EUROBANK ERGASIAS SERVICES AND HOLDINGS S.A.

FINANCIAL REPORT
for the period from
January 1st to June 30th, 2021

According
to article 5 of Law 3556/30.4.2007

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Statements of Members of the Board of Directors
(according to the article 5 par. 2 of the Law 3556/2007)

We declare that to the best of our knowledge:

- the financial statements for the six months period ended 30 June 2021, which have been prepared in accordance with the applicable accounting standards, present fairly the assets, liabilities, equity and results of the Eurobank Ergasias Services and Holdings S.A. and the companies included in the consolidation, and

- the report of the Board of Directors for the same period presents fairly the information required under paragraph 6 of article 5 of Law 3556/2007.

Athens, 30 August 2021

Georgios P. Zanias	**Fokion C. Karavias**	**Konstantinos V. Vassiliou**
I.D. No AI – 414343	I.D. No AI - 677962	I.D. No AI - 576967
CHAIRMAN OF THE BOARD OF DIRECTORS	CHIEF EXECUTIVE OFFICER	DEPUTY CHIEF EXECUTIVE OFFICER

II. Report of the Directors for the six months ended 30 June 2021

REPORT OF THE DIRECTORS

The directors present their report together with the accounts for the six months ended 30 June 2021 that have been reviewed by the Company's external auditors.

General information

Eurobank Ergasias Services and Holdings S.A. (the Company or Eurobank Holdings) is the parent company of Eurobank S.A. (the Bank), which resulted from the demerger of Eurobank Ergasias S.A. through its banking sector's hive down that was completed in March 2020. The Company holds the 100% of the share capital of the Bank and has maintained activities that 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.

Financial Results Review and Outlook[1]

In the first half of 2021, the Greek and the other economies in which the Company and its subsidiaries (the Group) have a substantial presence have entered a path of gradual recovery amid optimism on the progress of the Covid-19 vaccination program and accommodative monetary and fiscal policies. The Group, focused on assisting its clients to overcome this challenging juncture, enhanced its core profitability and protected its asset base in line with the new plan targets for the period 2021-2022.

As at 30 June 2021 total assets increased by €3.2bn to €70.9bn (Dec. 2020: €67.7bn) with gross customer loans reaching €41.1bn (Dec. 2020: €40.9bn) and investment securities amounting to €9.4bn (Dec. 2020: €8.4bn). Out of the total loan portfolio, €29.2bn has been originated from Greek operations (Dec. 2020: €29.3bn), €8.4bn from international operations (Dec. 2020: €8.1bn) and €3.5bn refer to senior and mezzanine notes of the Pillar and Cairo securitizations (Dec. 2020: €3.5bn). Business (wholesale and small business) loans stood at €22.7bn (Dec. 2020: €22.3bn) and accounted for 55% of total Group loans, while loans to households reached €14.9bn (Dec. 2020: €15.1bn), of which 77% is the mortgage portfolio and the rest are consumer loans. Group deposits reached €49.7bn (Dec. 2020: €47.3bn) with deposits from Greek operations increasing by €1.3bn to €35.5bn (Dec. 2020: €34.2bn), while international operations added €1.2bn totalling €14.3bn (Dec. 2020: €13.1bn). As a result, the (net) loan–to–deposit (L/D) ratio further improved to 75.4% for the Group (Dec. 2020: 79.1%) and to 81.8% for Greek operations (Dec. 2020: 86.6%). Furthermore, the borrowing from ECB's TLTROs amounted to €8.8bn (Dec. 2020: €8.0bn) (note 21 of the consolidated financial statements), while at the end of April 2021 the Group returned to international capital markets with the Bank's issuance of a 6-year preferred senior note of € 500 million at a yield of 2.125 % (note 24 of the consolidated financial statements). The rise in high quality liquid assets of the Group led the respective Liquidity Coverage ratio (LCR) to 166% (31 December 2020: 124%).

Within a challenging external environment, pre-provision Income (PPI) decreased to €491m (first half of 2020: €720m or €501m excluding the gain of €219m on disposal of Financial Planning Services S.A. (FPS)), while core pre-provision income (Core PPI) increased by 2.4% year-on-year to €446m (first half of 2020: €435m). Net interest income (NII) receded by 2.8% to €670m (first half of 2020: €689m), carrying the negative effect from the decline in business loan spreads and lower income from NPE and bonds, which is partially offset by the benefit from ECB's TLTROs facilities and market borrowing as well as reduced clients' deposits rates. Net interest margin (NIM) stood at 1.94% (first half of 2020: 2.09%) with the second quarter reaching 1.92%. Fees and commissions expanded by 16% to €209m (first half of 2020: €180m) mainly due to the higher rental income from investment properties and the increased fees from network and lending activities. Trading and other activities recorded net income of €45m (first half of 2020: €285m income, including €219m gain on disposal of FPS), of which €40m gains from investment bonds at FVOCI, net of hedging effect. Operating expenses decreased slightly at a Group level to €433m (first half of 2020: €434m) and in Greece to €320m (first half of 2020: €321m), as the lower staff costs were offset by the increased administrative and depreciation expenses. The cost to income (C/I) ratio for the Group reached 46.9% (first half of 2020: 46.4%), while the international operations C/I ratio stood at 47.2% (first half of 2020: 47.0%).

As at 30 June 2021, the Group's NPE and the NPE ratio remained stable at €5.7bn and 14.0% compared to 31 December 2020, while the NPE coverage ratio amounted to 63.3% (31 December 2020: 61.9%). During the period, the NPE formation was positive by €28m (second quarter: €43m negative), (first half of 2020: €82m negative). The loan provisions (charge) reached €224m and corresponded to 1.20% of average net loans (first half of 2020: €1,780m or €271m, excluding the impairment loss of €1,509m on Cairo transaction, corresponded to 1.44% of average net loans).

Furthermore, the Group recognised in the first half of 2021 other impairment losses, restructuring costs and provisions amounting to €17m (first half of 2020: €29m), of which a) €5m impairment and valuation losses on real estate properties, b) €7m provisions for software impairment, litigations and other operational risk events, and c) €5m cost for Voluntary Exit Schemes (VES) and other related costs.

[1] Definitions of the selected financial ratios and the source of the financial data are provided in the Appendix.

Profit or Loss
Overall, in the first half of 2021, the profit attributable to shareholders amounted to €190m (first half of 2020: €1,166m loss, including the loss of the Cairo transaction of €1,509m, the gain (after tax) of FPS disposal of €173m and the restructuring costs (after tax) of €8m), as set out in the consolidated income statement on page 2. The adjusted net profit, excluding the restructuring costs (after tax) of €5m amounted to €195m (first half of 2020: €176m) for the Group, of which €73m (first half of 2020: €82m) was related to International business.

Going forward, the Group, despite the uncertainties posed by the covid-19 pandemic, is on track to achieve its objectives for 2021 in line with the new plan for the period 2021-2022, which includes the further reduction of its NPE and strengthening of its profitability mainly through the following initiatives and actions:

a. Completing the remaining steps of the new NPE securitization transaction of ca. €3.2bn, which is expected to further reduce the Group's NPE ratio to ca. 8% by the end 2021 and improving substantially the Texas ratio to approximately 36% in 2021 from 63% in 2020 (note 15.1 of the consolidated financial statements)
b. Cost of risk decline following the material decrease of NPE and the mitigation of "cliff effects" post the moratoria expiration,
c. Growth of fee and commission income in a number of fee business segments such as the network and assets under management activities, bancassurance, and the rental income from the investment property portfolio,
d. Organic increase of Group's performing loans mainly through accelerating new lending of viable and cooperative clients both in Greece and abroad,
e. Address surplus liquidity cost through funding cost rationalisation,
f. Initiatives for pursuing further operating efficiency and proceeding with further simplification and digitalisation in Greece and abroad,
g. Accelerating the introduction of the Environment, Social and Governance (ESG) criteria in all Group's activities and processes.

Capital adequacy
As at 30 June 2021, the Group's Total Regulatory Capital amounted to €6.4bn (31 Dec 2020: €6.6bn) and accounted for 15.6% (total CAD) of Risk Weighted Assets (RWA) (Dec. 2020: 16.3%), compared to the CAD Overall Capital Requirements (OCR) ratio of 14.06%[2]. Respectively, the Common Equity Tier 1 (CET1) stood at 13.2% of RWA (Dec. 2020: 13.9%) compared to the CET1 OCR ratio of 9.25%[2]. At the same date, the fully loaded CET 1 ratio (based on the full implementation of the Basel III rules in 2025) would be 12.1% (Dec. 2020: 12.0%) (note 4 of the consolidated financial statements).

2021 Eurobank Stress Test Results
On 30 July 2021, the Company announced that Eurobank Holdings Group successfully completed the 2021 SSM Stress Test (ST), which was coordinated and conducted by the European Central Bank (ECB). The starting point of the ST exercise was the financial and capital position of the Group as at 31 December 2020 and the ST horizon covered the period until the end of 2023.

Under the baseline scenario, the Group is capital accretive by 290 bps over the three-year ST horizon, reaching, on a fully loaded (FL) basis, total CAD ratio of 17.5%, and CET1 ratio of 14.9%, as at the end of 2023. Under the adverse scenario, the capital depletion in terms of FL CET1 ratio amounts to 433 bps as at the end of 2023 and to 517 bps at the year with the highest impact (2021). Accordingly, the FL CET1 ratio stands at 7.6% as at the end of 2023 and at 6.8% at the year with the highest impact (2021). On a transitional basis, the CET1 ratio at the end of 2023 stands at 8%.

The Group's performance in the ST confirmed its resilience and ability to withstand a significant downturn, especially under the severe assumptions of the adverse scenario. In addition, the results of ST will be used to determine the Pillar 2 capital recommendation ("Guidance") in the context of the SREP (note 4 of the consolidated financial statements).

