EUROBANK ERGASIAS SERVICES and HOLDINGS S.A.

CONSOLIDATED PILLAR 3 REPORT

FOR THE THREE MONTHS ENDED

31 MARCH 2020

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Index of tables

1. Introduction – General Information

Until 20 March 2020 Eurobank Ergasias S.A. was a credit institution based in Greece and supervised on a standalone and consolidated basis by the European Central Bank (ECB) and the Bank of Greece (BoG).

On 20 March 2020, the demerger of Eurobank Ergasias S.A. (Demerged Entity) through the business banking sector's hive down and its transfer to a new credit institution that has been established under the corporate name "Eurobank S.A." (the Bank) was completed. Following the above, the corporate name of the Demerged Entity has been amended to "Eurobank Ergasias Services and Holdings S.A." (the Company).

Following the demerger "Eurobank Ergasias Services and Holdings S.A." is supervised on a consolidated basis and "Eurobank S.A." is supervised on a standalone basis by ECB and BoG.

The Company and its subsidiaries (the Group), consisting mainly of the Bank's subgroup, are active in retail, corporate and private banking, asset management, treasury, capital markets and other services. The Group operates mainly in Greece and in Central and Southeastern Europe. The Company is incorporated in Greece and its shares are listed on the Athens Stock Exchange.

NPE Acceleration Plan

In November 2018, the Bank announced its transformation plan, which includes the Merger with Grivalia and the non performing loans' (NPEs) reduction Acceleration Plan comprising the following steps: a) the securitisation of ca. € 2 billion of NPEs, through the issue of senior, mezzanine and junior notes and the sale of the 95% of the above mentioned mezzanine and junior notes to a third party investor resulting to the de-recognition of the respective securitised NPEs from the Bank's balance sheet (project Pillar), b) the securitisation of ca. € 7.5 billion of NPEs, through the issue of senior, mezzanine and junior notes (project Cairo), c) the legal separation of the core and non-core operations of the Bank through the hive-down of the core operations to a new subsidiary, d) the entry of a strategic investor into Financial Planning Services S.A. (FPS), the licensed 100% owned loan servicer of the Bank, including the Bank's Troubled Asset Group, e) the sale of a portion of Cairo mezzanine and junior notes to a third party investor and, f) the contemplated de-recognition of the securitised NPEs through the disposal /distribution of the remaining Cairo mezzanine and junior notes, subject inter alia to corporate and regulatory approvals.

Pillar securitization

In June 2019, Eurobank Ergasias through its special purpose financing vehicle (SPV) 'Pillar Finance Designated Activity Company', issued asset backed securities (notes) of total value of ca. € 2 billion collateralized by a portfolio of primarily non performing residential mortgage loans (project Pillar), which were fully retained by the entity. The securitization consisted of € 1,044 million senior notes issued at par, € 310 million mezzanine notes issued at par and € 645 million junior notes of issue price € 1. In the same month, Eurobank Ergasias announced that it has entered into a binding agreement with Celidoria S.A R.L, an entity ultimately owned by funds whose investment manager is the global investment management firm Pimco, for the sale of 95% of the mezzanine and junior notes of the abovementioned securitization. Upon the completion of the transaction, in September 2019, Eurobank Ergasias ceased to have control over the SPV.

Cairo securitization

In June 2019, Eurobank Ergasias, through its special purpose financing vehicles (SPVs) 'Cairo No. 1 Finance Designated Activity Company', 'Cairo No. 2 Finance Designated Activity Company' and 'Cairo No. 3 Finance Designated Activity Company', issued asset backed securities (notes) of total value of ca. € 7.5 billion, collateralized by a mixed assets portfolio of primarily non performing loans, which have been fully retained by the entity.

In the context of Law 4649/2019 ('Hercules' – Hellenic Asset Protection Scheme) voted by the Greek parliament on 16 December 2019, the SPVs will opt in for the state guarantee scheme. Specifically, the Bank submitted the relevant applications to Ministry of Finance on 25 February 2020 for Cairo No.1 and Cairo No.2 and on 15 May 2020 for Cairo No. 3. Accordingly, the Cairo transaction's parameters that include the senior note of face value € 2.4 billion, the mezzanine note of face value € 1.5 billion and the junior note of issue price € 1 (initial principal amount of € 3.6 billion) have taken into account the estimated cost of Hercules applicable to the senior notes. As a prerequisite to the above law, the Bank has already obtained the required external rating of the senior notes.

In December 2019, the Bank announced that it has entered into binding agreements with doValue S.p.A. ("doValue") for: (a) the sale of 80% of its subsidiary Eurobank Financial Planning Services ("FPS") and (b) the sale of a portion of mezzanine and junior notes of the aforementioned NPE Securitization. In particular, it has been agreed that 20% of the mezzanine notes and the minimum required percentage (as per 'Hercules' – Hellenic Asset Protection Scheme) of the junior notes will be sold to the above investor for a consideration of € 14 million in cash. Further information is provided in the Interim Consolidated Financial Statements note 24.

On 5 June 2020, Eurobank Ergasias Services and Holdings announced the completion of the Cairo transaction with doValue S.p.A.

With the completion of the transaction, 20% of the mezzanine notes and the minimum required percentage of the junior notes are sold to doValue for a consideration in cash. The implied valuation based on the nominal value of the senior notes and the sale price of the mezzanine and junior notes corresponds to 33.3% of the total gross value of the securitized portfolio.

