	(326)
Other financial corporations	427	58	-	-	58	458	51
Non-financial corporations	4.889	8.676	111	194	8.981	20.928	(1.333)
<i>of which: Small and Medium-sized enterprises</i>	3.583	8.605	111	193	8.909	16.984	(1.335)
<i>of which: Commercial real estate</i>	2.975	8.088	68	152	8.308	13.987	(1.343)
By sector							
1. Construction	319	95	1	1	97	3.372	3.236
2. Wholesale and retail trade repair of motor vehicles and motorcycles	1.078	3.006	13	52	3.071	10.892	(276)
3. Real estate activities	277	140	15	-	155	933	(114)
4. Accommodation and food service activities	753	4.803	2	10	4.815	1.087	825
5. Manufacturing	872	240	27	27	294	903	(1.572)
6. Other	1.590	392	53	104	549	3.741	(3.432)
Households	3.845	984	404	1.703	3.091	68.211	2.378
<i>of which: Residential mortgage loans</i>	2.043	598	237	1.106	1.941	42.198	6.701
<i>of which: Credit for consumption</i>	907	245	146	243	634	13.494	238

*General governments include central governments, state or regional governments, and local governments, including administrative bodies and non-commercial undertakings, but excluding public companies and private companies held by these administrations that have a commercial activity, social security funds; and international organisations, such as the European Community, the International Monetary Fund and the Bank for International Settlements.

55. RISK MANAGEMENT (continued)
55.2 Credit Risk (continued)

At 31 December 2024	Stage 1		Stage 2		Total Stage 2	Stage 3	Purchased or originated credit impaired
		Not past due	<=30 days past due	>30 days past due			
	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Carrying amount of loans and advances							
Loans and advances	5.127.314	187.474	16.809	21.347	225.630	144.363	240.804
General Governments*	17.765	-	-	-	-	-	596
Other financial corporations	118.572	2.391	2	-	2.393	897	9
Non-financial corporations	2.050.657	137.281	4.735	3.345	145.361	34.850	43.335
<i>of which: Small and Medium-sized enterprises</i>	1.527.282	136.275	4.735	3.344	144.354	31.746	43.336
<i>of which: Commercial real estate</i>	1.212.120	123.772	3.216	2.659	129.647	27.165	32.822
By sector							
1. Construction	127.348	7.654	17	4	7.675	4.197	10.172
2. Wholesale and retail trade repair of motor vehicles and motorcycles	331.620	30.161	494	720	31.375	13.312	6.537
3. Real estate activities	192.137	9.242	833	1	10.076	2.597	4.882
4. Accommodation and food service activities	393.759	68.813	78	172	69.063	7.471	5.494
5. Manufacturing	336.920	7.320	968	299	8.587	3.289	7.771
6. Other	668.873	14.091	2.345	2.149	18.585	3.984	8.479
Households	2.940.320	47.802	12.072	18.002	77.876	108.616	196.864
<i>of which: Residential mortgage loans</i>	2.326.419	34.325	9.231	14.487	58.043	86.918	152.797
<i>of which: Credit for consumption</i>	277.902	5.168	2.415	1.527	9.110	11.204	19.145

*General governments include central governments, state or regional governments, and local governments, including administrative bodies and non-commercial undertakings, but excluding public companies and private companies held by these administrations that have a commercial activity, social security funds; and international organisations, such as the European Community, the International Monetary Fund and the Bank for International Settlements.

55. RISK MANAGEMENT (continued)
55.2 Credit Risk (continued)

At 31 December 2024	Stage 1		Stage 2		Total Stage 2	Stage 3	Purchased or originated credit impaired
		Not past due	<=30 days past due	>30 days past due			
Coverage ratio							
Loans and advances	0,2%	4,9%	3,0%	8,2%	5,1%	38,3%	0,3%
General Governments*	0,1%	0,0%	0,0%	3,4%	3,4%	0,0%	(120,8)%
Other financial corporations	0,4%	2,3%	9,4%	18,4%	2,3%	33,8%	86,0%
Non-financial corporations	0,2%	5,9%	2,3%	5,5%	5,8%	37,5%	(3,2)%
<i>of which: Small and Medium-sized enterprises</i>	0,2%	5,9%	2,3%	5,5%	5,8%	34,9%	(3,2)%
<i>of which: Commercial real estate</i>	0,2%	6,1%	2,1%	5,4%	6,0%	34,0%	(4,3)%
By sector							
1. Construction	0,2%	1,2%	4,9%	25,4%	1,3%	44,5%	24,1%
2. Wholesale and retail trade repair of motor vehicles and motorcycles	0,3%	9,1%	2,5%	6,7%	8,9%	45,0%	(4,4)%
3. Real estate activities	0,1%	1,5%	1,8%	22,2%	1,5%	26,4%	(2,4)%
4. Accommodation and food service activities	0,2%	6,5%	2,7%	5,4%	6,5%	12,7%	13,1%
5. Manufacturing	0,3%	3,2%	2,7%	8,2%	3,3%	21,5%	(25,4)%
6. Other	0,2%	2,7%	2,2%	4,6%	2,9%	48,4%	(68,0)%
Households	0,1%	2,0%	3,2%	8,6%	3,8%	38,6%	1,2%
<i>of which: Residential mortgage loans</i>	0,1%	1,7%	2,5%	7,1%	3,2%	32,7%	4,2%
<i>of which: Credit for consumption</i>	0,3%	4,5%	5,7%	13,7%	6,5%	54,6%	1,2%

*General governments include central governments, state or regional governments, and local governments, including administrative bodies and non-commercial undertakings, but excluding public companies and private companies held by these administrations that have a commercial activity, social security funds; and international organisations, such as the European Community, the International Monetary Fund and the Bank for International Settlements.

55. RISK MANAGEMENT (continued)
55.2 Credit Risk (continued)
55.2.1.6 LTV buckets (retail and Mortgage segment)

The following table shows the ranges of loan-to value (LTV) ratio for Residential mortgage loans split between stages according to the increase in credit risk level. LTV is calculated as the ratio of the gross carrying amount to the value of the total real estate collateral.

	Gross Loans	
	2025	2024
	€ 'millions	€ 'millions
Stage 1 and Stage 2		
Less than 50%	1.923	1.594
51%-70%	674	609
71%-90%	181	144
91%-100%	26	18
More than 100%	34	24
Unsecured	21	-
Total	2.859	2.389
	2025	2024
	€ 'millions	€ 'millions
Stage 3		
Less than 50%	31	54
51%-70%	17	24
71%-90%	9	21
91%-100%	8	10
More than 100%	6	20
Unsecured	-	-
Total	71	129
	2025	2024
	€ 'millions	€ 'millions
Purchased or originated credit impaired		
Less than 50%	51	94
51%-70%	6	32
71%-90%	3	21
91%-100%	1	6
More than 100%	-	6
Unsecured	1	-
Total	62	159
	2.992	2.677

55. RISK MANAGEMENT (continued)
55.2 Credit Risk (continued)

The following table shows the maximum exposure to credit risk of loans and advances to customers and contingent liabilities and commitments held for sale.