NPE reduction plan – project "Mexico"
In line with the regulatory framework and Single Supervisory Mechanism (SSM) requirements for the non-performing loans (NPE) management, the Group contemplated another NPE securitization transaction (Project Mexico) in order to decrease further its NPE ratio by the end of 2021 and strengthen its balance sheet de-risking. Moreover, the Group targets to include Project Mexico under the Hellenic Asset Protection Scheme (HAPS) thus benefit from the Greek State's unconditional, timely and irrevocable guarantee which is subject to the accounting derecognition of the underlying loan portfolio from the Group's balance sheet.

At first, in May 2021, the Bank, through its special purpose financing vehicle (SPV) 'Mexico Finance Designated Activity Company', issued senior (Class A), mezzanine (Class B) and junior (Class C) notes of total nominal amount of ca. €5.2bn, via a

[2] The 'Overall capital requirement (OCR)' is the sum of the total SREP capital requirement (TSCR) and the combined capital buffer requirement.

securitization of a mixed portfolio comprising primarily NPE of total principle amount due of ca. €5.2bn and gross carrying amount of ca. €3.2bn, which were fully retained by the Bank. The control of the SPV resides with the majority holder of the Class B notes. Accordingly, the Group, being the sole holder of the issued notes, controls the SPV and continues recognizing the underlying loan portfolio on its balance sheet on the basis that it retains substantially all risks and rewards of ownership.

On 1 June 2021, the General Shareholders' Meeting of the Bank (GM), following the relevant decision of its Board of Directors (BoD), approved the distribution of the 95% of the mezzanine and junior notes of Mexico securitization to its parent company (Eurobank Holdings) through the decrease in kind of the Bank's share capital. The aforementioned GM's approval for the Bank's share capital reduction and the relevant amendments of its articles of association was subject to the prior receipt of the required regulatory approval. The initiation of the regulatory approval process for the Bank's share capital decrease took place in early July, while the required approvals were provided in August 2021.

The Mexico project represents the continuation of the Group's NPE reduction acceleration plan that was successfully completed in 2020, where NPE are transferred to Eurobank Holdings, the group company being responsible for the overall management and supervision of the Group's NPE. Subject to the completion of all required steps of the Mexico project that will lead to the de-recognition of the underlying loan portfolio from its balance sheet, the Group envisages a reduction of its NPE ratio to around 8% at the end of 2021 and estimates that the transaction will have no material impact on its regulatory capital ratios.

In August 2021, a commitment letter was signed between Eurobank Holdings, Eurobank and doValue S.p.A. for the sale of 95% of mezzanine and junior notes of Mexico securitization, subject to certain conditions, including the completion of the aforementioned notes' distribution from the Bank to Eurobank Holdings as well as HAPS guarantee and regulatory approval on underlying loan portfolio's significant risk transfer (note 15.1 of the consolidated financial statements).

Response to the impact of the covid-19 crisis

The Group is committed in mitigating risk of business disruption due to Covid-19 imminent threat and through an established governance framework, an action plan aligned with its strategic goals, as well as the necessary agility, plans and prepares for large-scale outbreaks of dangerous disease that can potentially affect its operations for months and threaten the workforce directly. In this context, the Group has immediately adapted its operational model to address Covid-19 pandemic in order to protect the health and safety of its employees and customers, to ensure the Business Continuity of critical banking operations, to invest further in digitalization promoting actively the utilization of advanced electronic transaction channels and to support its customers, business and households. The main actions/initiatives undertaken by the Group were the following:

1. Customer support measures

During the pandemic crisis, the Group has launched a series of initiatives, aiming to actively support its customers (Corporate, Small/Medium enterprises and Individuals).

a. Covid-19 relief measures ('moratoria')

The Group has taken all appropriate actions to address liquidity difficulties of businesses and individuals caused by the limited or suspended operations of businesses resulting from the impact of Covid-19. As at 30 June 2021, the Group's active moratoria amount to €0.6bn (2020: €2.8bn) mainly relating to Wholesale lending. Further information regarding the Covid-19 relief measures activated by the Group as well as the respective borrowers' eligibility criteria is provided in note 5.2.1.2 (e) of the consolidated financial statements for the year ended 31 December 2020.

b. Government support measures

In addition to the relief measures activated by the Group, the government in the countries where the Group operates has initiated various programs, in order to stimulate liquidity and economic activity and to alleviate the consequences of the Covid-19 outbreak. As at 30 June 2021, the gross carrying amount of lending exposures under "Gefyra I" and "Gefyra II" programs amounts to €1.5bn and €0.8bn, respectively. Additionally, the gross carrying amount of loans under government support measures enacted as a response to Covid-19 pandemic in the countries that the Group operates amounts to €221m as at 30 June 2021. The main programs to be extended to eligible borrowers in Greece are provided in note 3 of the consolidated financial statements for the period ended 30 June 2021.

c. Operational capacity and utilization of digital and provision of covid-19 focused products and services

Leveraging on its capabilities, the Group has been proactive and hands-on to addressing all issues at an early stage, and in particular, to adjust its strategy and to improve its operational capacity in order to effectively deal with the increasing credit and operational risk as a result of the pandemic. To this end, the Group has designed and implements a broad set of initiatives covering all major areas. In particular, the Group, among others deployed sufficient IT resources and completed additional IT projects in order to enable the uninterrupted access to the Group's IT systems and to ensure the continuous monitoring of the Group's portfolios, to accurately and timely identify and classify customers affected by the pandemic, and to fully comply with regular and ad-hoc regulatory requests.

In addition, the Group proceeded with the strengthening of existing digital channels infrastructure to continuously support increasing customer volumes with the relevant provision of new services to its customers. in particular, the Group, among others, launched the new Eurobank Mobile App service, the V-Banking capabilities for Corporate and Personal Banking customers, and a new special telephone line was created to facilitate customers for remote access (Digital Onboarding).

2. Employees protection measures

In line with authorities' instructions and recommendations, the Group is taking all the required measures to protect the health and safety of its employees and customers in the first priority. Towards this direction, the following actions, among others, have been taken: (a) prohibition of large meetings and bans on business travel abroad and opting instead, where possible, for teleconferencing or videoconferencing, (b) enhancement of remote work capabilities (teleworking), (c) all buildings were preventively disinfected, staff were provided with all required protective supplies (e.g. masks, disinfectants, etc.) while continuous, intensified and thorough cleaning of workplaces (especially the branch network) was carried out and (d) return to normality and relaxation of measures in a gradual and cautious manner, always in line with government decisions. The Group's initiatives covering all the above areas was presented in Eurobank Holdings' Directors Report for the year ended 31 December 2020.

International Activities

The Group has a significant presence in four countries apart from Greece. In Cyprus it offers Corporate Banking, Private Banking, International Business Banking, and Shipping services through a network of 8 business centres. In Luxembourg it provides Private Banking and Corporate Banking services. Additionally, the subsidiary bank in Luxembourg operates a branch in London. In Bulgaria and Serbia, it operates in Retail and Corporate Banking, Wealth Management and Investment Banking through a network of 291 branches and business centres.

On 1 July 2021, the agreement with the shareholders and principals of Direktna Banka a.d. Kragujevac ("Direktna"), for the merger of Direktna with Eurobank's subsidiary in Serbia, Eurobank a.d. Beograd ("Eurobank Serbia") (the "Transaction"), with absorption of Direktna by Eurobank Serbia, was announced. The combined bank ("Eurobank Direktna") will have total assets in excess of €2bn, total equity above €300m and, accounting for the expected fully-phased synergies, pre-provision income and net income in excess of €50m and €35m respectively. After the completion of the Transaction, Eurobank will control ca. 70% of the combined bank, while Direktna's shareholders will own the remaining 30%. Part of the Transaction is the payment of a dividend/capital return to Eurobank. The Transaction is capital neutral for Eurobank and earnings per share (EPS) accretive by 3% post synergies, while it is consistent with Eurobank's strategy to further strengthen its position in the countries where the Group retains presence and further grow with bolt-on acquisitions and friendly mergers. The completion of the Transaction is subject to customary approvals by the competent regulatory and supervisory authorities and is expected to take place during the last quarter of 2021 (note 17.1 of the consolidated financial statements).

On 23 July 2021, Eurobank S.A. announced the acquisition of a 9.9% holding in Hellenic Bank Public Company Limited ("Hellenic Bank") and the entering into a share purchase agreement with Third Point Hellenic Recovery Fund L.P. for the acquisition of an additional 2.7%, subject to all customary regulatory approvals. Hellenic Bank is one of the largest financial institutions in Cyprus, active in personal, business and international banking. The above investment is aligned with the overall strategy of the Group to further strengthen its presence in all key markets in which retains a strategic interest (note 16 of the consolidated financial statements).

Risk management

The Group acknowledges that taking risks is an integral part of its operations in order to achieve its strategic and business objectives. Therefore, the Group's Management has established adequate mechanisms to identify, assess and monitor these risks in a timely manner and evaluates their impact on meeting its corporate objectives.

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

The Group's Management considers effective risk management as a top priority, as well as a major competitive advantage, for the organization. The Group's Management has allocated adequate means for updating its policies, methods and infrastructure, in order to ensure the Group's compliance with the requirements of the European Central Bank (ECB) and of the Single Resolution Board (SRB), with the guidelines of the European Banking Authority (EBA) and the Basel Committee

Banking Supervision (BCBS) as well as with the best international banking practices. The Group implements a well-structured credit approval process, independent credit reviews and effective risk management policies for credit, market, liquidity and operational risk, both in Greece and in each country of its international operations. The risk management policies implemented by the Group are reviewed annually.

The Group Risk and Capital Strategy outlines the Group's overall direction regarding risk and capital management issues, risk management mission and objectives, risk definitions, risk management principles, risk appetite framework, risk governance framework, strategic objectives and key management initiatives for the improvement of the risk management framework in place.

The maximum risk that the Group is willing to undertake in order to pursue its strategic objectives is stipulated in an internal document, the Risk Appetite Framework (RAF), and is articulated by means of quantitative and qualitative statements, which also include specific tolerance levels, both in terms of each risk type and overall. The main objectives that determine the risk appetite are complying with the regulatory requirements, safeguarding the Group's ability to smoothly continue its activities, and balancing a strong capital adequacy with high returns on equity. The RAF is communicated within the Group, and shapes its risk undertaking and management culture, forming the foundation on which risk policies and risk thresholds are established both overall and per business activity.