Eurobank retains 5% of mezzanine and junior notes. Furthermore, it retains 100% of senior notes which will be included in the Hercules Asset Protection Scheme ("Hercules").

The remaining mezzanine and junior notes will be distributed to Eurobank shareholders, subject to General Meeting approval. The distribution is expected in 3rd Q 2020, at which point the loans of the Cairo securitization will be deconsolidated.

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

As per the agreement, FPS, which was part of Eurobank Ergasias Troubled Asset Group ("TAG") - the unit responsible for the management of the troubled assets portfolio, would take over Eurobank Ergasias TAG unit in order for the sale to be completed. The relevant arrangements were completed at the end of March 2020. The transaction also includes the disposal of 80% of the Real Estate Management Single Member S.A., at the option of the purchaser.

In addition, a 10-year servicing agreement would be signed between the Bank and FPS for the servicing of the Bank's early arrears and NPEs. Accordingly, post transaction, FPS would manage a total perimeter of ca. € 26 billion of NPEs, owned by the Bank and third parties, extending its services to all asset classes and becoming the leading independent servicer in Greece.

On 5 June 2020, Eurobank Ergasias Services and Holdings announced that it entered into a strategic partnership with doValue for the management of its Non Performing Exposures ("NPEs"), through the sale of 80% of FPS for a consideration in cash. The remaining 20% interest in the share capital of FPS will continue to be held by Eurobank Ergasias Services and Holdings.

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

Eurobank Ergasias Services and Holdings entered into a 14-year Service Level Agreement ("SLA") with FPS (compared to the 10-year SLA initially) for the servicing of Eurobank's NPEs and retail early arrears, as well as any future production of them.

Corporate Transformation – Hive down
On 28 June 2019, the BoD of the Bank ("Demerged Entity") decided the initiation of the hive down process of the banking business sector of Eurobank and its transfer to a new company-credit institution that will be established ("the Beneficiary").

On 31 July 2019, the BoD of the Bank approved the Draft Demerger Deed through the aforementioned hive down and establishment of a new company-credit institution, pursuant to Article 16 of Law 2515/1997 and Articles 57 (3) and 59-74 of Law 4601/2019, as currently in force. In particular, the demerger will involve the hive-down of the banking business sector of Eurobank, to which the assets and the liabilities are included, as described on the transformation balance sheet of the hived-down sector as at 30 June 2019 ("Transformation Date").

The Demerged Entity would maintain activities and assets that are not related to the main banking activities but are mainly related to the strategic planning of the administration of non-performing loans and the provision of services to the Group companies and third parties. Furthermore, the Demerged Entity would retain the majority stake of Cairo mezzanine and junior notes, the preferred securities and participations in certain subsidiaries including Be Business Exchanges S.A. and real estate companies related to projects Pillar and Cairo. In case of any assets or liabilities that would not be possible to be transferred, in the context of the above mentioned Draft Demerger Deed, the Demerged Entity would undertake the obligation to collector liquidate the assets in accordance with the Beneficiary's instructions whereas the Beneficiary would undertake the obligation to indemnify the Demerged Entity for the settlement of the liabilities including any arising costs or losses.

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

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

Further information is provided in the Interim Consolidated Financial Statements note 31.

Tier 2 Capital instruments

In January 2018, the Bank issued Tier 2 capital instruments of face value of € 950 million, in replacement of the preference shares which had been issued in the context of the first stream of Hellenic Republic's plan to support liquidity in the Greek economy under Law 3723/2008. The aforementioned instruments, which have a maturity of ten years (until 17 January 2028) and pay fixed nominal interest rate of 6.41%, that shall be payable semi-annually, as at 31 March 2020, amounted to € 962 million, including € 3 million unamortized issuance costs and € 15 million accrued interest.

Considering that the obligations of the Demerged Entity arising from the Tier 2 Subordinated Capital Instruments were not transferred to the Beneficiary, the latter pursuant to the terms of the Draft Demerger Deed has explicitly and irrevocably undertaken to fulfil the relevant obligations. In that context, on 20 March 2020, the Beneficiary issued a subordinated instrument of equivalent terms with those of TIER 2 mentioned above which was fully subscribed by the Demerged Entity Further information is provided in the Interim Consolidated Financial Statements notes 24 and 31.

1.1 Regulatory framework

The general Basel III framework is structured around three mutually reinforcing pillars:

- Pillar 1 defines the minimum regulatory capital requirements, based on principles, rules and methods specifying and measuring credit, market and operational risk. These requirements are covered by regulatory own funds, according to the rules and specifications of CRR.
- Pillar 2 addresses the internal processes for assessing overall capital adequacy in relation to risks
  Internal Capital Adequacy Assessment Process - ICAAP and Internal Liquidity Assessment Process ILAAP). Pillar 2 also introduces the Supervisory Review & Evaluation Process (SREP), which assesses the internal capital adequacy of credit institutions.

- Pillar 3 deals with market discipline by developing a set of quantitative and qualitative disclosure requirements, which allow market participants to assess key pieces of information on the scope of application, capital, risk exposures, risk assessment processes and hence the capital adequacy and the internal liquidity adequacy of credit institutions.

According to the CRD IV provisions (with gradual implementation until 2019):

- Minimum Common Equity Tier 1 (CET1) ratio: 4.5%;
- Minimum Tier 1 ratio: 6%;
- Minimum Total Capital ratio: 8%
- Furthermore, banks are required to maintain in addition to the Common Equity Tier 1 capital a capital conservation buffer equal to 2.5 % (from 1 January 2019) of their total risk exposure amount calculated.