31 December 2025	Loans and advances to customers held for sale			Total portfolio €'000	Financial guarantees and loan commitments €'000
	Stage 1 and Stage 2 €'000	Stage 3 €'000	Purchased Credit Impaired €'000		
Maximum exposure to credit risk	6.116	36.091	65.448	107.655	-
Fair value of collateral and credit enhancements held by the Group					
Cash	41	53	83	177	-
Letters of credit / Guarantees	23	457	1.712	2.192	-
Property	22.154	128.409	209.028	359.591	-
Other	18	(397)	(1.573)	(1.952)	-
Surplus collateral	(16.495)	(93.437)	(145.035)	(254.967)	-
Net collateral	5.741	35.085	64.215	105.041	-
Net exposure to credit risk	375	1.006	1.233	2.614	-

For assets other than loans and advances to customers, the Group's maximum and net exposure to credit risk equals their carrying amount.

55.3 Market Risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and security prices.

Market risk is managed by the Investment, Market and Liquidity Risk Management (IMLRM) department, an independent second line of defence department, which is responsible to identify, assess, monitor and control the Group's exposure to investment, market and liquidity risks emanating from the statement of financial position and accordingly ensure adherence with the approved risk frameworks and policies, the regulatory limits and the internal limits set by the Risk Appetite Statement (RAS) and by the Assets and Liabilities Management Committee (ALCO).

IMLRM consists of the Investment & Market Risk sub-unit and the Liquidity Risk sub-unit.

The Group's approach towards market risk management is to concentrate these risks for all Group business units under the Treasury department. Treasury manages risks using a framework of activities and limits approved by ALCO which is responsible for the implementation of the policy of the Bank's Board of Directors regarding the risks and profitability arising from the Group's assets and liabilities. The Risk Management Unit is responsible for developing frameworks, policies and processes for managing the risks and for their daily assessment and monitoring. Frameworks and policies are reviewed at regular time intervals and are approved by ALCO, the Board Risk Management Committee and the Board of Directors itself.

All investment related risks are monitored and controlled by the Investment & Market Risk sub-unit which is responsible for reviewing and updating the general principles and guidelines for the effective management of the Bank's investments as established through the Bank's Investment Framework.

55. RISK MANAGEMENT (continued)
55.3 Market Risk (continued)

Investment & Market Risk constantly monitors the Bank's investment portfolios ensuring that they are maintained within the approved risk profile, while performing relevant reports to the Bank's ALCO, BRMC and the BoD. Additionally, the Unit reviews, updates and constantly monitors all relevant investment limits, including all country and counterparty limits as set through the Hellenic Bank Investment Framework (HBIF), while ensuring timely escalation and rectification of any limit breaches.

Through the HBIF, the Bank aims to provide the principles and guidelines for the effective management of the Bank's investments, in order to:

- Manage the risks arising from the Bank's investment decisions and practices;
- Actively promote a risk-sensitive investment culture;
- Determine appropriate methods for managing risks from investments;
- Ensure sufficient diversification and avoid excessive concentrations;
- Establish adequate limits and controls that enable effective investment risk management of the investment portfolios;
- Set and monitor counterparty and country limits;
- Ensure that all investment activities are consistent with the Bank's Risk Appetite and investment strategy.

55.3.1 Foreign Exchange Risk

Foreign exchange risk results from the undertaking of an open position, in one or more foreign currencies, arising from the total assets and liabilities of the Group. The Investment, Market and Liquidity Risk Management Unit monitors foreign currency positions on an ongoing basis within the risk management framework and the limits set by ALCO and the regulatory authorities. Within this framework, there are nominal limits (by currency, in total, during the day, end-of-day) and gain/loss limits. The regulatory limits for open positions during working hours exceed the limits for open positions during non- working hours.

The Bank performs sensitivity analysis on its open foreign currency position to assess the risks and potential losses from appreciation / depreciation of the local currency (EUR) against foreign currencies. More specifically, the following table shows possible losses / gains from a +5% / -5% appreciation/ depreciation of EUR against foreign currencies. Taking into consideration the small open foreign currency position and the insignificant results from the sensitivity analysis, FX risk is considered immaterial.

	2025	2024
	€'000	€'000
Potential Losses from 5% EUR appreciation against foreign currencies	-123	-126
Potential Gains from -5% EUR depreciation against foreign currencies	+135	+139

55. RISK MANAGEMENT (continued)
55.3 Market Risk (continued)
Analysis of assets and liabilities of the Group by currency as at 31 December 2025

	Euro €'000	US Dollar €'000	British pound €'000	Russian Rouble €'000	Swiss Franc €'000	Other currencies €'000	Total €'000
Assets							
Cash and balances with Central Banks	8.052.072	2.918	2.348	8	20	245	8.057.611
Placements with other banks	264.515	266.729	6.708	1.961	9.888	28.251	578.052
Reverse repurchase agreements	2.126.466	-	-	-	-	-	2.126.466
Loans and advances to customers	7.577.557	527.437	660.319	-	11.680	430	8.777.423
Debt securities	7.494.171	814.688	-	-	-	-	8.308.859
Equity securities and collective investment units	376.811	24.789	-	-	-	-	401.600
Insurance assets	48.038	-	-	-	-	-	48.038
Derivatives	36.257	-	1	-	-	1	36.259
Stock of property	75.591	-	-	-	-	-	75.591
Investment properties	58.865	-	-	-	-	-	58.865
Property, plant and equipment	215.558	-	-	-	-	-	215.558
Intangible assets	109.861	-	-	-	-	-	109.861
Tax receivable	291	-	-	-	-	-	291
Assets and disposal group held for sale	118.163	-	-	-	-	-	118.163
Other assets	40.022	31.731	1.775	-	6.938	1.057	81.523
Total assets	26.594.238	1.668.292	671.151	1.969	28.526	29.984	28.994.160
Liabilities							
Deposits by banks	390.911	14.936	218	-	-	-	406.065
Customer deposits and other customer accounts	21.138.200	2.365.209	364.668	1.931	33.313	32.946	23.936.267
Tax payable	32.572	-	-	-	-	-	32.572
Deferred tax liability	16.233	-	-	-	-	-	16.233
Derivatives	11.290	355	663	-	3	-	12.311
Other liabilities	249.631	29.447	2.013	38	6.982	12.380	300.491
Insurance contract liabilities	683.595	-	-	-	-	-	683.595
Investment contract liabilities	71.753	-	-	-	-	-	71.753
Loan capital	209.731	-	-	-	-	-	209.731
Total liabilities	22.803.916	2.409.947	367.562	1.969	40.298	45.326	25.669.018
Equity							
Share capital	323.269	-	-	-	-	-	323.269
Reserves	3.001.874	-	-	-	-	-	3.001.874
Equity attributable to shareholders of the parent company	3.325.143	-	-	-	-	-	3.325.143
	3.325.143	-	-	-	-	-	3.325.143
Total liabilities and equity	26.129.059	2.409.947	367.562	1.969	40.298	45.326	28.994.161
Total position	465.179	(741.655)	303.589	-	(11.772)	(15.342)	
Effect of foreign currency derivatives on position	(459.616)	745.218	(303.691)	(106)	13.630	4.565	
Net currency position	5.563	3.563	(102)	(106)	1.858	(10.777)	

55. RISK MANAGEMENT (continued)
55.3 Market Risk (continued)
Analysis of assets and liabilities of the Group by currency at 31 December 2024