The Board Risk Committee (BRC) is a committee of the Board of Directors (BoD) and its task is assisting the BoD to ensure that the Group has a well-defined risk and capital strategy in line with its business plan and an adequate and robust risk appetite framework. The BRC assesses the Group's risk profile, monitors compliance with the approved risk appetite and risk capacity thresholds, and ensures that the Group has developed a risk management framework with appropriate methodologies, modelling tools, data sources and sufficient and competent staff to identify, assess, monitor and mitigate risks. Moreover, BRC is conferred with certain approval authorities for credit proposals, debt forgiveness and write-offs. The BRC consists of six (6) non-executive directors, meets at least on a monthly basis and reports to the BoD on a quarterly basis and on ad hoc instances if needed.

The Management Risk Committee (MRC) is a management committee established by the Chief Executive Officer (CEO) and operates as an advisory committee to the BRC. The main responsibility of the MRC is to oversee the risk management framework of the Group. Moreover, MRC is conferred with certain approval authorities for credit proposals, debt forgiveness and write-offs. As part of its responsibility, the MRC reports to the BRC on topics related to risk and their management. The MRC ensures that material risks are identified and promptly escalated to the BRC and that the necessary policies and procedures are in place to prudently manage risks and to comply with regulatory requirements.

The Group's Risk Management General Division is headed by the Group Chief Risk Officer (GCRO), operates independently from the business units and is responsible for monitoring credit, market, operational and liquidity risks. It consists of the Group Credit General Division (GCGD), the Group Credit Control Sector (GCCS), the Group Credit Risk Capital Adequacy Control Sector (GCRCACS), the Group Model Validation & Governance Sector, the Group Market & Counterparty Risk Sector (GMCRS), the Group Operational Risk Sector (GORS), the Group Strategy Planning and Operations Division, the Supervisory Relations & Resolution Planning Sector (with dual reporting line to the Group Chief Financial Officer) and Risk Analytics Division.

As part of its overall system of internal controls, Eurobank Ergasias Services and Holdings SA has engaged in a Service Level Agreement (SLA) with Eurobank S.A. (the Banking subsidiary of the Group) in order to receive supporting and advisory services in all areas of risk management (credit, market, liquidity and operational risks) undertaken by the Group.

The most important types of risk that are addressed by the risk management functions of the Group are:

Credit Risk

The Group is exposed to credit risk, comprising the risk that a counterparty will be unable to fulfil its payment obligations in full, when due. The credit risk arises principally from the wholesale and retail lending activities of the Group, as well as from credit enhancements provided, such as financial guarantees and letters of credit and from other activities, such as investments in debt securities, trading, capital markets and settlement activities. Taking into account that credit risk is the primary risk the Group is exposed to, it is very closely managed and monitored by specialised risk units, reporting to the GCRO.

The credit review and approval processes are centralised both in Greece and in the International operations following the "four-eyes" principle and specific guidelines stipulated in the Credit Policy Manual and the Risk Appetite Framework. The segregation of duties ensures independence among executives responsible for the customer relationship, the approval process and the loan disbursement, as well as the loan monitoring during its lifecycle. The credit approval process in Corporate Banking is centralised through the establishment of Credit Committees with escalating Credit Approval Levels, which assess and limit to the extent possible the corporate credit risk. Rating models are used in order to calculate the credit rating of corporate customers, reflecting the underlying credit risk. The most significant ones are the MRA (Moody's Risk Analyst) applied for companies -mostly- with industrial and commercial activity and the slotting rating models, used for specialised lending portfolios (shipping, real estate and project finance) with ring fenced transactions. Credit risk assessment is performed by Group Credit General Division (GCGD), which assesses the credit requests submitted by the Business Units, a procedure including the evaluation of the operational and financial profile of the customer, the validation of the borrower's rating and the identification of potential risk factors for the Bank.

The credit review and approval processes for loans to Small Businesses (turnover up to €5m) are also centralised following specific guidelines and applying the 'four-eyes' principle. The assessment is primarily based on the analysis of the borrower's operational characteristics and financial position. The same applies for Individual Banking (consumer and mortgage loans), where the credit risk assessment is based on criteria related to the characteristics of the retail portfolio, such as the financial position of the borrower, the payment behaviour, the existence of real estate property and the type and quality of securities.

The ongoing monitoring of the portfolio quality and of any deviations that may arise, lead to an immediate adjustment of the credit policy and procedures, when deemed necessary. The quality of the Group's loan portfolios (business, consumer and mortgage in Greece and abroad) is monitored and assessed by the Group Credit Control Sector (GCCS) via field, desktop and thematic reviews in order to timely identify emerging risks, vulnerabilities, compliance to credit policies and consistency in underwriting. GCCS operates independently from all the business units of the Bank and reports directly to the GCRO.

The measurement, monitoring and reporting of the Group's exposure to counterparty risk, which is the risk of loss due to the customer's failure to meet its contractual obligations in the context of treasury activities, such as securities, derivatives, repos, reverse repos, interbank placings, etc. are performed by the Group Market and Counterparty Risk Sector (GMCRS). The Group sets limits on the level of counterparty risk that may be undertaken based mainly on the counterparty's credit rating, as provided by international rating agencies, and the product type (e.g. control limits on net open derivative positions by both amount and term, sovereign bonds exposure, asset backed securities). The utilization of the abovementioned limits, any excess of them, as well as the aggregate exposure per Group's entity, counterparty and product type are monitored by GMCRS on a daily basis. The Group is ready to apply the new regulatory framework for the counterparty risk from derivatives (SA-CCR) from 30 June 2021.

<u>Market Risk</u>
The Group has exposure to market risk, which is the risk of potential financial loss due to an adverse change in market variables. Changes in interest rates, foreign exchange rates, credit spreads, equity prices and other relevant factors, such as the implied volatilities of the above, can affect the Group's income or the fair value of its financial instruments. The market risks the Group is exposed to are measured and monitored by GMCRS. GMCRS is responsible for the measurement, monitoring and reporting of the exposure on market risks including the interest rate risk in the Banking Book (IRRBB) of the Group. The Sector reports to the GCRO.

Market risk in Greece and in International operations is measured and monitored using the Value at Risk (VaR) methodology and sensitivity analysis. VaR is a methodology used in measuring financial risk by estimating the potential negative change in the market value of a portfolio at a given confidence level and over a specified time horizon. The VaR that the Group measures is an estimate based upon a 99% confidence level and a holding period of 1 day and the methodology used for the calculation is Monte Carlo simulation (full re-pricing of each position is applied). Since VaR constitutes an integral part of the Group's market risk control regime, VaR limits have been established for all portfolios (trading and investment) measured at fair value and actual exposure is reviewed daily by management. However, the use of this approach does not prevent losses outside of these limits in the event of extraordinary market movements. For that reason the Group uses additional monitoring metrics such as: Stressed VaR, Expected Shortfall and Stress Tests. Finally, the Group prepares the required systems and procedures in order to apply the new regulatory framework for market risk (FRTB) according to the regulatory plan.

<u>Liquidity Risk</u>
The Group is exposed on a daily basis to liquidity risk due to deposits withdrawals, maturity of medium or long term notes, maturity of secured or unsecured funding (interbank repos and money market takings), collateral revaluation as a result of market movements, loan draw-downs and forfeiture of guarantees. The Board Risk Committee sets liquidity limits to ensure that sufficient funds are available to meet such contingencies. The Group monitors on a continuous basis the level of liquidity risk using regulatory and internal metrics and methodologies (LCR, NSFR, buffer analysis, cash flow analysis, short-term and medium-term stress test etc.).

BRC role is to approve all strategic liquidity risk management decisions and monitor the quantitative and qualitative aspects of liquidity risk. Group Assets and Liabilities Committee (G-ALCO) has the mandate to form and implement the liquidity policies and guidelines in conformity with Group's risk appetite, and to review at least monthly the overall liquidity position of the Group. Group Treasury is responsible for the implementation of the Group's liquidity strategy, the daily management of the

Group's liquidity and for the preparation and monitoring of the Group's liquidity budget, while GMCRS is responsible for measuring, monitoring and reporting the liquidity of the Group.

Operational Risk
Operational risk is embedded in every business activity undertaken by the Group. The primary aim of operational risk management is to ensure the integrity of the Group's operations and its reputation by mitigating its impact. To manage operational risk more efficiently, the Group operates an Operational Risk Management Framework, which defines its approach to identifying, assessing, monitoring and reporting operational risks.

Governance responsibility for operational risk management stems from the Board of Directors (BoD), through the Executive Board and Senior Management, and passes down to the Heads and staff of every business unit. The BoD establishes the mechanisms used by the Group to manage operational risk, by setting the tone and expectations at top management and delegating relevant responsibility. The Board Risk Committee and the Audit Committee monitor the operational risk level and profile, including the level of operational losses, their frequency and severity.

Eurobank applies the elements of the Three Lines Model for the management of operational risk.

a. Line 1 - Own and manage risk and controls. The front line business and operations are accountable for this responsibility as they own the rewards and are the primary risk generators.
b. Line 2 - Monitor risk and controls in support of Executive Management, providing oversight, challenge, advice and group-wide direction. These include the Risk and Compliance units, among others.
c. Line 3 - Provide independent assurance to the Board and Executive Management concerning the effectiveness of risk and control management. This refers to Internal Audit.

The Heads of each Business Unit (the risk owners) are primarily responsible for the day-today management of operational risk and the adherence to relevant controls. To this end, every business unit:
a. Identifies, evaluates and monitors its operational risks, and implements risk mitigation controls and techniques.
b. Assesses the efficiency of control mechanisms.
c. Reports all relevant issues.
d. Has access and uses the methods and tools introduced by the Group Operational Risk Sector, to facilitate in identifying, evaluating and monitoring operational risks.