As a result, the minimum ratios which must be met, including the capital conservation buffer, and which apply from 1 January 2019 are:

a) Minimum CET1 capital ratio 7%; and
b) Total capital adequacy ratio 10.5%.

Additional capital buffers that CRD IV introduces are the following:

a) Countercyclical buffer. The purpose of this buffer is to counteract the effects of the economic cycle on banks' lending activity, thus making the supply of credit less volatile and possibly even reduce the probability of credit bubbles or crunches. Credit institutions are required under the CRD IV to build up an additional buffer of 0 - 2.5% of CET1 during periods of excess credit growth, according to national circumstances. According to BoG Executive Committee Acts, the countercyclical buffer was set at 0% for the second quarter of 2020.
b) Global systemic institution buffer (G-SIIs). CRD IV includes a mandatory systemic risk buffer of CET1 for banks that are identified by the relevant authority as globally systemically important, which is not applicable to Greek banks.
c) Other systemically important institutions buffer. On 20.03.2019 European Banking Authority (EBA) published the updated list of Other Systematically Important Institutions (O-SIIs) in the EU. O-SIIs are those institutions which are deemed systematically relevant in addition to G-SIIs, already identified. This list reflects also the additional capital buffers that the relevant authorities have set for the O-SIIs. The identification of institutions as O-SIIs is based on 2018 data and the list is disclosed on an annual basis, along with the definition of any CET1 capital buffer requirements which may need to be set. In case of higher capital requirements, these become applicable at least one year after the publication of the O-SIIs list, to give institutions enough time to adjust to the new buffer requirements.

   The EBA methodology has been applied to compute the scores for all the institutions operating in Greece using consolidated data. Based on the above scoring system, all Greek O-SIIs are classified in bucket 4 which corresponds to a capital buffer of 1% which will be phased in until 2022. The date of activation was 1 January 2016 and BoG's Executive Committee Act 163/ 1.11.2019 set the O-SII buffer for Greek Institutions for the year 2020 at 0.50%

1.2 Regulatory developments

On 14 February 2020 European Commission published Regulation 2020/429 that amends the Regulation 680/2014, which sets out implementing technical standards on supervisory reporting of institutions under the Capital Requirements Regulation or CRR (575/2013). The key amendments in Regulation 2020/429 relate to reporting on securitization positions, IFRS 16 on leases, non-performing exposures, and liquidity. This Regulation is based on the draft implementing technical standards submitted by EBA to EC. Regulation 2020/429 shall enter into force on the day following that of its publication in the Official Journal of the European Union.

COVID-19 temporary regulatory measures

The COVID-19 pandemic constitutes an unprecedented challenge with very severe socio-economic consequences. Regulatory authorities have responded to this challenge with a number of regulatory measures.

On 12 March 2020, the ECB announced a number of measures to ensure that its directly supervised banks can continue to fulfil their role in funding the real economy . Specifically, banks will be allowed, among others, to operate temporarily below the level of capital defined by the Pillar 2 Guidance and the Combined Buffer Requirement. Banks will also be allowed to partially use capital instruments that do not qualify as CET1 capital, for example Additional Tier 1 or Tier 2 instruments, to meet the Pillar 2 Requirements (P2R).

On 20 March 2020 the ECB published FAQs on supervisory measures in reaction to the coronavirus. The relief measures cover the following: a) asset quality deterioration and non- performing loans, b) operational aspects of supervision and c) capital and liquidity requirements.

Following the ECB recommendation of 27 March of 2020(2020/19) on dividend distribution, the ECB recommends that at least until 1 October 2020 no dividends are paid out and no irrevocable commitment to pay out dividends is undertaken by the credit institutions for the financial year 2019 and 2020 and that credit institutions refrain from share buy-backs aimed at remunerating shareholders.

On 2 April 2020, the European Banking Authority (EBA) published “Guidelines on legislative and non-legislative moratoria on loan repayments applied in the light of the COVID-19 crisis before 30 June 2020. The aim of these Guidelines was to clarify the requirements for public and private moratoria, which if fulfilled, will help avoid the classification of exposures under the definition of forbearance or as defaulted under distressed restructuring.

On 28 April 2020, the European Commission has proposed targeted "quick fix" amendments to Regulation (EU) No 575/2013 (Capital Requirements Regulation) and Regulation (EU) 2019/876 (CRR II) in order to mitigate the economic impact of the 2019 novel coronavirus disease (COVID-19) pandemic.

The changes include exceptional temporary measures to alleviate the immediate impact of Coronavirus-related developments, by adapting the timeline of the application of international accounting standards on banks' capital, by treating more favourably public guarantees granted during this crisis, by postponing the date of application of the leverage ratio buffer and by modifying the way of excluding certain exposures from the calculation of the leverage ratio.

The Commission also proposes to advance the date of application: a) of several agreed measures that incentivise banks to finance employees, SMEs and infrastructure projects and b) the exemption of certain software assets from capital deductions. The Commission calls for the Council and the Parliament to adopt the amending Regulation before the end of June 2020.