	Euro €'000	US Dollar €'000	British pound €'000	Russian Rouble €'000	Swiss Franc €'000	Other currencies €'000	Total €'000
Assets							
Cash and balances with Central Banks	5.724.904	3.302	2.057	6	10	265	5.730.544
Placements with other banks	90.404	217.027	29.949	838	5.320	11.878	355.416
Reverse repurchase agreements	300.274	-	-	-	-	-	300.274
Loans and advances to customers	5.424.493	303.131	2.182	2	7.401	902	5.738.111
Debt securities	5.475.063	200.611	-	-	-	-	5.675.674
Equity securities and collective investment units	123.360	22.316	-	-	-	-	145.676
Insurance assets	28.489	-	-	-	-	-	28.489
Derivatives	20.229	1.225	151	-	-	-	21.605
Stock of property	76.229	-	-	-	-	-	76.229
Investment properties	5.420	-	-	-	-	-	5.420
Property, plant and equipment	173.108	-	-	-	-	-	173.108
Intangible assets	51.157	-	-	-	-	-	51.157
Tax receivable	4.249	-	-	-	-	-	4.249
Other assets	50.277	1.339	150	-	-	-	51.766
Total assets	17.547.656	748.951	34.489	846	12.731	13.045	18.357.718
Liabilities							
Deposits by banks	164.464	658	-	-	-	-	165.122
Customer deposits and other customer accounts	14.694.940	841.826	103.962	837	4.350	12.170	15.658.085
Tax payable	19.500	-	-	-	-	-	19.500
Deferred tax liability	11.504	-	-	-	-	-	11.504
Derivatives	171	34	-	-	-	-	205
Other liabilities	196.868	1.961	72	-	22	187	199.110
Insurance contract liabilities	106.314	-	-	-	-	-	106.314
Loan capital	309.659	-	-	-	-	-	309.659
Total liabilities	15.503.420	844.479	104.034	837	4.372	12.357	16.469.499
Equity							
Share capital	206.403	-	-	-	-	-	206.403
Reserves	1.681.806	-	-	-	-	-	1.681.806
Equity attributable to shareholders of the parent company	1.888.209	-	-	-	-	-	1.888.209
Non-controlling interest	10	-	-	-	-	-	10
	1.888.219	-	-	-	-	-	1.888.219
Total liabilities and equity	17.391.639	844.479	104.034	837	4.372	12.357	18.357.718
Total position	156.017	(95.528)	(69.545)	9	8.359	688	
Effect of foreign currency derivatives on position	(159.971)	97.673	69.758	-	(7.426)	(34)	
Net currency position	(3.954)	2.145	213	9	933	654	

55.3.2 Interest rate risk

Interest rate risk is the Bank's exposure to adverse movements in interest rates and it arises mainly as a result of timing differences on the interest rate repricing of assets, liabilities and off-balance sheet items.

Interest rate risk is managed through the monitoring of the interest rate gaps by currency, by time interval and in total (gap analysis).

55. RISK MANAGEMENT (continued)
55.3 Market Risk (continued)

Interest rate risk is assessed as one of the most material risks for the Bank. While its importance has grown significantly in recent years as a result of material increases in monetary policy rates by Central Banks as a response to elevated inflation rates. More specifically, the European Central Bank (ECB) increased its Deposit Facility Rate (DFR) from -0,50% to 4,00% in the period July 2022 to September 2023, contributing significantly towards the increase in the Bank's Net Interest Income (NII) as well as towards the increase in its profitability. As inflation rate subsided closer to the central bank's targets, the ECB revised its monetary policy reducing the DFR to 3,75% in June 2024, 3,50% in September 2024, 3,25% in October 2024 and 3,00% in December 2024. During 2025 however, the DFR dropped to 2,75% in February 2025, 2,50% in March 2025, 2,25% in April 2025 and 2,00% in June 2025.

As a consequence, the Bank's NII sensitivity to a negative change in interest rates has also increased and is expected to negatively impact the Bank's profitability in the near future if market rates drop further. It is important to note that the Bank proceeded to hedge the NII sensitivity from changes in interest rates through the execution of various hedging strategies including IR Swaps, Swaptions and Reverse Repos.

The Bank performs several scenarios analysing the impact of changes in interest rates on the Bank's Economic Value and on its Net Interest Income, while also monitoring and controlling Credit Spread Risk in the Banking Book (CSRBB).

Analysis of financial assets and financial liabilities of the Group based on their repricing profile as at 31 December 2025

The repricing profile of financial assets and financial liabilities for the Group is determined by analysing the repricing frequency of financial assets and liabilities with a contractually defined maturity profile, the behavioral duration of financial assets and liabilities without a contractually defined maturity profile, and by taking into consideration various financial options (e.g. call or put options).

	Non-interest bearing €'000	Within one month €'000	Between one and three months €'000	Between three months and one year €'000	Between one and five years €'000	Over five years €'000	Total €'000
Financial assets							
Cash and balances with Central Banks	109.968	7.947.643	-	-	-	-	8.057.611
Placements with other banks	-	578.052	-	-	-	-	578.052
Reverse repurchase agreements	-	-	37.764	244.265	1.844.437	-	2.126.466
Loans and advances to customers	-	1.780.778	5.083.954	522.365	1.154.526	235.800	8.777.423
Debt securities	-	700.179	277.752	539.836	3.651.923	3.139.169	8.308.859
Equity securities and collective investment units	390.192	-	-	180	5.453	5.775	401.600
Assets held for sale	-	118.163	-	-	-	-	118.163
Derivatives	-	420	328	6.783	12.914	15.814	36.259
Total financial assets	500.160	11.125.235	5.399.798	1.313.429	6.669.253	3.396.558	28.404.433
Financial liabilities							
Deposits by banks	-	347.678	32.275	8.957	17.155	-	406.065
Customer deposits and other customer accounts	-	10.197.208	2.348.207	4.510.472	3.656.869	3.223.511	23.936.267
Derivatives	-	4.573	3.907	8	2.841	982	12.311
Other financial liabilities	7.248	-	-	-	-	-	7.248
Balances under settlement	63.649	-	-	-	-	-	63.649
Loan capital	-	-	-	-	209.731	-	209.731
Total financial liabilities	70.897	10.549.459	2.384.389	4.519.437	3.886.596	3.224.493	24.635.271
Net position	429.263	575.776	3.015.409	(3.206.008)	2.782.657	172.065	3.769.162
Nominal value of interest rate derivatives	-	200.000	2.500.000	300.000	2.318.858	1.509.965	6.828.823

55. RISK MANAGEMENT (continued)
55.3 Market Risk (continued)
Analysis of financial assets and financial liabilities of the Group based on their contractual repricing or maturity dates at 31 December 2024

	Non-interest bearing €'000	Within one month €'000	Between one and three months €'000	Between three months and one year €'000	Between one and five years €'000	Over five years €'000	Total €'000
Financial assets							
Cash and balances with Central Banks	100.684	5.629.860	-	-	-	-	5.730.544
Placements with other banks	40.352	3.373	-	-	311.691	-	355.416
Reverse repurchase agreements	-	300.274	-	-	-	-	300.274
Loans and advances to customers	-	810.911	381.330	3.826.931	368.581	350.358	5.738.111
Debt securities	-	697.678	132.716	742.552	2.254.486	1.848.242	5.675.674
Equity securities and collective investment units	91.510	583	12.600	3.033	31.996	5.954	145.676
Derivatives	21.605	-	-	-	-	-	21.605
Indemnification asset	3.200	-	-	-	-	-	3.200
Total financial assets	257.351	7.442.679	526.646	4.572.516	2.966.754	2.204.554	17.970.500
Financial liabilities							
Deposits by banks	-	127.087	1.886	8.673	26.842	634	165.122
Customer deposits and other customer accounts	-	5.780.396	2.172.007	3.385.032	2.248.854	2.071.796	15.658.085
Derivatives	-	205	-	-	-	-	205
Other financial liabilities	943	-	-	-	-	-	943
Loan capital	-	-	-	100.481	209.178	-	309.659
Total financial liabilities	943	5.907.688	2.173.893	3.494.186	2.484.874	2.072.430	16.134.014
Net position	256.408	1.534.991	(1.647.247)	1.078.330	481.880	132.124	1.836.486
Nominal value of interest rate derivatives	-	-	-	-	600.000	-	600.000

In addition to monitoring interest rate gaps, interest rate risk management is carried out mainly by monitoring the sensitivity of the Group's Economic Value of Equity (EVE) and Net Interest Income (NII), under various scenarios of interest rate changes.