Each Business Unit has appointed an Operational Risk Partner (OpRisk Partner) or an Operational Risk Management Unit (ORMU) depending on the size of the business unit who is responsible for coordinating the internal operational risk management efforts of the business unit while acting as a liaison to the Group Operational Risk Sector and the local Operational Risk Unit.

Further information on the Group's financial risk management objectives and policies, including the policy for hedging each major type of transaction for which hedge accounting is used is set out in the notes 2, 5 and 22 to the consolidated financial statements for the year ended 31 December 2020.

Non Performing Exposures (NPE) management
A strategic priority for the Group remains the active and effective management of NPE with the aim to further reduce the NPE stock in accordance with its operational targets agreed with the supervisory authorities, leveraging the external strategic partnership that it has entered into, as described below, and the important legislative changes that have taken or are expected to take place.

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

Remedial and Servicing Strategy (RSS)
Following the completion of corporate transformation (Hive-down) on 20 March 2020, Eurobank established Remedial Servicing & Strategy Sector (RSS), a dedicated team that devises the NPE reduction plan. The Head of RSS reports to the General Manager of Group Strategy. The RSS has the mandate of the close monitoring of the overall performance of the NPE portfolio as well as the relationship of the Bank with doValue Greece.

In this context, RSS, inter alia, has been assigned with the following responsibilities:

a. Develop and actively monitor the NPE targets and reduction plan
b. Set the strategic principles, priorities, policy framework and KPI's under which doValue Greece is servicing the portfolio
c. Closely monitor the execution of the approved strategies, as well as all contractual provisions under the relevant contractual agreements for the Eurobank portfolio assigned to doValue Greece including the securitized portfolio of ERB Recovery DAC
d. Monitoring of the performance of the senior notes of the securitizations and collaboration with Group Risk so as to ensure compliance to Significant Risk Transfer (SRT) and to the Hellenic Asset Protection Scheme (HAPS)
e. Budgeting and monitor of the Bank's expenses and revenues associated with the assigned portfolio
f. Cooperate closely with doValue Greece on a daily basis in achieving the Group's objectives
g. Maintain supervisory dialogue
h. Manage the implementation of NPE strategy and Specialized projects.

Operational targets for Non-Performing Exposures (NPE)
In line with the regulatory framework and SSM requirements for NPE management, in March 2021 the Group submitted its NPE Management Strategy for 2021-2023, along with NPE stock annual targets at both Bank and Group level. The submitted plan has taken into account a new NPE securitization of gross carrying amount of ca. €3.2bn and envisages the decrease of NPE ratio at 8.8% (currently estimated at approximately 8%) at the end of 2021, 6.4% in 2022 and below 6% in 2023.

Eurobank has been taking all appropriate actions to address liquidity difficulties of businesses and individuals caused by the limited or suspended operations of businesses resulting from the impact of Covid-19. In this context, Eurobank has defined a set of emergency relief measures that have been applied to specific segments that are affected by Covid-19. Since January 2021 when the vast majority of moratoria measures expired, the priority of the Bank is to take timely action to minimize any cliff effects, capitalizing on all available schemes and offering customized solutions that will gradually lead to pre Covid-19 payment patterns.

Legal Framework
On 31 March 2021 a new subsidy ('Gefyra II') program (Law 4790/2021) was introduced for eligible Small Business professionals and legal entities, as well as SMEs. Applications were submitted until 31 May 2021, while the subsidy will cover part of the instalments for 8 months, followed by a probation period from 6 up to 18 months, depending on the loan status.

Macroeconomic Outlook and Risks
During 2020 and the first half of 2021, the outbreak of Covid-19 pandemic and the measures adopted to contain the virus spread defined the economic environment in Greece and globally.

Based on Hellenic Statistical Authority (ELSTAT) provisional data, real GDP growth in the first quarter of 2021 registered a decrease of 2.3% on an annual basis, from a 0.5% decrease in the first quarter of 2020, mainly as a result of the drop in the final consumption expenditure and exports of services. On a (seasonally adjusted) quarterly basis though, real GDP in the first quarter of 2021 increased by 4.4%, compared to a 0.5% decrease in the first quarter of 2020. According to the European Commission's (EC) summer economic forecasts (July 2021), the real GDP growth rate in Greece in 2021 and 2022 is expected at 4.3% and 6.0% respectively. Based on provisional ELSTAT data, the seasonally adjusted unemployment rate stood at 15.0% in June 2021 (June 2020: 17.8%). According to the EC's spring economic forecasts (May 2021), the unemployment rate is expected at 16.3% and 16.1% in 2021 and 2022 respectively. Based on ELSTAT data, the 12-month average rate of change of the harmonized index of consumer prices - (HICP) in June 2021 was at -1.8% (12-month average rate in June 2020: -0%), whereas on an annual basis, according to the EC's summer economic forecasts, HICP in 2021 and 2022 is expected at -0.4% and 0.5% respectively.

On the fiscal front, Greece's fiscal primary balance registered a primary deficit of 6.7% of GDP in European System of National and Regional Accounts (ESA2010) terms following the pandemic support measures. According to the Medium-term Budgetary Framework 2022–2025, primary balance in 2021 and 2022 is expected to register a deficit of 7.1% and 0.5% of GDP respectively, as a result of the fiscal support measures, while the gross public debt is expected at 204.8% and 189.5% of GDP in 2021 and 2022 respectively. The deviation from the ES primary surplus target of 3.5% of GDP in 2020 and 2021 is not considered a violation of Greece's commitments undertaken in the ES framework, as in March 2020 EC activated the general escape clause, allowing for non-permanent deviations from the agreed fiscal paths of the member-states due to the extraordinary health and economic distress caused by the pandemic. According to the 2 June 2021 EC press release, the clause shall remain in force in 2022, and is expected to be deactivated in 2023. The aforementioned primary balance and public debt forecasts may change as a result of the actual size of the public sector's support measures and the impact of the recovery of economic activity on tax revenue.

In response to the Covid-19 outbreak, there has been an unprecedented monetary, fiscal and regulatory support to the economy and the banking system by both Greek Government and European authorities. According to the Medium-term Budgetary Framework 2022–2025, the Greek Government's planned total measures aiming to address the economic and social effects of the Covid-19 pandemic will exceed €41bn out of which €23.1bn correspond to 2020, €15.8bn to 2021 and €2.1bn to 2022. On top of the above, the liquidity support for the Greek economy via the various EC, European Stability Mechanism (ESM), European Investment Bank (EIB) and European Investment Fund (EIF) initiatives announced in 2020 and 2021 exceeds €10bn and includes, among others, labour market stimulus, SMEs loans, and financing for climate action and sustainable development, backing in total more than €20bn of investments, initiatives, and loans. On 21 July 2020 the European Council agreed on a recovery package amounting to €807bn (in current prices) under EC's Next Generation EU framework in order to support the recovery and resilience of the member states' economies, out of which ca €32.7bn will be available for Greece, divided into €20bn in grants and €12.7bn in low-interest loans. On 13 July 2021 the Economic and Financial Affairs Council (ECOFIN) approved the Greek national recovery and resilience plan, entitled "Greece 2.0". The disbursement of the pre-financing of €4bn was made in August 2021. The total budget for the Multiannual Financial Framework 2021-2027 (MFF) amounts to € 1.2 trillion (in current prices), out of which ca €41bn will be available for Greece. Furthermore, on 24 March 2020, ECB established a temporary Pandemic Emergency Purchase Programme (PEPP) with a financial envelope of €1,850bn, as of December 2020, out of which ca €37bn are available for the purchase of Greek Government Bonds (GGBs). In addition, on 12 March 2020 the ECB announced measures to support the liquidity conditions in the euro area (additional Long Term Financing operations, more favorable terms for the Targeted Long Term Operations, new Asset Purchase Programme of €120bn), as well as a number of temporary capital and operational relief measures to ensure that its directly supervised banks can continue to fulfil their role in funding the real economy.

In the context of the Enhanced Surveillance (ES) scheme, the first ten consecutive quarterly reviews were successfully completed by June 2021. Greece received €4bn from the ES financial envelope in five disbursements: in May 2019 (€0.97bn), in January 2020 (€0.77bn), in July 2020 (€0.75bn) in February 2021 (€0.77bn) and in July 2021 (€0.75bn).

On 23 April 2021, Standard & Poor's upgraded its rating for Greece to BB from BB-, maintaining its positive outlook. On 16 July 2021, Fitch affirmed its stable outlook for Greece – reflecting its view on the sustainability of Greece's fiscal position – with the respective rating remaining unchanged at BB. Hence, the sovereign credit rating of Greece remains below the investment grade. However, the progress made from 2018 onwards and the inclusion of GGBs in the eligible titles for the ECB's Pandemic Emergency Purchase Programme, led to the improvement of the yield of the Greek 10-year bonds to 0.67% on 26 August 2021. In such an environment the Greek Government managed to maintain continuous market access since the pandemic outbreak in March 2020, with the issuance of four bonds of various maturities in 2020, followed by four more in 2021. In particular, on 27 January this year, the Public Debt Management Agency (PDMA) issued a 10-year bond of €3.5bn at a yield of 0.807%, on 17 March a 30-year bond of €2.5bn at a yield of 1.956%, on 5 May a 5-year bond of €3bn at a yield of 0.172%, and more recently, on 9 June 2021, a 10-year bond of €2.5bn at a yield of 0.888%.

According to Bank of Greece data, the private sector domestic credit balance at the end of June 2021 stood at €129.5bn from €147.2bn at the end of June 2020, registering a gross annual decrease of 12.1%. Adjusted though for foreign exchange valuations write-offs/write-downs, and reclassifications, domestic credit increased by 2.3% annually. Gross domestic credit at the end of December 2020 was €141.4bn, registering an annual decrease of 8.1%, or an increase of 3.5% on adjusted basis. A significant part of this deleveraging was due to the reduction of the stock of NPE. On the other side of the ledger, private sector domestic deposits amounted to €169.8bn at the end of June 2021 from €148.5bn at the end of June 2020, registering an annual increase of 14.3%. The respective amount at the end of December 2020 was at €163.2bn registering an annual increase of 4.0%. This significant increase in deposits is mainly attributed to the Covid-19 containment measures that weakened consumption by households and the government measures aiming to support the private sector, together with the uncertainty created by the pandemic environment.