On 9 June 2020, the Economic and Monetary Affairs Committee MEPs agreed to apply specific changes to the capital requirements regulation (CRR), which will have to be coherently applied in the EU. Banks will have to monitor the effects of the pandemic on their balance sheets, pay close attention to non-performing loans and apply know-your-customer standards. The adopted changes include:

- Extension by two years of the transitional arrangements for IFRS 9 (international accounting standard) and further relief measures (capital add back);
- Alignment of minimum coverage requirements for non-performing loans guaranteed by the public sector with those guaranteed by official export credit agencies;
- Deferred application of the leverage ratio buffer by one year to January 2023;
- Advanced application of a more favourable prudential treatment of loans to pensioners or employees with a permanent contract that are backed by the borrower's pension or salary;
- Advanced application of both, the SME and infrastructure supporting factors, which allows for a more favourable prudential treatment of certain exposures to SMEs and infrastructure;
- Banks will no longer be required to deduct certain software assets from their capital.

The plenary session vote on the CRR quick fix will take place on 19 June 2020.

Furthermore the Basel Committee's oversight body, the Group of Central Bank Governors and Heads of Supervision (GHOS), has endorsed a set of measures to provide additional operational capacity for banks and supervisors to respond to the immediate financial stability priorities resulting from the impact of the coronavirus disease (COVID-19) on the global banking system:

- The implementation date of the Basel III standards finalised in December 2017 has been deferred by one year to 1 January 2023. The accompanying transitional arrangements for the output floor has also been extended by one year to 1 January 2028;
- The implementation date of the revised market risk framework finalised in January 2019 has been deferred by one year to 1 January 2023;

- The implementation date of the revised Pillar 3 disclosure requirements finalised in December 2018 has been deferred by one year to 1 January 2023.

2020 EU – wide stress test postponed to 2021

An EU - wide stress test was announced by the European Banking Authority (EBA) launched in January 2020 to assess the resilience of EU banks to an adverse economic shock. This was initiated and coordinated by the EBA, in close cooperation with the European Systemic Board (ESRB), the competent Authorities (including the Single Supervisory Mechanism – SSM) and the European Central Bank (ECB).

The 2020 EU-wide stress test consisted of two stress-testing exercises – the EBA EU-wide stress test and the ECB SREP stress test – the results of which would be factored into its overall assessment within the 2020 Supervisory Review and Evaluation Process (SREP).

The scope of the 2020 ECB SREP stress test would complement the 2020 EBA EU-wide stress test in order to address those ECB supervised entities which are not included in the 2020 EBA EU-wide stress test. Eurobank would participate in the ECB SREP stress test of 2020.

On 12 March 2020, the EBA decided to postpone the EU-wide stress test exercise to 2021 to mitigate the impact of COVID-19 on the EU banking sector and thus allow banks to focus on and ensure continuity of their core operations, including support for their customers.

In the light of the operational pressure on banks, the ECB stated that it supports the above decision by the EBA and will extend the postponement to all banks subject to the 2020 ECB SREP stress test. For 2020, the EBA launched on 4 May an additional EU-wide transparency exercise to provide market participants with updated information on the financial conditions of EU banks as of 31 December 2019, prior to the start of the COVID-19 pandemic. The EBA published the results of this exercise at the beginning of June.

1.3 Scope of Pillar 3

The purpose of Pillar 3 report is to provide updated information the Group's risk management practices, risk assessment processes and regulatory capital adequacy ratios.

Pillar 3 disclosures consist of both qualitative and quantitative information and are provided on a consolidated basis. They have been prepared in accordance with Part 8 of the Capital Requirements Regulation within CRD IV (Regulation 2013/575/EU) and according to the regulatory consolidation framework, which is described in the following section.

In December 2016 EBA published EBA/GL/2016/11 guidelines on revised Pillar 3 disclosures requirements to improve the consistency and comparability of institutions' regulatory disclosures. According to the above guidelines, for templates that require the disclosure for current and previous reporting periods, the previous reporting period is always referred to as the last data disclosed according to the frequency of the template. When the disclosure is being reported for the first time, the data of the previous period is not required.

In December 2018 EBA published EBA/GL/2018/10 guidelines, that apply from 31 December 2019 which include enhanced disclosure formats for credit institutions for disclosures related to non-performing exposures, forborne exposures and foreclosed assets. Some templates are applicable to significant credit institutions that have a gross NPL ratio of 5% or above, as is the case for Eurobank.

1.3.1 Location, timing and frequency of disclosures

Pillar 3 disclosures are provided on a quarterly basis, following the relevant recommendation of EBA Guidelines 2016/11, which do not change the approach in the EBA Guidelines 2014/14 but update the list of requirements to be considered for more frequent disclosures.

Pillar 3 disclosures are provided with reference date (corresponding period) the close of the previous quarter and in conjunction with the date of publication of the financial statements. Equivalent disclosures made by the Group under accounting, listing or other requirements are deemed to constitute compliance with the requirements of the aforementioned Regulation (EU) No 575/2013 (Part Eight) taking into consideration any existing relevant implementing Regulations as well as the EBA guidelines.

Pillar 3 disclosures are provided in a designated location on the Company's website (www.eurobankholdings.gr/en/group/investor-relations/financial-results) in chronological order and cover both quantitative and qualitative information.

Quantitative information, which is included in the Group's Consolidated Financial Statements, is also provided at the above location. In this way, the Company secures easy access of the market participants to continuous and complete information without cross-reference to other locations or media of communication.

The information contained in the Pillar 3 Disclosures has been verified by the Audit Committee.