The Investment and Market Risk sub-unit monitors interest rate positions on a continuous basis, within the risk management framework, the policies and the limits set by RAS. ALCO is regularly informed about the magnitude of interest rate risk and makes decisions for the management of the risk based on this information. Scenario calculations for interest rate changes consider both parallel and non-parallel shifts of the yield curve.

55. RISK MANAGEMENT (continued)
55.3 Market Risk (continued)

The tables below present the impact on the Group's Economic Value of Equity (EVE) from a set of six interest rate shock scenarios defined by ITS 2022/631, the new EBA Guidelines on IRRBB and CSRBB (EBA/GL/2022/14)¹, the Commission Delegated Regulation (EU) 2024/856 and the Commission Delegated Regulation (EU) 2024/857, for the significant currencies, which are the EUR and the USD at year end:

Change	EVE Sensitivity 2025					
	Interest rate scenarios					
	Parallel Up €'000	Parallel Down €'000	Steeper €'000	Flattener €'000	Short rates down €'000	Short rates up €'000
Euro	(239.238)	174.562	92.771	(163.645)	174.756	(213.063)
US Dollar	(29.546)	31.174	(488)	(6.624)	18.306	(18.127)

Change	EVE Sensitivity 2024					
	Interest rate scenarios					
	Parallel Up €'000	Parallel Down €'000	Steeper €'000	Flattener €'000	Short rates down €'000	Short rates up €'000
Euro	(198.433)	95.516	47.468	(98.388)	73.004	(139.052)
US Dollar	887	(1.875)	573	(805)	(572)	(183)

Note 1: According to the EBA IRRBB Guidelines, the shocks for EUR are 200 bps for parallel moves, 250 bps for short rate moves and 100 bps for long rate moves. The shocks for USD are 200 bps for parallel moves, 300 bps for short rate moves and 150 bps for long rate moves. The steeper and flattener rate shocks are a combination of the short rates and the long rate moves.

Note 2: YE 2024 reflects the Group results of the ex-Hellenic Bank Group for the year ended 31 December 2024.

Based on the above results, the largest negative sensitivity of Economic Value of Equity at the end of 2025 was under the "Parallel up" scenario and amounted to €268,8 million or 9,2% of the Bank's Tier 1 Capital.

The aggregation of the impact on EVE for each interest rate scenario is performed based on the EBA IRRBB guidelines according to which, positive changes per scenario and material currency are weighted by a factor of 50%.

In the calculation of EVE sensitivity, for the discounting needed to perform the calculations, the risk-free yield curve was used for each currency.

It is also noted that for the calculation of both EVE and NII sensitivity under scenarios with interest rate reductions, the EBA IRRBB Guidelines were followed for currencies with negative interest rates (a post shock floor of -1,5% was assumed) and, in addition, floors were inserted to specific products for which interest rates cannot be reduced below zero.

It is noted that the most significant assumption which affects the calculation results for both the EVE and NII sensitivities concerns the treatment of non-maturity deposits (NMDs). These deposits (current and savings accounts) do not have a contractual maturity, and to this effect, depositors may withdraw the available balance without prior notice. However, a significant share of these deposits is stable over time and is thus defined as 'core deposits'. Core deposits are highly unlikely to reprice as a result of changes in interest rates. Therefore, core deposits are allocated in longer term time buckets. The Bank has modelled NMDs through simulating deposit volumes for different categories to identify core deposits and their maturity.

55. RISK MANAGEMENT (continued)
55.3 Market Risk (continued)

The tables below present the impact on Net Interest Income (over the next 12 months) as a result of a change of ± 200 basis points in interest rates for the significant currencies, which are the EUR and USD at year end:

2025	Euro	US Dollar	Total
Non-derivatives financial assets	€'000	€'000	€'000
+200 basis points	50.593	(15.365)	9.931
-200 basis points	(123.032)	6.166	(119.949)
2024	Euro	US Dollar	Total
Non-derivatives financial assets	€'000	€'000	€'000
+200 basis points	34.129	(2.221)	14.843
-200 basis points	(131.876)	(5.463)	(137.339)

55.3.3 Price Risk

Price risk is derived from the undertaking of an open position in equities, bonds or derivatives. The Group manages this risk through policies and procedures of setting and monitoring open position limits, stop loss limits on trading positions, as well as concentration limits by issuer.

The table below presents the impact on financial results and own funds (including the impact from changes in net profits) from reasonably possible changes in equity prices which are traded on stock exchanges:

	2025		2024	
	Net profits	Own Funds	Net profits	Own Funds
	€'000	€'000	€'000	€'000
+15% change in index	55.595	2.161	4.462	2.243
-15% change in index	(55.595)	(2.161)	(4.462)	(2.243)

55.4 Liquidity Risk

Liquidity risk is the risk that arises from the potential inability of the Group and the Bank to settle its obligations / liabilities when they come due with immediacy.

The Group's approach in managing liquidity risk is to ensure, to the extent possible (considering that the main role of the Bank as an intermediary is to accept short term deposits and grant long term loans), that there is adequate liquidity in order to satisfy its obligations, when they arise, under "normal" circumstances as well as under stress conditions, without the Group incurring any additional costs.

The Group currently operates in Cyprus. The management of the liquidity of the Group's banking units (including compliance with regulatory limits), is undertaken by the Treasury department depending on the conditions prevailing in the markets.

The Group places emphasis on the maintenance of stable customer deposits, as they represent its main funding source. This is effectively achieved through the maintenance of good and long-standing relationships of trust with customers and through competitive and transparent pricing strategies, also taking into consideration the liquidity position of the Bank.

Regular stress testing scenarios are performed to simulate extreme conditions and appropriate measures are taken whenever necessary.

55. RISK MANAGEMENT (continued)
55.4 Liquidity Risk (continued)

The liquidity risk of the Bank is monitored daily by Investment, Market and Liquidity Risk Management. The Group must comply with the Liquidity Coverage Ratio (LCR) as per the provisions of the Commission Delegated Regulation (EU) 2018/1620 of 13 July 2018 amending Delegated Regulation (EU) 2015/61 (which supplements Regulation (EU) No 575/2013 (CRR) of the European Parliament and the Council with regards to the liquidity coverage requirement for Credit Institutions).