The better than anticipated growth performance in the first quarter of 2021, the upbeat high frequency data announcements in the second quarter of 2021 so far across the board, the improvement of the epidemiological conditions and the acceleration of the vaccination programs, has reignited optimism for the growth prospects of the broader Central, Eastern and Southeastern Europe (CESEE) region in 2021-2022. The rise of infections, mainly related to virus's mutations, especially the delta one, worldwide has raised the red flag for the CESEE region as well, due to the probability for the region to be confronted with a fourth wave in autumn. Further progress in the vaccination programs will improve the regional prospects in the second half of 2021 compared to the previous three waves, thus minimizing the socioeconomic cost of a fourth wave, if it materializes.

In the same context with the entire CESEE region, Bulgaria has finally managed to contain the third and most severe wave since the beginning of the pandemic. In 2020, the real GDP in Bulgaria contracted by 4.2% and in the first quarter of 2021 the real GDP contracted by 1.8% Year-on-Year. According to EC's summer economic forecasts (July 2021), the real GDP growth rate in Bulgaria in 2021 and 2022 is expected at 4.6% and 4.1% respectively. The Commission's more positive view for the Bulgarian economy is based on the sizeable amount of ca. €29bn the country is entitled to under the NGEU and the MFF programmes. On the negative side, the extremely low vaccination rate in Bulgaria make it appear very vulnerable to a fourth wave of infections.

The sharp rise in Covid-19 cases since mid-June 2021 has raised fears that the fourth wave of infections has hit Cyprus. According to the second estimate, in the first quarter of 2021, the GDP growth, on a seasonally adjusted basis, contracted by 1.6% Year-on-Year. According to EC's summer economic forecasts (July 2021), the economy is anticipated to rebound by 4.3% in 2021 and 3.8% in 2022, both rates being below the Euro area averages. After a challenging year (-84.1% Year- on-Year in arrivals and -85.4% Year-on- Year in revenues in 2020), tourism is expected to recover only partially in 2021. The absorption of the funds under the EC's Recovery and Resilience Facility (RRF) is going to be pivotal for the medium-term prospects of Cyprus. The Cypriot plan provides for a total of €1.2bn, which divided into €1bn in grants and €0.2 billion in loans, with the Ministry of Finance estimating that these resources will mobilize an additional €1.4 billion in private funds. Investments and related reforms are estimated to increase GDP by 7% cumulatively in the period 2022- 2026.

Having expanded by more than 4% in 2018 and 2019, the economy of Serbia contracted by only 1.0% in 2020 making the country among the top performers in EU and CESEE. According to the EC's spring economic forecasts (May 2021), the economy is headed to rebound by 5.3% in 2021 and further by 4.0% in 2022. In the first quarter of 2021 the GDP growth increased by 1.7% Year-on-Year. The economy entered the Covid-19 crisis with significantly lower imbalances than a decade ago allowing the authorities to compile a support package of 12.7% of GDP until the end of 2020 (which was among the largest in emerging Europe) to contain the pandemic's negative economic impact. In late June, the National Bank of Serbia (NBS) announced that three local currency denominated government bonds have been included in the J.P. Morgan GBI-EM Global Diversified index, one of the benchmark indices of bonds issued in local currencies of emerging economies. Finally, the IMF approved a new 30-month non-financial advisory Policy Coordination Instrument ("PCI") with the country aiming at supporting the authorities structural reform agenda and thus providing a valuable policy anchor going forward.

Regarding the outlook for the next 12 months, the major macroeconomic risks and uncertainties in Greece mainly relate with the evolution of Covid-19 pandemic and are as follows: (a) the fourth wave of the pandemic in the second half of 2021 and its negative effect on the domestic, regional and / or global economy as well as the progress on the vaccination programs, and the effectiveness of the existing vaccines against the new Covid-19 variants, (b) the actual size and duration of the fiscal measures aiming to address the effect of the pandemic on the real economy and their effect on the long-term sustainability of the country's public debt, (c) the cliff effects when temporary support measures are lifted (increase in unemployment, firm bankruptcies, and Non Performing Exposures (NPE)), (d) the pace of the tourism's recovery in 2021 and 2022, (e) the prospect of the so-called "twin deficits" (i.e. fiscal and current account deficit) becoming permanent, although currently they appear to be more a repercussion of the pandemic rather than structural, (f) the absorption capacity of the NGEU and MFF funds and the attraction of new investments in the country, (g) the implementation of the reforms and privatizations' agenda in order to meet the ES and EC' s Recovery and Resilience Facility (RRF) targets and milestones, (h) the geopolitical conditions in the near or in broader region and (i) the exacerbation of natural disasters due to the climate change and their effect on GDP, employment and fiscal balance.

Materialization of the above Covid-19 related and other risks would have potentially adverse effects on the fiscal planning of the Greek Government and on the liquidity, solvency and profitability of the Greek banking sector, as well as on the realization of their NPE reduction plans. The Group is continuously monitoring the developments on the Covid-19 front and has increased its level of readiness, so as to accommodate decisions, initiatives and policies to protect its capital and liquidity standing as well as the fulfilment, to the maximum possible degree, of its strategic and business goals for the quarters ahead, focusing primarily on the support of its clients to overcome the challenging juncture, the mitigation of "cliff effects" post the moratoria expiration, the protection of its asset base and the resilience of its pre-provision profitability. In addition, the Group, under the extraordinary circumstances of the Covid-19 pandemic, has proceeded with the successful implementation of its Business Continuity Plan to ensure that business is continued and critical operations are unimpededly performed. In line with authorities' instructions and recommendations, the Group has taken all the required measures to ensure the health and safety of its employees and customers (e.g. implementation of teleworking, restrictions to business trips, and medical supplies for protective equipment).

Furthermore, the decisive implementation of the reforms agreed in the context of the ES and "Greece 2.0" plan, the efficient mobilization of EU funding via NGEU and MFF to support domestic investment and job creation, the attraction of foreign and domestic capital and the adoption of an extrovert economic development model will improve confidence in the prospects of the Greek economy and the further stabilization of the domestic economic environment, which are necessary conditions for the return of the country to the strong and sustainable growth path described above.

Share Capital
As at 30 June 2021, the total share capital of Eurobank Holdings amounted to €816,015,607.44 divided into 3,709,161,852 common voting shares of nominal value of €0.22 each. All shares are registered, listed on the Athens Stock Exchange and incorporate all the rights and obligations set by the Greek legislation. As at 30 June 2021, the number of Eurobank Holdings shares held by the Group's subsidiaries in the ordinary course of their business was 722,939 (31 December 2020: 2,433,987) (note 26 to the consolidated financial statements).

As at 30 June 2021, the percentage of the ordinary voting shares of Eurobank Holdings held by the Hellenic Financial Stability Fund (HFSF) amounted to 1.40%. It is noted that, according to the Law 3864/2010 as in force, the HFSF has restricted voting rights[3].

Share options
In addition, on 28 July 2020, the General Meeting of the shareholders of the Company:

a. approved the establishment of a five year shares award plan, starting from 2021, in the form of stock options rights by issuing new shares with a corresponding share capital increase, awarded to executives (of the Management) and personnel of the Company and its affiliated companies. The maximum number of rights that can be provided will be 55,637,000 rights, each of which will correspond to one new share, i.e. in case all option rights are exercised up to 55,637,000 new common registered shares of the Company in total will be allocated, corresponding to 1.5% of the current paid share capital. The exercise price of each new share is equal to €0.23.
b. authorized the Board of Directors of the Company to determine the remaining terms and conditions of the plan.

Board of Directors
The Board of Directors (BoD) was elected by the Annual General Meeting (AGM) of the Shareholders held on 23 July 2021, for a three years term of office that will expire on 23 July 2024, prolonged until the end of the period the AGM for the year 2024 will take place.

The BoD of Eurobank Holdings is set out in note 32 to the consolidated financial statements. Personal details of the Directors are available on the website of Eurobank Holdings (www.eurobankholdings.gr).

Related party transactions
As at 30 June 2021, the Group's outstanding balances of the transactions and the relating net income / expense for the first half of 2021 with (a) the key management personnel (KMP) and the entities controlled or jointly controlled by KMP are: compensation €4.0m, receivables €4.8m, liabilities €22.9m, guarantees received €0.02m, guarantees issued €0.01m, net expense €7.6m, (b) the Fairfax group are: receivables €11.7m, liabilities €0.5m, net income €1.0m and (c) the associates and joint ventures are: receivables €71.6m, liabilities €132.5m and net expense €47.0m.

At the same date, the Company's outstanding balances of the transactions and the relating net income / expense for the first half of 2021 with (a) the Fairfax group refer to receivables of €0.7m related to financial consulting services and (b) the subsidiaries are: receivables €960m, liabilities €0.05m and net income €36.6m.

All transactions with related parties are entered into the normal course of business and are conducted on an arm's length basis. Further information is provided in the note 31 to the consolidated financial statements and note 18 to the financial statements of the Company.

Georgios Zanias	Fokion Karavias
Chairman	Chief Executive Officer

30 August 2021

[3] Information regarding HFSF's rights as owner of Eurobank Holdings' ordinary shares, according to Law 3864/2010 and the Tripartite Relationship Framework Agreement (TRFA), is included in Corporate Governance Code and Statement.