1.4 Regulatory versus accounting consolidation

There is no difference between regulatory and accounting consolidation.

List of all Company's subsidiaries can be found in the Interim Consolidated Financial Statements note 17.

The table below shows the Group's regulatory and accounting Balance Sheet as at 31 March 2020 and 31 December 2019.

Table 1: Regulatory and accounting Balance Sheet

Balance sheet per published financial statements and per regulatory consolidation	*Ref.*	**31 March 2020 € million**	31 December 2019 € million
Assets			
Cash and Balances with central banks		3,570	4,679
Due from credit institutions		3,642	3,007
Securities held for trading		54	110
Derivative financial instruments		2,418	2,262
Loans and advances to customers		37,814	37,365
Investment securities		8,760	7,951
Investments in associates and joint ventures		224	235
Property, plant and equipment		749	746
Investment property		1,330	1,184
Intangible assets	*a*	382	378
Deferred tax asset		4,804	4,766
of which deferred tax assets that rely on future profitability	*b*	1	2
of which deferred tax credit		3,788	3,820
of which deferred tax assets arising from temporary differences	*c*	1,015	944
Other assets		2,019	2,003
Assets of disposal group classified as held for sale		77	75
Total assets		**65,843**	64,761
Liabilities			
Due to central banks		2,700	1,900
Due to credit institutions		4,838	5,022
Derivative financial instruments		3,036	2,726
Due to customers		45,301	44,841
Debt securities in issue		2,221	2,406
Other liabilities		1,134	1,191
Liabilities of disposal group classified as held for sale		11	8
Total liabilities		**59,241**	58,094
Equity			
Ordinary share capital		853	852
Share premium		8,055	8,054
Reserves and retained earnings		(2,306)	(2,241)
of which cash flow hedge reserves	*d*	(46)	(42)
Preferred securities	*e*	-	2
Total equity	*f*	**6,602**	6,667
Total equity and liabilities		**65,843**	64,761

2. Capital Management

2.1 Regulatory Capital

The table below shows the composition of the Group's regulatory capital as at which is calculated according to CRD IV rules.

Table 2: Regulatory capital

	Ref.	31 March 2020 [1] € million	31 December 2019 € million
Total equity	*f*	6,602	6,667
Less: Preferred securities	*e*	-	(2)
Regulatory adjustments			
Part of interim or year-end profit not eligible		-	
Cash flow hedge reserves	*d*	46	42
Adjustments due to IFRS 9 transitional arrangements		739	897
Fixed assets' revaluation reserve		-	-
Intangible assets	*a*	(382)	(378)
of which Goodwill		(161)	(161)
IRB shortfall of credit risk adjustments to expected losses		(74)	(105)
Deferred tax assets that rely on future profitability (unused tax losses)	*b*	(1)	(2)
Deferred tax assets arising from temporary differences (amount above 10% threshold)	*c*	(283)	(179)
Prudent Valuation Adjustments		(10)	(10)
Other regulatory adjustments		(13)	(13)
Common Equity Tier I capital		**6,625**	6,917
Preferred Securities subject to phase-out	*e*	-	-
Regulatory adjustments		-	-
Total Tier I capital		**6,625**	6,917
Tier II capital - subordinated debt		950	950
Fixed assets' revaluation reserve		-	-
IRB Excess of impairment allowances over expected losses eligible		71	97
Total Regulatory Capital		**7,645**	7,964
Risk Weighted Assets		**42,953**	41,407
Ratios			
Common Equity Tier I		**15.4%**	16.7%
Tier I		**15.4%**	16.7%
Total Capital Adequacy Ratio		**17.8%**	19.2%

[1] Including interim profits (1/1/2020-31/3/2020) € 57 million.
[2] The Group's CET1 as at 31 March 2020, based on the full implementation of the Basel III rules in 2024 (fully loaded CET1), including interim profits would be 13.7% (31 December 2019: 14.6%).
[3] Excluding the interim profits (1/1/2020-31/3/2020) the Group's ratios CET1, Tier 1 and Total Capital as at 31 March 2020, should be set to 15.3%, 15.3 % and 17.7% respectively.

As depicted in table above, CET1 capital has decreased during the 1st quarter 2020, due to the decrease in Other Comprehensive Income from the investment securities at FVOCI negative market valuation and CRR transitional rules applied in the first quarter of each year (mainly IFRS 9 lower capital add back from 85% to 70%).

2.2 IFRS 9 capital impact

Regarding IFRS 9 adoption from 1.1.2018 and according to Regulation (EU) 2017/2395 of the European Parliament and the Council, a five year transition period is introduced, which allows banks to add back to their CET 1 capital 95% of IFRS 9 impact in 2018 and 85%, 70%, 50% and 25% in the subsequent four years. The full impact is expected as of 1 January 2023.

The Group has elected to apply the phase in approach for mitigating the impact of IFRS 9 transition on the regulatory capital.

Table 3: EU IFRS-FL: Template on the comparison of Institutions' own funds and capital and leverage ratios with and without the application of transitional arrangements for IFRS 9 or analogous ECLs.