Analysis of the liabilities of the Group based on their remaining contractual maturity as at 31 December 2025

	Carrying amount €'000	Gross nominal (inflows)/ outflows €'000	On demand €'000	Within three months €'000	Between three months and one year €'000	Between one and five years €'000	Over five years €'000
Total liabilities							
Deposits by banks	406.065	406.629	318.913	54.086	8.639	24.991	-
Customer deposits and other customer accounts	23.936.267	23.958.356	16.417.148	4.341.673	3.102.911	96.586	38
Derivatives	12.311						
- Cash inflows		(1.115.168)	(10.893)	(951.169)	(763)	(152.343)	-
- Cash outflows		1.119.346	10.885	958.329	769	149.363	-
Tax payable	32.572	32.572	653	-	30.443	1.476	-
Deferred tax liability	16.233	16.233	-	-	-	-	16.233
Other liabilities	300.491	301.383	174.380	97.301	18.150	8.385	3.167
Insurance contract liabilities	683.595	683.595	12.234	4.128	91.420	3.573	572.240
Investment contract liabilities	71.753	71.753	22	73	192	2.602	68.864
Loan capital	209.731	261.500	-	-	20.500	241.000	-
	25.669.018	25.736.199	16.923.342	4.504.421	3.272.261	375.633	660.542

55. RISK MANAGEMENT (continued)
55.4 Liquidity Risk (continued)
Analysis of the liabilities of the Group based on their remaining contractual maturity at 31 December 2024

	Carrying amount €'000	Gross nominal (inflows)/ outflows €'000	On demand €'000	Within three months €'000	Between three months and one year €'000	Between one and five years €'000	Over five years €'000
Total liabilities							
Deposits by banks	165.122	165.634	27.110	102.389	8.687	26.815	633
Customer deposits and other customer accounts	15.658.085	15.673.469	11.478.137	1.686.643	2.454.123	54.402	164
Derivatives	205						
- Cash inflows		(44.359)	(10.000)	(34.359)	-	-	-
- Cash outflows		44.549	10.000	34.549	-	-	-
Tax payable	19.500	19.500	-	-	19.500	-	-
Deferred tax liability	11.504	11.504	-	-	-	-	11.504
Other liabilities	199.110	200.254	120.288	35.656	13.443	29.194	1.673
Insurance contract liabilities	106.314	106.314	106.314	-	-	-	-
Loan capital	309.659	300.000	-	-	-	100.000	200.000
	16.469.499	16.476.865	11.731.849	1.824.878	2.495.753	210.411	213.974

55. RISK MANAGEMENT (continued)
55.4 Liquidity Risk (continued)

The tables below present the encumbered and unencumbered assets as at the reporting date:

31 December 2025

	The Group				The Bank			
	Carrying amount of encumbered assets		Carrying amount of unencumbered assets		Carrying amount of encumbered assets		Carrying amount of unencumbered assets	
	of which European Central Bank's eligible		of which European Central Bank's eligible		of which European Central Bank's eligible		of which European Central Bank's eligible	
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Cash and balances with Central Banks	-	-	8,057,611	-	-	-	8,057,609	-
Placements with other banks	-	-	578,052	-	-	-	550,594	-
Reverse repurchase agreements	-	-	2,126,466	-	-	-	2,126,466	-
Loans and advances to customers	74,001	-	8,703,422	-	74,001	-	8,703,435	-
Debt securities	380,043	51,013	7,928,816	5,472,490	380,043	51,013	7,425,905	5,472,490
Equity securities *	-	-	401,600	-	-	-	46,394	-
Other assets	-	-	744,150	-	-	-	815,652	-
Total assets	454,044	51,013	28,540,117	5,472,490	454,044	51,013	27,726,055	5,472,490

* Equity securities on Group include collective investment units

31 December 2024

	The Group				The Bank			
	Carrying amount of encumbered assets		Carrying amount of unencumbered assets		Carrying amount of encumbered assets		Carrying amount of unencumbered assets	
	of which European Central Bank's eligible		of which European Central Bank's eligible		of which European Central Bank's eligible		of which European Central Bank's eligible	
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Cash and balances with Central Banks	-	-	5,730,544	-	-	-	5,730,544	-
Placements with other banks	84,669	-	270,747	-	84,669	-	266,540	-
Reverse repurchase agreements	-	-	300,274	-	-	-	300,274	-
Loans and advances to customers	-	-	5,738,111	-	-	-	5,738,111	-
Debt securities	-	-	5,675,674	4,165,113	-	-	5,662,807	4,165,113
Equity securities *	-	-	145,676	-	-	-	44,701	-
Other assets	-	-	412,023	-	-	-	404,865	-
Total assets	84,669	-	18,273,049	4,165,113	84,669	-	18,147,842	4,165,113

* Equity securities on Group include collective investment units

55. RISK MANAGEMENT (continued)

55.5 Operational & Non-Financial Risks

Operational risk is defined by Basel III as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Non-Financial Risk (NFR) is defined by exclusion, that is, any risk other than the financial risks such as credit, market and liquidity. It includes operational risks as well as specific additional risks such as strategic and reputational risks.

The Bank implements its Risk Appetite Framework (RAF) to cover NFRs, which sets out the mechanisms through which the Bank establishes its risk appetite and ensures that its risk profile remains within that appetite to bear risk in relation to internal and external events as well as other constraints.

Governance responsibility for NFR management stems from the Board of Directors (BoD), through the Board Risk Committee (BRC) and Senior Management, and passes down to the managers and staff of every business unit. The BoD establishes the mechanisms used by the Bank to manage NFRs, sets the tone and expectations, and delegates relevant responsibilities. The BRC and the Audit Committee monitor the NFR levels and profile, including relevant events.

The Bank has adopted a Themes-based risk taxonomy, developed along the lines of the industry reference taxonomies, for risk management and reporting purposes. Each Risk Theme is overseen by Theme Coordinators (Second Line of Defence Units, where applicable). The Risk Themes which fall within the scope of NFR are the following:



Non-Financial Risk Management (NFRM) has been positioned as an overlaying framework coordinator for all NFRs. NFRM overlaying responsibilities aim to harmonize the Second Line of Defence Units’ activities across the Bank and to holistically ensure the effective, consistent application of the RAF.

NFRM continuously monitors operational risks and losses to identify emerging trends, assesses any breaches of Risk Appetite Statement (RAS) limits, and initiate timely escalations for effective issue resolution. Resources are allocated in various areas to elevate awareness within the Bank. The NFRM Framework is built on principles, governance & organisation, processes and infrastructure.

The Bank has in place systems and procedures for recording, monitoring and managing material NFR events, describing the particular event that took place, the underlying root cause(s), the associated product / service, the business process during which it occurred, any remediation activity that has been undertaken and the gross actual loss, potential loss or gain that resulted due to the event’s occurrence. Near misses as well as operational risk events with a timing impact are also reported.

Overall, the NFRM Framework functioned in an efficient way mitigating the impact of NFR related events during 2025.

55. RISK MANAGEMENT (continued)

55.6 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 Bank 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 Bank, stemming from current or prospective impacts of any climate-related & environmental, social or governance event(s) on Bank'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 Bank, 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 Bank 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 Bank's counterparties or invested assets.
- **Governance risk:** Governance risk refers to potential losses arising from any negative financial impact on the Bank 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 Bank's counterparties or invested assets.

55.7 Model Validation

During the year, the Model Validation unit conducted validation activities and prepared relevant reports with validation results assessing:

- the quantitative and qualitative adequacy of the models,
- the monitoring of performance and identification of limitations,
- the accurate development of the model based on its specified design and purpose,
- the application and use of the models by the relevant Units of the Bank.

55.8 Insurance Risk

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 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.

55. RISK MANAGEMENT (continued)
55.8 Insurance Risk (continued)

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 and 2024. 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.