APPENDIX

Definition of Alternative Performance Measures (APMs) in accordance with European Securities and Markets Authority (ESMA) guidelines, which are included in the Report of Directors/Financial Statements:

a. **Loans to Deposits ratio:** Loans and advances to customers at amortised cost divided by due to customers at the end of the reported period,

b. **Pre-Provision Income (PPI):** Profit from operations before impairments, provisions and restructuring costs as disclosed in the financial statements for the reported period,

c. **Core Pre-provision Income (Core PPI):** The total of net interest income, net banking fee and commission income and income from non banking services minus the operating expenses of the reported period,

d. **Net Interest Margin (NIM):** The net interest income of the reported period, annualised and divided by the average balance of continued operations' total assets (the arithmetic average of total assets, excluding those related to discontinued operations', at the end of the reported period, at the end of interim quarters and at the end of the previous period),

e. **Fees and commissions:** The total of net banking fee and commission income and income from non banking services of the reported period,

f. **Income from trading and other activities**: The total of net trading income, gains less losses from investment securities and other income/ (expenses) of the reported period,

g. **Cost to Income ratio:** Total operating expenses divided by total operating income,

h. **Adjusted net profit:** Net profit/loss from continuing operations after deducting restructuring costs, goodwill impairment, gains/losses related to the transformation plan and income tax adjustments,

i. **Non-performing exposures (NPE):** Non Performing Exposures (in compliance with EBA Guidelines) are the Group's material exposures which are more than 90 days past-due or for which the debtor is assessed as unlikely to pay its credit obligations in full without realization of collateral, regardless of the existence of any past due amount or the number of days past due. The NPE, as reported herein, refer to the gross loans at amortised cost except for those that have been classified as held for sale,

j. **NPE ratio:** NPE divided by gross loans and advances to customers at amortised cost at the end of the reported period,

k. **NPE formation:** Net increase/decrease of NPE in the reported period excluding the impact of write offs, sales and other movements,

l. **NPE Coverage ratio:** Impairment allowance for loans and advances to customers, including impairment allowance for credit related commitments (off balance sheet items), divided by NPE at the end of the reported period,

m. **Provisions (charge) to average net loans ratio (Cost of Risk):** Impairment losses relating to loans and advances charged in the reported period, annualised and divided by the average balance of loans and advances to customers at amortised cost (the arithmetic average of loans and advances to customers at amortised cost, including those that have been classified as held for sale, at the end of the reported period, at the end of interim quarters and at the end of the previous period),

n. **Return on tangible book value (RoTBV):** Adjusted net profit divided by average tangible book value. Tangible book value is the total equity excluding preference shares, preferred securities and non controlling interests minus intangible assets.

o. **Texas Ratio:** Non-performing exposures (NPE) divided by the sum of impairment allowance for loans and advances to customers and Common Equity Tier 1.

Definition of capital and other selected ratios in accordance with the regulatory framework, which are included in the Report of Directors/Financial Statements:

a. **Total Capital Adequacy ratio:** Total regulatory capital as defined by Regulation (EU) No 575/2013 as in force, based on the transitional rules for the reported period, divided by total Risk Weighted Assets (RWA). The RWA are the Group's assets and off-balance-sheet exposures, weighted according to risk factors based on Regulation (EU) No 575/2013, taking into account credit, market and operational risk,

b. **Common Equity Tier 1 (CET1):** Common Equity Tier I regulatory capital as defined by Regulation (EU) No 575/2013 as in force, based on the transitional rules for the reported period, divided by total RWA,

c. **Fully loaded Common Equity Tier I (CET1):** Common Equity Tier I regulatory capital as defined by Regulation No 575/2013 as in force, without the application of the relevant transitional rules, divided by total RWA,

d. **Liquidity Coverage Ratio (LCR):** The total amount of high quality liquid assets divided by its net liquidity outflows for a 30-day stress period.

The following table presents the components of the calculation of the above APMs, which are derived from the Company's consolidated financial statements for the periods ended 30 June 2021, 30 June 2020 and 31 December 2020:

Components of Alternative Performance Measures

€ million	**1H21**	**1H20**	**FY20**
Net Interest Income [1]	670	689	
Fees and commissions	209	180	
Total Operating income [2]	924	1,154	
Total Operating income, excluding the gain on FPS disposal [2]	924	935	
Total Operating expenses [3]	(433)	(434)	
Pre-provision income (PPI)	491	720	
Pre-provision income (PPI), excluding the gain on FPS disposal	491	501	
Core Pre-provision income (Core PPI)	446	435	
Net profit/(loss) from continued operations	190	(1,166)	
Loss on Cairo transaction	-	(1,509)	
Gain on disposal of FPS (before tax)	-	219	
Gain on disposal of FPS (after tax)	-	173	
Restructuring costs, after tax	(5)	(8)	
Impairment losses relating to loans and advances	(224)	(1,780)	
Impairment losses for loans, excluding the Cairo transaction loss	(224)	(271)	
Non performing exposures (NPEs)	5,731		5,724
Due to customers	49,742		47,290
Gross Loans and advances to customers at amortized cost	41,061		40,874
Impairment allowance for loans and advances to customers	(3,572)		(3,477)
Impairment allowance for credit related commitments	(59)		(66)
Due to customers (Greek operations)	35,479		34,189
Gross Loans and advances to customers at amortized cost (Greek operations)	32,314		32,821
Impairment allowance for loans and advances to customers (Greek operations)	(3,311)		(3,227)
Common Equity Tier 1 (CET1) Capital	5,447		5,604
Average balance of continued operations' total assets	69,055	65,856	
Average balance of loans and advances to customers at amortised cost [4]	37,470	37,779	
Average balance of tangible book value [5]	5,080	5,855	

(1) 2Q2021 NIM: Net interest income of the second quarter 2021 (€335m), annualised, divided by the average balance of continued operations' total assets (€69,720m).

(2) International Operations: Operating income: €240m (first half 2020: €240m). Greek operations: Operating income: €684m (first half 2020: €695m excluding the gain on FPS disposal of €219m).

(3) International Operations: Operating expenses: €114m, (first half 2020: €113m). Greek operations: Operating expenses: €320m, (first half 2020: €321m).

(4) The average balance of loans and advances to customers measured at amortized cost, has been calculated as the arithmetic average of their balances at the end of the reporting period (30 June 2021: €37,490m), at the end of interim quarter (31 March 2021: €37,522m), and at the end of the previous period (31 December 2020: €37,397m).

(5) The average balance of tangible book value, has been calculated as the arithmetic average of the total equity minus the intangible assets at the end of the reporting period (30 June 2021: €5,188m), at the end of interim quarter (31 March 2021: €5,060m), and at the end of the previous period (31 December 2020: €4,991m).

Source of financial Information

The Directors' Report includes financial data and measures as derived from the Company's interim consolidated financial statements for the six months ended 30 June 2021, 30 June 2020 and consolidated financial statements for the year ended31 December 2020, which have been prepared in accordance with International Financial Reporting Standards (IFRS). In addition, it includes information as derived from internal information systems, consistent with the Group's accounting policies, such as the selected financial information for the Group's two main reportable segments a) Greek Operations, which incorporate the business activities originated from the Company, the Bank and the Greek subsidiaries and b) International Operations, which incorporate the business activities originated from the banks and the local subsidiaries operating in Bulgaria, Serbia, Cyprus and Luxembourg (as described at the relevant section on page 4).

III. Independent Auditor's Report on Review of Condensed Interim Financial Information (on the Interim Consolidated Financial Statements)

KPMG Certified Auditors S.A.
3 Stratigou Tombra Street
Aghia Paraskevi
153 42 Athens, Greece
Telephone +30 210 6062100
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Independent Auditor's Report on Review of Condensed Interim Financial Information

To the Shareholders of
Eurobank Ergasias Services and Holdings S.A.

Report on the Review of Condensed Interim Financial Information

Introduction

We have reviewed the accompanying interim consolidated Balance Sheet of Eurobank Ergasias Services and Holdings S.A. (the "Company") as at 30 June 2021 and the related interim consolidated statements of Income and Comprehensive Income, Changes in Equity and Cash Flows for the six-month period then ended and the selected explanatory notes, which comprise the interim condensed financial information and which forms an integral part of the six-month financial report of articles 5 and 5a of Law 3556/2007. Management is responsible for the preparation and presentation of this interim condensed financial information in accordance with the International Financial Reporting Standards adopted by the European Union and specifically with International Accounting Standard (IAS) 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial information as at 30 June 2021 is not prepared, in all material respects, in accordance with IAS 34 "Interim Financial Reporting".

KPMG Certified Auditors S.A., a Greek Societe Anonyme and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.All rights reserved.

Certified Auditors

Report on Other Legal and Regulatory Requirements

Our review did not identify any material inconsistency or error in the statements of the members of the Board of Directors and in the information of the six-month Financial Report of the Board of Directors as defined in articles 5 and 5a of L. 3556/2007 in relation to the accompanying interim condensed financial information.

Athens, 2 September 2021

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

Harry Sirounis, Certified Auditor Accountant
A.M. SOEL 19071

IV. Interim Consolidated Financial Statements for the six months ended 30 June 2021

EUROBANK ERGASIAS SERVICES and HOLDINGS S.A.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED

30 JUNE 2021

8 Othonos Street, Athens 105 57, Greece

www.eurobankholdings.gr, Tel.: (+30) 214 40 61000

General Commercial Registry No: 000223001000

Interim Consolidated Balance Sheet

	Note	30 June 2021 € million	31 December 2020 € million
ASSETS			
Cash and balances with central banks		**9,822**	6,637
Due from credit institutions		**2,538**	3,336
Securities held for trading		**100**	87
Derivative financial instruments	14	**2,106**	2,552
Loans and advances to customers	15	**37,511**	37,424
Investment securities	16	**9,362**	8,365
Investments in associates and joint ventures	18	**282**	276
Property and equipment	19	**803**	778
Investment property	19	**1,479**	1,459
Goodwill and other intangible assets		**265**	254
Deferred tax assets	12	**4,465**	4,526
Other assets	20	**2,081**	1,995
Assets of disposal groups classified as held for sale	13	**52**	39
Total assets		**70,866**	67,728
LIABILITIES			
Due to central banks	21	**8,763**	7,999
Due to credit institutions	22	**1,262**	1,502
Derivative financial instruments	14	**2,302**	2,939
Due to customers	23	**49,742**	47,290
Debt securities in issue	24	**2,014**	1,556
Other liabilities	25	**1,330**	1,197
Total liabilities		**65,413**	62,483
EQUITY			
Share capital	26	**816**	815
Share premium	26	**8,055**	8,055
Reserves and retained earnings		**(3,418)**	(3,625)
Total equity		**5,453**	5,245
Total equity and liabilities		**70,866**	67,728

Notes on pages 6 to 45 form an integral part of these interim consolidated financial statements.