	31 March 2020 [1]	31 December 2019
Available capital	**€ million**	€ million
Common Equity Tier 1 (CET1) capital	6,625	6,917
Common Equity Tier 1 (CET1) capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	5,858	5,998
Tier 1 capital	6,625	6,917
Tier 1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	5,858	5,998
Total capital	7,645	7,964
Total capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	6,914	7,050
Risk weighted assets		
Total risk-weighted assets	42,953	41,407
Total risk-weighted assets as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	42,725	41,122
Capital ratios		
Common Equity Tier 1 (as a percentage of risk exposure amount)	**15.4%**	16.7%
Common Equity Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	**13.7%**	14.6%
Tier 1 (as a percentage of risk exposure amount)	**15.4%**	16.7%
Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	**13.7%**	14.6%
Total capital (as a percentage of risk exposure amount)	**17.8%**	19.2%
Total capital (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	**16.2%**	17.1%
Leverage ratio		
Leverage ratio total exposure measure	70,516	68,665
Leverage ratio	**9.39%**	10.07%
Leverage ratio as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	**8.46%**	8.94%

[1] Including interim profits (1/1/2020-31/3/2020) € 57 million.

2.3 Capital requirements under Pillar 1

The table below shows the Group's risk weighted assets (RWAs) and capital requirements as at 31 March 2020 and 31 December 2019. The minimum capital requirements under Pillar 1 are calculated as 8% of RWAs.

Table 4: EU OV1 – Overview of RWAs

	31 March 2020 RWAs € million	31 December 2019 RWAs € million	**31 March 2020 Minimum capital requirements € million**
Credit risk (excluding CCR)	**35,082**	33,805	**2,807**
Of which the standardised approach	17,544	17,046	1,404
Of which the foundation IRB (FIRB) approach	9,763	9,082	781
Of which the advanced IRB (AIRB) approach [(1)]	7,326	7,185	586
Of which equity IRB under the simple risk-weighted approach or the IMA	449	492	36
Counterparty Credit Risk	**776**	615	**62**
Of which mark to market	180	140	14
Of which original exposure	-	-	-
Of which the standardised approach	472	395	38
Of which internal model method (IMM)	-	-	-
Of which risk exposure amount for contributions to the default fund of a CCP	-	-	-
Of which CVA	124	80	10
Settlement risk	1	-	-
Securitisation exposures in the banking book (after the cap)	**988**	984	**79**
Of which IRB approach	38	12	3
Of which IRB supervisory formula approach (SFA)	-	-	-
Of which internal assessment approach (IAA)	-	-	-
Of which standardised approach [(1)]	950	972	76
Market risk	**1,133**	984	**91**
Of which the standardised approach	279	315	22
Of which IMA	854	669	68
Large exposures	-	-	-
Operational risk	**3,077**	3,077	**246**
Of which basic indicator approach	-	-	-
Of which standardised approach	3,077	3,077	246
Of which advanced measurement approach	-	-	-
Amounts below the thresholds for deduction (subject to 250% risk weight)	**1,896**	1,942	**152**
Floor adjustment	-	-	-
Total	**42,953**	41,407	**3,436**

[(1)] *The increase of the RWAs is due to a) downgrades for corporate portfolio and increased PDs for mortgage portfolio, b) increased lending volumes and c) acquisition of new investment securities.*

2.4 Supervisory Review and Evaluation Process (SREP) capital requirements

In response to the COVID-19 outbreak, on 12 March 2020, the ECB announced a number of measures to ensure that its directly supervised banks can continue to fulfil their role in funding the real economy. Specifically, banks will be allowed, among others, to operate temporarily below the level of capital defined by the Pillar 2 Guidance and the Combined Buffer Requirement (i.e. Capital Conservation Buffer, Countercyclical Capital Buffer, Other Systemically Important Institutions Buffer). Banks will also be allowed to partially use capital instruments that do not qualify as CET1 capital, for example Additional Tier 1 or Tier 2 instruments, to meet the Pillar 2 Requirements (P2R).

Taking into account the aforementioned developments and the 2019 SREP decision, for 2020, the Group is required to meet a Common Equity Tier 1 ratio of at least 9.27% (instead of 10.58% required in the pre- COVID-19 outbreak) and a Total Capital Adequacy Ratio of at least 14.08% (Overall Capital Requirements or OCR), including the Combined Buffer Requirement (the OCR remains at the same level as in the pre- COVID-19 outbreak). The capital relief measures mentioned above do not change the level of the Combined Buffer Requirement (remains at 3.08% and covered with CET1 capital), which sits on top of the Total SREP Capital Ratio (11%) resulting in an OCR of 14.08% in terms of total capital. According to the FAQs published by the ECB (last updated 3 April 2020), the allowance provided to banks to temporarily operate below the combined buffer requirement results in the ECB taking a flexible approach to approving capital conservation plans that banks are legally required to submit if they breach the combined buffer requirement.

The table below shows the capital requirements of the Bank for 31 March 2020.

	31 March 2020	
	CET1 Capital Requirements	Total Capital Requirements
Minimum regulatory requirement	4.50%	8.00%
Pillar 2 Requirement (P2R)	1.69%	3.00%
Total SREP Capital Requirement (TSCR)	**6.19%**	**11.00%**
Combined Buffer Requirement (CBR)		
Capital conservation buffer (CCoB)	2.50%	2.50%
Countercyclical capital buffer (CCyB)	0.08%	0.08%
Other systemic institutions buffer (O-SII)	0.50%	0.50%
Overall Capital Requirement (OCR)	**9.27%**	**14.08%**

The Pillar 2 additional own fund requirement for 2020 is at the level of 3%, which must be held in the form of CET1 capital (1.69%), Additional Tier 1 capital (0.56%) and Tier 2 capital (0.75%). The amount of additional own funds required on a consolidated basis is € 1,289 million.