31 December 2025

	Change in assumption	Impact in € thousand on:		
		CSM	Profit before tax	Equity
Life insurance contracts ¹				
Mortality rate	+10%	(10.882)	(1.761)	(2.188)
	-10%	11.038	727	1.324
Lapse rate	+10%	(7.117)	(1.111)	(1.076)
	-10%	7.190	240	351
Expenses	+10%	(8.859)	(883)	(851)
	-10%	8.892	851	819
Non life insurance contracts ¹				
Incurred but not reported claims (IBNR)	+10%	N/A	(2.105)	(2.098)

55. RISK MANAGEMENT (continued)
55.8 Insurance Risk (continued)
31 December 2024

	Change in assumption	Impact in € thousand on:		
		CSM	Profit before tax	Equity
Life insurance contracts ¹				
Mortality rate	+5%	(2.523)	(78)	(68)
	-5%	2.528	78	68
Lapse rate	+10%	(906)	(108)	(94)
	-10%	1.079	126	111
Expenses	+10%	(741)	(72)	(63)
	-10%	741	72	63
Non life insurance contracts ¹				
Incurred but not reported claims (IBNR)	+10%	N/A	(592)	(518)

(1) Accident and health insurance contracts issued by ERB Cyprialife Ltd/Hellenic Life 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 € 743 thousands and € -2.991 thousands, respectively. At the same date, a -100 bps change in interest rates would result in an impact on profit before tax and equity of € -872 thousands and € 2.777 thousands, respectively.

As at 31 December 2024, a +100 bps change in interest rates would result in an impact on profit before tax and equity of € -226 thousands and € -280 thousands, respectively. At the same date, a -100 bps change in interest rates would result in an impact on profit before tax and equity of € 270 thousands and € 236 thousands, 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 55.4

Claims development

The following tables show the estimates of cumulative incurred claims, including both claims notified and IBNR for each successive accident year at each reporting date, together with cumulative payments to date. As required by IFRS 17, in setting claims provisions, the Company gives consideration to the probability and magnitude of future experience being more adverse than assumed which is reflected in the risk adjustment.

In general, the uncertainty associated with the ultimate cost of settling claims is greatest when the claim is at an early stage of development. As claims develop, the ultimate cost of claims becomes more certain.

The tables below include the Outstanding Claims for insurance contracts issued by ERB Cyprialife Ltd/Hellenic Life and ERB Asfalistiki Ltd/Pancypran.

55. RISK MANAGEMENT (continued)
55.8 Insurance Risk (continued)
Gross undiscounted Liability for Incurred Claims

2025 Gross claims development – Insurance	Accident year						Total €'000
	Y-5 €'000	Y-4 €'000	Y-3 €'000	Y-2 €'000	Y-1 €'000	Y €'000	
Estimate of ultimate claim costs							
At end of accident year	46.297	52.762	58.056	67.410	85.808	81.552	
1 year later	57.356	60.078	66.706	71.631	77.107		
2 years later	57.934	60.077	65.490	70.376			
3 years later	58.759	59.863	65.187				
4 years later	59.184	59.596					
5 years later	58.929						
Gross claims paid	(55.766)	(55.320)	(59.852)	(61.861)	(59.559)	(39.872)	(332.230)
Gross liabilities - Years Y-5 to Y	3.163	4.276	5.335	8.515	17.548	41.680	80.517
Gross liabilities - Years prior to N-5							17.681
Outstanding claim reserve							98.198

2025 Net claims development – Insurance	Accident year						Total €'000
	Y-5 €'000	Y-4 €'000	Y-3 €'000	Y-2 €'000	Y-1 €'000	Y €'000	
Estimate of ultimate claim costs							
At end of accident year	35.664	37.621	44.394	52.421	62.216	60.199	
1 year later	35.659	41.761	49.861	55.398	54.840		
2 years later	39.736	41.694	49.109	55.031			
3 years later	39.764	41.236	48.945				
4 years later	39.415	41.210					
5 years later	39.462						
Gross claims paid	(37.534)	(38.422)	(44.778)	(49.430)	(46.319)	(34.755)	(251.238)
Gross liabilities - Years Y-5 to Y	1.928	2.788	4.167	5.601	8.521	25.444	48.449
Gross liabilities - Years prior to N-5							12.907
Outstanding claim reserve							61.356

55. RISK MANAGEMENT (continued)
55.8 Insurance Risk (continued)

2024 Gross claims development – Insurance	Accident year						Total €'000
	Y-5 €'000	Y-4 €'000	Y-3 €'000	Y-2 €'000	Y-1 €'000	Y €'000	
Estimate of ultimate claim costs							
At end of accident year	17.937	12.083	16.290	17.581	19.894	32.068	
1 year later	26.930	17.651	22.516	23.686	23.568		
2 years later	31.830	21.967	24.684	23.646			
3 years later	33.061	23.256	25.145				
4 years later	33.353	23.482					
5 years later	33.676						
Gross claims paid	(31.638)	(22.281)	(23.195)	(21.815)	(18.402)	(11.888)	(129.219)
Gross liabilities - Years Y-5 to Y	2.038	1.201	1.950	1.831	5.166	20.180	32.366
Gross liabilities - Years prior to N-5							6.836
Outstanding claim reserve							39.202
2024 Net claims development – Insurance	Accident year						
	Y-5 €'000	Y-4 €'000	Y-3 €'000	Y-2 €'000	Y-1 €'000	Y €'000	Total €'000
Estimate of ultimate claim costs							
At end of accident year	11.693	9.182	10.666	13.280	14.243	17.401	
1 year later	13.555	10.394	12.262	13.584	14.494		
2 years later	14.105	11.215	12.982	13.253			
3 years later	14.549	11.670	12.773				
4 years later	14.867	11.581					
5 years later	14.730						
Gross claims paid	(13.498)	(10.886)	(11.755)	(11.984)	(12.009)	(8.719)	(68.851)
Gross liabilities - Years Y-5 to Y	1.232	695	1.018	1.269	2.485	8.682	15.381
Gross liabilities - Years prior to N-5							4.411
Outstanding claim reserve							19.792

56. CATEGORISATION OF FINANCIAL INSTRUMENTS
The Group

	Carrying amount €'000	Securities classified at fair value through profit and loss €'000	Securities at amortised cost €'000	Securities classified at fair value through other comprehensive income €'000	Financial instruments at amortised cost €'000
31 December 2025					
Assets					
Cash and balances with Central Banks	8.057.611	-	-	-	8.057.611
Placements with other banks	578.052	-	-	-	578.052
Reverse repurchase agreements	2.126.466	-	-	-	2.126.466
Loans and advances to customers	8.777.423	-	-	-	8.777.423
Debt securities	8.308.859	330.441	7.661.299	317.119	-
Equity securities and collective investment units	401.600	370.633	-	30.967	-
Assets held for sale	118.163	-	-	-	118.163
Derivatives	36.259	36.259	-	-	-
Other financial assets	-	-	-	-	-
	28.404.433	737.333	7.661.299	348.086	19.657.715
Liabilities					
Deposits by banks	406.065	-	-	-	406.065
Customer deposits and other customer accounts	23.936.267	-	-	-	23.936.267
Other financial liabilities	7.248	-	-	-	7.248
Derivatives	12.311	12.311	-	-	-
Investment contract liabilities	71.753	-	-	-	71.753
Balances under settlement	63.649	-	-	-	63.649
Loan capital	209.731	-	-	-	209.731
	24.707.024	12.311	-	-	24.694.713