Interim Consolidated Income Statement

		Six months ended 30 June		Three months ended 30 June	
		2021	2020	**2021**	2020
	Note	**€ million**	€ million	**€ million**	€ million
Net interest income	7	**670**	689	**335**	350
Net banking fee and commission income	8	**161**	140	**86**	67
Income from non banking services	19	**48**	40	**24**	21
Net trading income/(loss)		**(6)**	9	**(8)**	10
Gains less losses from investment securities		**50**	49	**37**	42
Other income/(expenses)	12, 17.1, 18	**1**	227	**3**	230
Operating income		**924**	1,154	**477**	720
Operating expenses	9	**(433)**	(434)	**(217)**	(214)
Profit from operations before impairments, provisions and restructuring costs		**491**	720	**260**	506
Impairment losses relating to loans and advances to customers	10	**(224)**	(1,780)	**(93)**	(1,654)
Other impairment losses and provisions	11	**(10)**	(18)	**(7)**	(6)
Restructuring costs	11	**(7)**	(11)	**(4)**	(7)
Share of results of associates and joint ventures		**6**	7	**5**	9
Profit/(loss) before tax		**256**	(1,082)	**161**	(1,152)
Income tax	12	**(66)**	(84)	**(41)**	(71)
Net profit/(loss) attributable to shareholders		**190**	(1,166)	**120**	(1,223)
		€	**€**	**€**	**€**
Earnings/(losses) per share					
-Basic and diluted earnings/(losses) per share	6	**0.05**	(0.31)	**0.03**	(0.33)

Notes on pages 6 to 45 form an integral part of these interim consolidated financial statements.

Interim Consolidated Statement of Comprehensive Income

	Six months ended 30 June				Three months ended 30 June			
	2021		2020		**2021**		2020	
	€ million		€ million		**€ million**		€ million	
Net profit/(loss)		**190**		(1,166)		**120**		(1,223)
Other comprehensive income:								
Items that are or may be reclassified subsequently to profit or loss:								
Cash flow hedges								
- changes in fair value, net of tax	**22**		(7)		**3**		(5)	
- transfer to net profit, net of tax	**0**	**22**	(2)	(9)	**(0)**	**3**	(1)	(6)
Debt securities at FVOCI								
- changes in fair value, net of tax	**(32)**		128		**23**		152	
- transfer to net profit, net of tax	**23**	**(9)**	(170)	(42)	**(20)**	**3**	(81)	71
Foreign currency translation								
- foreign operations' translation differences	**0**	**0**	0	0	0	0	(0)	(0)
Associates and joint ventures								
- changes in the share of other comprehensive income, net of tax	**5**	**5**	(9)	(9)	**5**	**5**	1	1
		18		(60)		**11**		66
Items that will not be reclassified to profit or loss:								
- Actuarial gains/(losses) on post employment benefit obligations, net of tax	**-**	**-**	4	4	**-**	**-**	(1)	(1)
Other comprehensive income		**18**		(56)		**11**		65
Total comprehensive income attributable to shareholders		**208**		(1,222)		**131**		(1,158)

Notes on pages 6 to 45 form an integral part of these interim consolidated financial statements.

Interim Consolidated Statement of Changes in Equity

	Share capital € million	Share premium € million	Reserves and retained earnings € million	Preferred securities € million	Non controlling interests € million	Total € million
Balance at 1 January 2020	852	8,054	(2,241)	2	(0)	6,667
Net profit/(loss)	-	-	(1,166)	-	0	(1,166)
Other comprehensive income	-	-	(56)	-	(0)	(56)
Total comprehensive income for the six months ended 30 June 2020	-	-	(1,222)	-	0	(1,222)
Purchase/sale of treasury shares	1	1	(1)	-	-	1
Preferred securities' redemption and dividend paid, net of tax	-	-	(0)	(2)	-	(2)
	1	1	(1)	(2)	-	(1)
Balance at 30 June 2020	853	8,055	(3,464)	-	0	5,444
Balance at 1 January 2021	**815**	**8,055**	**(3,625)**	**-**	**0**	**5,245**
Net profit	-	-	190	-	0	**190**
Other comprehensive income	-	-	18	-	(0)	**18**
Total comprehensive income for the six months ended 30 June 2021	**-**	**-**	**208**	**-**	**0**	**208**
Purchase/sale of treasury shares (note 26)	1	0	0	-	-	**1**
Other	-	-	(1)	-	-	**(1)**
	1	**0**	**(1)**	**-**	**-**	**0**
Balance at 30 June 2021	**816**	**8,055**	**(3,418)**	**-**	**0**	**5,453**
	Note 26	Note 26				

Notes on pages 6 to 45 form an integral part of these interim consolidated financial statements.

Interim Consolidated Cash Flow Statement

	Note	Six months ended 30 June 2021 € million	2020 € million
Cash flows from operating activities			
Profit/(loss) before income tax		**256**	(1,082)
Adjustments for :			
Impairment losses relating to loans and advances to customers	10	**224**	1,780
Other impairment losses, provisions and restructuring costs	11	**17**	29
Depreciation and amortisation	9	**58**	53
Other (income)/losses on investment securities	28	**(15)**	(16)
(Income)/losses on debt securities in issue	28	**2**	9
Valuation of investment property		**1**	(14)
Other adjustments	28	**(3)**	(221)
		540	538
Changes in operating assets and liabilities			
Net (increase)/decrease in cash and balances with central banks		**(83)**	96
Net (increase)/decrease in securities held for trading		**(13)**	(20)
Net (increase)/decrease in due from credit institutions		**774**	(392)
Net (increase)/decrease in loans and advances to customers		**(350)**	(1,199)
Net (increase)/decrease in derivative financial instruments		**(26)**	38
Net (increase)/decrease in other assets		**(88)**	(110)
Net increase/(decrease) in due to central banks and credit institutions		**524**	3,012
Net increase/(decrease) in due to customers		**2,454**	146
Net increase/(decrease) in other liabilities		**62**	**(35)**
		3,254	1,536
Income tax paid		**(8)**	(12)
Net cash from/(used in) operating activities		**3,786**	2,062
Cash flows from investing activities			
Acquisition of fixed and intangible assets		**(61)**	(204)
Proceeds from sale of fixed and intangible assets	19	**12**	9
(Purchases)/sales and redemptions of investment securities		**(1,094)**	(1,755)
Acquisition of subsidiaries, net of cash acquired	17.1	**(7)**	-
Acquisition of holdings in associates and joint ventures, participations in capital increases		**(6)**	(6)
Disposal of subsidiaries, net of cash disposed		**-**	211
Disposal of holdings in associates and joint ventures	18	**7**	-
Net cash from/(used in) investing activities		**(1,149)**	(1,745)
Cash flows from financing activities			
(Repayments)/proceeds from debt securities in issue	24	**456**	(373)
Repayment of lease liabilities		**(17)**	(19)
Redemption/ buy back of preferred securities		**-**	(2)
(Purchase)/sale of treasury shares		**1**	1
Net cash from/(used in) financing activities		**440**	(393)
Effect of exchange rate changes on cash and cash equivalents		**0**	0
Net increase/(decrease) in cash and cash equivalents		**3,077**	(76)
Cash and cash equivalents at beginning of period	28	**6,681**	4,551
Cash and cash equivalents at end of period	28	**9,758**	4,475

Notes on pages 6 to 45 form an integral part of these interim consolidated financial statements.

1. General information

Eurobank Ergasias Services and Holdings S.A. (the Company or Eurobank Holdings) is the parent company of Eurobank S.A. (the Bank), which resulted from the demerger of Eurobank Ergasias S.A. through its banking sector's hive down that was completed in March 2020. Further information is provided in note 44 "Corporate Transformation-Hive down" of the consolidated financial statements for the year ended 31 December 2020.

The Company and its subsidiaries (the Group), consisting mainly of Eurobank S.A. Group (note 17.2), 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.

These interim consolidated financial statements were approved by the Board of Directors on 30 August 2021. The Independent Auditor's Report on Review of Condensed Interim Financial Information is included in the Section III of the Financial Report for the period ended 30 June 2021.

2. Basis of preparation and principal accounting policies

These interim condensed consolidated financial statements have been prepared in accordance with the International Accounting Standard (IAS) 34 'Interim Financial Reporting' as endorsed by the European Union (EU). The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the consolidated financial statements for the year ended 31 December 2020. Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current period. Unless indicated otherwise, financial information presented in Euro has been rounded to the nearest million. The figures presented in the notes may not sum precisely to the totals provided due to rounding.

The accounting policies and methods of computation in these interim consolidated financial statements are consistent with those in the consolidated financial statements for the year ended 31 December 2020, except as described below (note 2.1).

Going concern considerations

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

During 2020 and the first half of 2021, the outbreak of Covid-19 pandemic and the measures adopted to contain the spread of the virus defined the economic environment in Greece and globally. The improvement of the epidemiological situation in Greece following the progress of the vaccination programs in the second quarter of 2021 allowed the gradual re-opening of the suspended economic activities from early May 2021, which have created positive expectations among consumers and businesses about the economic outlook in months ahead. Based on Hellenic Statistical Authority's (ELSTAT) provisional data, the real GDP in the first quarter of 2021 registered a decrease of 2.3% on an annual basis (1st quarter 2020: 0.5% decrease), while the unemployment rate stood at 15% in June 2021 (June 2020: 17.8%). The European Commission (EC), in its summer economic forecasts (July 2021), estimates the real GDP growth rate in Greece for 2021 and 2022 at 4.3% and 6% respectively, while in accordance with its spring economic forecasts (May 2021), the unemployment rate is expected at 16.3% and 16.1% in 2021 and 2022 respectively. On the fiscal front, according to the Medium-term Budgetary Framework 2022–2025,the primary balance in 2021 and 2022 is expected to register a deficit of 7.1% and 0.5% of GDP respectively, as a result of the fiscal support measures, while the gross public debt is expected at 204.8% and 189.5% of GDP in 2021 and 2022 respectively. The deviation from the European Surveillance (ES) primary surplus target of 3.5% of GDP in 2020 and 2021 will not be considered a violation of Greece's commitments undertaken in the ES framework, as in March 2020 EC activated the general escape clause, allowing for non-permanent deviations from the agreed fiscal paths of the member- states due to the extraordinary health and economic distress caused by the pandemic. According to the 2 June 2021 EC press release, the clause shall remain in force in 2022, and is expected to be deactivated in 2023. The aforementioned primary balance and public debt forecasts may change as a result of the actual size of the public sector's support measures and the impact of the recovery of economic activity on tax revenue.