As at 31 March 2020 Eurobank's transitional CET1 ratio and the Total Capital ratio was 15.4% and 17.8% respectively, which exceeded the 2020 transitional minimum requirements of 9.27% and 14.08%.

3. Credit Risk

In June 2008, the Group received the approval of BoG to use the Internal Ratings Based (IRB) approach to calculate the capital requirement for credit risk. Therefore, with effect from 1 January 2008 the Group applies:

- The Foundation IRB approach to calculate risk weighted assets for the corporate loans' portfolio of Eurobank Ergasias S.A. in Greece
- The Advanced IRB for the majority of the retail loans' portfolio of the Bank, i.e. mortgages, small business lending, credit cards and revolving credits in consumer lending.
- From September 2009 the Foundation IRB approach was applied for the corporate loans' portfolio of Eurobank Ergasias Leasing S.A. in Greece.
- From March 2010 the Advanced IRB approach was applied for the Bank's portfolio of personal and car loans.

The implementation of IRB covers 75.7% of the Group's lending portfolio excluding portfolio segments which are immaterial in terms of size and risk profile as well as, permanent exemptions.

There is a permanent exemption from the IRB approach, up to 10% of Risk Weighted Assets, for which the Standardised approach is applied. In addition to the exemption of up to 10% of Risk Weighted Assets, permanent exemption has been granted for the following exposure classes as prescribed in the CRD:

- exposures to/or guaranteed by central governments and central banks;
- exposures to/or guaranteed by credit and financial institutions; and
- exposures to administrative bodies and non-commercial undertakings.

The following table shows the main changes in capital requirements of credit risk exposures under the IRB approach as at 31 March 2020:

Table 5: EU CR8 – RWA flow statements of credit risk exposures under the IRB approach

	31 March 2020	
	RWA amounts € million	Capital requirements € million
RWAs as at 31 December 2019	16,267	1,300
Asset size	281	23
Asset quality	458	37
Model updates	-	-
Methodology and policy	-	-
Acquisitions and disposals	-	-
Foreign exchange movements	83	7
Other	-	-
RWAs as at 31 March 2020	**17,089**	**1,367**

Note:
Asset size: Under this item the changes in RWAs due to the changes in EAD are reported. These changes can be due to new originations or repayments of the loans.
Asset quality: The changes to the RWAs due to the borrower risk (i.e. rating grade migration) are reported under this item.
Model updates: The changes to the RWAs due to updates in risk parameters following the annual validation process or regulatory reviews.
Methodology and policy: The changes in RWAs attributed to methodological aspects.
Foreign exchange movements: The changes to the RWAs due to the foreign currency translation movements are reported.
Other: Under this item the changes in RWAs due to other factors that are used in the calculation of RWAs are reported. These, for example, include changes in total sales of the corporate borrowers and maturity of exposures.

The movement in asset quality is attributed to downgrades for corporate portfolio and increased PDs for mortgage portfolio.
Asset size movement is attributed to new production of corporate portfolio.

4. Market Risk

The Bank uses its own internal Value at Risk (VaR) model to calculate capital requirements for market risk in its trading book, for the Bank's activities in Greece. The Bank received the official validation of its model for market risk by the BoG in July 2005. The model is subject to periodic review by the regulator.

In 2011, the Bank updated its models and systems in order to fully comply with the BoG Governor's Act 2646/2011 for the trading book capital. The Bank calculates the capital for stressed VaR and IRC (incremental risk capital charge) since 31.12.2011.

For the measurement of market risk exposure and the calculation of capital requirements for the Bank's subsidiaries in Greece and in International operations, the Standardised approach is applied.

Furthermore, the Bank calculates and monitors the market risk of the banking book for its operations in Greece on a daily basis using the internal VaR model. For its operations abroad, Eurobank applies sensitivity analysis, whereas the VaR methodology is applied on a daily basis.

The following table summarises the components of the capital requirement, under the IMM approach applied by the Bank as at 31 March 2020:

Table 6: EU MR2-B – RWA flow statements of market risk exposures under the IMA

	31 March 2020						
	VaR € million	Stressed VaR € million	IRC € million	Comprehensive risk measure € million	Other € million	Total RWAs € million	Total capital requirements € million
RWAs at 31 December 2019	132	430	106	-	-	669	53
Regulatory adjustment	-	-	-	-	-	-	-
RWAs at the previous quarter-end (end of the day)	132	430	106	-	-	669	53
Movement in risk levels	122	37	26	-	-	185	15
Model updates/changes	-	-	-	-	-	-	-
Methodology and policy	-	-	-	-	-	-	-
Acquisitions and disposals	-	-	-	-	-	-	-
Foreign exchange movements	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
RWAs at the end of the reporting period (end of the day)	254	467	132	-	-	854	68
Regulatory adjustment	-	-	-	-	-	-	-
RWAs at 31 March 2020	**254**	**467**	**132**	**-**	**-**	**854**	**68**

5. Counterparty Risk

5.1 Definition

Counterparty risk is the risk that a counterparty in an off balance sheet transaction (i.e. derivative transaction) defaults prior to maturity and the Bank has a claim over the counterparty (the market value of the contract is positive for the Bank).

5.2 Mitigation of counterparty risk

To reduce the exposure towards single counterparties, risk mitigation techniques are used. The most common is the use of closeout netting agreements (usually based on standardised ISDA contracts), which allow the bank to net positive and negative replacement values in the event of default of the counterparty.