56. CATEGORISATION OF FINANCIAL INSTRUMENTS (continued)
The Group

	Carrying amount €'000	Securities classified at fair value through profit and loss €'000	Securities at amortised cost €'000	Securities classified at fair value through other comprehensive income €'000	Financial instruments at amortised cost €'000
31 December 2024					
Assets					
Cash and balances with Central Banks	5.730.544	-	-	-	5.730.544
Placements with other banks	355.416	-	-	-	355.416
Reverse repurchase agreements	300.274	-	-	-	300.274
Loans and advances to customers	5.738.111	-	-	-	5.738.111
Debt securities	5.675.674	12.867	5.627.581	35.226	-
Equity securities and collective investment units	145.676	130.722	-	14.954	-
Derivatives	21.605	21.605	-	-	-
Indemnification asset	3.200	-	-	-	3.200
	<u>17.970.500</u>	<u>165.194</u>	<u>5.627.581</u>	<u>50.180</u>	<u>12.127.545</u>
Liabilities					
Deposits by banks	165.122	-	-	-	165.122
Customer deposits and other customer accounts	15.658.085	-	-	-	15.658.085
Derivatives	205	205	-	-	-
Other financial liabilities	943	-	-	-	943
Loan capital	309.659	-	-	-	309.659
	<u>16.134.014</u>	<u>205</u>	<u>-</u>	<u>-</u>	<u>16.133.809</u>

56. CATEGORISATION OF FINANCIAL INSTRUMENTS (continued)
The Bank

	Carrying amount €'000	Securities classified at fair value through profit and loss €'000	Securities at amortised cost €'000	Securities classified at fair value through other comprehensive income €'000	Financial instruments at amortised cost €'000
31 December 2025					
Assets					
Cash and balances with Central Banks	8.057.609	-	-	-	8.057.609
Placements with other banks	550.594	-	-	-	550.594
Reverse repurchase agreements	2.126.466	-	-	-	2.126.466
Loans and advances to customers	8.777.436	-	-	-	8.777.436
Debt securities	7.805.948	7.661.299	-	144.649	-
Equity securities	46.394	31.988	-	14.406	-
Assets held for sale	118.163	-	-	-	118.163
Derivatives	36.259	36.259	-	-	-
	<u>27.518.869</u>	<u>7.729.546</u>	-	<u>159.055</u>	<u>19.630.268</u>
Liabilities					
Deposits by banks	406.065	-	-	-	406.065
Customer deposits and other customer accounts	23.936.267	-	-	-	23.936.267
Other financial liabilities	7.248	-	-	-	7.248
Derivatives	12.311	12.311	-	-	-
Balances under settlement	63.649	-	-	-	63.649
Loan capital	209.731	-	-	-	209.731
	<u>24.635.271</u>	<u>12.311</u>	-	-	<u>24.622.960</u>

56. CATEGORISATION OF FINANCIAL INSTRUMENTS (continued)
The Bank

	Carrying amount €'000	Securities classified at fair value through profit and loss €'000	Securities at amortised cost €'000	Securities classified at fair value through other comprehensive income €'000	Financial instruments at amortised cost €'000
31 December 2024					
Assets					
Cash and balances with Central Banks	5.730.544	-	-	-	5.730.544
Placements with other banks	351.209	-	-	-	351.209
Reverse repurchase agreements	300.274	-	-	-	300.274
Loans and advances to customers	5.738.111	-	-	-	5.738.111
Debt securities	5.662.807	-	5.627.581	35.226	-
Equity securities	44.702	29.748	-	14.954	-
Derivatives	21.605	21.605	-	-	-
Indemnification asset	3.200	-	-	-	3.200
	<u>17.852.452</u>	<u>51.353</u>	<u>5.627.581</u>	<u>50.180</u>	<u>12.123.338</u>
Liabilities					
Deposits by banks	165.122	-	-	-	165.122
Customer deposits and other customer accounts	15.658.085	-	-	-	15.658.085
Other financial liabilities	943	-	-	-	943
Derivatives	205	205	-	-	-
Loan capital	309.659	-	-	-	309.659
	<u>16.134.014</u>	<u>205</u>	<u>-</u>	<u>-</u>	<u>16.133.809</u>

57. EVENTS AFTER THE REPORTING PERIOD*KEDIPES*

In January 2026, the Bank completed the transaction with Cyprus Asset Management company Ltd (KEDIPES) concerning the buyback of non-performing loan portfolio and the termination of Asset Protection Scheme which had been granted as part of acquisition of the loan portfolio of the former Cyprus Cooperating Bank. This resulted in the derecognition of the non-performing loans and the termination of the APS.

Voluntary Exit Scheme

In March 2026 the Bank announced a voluntary exit scheme (VES) addressed to the eligible members of staff of the Bank and its insurance companies as part of its ongoing initiatives to enhance operational efficiency and optimize the organizational structure. The scheme provides financial incentives for voluntary participation and is expected to contribute to the optimization of the Group's cost base over the coming years. The cost of the VES will be recognized in the financial statements of 2026.

Agreement of Eurobank S.A and Eurobank Holdings with Fairfax to acquire ERB Asfalistiki Cyprus

On 13 October 2025 Eurobank Ergasias Services and Holdings S.A. (Eurobank Holdings) and its subsidiary Eurobank S.A announced that Fairfax Financial Holdings Ltd (Fairfax) shall procure that certain affiliates of Fairfax will acquire a 45% of the share capital of ERB Asfalistiki Cyprus (ERBA), the non life insurance subsidiary of the Bank, for a cash consideration equal to 1,45 times of the net assets value of ERBA as at 31 August 2025 by applying 45% (which is approximately €55 million). Fairfax will also have the right to acquire the remaining 55% of the share capital of ERBA over time. This transaction is subject to regulatory approvals.

Fairfax's investment in ERBA's share capital represents a strong vote of confidence in ERBA, the Bank and the broader Cypriot Economy.

The transaction is subject to actuarial and financial due diligence, the required approvals from the relevant authorities and the process for the related party transactions (art. 99 et seq. of Greek law 4548/2018). The transaction is expected to close within the first quarter of 2026.

Geopolitical situation in Middle East

The geopolitical situation in Middle East escalated on 28 February 2026, with the actions taken by the United States and Israel against targets in Iran. Cyprus has experienced geopolitical sensitivity due to its proximity to the Middle East and the presence of the United Kingdom Sovereign Base Areas at Akrotiri and Dhekelia. As of the date of authorisation of the financial statements, the conflict continues to evolve in Middle East as military activity persists.

The conflict has caused volatility in global energy markets and disruptions to the supply of oil and gas, contributing to increased uncertainty in commodity prices and potential inflationary pressures. Broader consequences have also been observed in financial markets and global supply chains, particularly affecting energy and transportation sectors, as heightened geopolitical tensions around key shipping routes add to market uncertainty.

The financial effect of the current crisis on the global economy and overall business activities cannot be estimated with reasonable certainty at this stage, due to the pace at which the conflict is evolving and the high level of uncertainties arising from the inability to reliably predict the outcome.

These are events that are indicative of conditions that arose after the reporting period. Therefore, these are considered as a non-adjusting event and thus, are not reflected in the recognition and measurement of the assets and liabilities in the financial statements as of 31 December 2025.

Although Eurobank Limited has very limited direct exposure, the conflict may still create negative effects on the Cypriot economy. Rising energy prices, fluctuations in foreign exchange rates, increased financial market volatility, supply chain disruptions and intensified inflationary pressures may indirectly impact the operations of Eurobank Limited. In addition, any potential adverse effects on the hospitality sector, may further influence economic activity and business conditions. The indirect implications remain uncertain and will invariably depend on the extent and duration of the conflict.