Furthermore, the Bank also applies margin agreements (CSAs) in case of counterparties. Thus, collateral is paid or received on a daily basis to cover current exposure. In case of repos and reverse repos the Bank applies netting and daily margining using standardised GMRA contracts.

5.3 RWA flow statements of CCR exposures under IMM

Table 7 EU CCR7 - RWA flow statements of CCR exposures under the IMM is not included as the Bank does not use an internal model for the calculation of the RWAs of CCR exposures.

6. Leverage ratio

The new 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 bank submits to the regulatory authorities the leverage ratio on quarterly basis and monitors the level and the factors that affect the ratio.

The level of the leverage ratio with reference date 31 March 2020 on consolidated basis was at 9.39% (31 December 2019: 10.07%) according to the transitional definition of Tier 1 capital, significantly over the 3% minimum threshold applied by the competent authorities.

In the table below, the detailed disclosures on the Group's leverage ratio are presented with reference date 31 March 2020 and 31 December 2019:

CRR Leverage Ratio - Disclosure Template

Summary reconciliation of accountng assets and leverage ratio exposures

	31 March 2020 **€ million**	31 December 2019 € million
Total assets as per published financial statements	65,843	64,758
Adjustment for entities which are consolidated for accountng puroses but are outside the scope of regulatory consolidation	-	-
Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting frameworkbut excluded from the leverage ratio exposure measure to article 429(11)of Regulation (EU)NO 575/2013	-	-
Adjustments for derivative financial instruments	(347)	(306)
Adjustments for securities financing transactions	2,389	1,523
Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	1,918	1,836
(Adjustment for intragroup exposures excluded from the leverage ratio exposure measure in accordance with Article 429 (7) of Regulation (EU) No 575/2013)	-	-
(Adjustment for exposures excluded from the leverage ratio exposure measure in accordance with Article 429 (14) of Regulation (EU) No 575/2013)	-	-
Other adjustments	714	854
Total leverage ratio exposure	**70,516**	68,665

Leverage Ratio

Leverage ratio common disclosure

	31 March 2020 CRR leverage ratio exposures € million	31 December 2019 CRR leverage ratio exposures € million
On - balance sheet exposures (excluding derivatives and SFT's)		
On-balance sheet items (excluding derivatives and SFT's, but including collateral)	64,176	63,423
Asset amounts deducted in determining Tier I capital	(38)	(73)
Total on-balance sheet exposures (excluding derivatives and SFT's)	**64,138**	63,350
Derivative exposures		
Replacement cost associated with derivatives transactions	1,775	1,683
Add-on amounts for PPE associated with derivatives transactions	296	274
Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	-	-
(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	-	-
(Exempted CCP leg of client-cleared trade exposures)	-	-
Adjusted effective notional amount of written credit derivatives	-	-
(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-
Total derivative exposures	**2,071**	1,957
Securities financing transaction exposures		
Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	-	-
(Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-
Counterparty credit risk exposure for SFT assets	2,389	1,523
Derogation for SFTs: Counterparty credit risk exposure in accordance with Article 429b (4) and 222 of Regulation (EU) No 575/2013	-	-
Agent transaction exposures	-	-
(Exempted CCP leg of client-cleared SFT exposure)	-	-
Total securities financing transaction exposures	**2,389**	1,523
Off-balance sheet exposures		
Off-balance sheet exposures of gross notional amount	5,431	5,133
Adjustments for conversion to credit equivalent amounts[1]	(3,512)	(3,297)
Total off-balance sheet exposures	**1,919**	1,836
Exempted exposures in accordance with CRR Article 429 (7) and (14) (on and off balance		
(Exemption of intragroup exposures (solo basis) in accordance with Article 429(7) of Regulation (EU) No 575/2013 (on and off balance sheet))	-	-
(Exposures exempted in accordance with Article 429 (14) of Regulation (EU) No 575/2013 (on and off balance sheet))	-	-
Capital and Total Exposures	-	
Tier I capital	6,625	6,917
Total leverage ratio exposures	70,516	68,665
Leverage Ratio		
Leverage Ratio	**9.39%**	10.07%
Choise on transitional arrangements and amount of derecognised fiduciary items	**-**	-
Choice on transitional arrangements for the definition of capital measure	**Transitional**	Transitional
Amounts of derecognised fiduciary items in accordance with the Article 429(11) of Regulation (EU) NO 575/2013		

[1] *Total off-balance sheet items exposures presented in accordance with Article 111 (1) of Regulation (EU) No 575/2013 (standardised approach).*

Split-up on balance sheet exposures (excluding derivatives and SFT's)

	31 March 2020 CRR leverage ratio exposures € million	31 December 2019 CRR leverage ratio exposures € million
Total on-balance sheet exposures (excluding derivatives and SFT'S) of which:	64,176	63,423
Trading book exposures	0	-
Banking book exposures of which:	64,176	63,423
Covered bonds	202	182
Exposures treated as sovereigns	16,306	16,690
Exposures to regional goverments,MOB, international organisations and PSE NOT treates as sovereigns	0	-
Institutions	4,342	3,335
Secured by mortgages of immovable properties	11,316	11,321
Retail exposures	4,896	5,016
Corporate	14,625	14,116
Exposure in default	7,128	7,383
Other exposures (eg equity, securitisations and other non-credit obligation assets)	5,362	5,380