GLOSSARY AND DEFINITIONS OF PERFORMANCE MEASURES

Name	Definition
Capital adequacy ratio	Total capital divided by Risk Weighted Assets
CET 1 ratio	Common Equity Tier 1 capital divided by risk weighted assets
Class 7	Class 7 refers to Pension Fund Management carried out by the Group's insurance company, ERB Cyprialife, under the supervision of the Cyprus Insurance Companies Control Service. In this capacity, ERB Cyprialife manages assets for occupational pension schemes, with the investment risk borne by the contributors rather than by the company itself
Cost of risk	Impairment allowance on loans and advances charged in the reported year, divided by the average balance of loans and advances to customers (the arithmetic average of loans and advances to customers at the end of the reported year and at the end of the previous year)
Cost to income ratio	Total operating expenses divided by total operating income (excluding negative goodwill)
CRD	Capital Requirements Directive (Directive 2013/36/EU ("CRD IV"), as amended by Directive 2019/878/EU ("CRD V") and Directive (EU) 2024/1619 ("CRD VI"))
CRR	Capital Requirements Regulation (Regulation (EU) No 575/2013 ("CRR"), as amended by Regulation (EU) 2019/876 ("CRR II") and Regulation (EU) 2024/1623 ("CRR III"))
Credit-impaired loans/gross loans	NPEs divided by gross loans and advances to customers (the balance of loans and advances to customers before impairment allowance)
Debt to asset	Debt to asset arrangement between the Bank and the borrower
EX-HB	Entity previously named Hellenic Bank Public Company Limited
EX-ERB	Entity previously named Eurobank Cyprus Ltd
EX CNP	Entity previously named CNP Cyprus Insurance Holdings Limited
Gross accumulated impairment losses	Accumulated impairment losses on loans and advances to customers excluding positive impairment on purchased credit-impaired loans and advances.
Gross loans	Gross carrying amount of loans and advances before deducting accumulated impairment losses
Gross loans with forbearance measures	Forborne exposures (EBA definition)
Leverage ratio (LR)	Tier 1 capital measure divided by the total exposure measure, defined in accordance with the CRR (as defined).
Liquidity Coverage ratio (LCR)	Liquidity Coverage ratio (LCR) is the ratio of the Bank's high quality liquid assets over the Bank's expected net liquidity outflows during the next 30 days, as these net outflows are specified under a liquidity stress scenario. The ratio is calculated as per the provisions of the Commission Delegated Regulation (EU) 2018/1620 amending Commission Delegated Regulation (EU) 2015/61 (which supplements Regulation (EU) No 575/2013, as amended by Regulation (EU) 2019/876 with regards to the liquidity coverage requirements for Credit Institutions). At times of stress, credit institutions may use their liquid assets to cover their net liquidity outflows.
Loan portfolio	Consists of loans and advances to customers and financial guarantees and loan commitments issued
Loans to deposits	Loans and advances to customers divided by due to customers at the end of the reported year
Negative goodwill	Gain on acquisition net of acquisition related costs in relation to the acquisition of CNP Cyprus Insurance Holdings Limited
Net trading income/(loss) and net gains/(losses) on revaluation of financial instruments	Consist of net trading income/(loss) from derivative financial instruments and net gains/(losses) on revaluation of financial instruments at fair value through profit and loss

GLOSSARY AND DEFINITIONS OF PERFORMANCE MEASURES (continued)

Name	Definition
Net Stable Funding Ratio (NSFR)	NSFR is calculated as the amount of available stable funding (the portion of capital and liabilities expected to be reliable over the one-year horizon) over the amount of required stable funding (based on the liquidity characteristics and residual maturities of the various assets held and off-balance sheet exposures).
Net NPEs	NPEs less accumulated impairment losses on loans and advances to customers and liabilities for financial guarantees and loan commitments (disclosed on the statement of financial position within other liabilities).
Net NPEs to total assets ratio	Net NPEs (as defined) divided by total assets.
Net Stable Funding Ratio (NSFR)	NSFR is calculated as the amount of available stable funding (the portion of capital and liabilities expected to be reliable over the one-year horizon) over the amount of required stable funding (based on the liquidity characteristics and residual maturities of the various assets held and off-balance sheet exposures).
NPE provisions coverage	Impairment allowance for loans and advances to customers, including impairment allowance for credit related commitments (off balance sheet items) divided by NPEs at the end of the reported period
Other income	Consists of dividend income, net gain from the disposal of stock of property, net gains from revaluation of investment properties and sundry income.
Project Starlight	Project Starlight refers to the sale of a NPE portfolio (c.€1,4 billion of total contractual amount and €0,8 billion of gross book value, including properties acquired for satisfaction of debt) and the disposal of APS Cyprus, completed in March 2023.
Return on equity	Proforma Net profit for the year divided by the average equity (the arithmetic average of equity at the end of the reported year and at the end of the previous year proforma)
Tier 1 ratio	Tier 1 capital divided by risk weighted assets
Total Capital ratio	Total capital divided by risk weighted assets
Total non-interest income	Consist of net fee and commission income, other income (including negative goodwill), net income from insurance operations and net trading income/(loss) and net gains/(losses) on revaluation of financial instruments

ABBREVIATIONS

AML	Anti Money Laundering
APS	Asset Protection Scheme
Bps	Basis points
BoD	Board of Directors
BRRD	Bank Recovery and Resolution Directive
BTA	Business Transfer Agreement
CBC	Central Bank of Cyprus
CBR	Combined buffer requirement
CCoB	Capital Conservation Buffer
CCS1	Convertible Capital Securities 1
CCyB	Countercyclical capital buffer
CET 1	Common Equity Tier 1 capital
CLOs	Collateralised loan obligations
CRD	Capital Requirements Directive (Directive 2013/36/EU, as amended by Directive 2019/878/EU)
CRD IV	Capital Requirements Directive IV
CRM	Credit Risk Management
CRR	Capital Requirements Regulation (Regulation (EU) No 575/2013, as amended by Regulation (EU) 2019/876)
CSM	Contractual service margin
CYSTAT	Cyprus Statistical Service
DER	Deposit Facility Rate
DGS	Deposit Guarantee Scheme
DMTT	Domestic Minimum Top Up
EBA	European Banking Authority
ECB	European Central Bank
ECL	Expected Credit Losses
EMTN Programme	Euro Medium-Term Note Programme
ESG	Environmental, Social and Governance
ESRS 2	European Sustainability Reporting Standards 2
EU	European Union
Eurobank S.A Group	Eurobank S.A along with its subsidiaries
FY	Financial year
GDP	Gross Domestic Product
HR	Human Resources
ICAAP	Internal Capital Adequacy Assessment Process

ABBREVIATIONS (continued)

ILAAP	Internal Liquidity Adequacy Assessment Process
IRRBB	Interest Rate Risk in the Banking Book
IFRSs	International Financial Reporting Standards
ISO	International Organization for Standardisation
KEDIPEs	Cyprus Asset Management Company
KYC	Know Your Customer
LGD	Loss Given Default
LRE	Leverage Ratio Exposures
MC	Management Committee
MENA	Middle East and North Africa
MREL	Minimum requirement for own funds and eligible liabilities
NII	Net interest income
O-SII	Other Systemically Important Institution
OIS	Operational Impact Strategy
OpEx	Operational Expenditure
P2G	Pillar II guidance
P2R	Pillar II requirement
PD	Probability of default
PPA	Purchase Price Allocation
RoC	Republic of Cyprus
RWAs/TREA	Risk Weighted Assets/Total risk exposure amounts
SP	Senior Preferred
SRB	Single Resolution Board
SREP	Supervisory Review and Evaluation Process
TREA	Total risk exposure amounts
UTPR	Under Tax Profits Rule
VES	Voluntary Exit Scheme
WCAG	Web Content Accessibility Guidelines