In response to the Covid-19 outbreak, there has been an unprecedented monetary, fiscal and regulatory support to the economy and the banking system by both Greek Government and European authorities. According to the Medium-term Budgetary Framework 2022–2025, the Greek government's planned total measures aiming to address the economic and social effects of the Covid-19 pandemic will exceed € 41 billion of which € 23.1 billion correspond to 2020, € 15.8 billion to 2021, and € 2.1 billion to 2022. On top of the above, the liquidity support for the Greek economy via the various EC, European Stability Mechanism (ESM), European Investment Bank (EIB), and European Investment Fund (EIF) initiatives announced in 2020 and 2021 exceeds € 10 billion and includes, among others, labour market stimulus, SMEs loans, and financing for climate action and sustainable development, backing in total more than € 20 billion of investments, initiatives, and loans.

On 21 July 2020, the European Council agreed a recovery package amounting to € 807 billion (in current prices) under the EC's Next Generation EU framework in order to support the recovery and resilience of the member states' economies, out of which ca. € 32.7 billion will be available to Greece, divided into € 20 billion in grants and € 12.7 billion in loans. On 13 July 2021, the Economic and Financial Affairs Council (ECOFIN) approved the Greek national recovery and resilience plan, entitled "Greece 2.0". The disbursement of the pre-financing of € 4 billion was made in August 2021.The respective amount for the Multiannual Financial Framework 2021-2027 (MFF) is at € 1.2 trillion (in current prices), of which ca € 41 billion are available for Greece. Furthermore, on 24 March 2020, European Central Bank (ECB) established a temporary Pandemic Emergency Purchase Programme (PEPP), with a financial envelope of € 1,850 billion as of December 2020, out of which ca € 37 billion are available for the purchase of Greek Government Bonds (GGBs). In addition, on 12 March 2020 the ECB announced measures to support the liquidity conditions in the euro area (additional Long Term Financing operations, more favorable terms for the Targeted Long Term Operations, new Asset Purchase Programme of € 120 billion), as well as a number of temporary capital and operational relief measures to ensure that its directly supervised banks can continue to fulfil their role in funding the real economy. In the same context, on 24 June 2020 the Regulation 2020/873 (CRR quick fix) introduced targeted amendments to the Capital Requirements Regulation (CRR) (note 4).

In the first half of 2021, the Greek State proceeded with the issuance of four bonds of various maturities. In particular, on 27 January 2021, the Public Debt Management Agency (PDMA) issued a 10-year bond of € 3.5 billion at a yield of 0.807%, on 17 March 2021 a 30-year bond of € 2.5 billion at a yield of 1.956%, on 5 May 2021, a 5-year bond of € 3 billion at a yield of 0.172% and more recently, on 9 June 2021 a 10-year bond of € 2.5 billion at a yield of 0.888%.

Regarding the outlook for the next 12 months, the major macroeconomic risks and uncertainties in Greece mainly relate with the evolution of Covid-19 pandemic and are as follows: (a) the fourth wave of the pandemic in the second half of 2021 and its negative effect on the domestic, regional and / or global economy as well as the progress on the vaccination programs, and the effectiveness of the existing vaccines against the new Covid-19 variants, (b) the actual size and duration of the fiscal measures aiming to address the effect of the pandemic on the real economy and their effect on the long-term sustainability of the country's public debt, (c) the cliff effects when temporary support measures are lifted (increase in unemployment, firm bankruptcies, and Non Performing Exposures (NPE)), (d) the pace of the tourism's recovery in 2021 and 2022, (e) the prospect of the so-called "twin deficits" (i.e. fiscal and current account deficit) becoming permanent, although currently they appear to be more a repercussion of the pandemic rather than structural, (f) the absorption capacity of the NGEU and MFF funds and the attraction of new investments in the country, (g) the implementation of the reforms and privatizations' agenda in order to meet the ES and EC's Recovery and Resilience Facility (RRF) targets and milestones, (h) the geopolitical conditions in the near or in broader region and (i) the exacerbation of natural disasters due to the climate change and their effect on GDP, employment and fiscal balance.

Materialization of the above Covid-19 related and other risks would have potentially adverse effects on the fiscal planning of the Greek sovereign and on the liquidity, solvency and profitability of the Greek banking sector, as well as on the realization of their NPE reduction plans. The Group is continuously monitoring the developments on the Covid-19 front and has increased its level of readiness, so as to accommodate decisions, initiatives and policies to protect its capital and liquidity standing as well as the fulfilment, to the maximum possible degree, of its strategic and business goals for the quarters ahead, focusing primarily on the support of its clients to overcome the challenging juncture, the mitigation of "cliff effects" post the moratoria expiration (note 3), the protection of its asset base and the resilience of its pre-provision profitability. In addition, the Group, under the extraordinary circumstances of the Covid-19 pandemic, has proceeded with the successful implementation of its Business Continuity Plan to ensure that business is continued and critical operations are unimpededly performed. In line with authorities' instructions and recommendations, the Group has taken all the required measures to ensure the health and safety of its employees and customers (e.g. implementation of teleworking, restrictions to business trips, and medical supplies for protective equipment).

The net profit attributable to shareholders for the first half of 2021 amounted to € 190 million, of which € 73 million was related to the international operations (the adjusted net profit excluding the € 5 million restructuring costs after tax, amounted to € 195 million). The Group's Total Adequacy Ratio (total CAD) and Common Equity Tier 1 (CET1) ratios, which include full year's transition effects, stood at 15.6% (31 December 2020: 16.3%) and 13.2% (31 December 2020: 13.9%) respectively as at 30 June 2021. The Group completed the 2021 SSM stress test (ST), which was coordinated and conducted by the ECB. Under the severe assumptions of the adverse scenario, as at the end of 2023, the capital depletion in terms of the Fully Loaded (FL) CET1 ratio amounts to 433 bps and the CET1 ratio stands at 8% on a transitional basis. The Group's performance in the stress test confirmed its resilience and ability to withstand a significant downturn (note 4). As at 30 June 2021, the Group's NPE stock and NPE ratio remained stable at € 5.7 billion and 14.0% respectively compared to 31 December 2020, while the NPE coverage ratio stood at 63.3% (31 December 2020: 61.9%). In accordance with the new plan for the period 2021-2022, the Group is proceeding with a new loans (primarily NPE) securitization transaction of circa € 3.2 billion gross carrying value (Project "Mexico"). Following its completion the NPE ratio is expected to decline to around 8% at the end of 2021 (note 15).

In terms of liquidity, as at 30 June 2021, the Group deposits have increased by € 2.4 billion to € 49.7 billion (31 December 2020: € 47.3 billion), leading the Group's (net) loans to deposits (L/D) ratio to 75.4% (31 December 2020: 79.1%), while the funding from the targeted long term refinancing operations of the European Central Bank – TLTRO III programme reached € 8.8 billion (31 December 2020: € 8 billion) (note 21). At the end of April 2021, the Group returned to international capital markets with the Bank's issuance of a 6-year preferred senior note of € 500 million at a yield of 2.125 % (note 24). The rise in high quality liquid assets of the Group led the respective Liquidity Coverage ratio (LCR) to 166% (31 December 2020: 124%). In the context of the 2021 ILAAP (Internal Liquidity Adequacy Assessment Process), the liquidity stress tests results indicate that the Bank has adequate liquidity buffer to cover all the potential outflows that could occur in all scenarios both in the short term (1 month horizon) and in the medium term (1 year horizon).

Going concern assessment

The Board of Directors, acknowledging the risks of the Covid-19 pandemic to the economy and the banking system and taking into account the above factors relating to (a) the prospects for a recovery of economic activity in 2021 and onwards, (b) the Group's pre-provision income generating capacity, the liquidity position and the adequacy of its capital as also evidenced by the performance to the ST, and (c) the completion of the Group's NPE reduction acceleration plan in 2020 and the new plan for the period 2021-2022, has been satisfied that the financial statements of the Group can be prepared on a going concern basis.

2.1 New and amended standards and interpretations adopted by the Group

The following amendments to standards as issued by the International Accounting Standards Board (IASB) and endorsed by the European Union (EU), apply from 1 January 2021:

Interest Rate Benchmark Reform - Phase 2 - Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

In the context of the market-wide reform of several interest rate benchmarks (referred to as ''IBOR reform''), the IASB has undertaken a two-phase project to address the issues affecting financial reporting by the IBORs' replacement and considered any reliefs to be provided in order to eliminate the effects of the IBOR reform. The Phase 1 amendments, adopted by the Group as of 1 January 2020, provided temporary reliefs from applying specific hedge accounting requirements to the relationships affected by the IBOR reform, during the period before the replacement of an existing interest rate benchmark with an alternative risk-free interest rate ("RFR").

In August 2020, the IASB issued "Interest Rate Benchmark Reform: Phase 2 Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16", which addresses the issues that affect financial reporting once an existing rate is replaced with an RFR and provides specific disclosure requirements. The Phase 2 amendments provide key reliefs related to the contractual modifications due to the reform and the hedging designations affected once the Phase 1 reliefs cease to apply.

More specifically, the amendments introduce a practical expedient if a contractual change, or changes to cash flows, result "directly" from the IBOR reform and occurs on an 'economically equivalent' basis. In these cases, changes will be accounted for by updating the effective interest rate of the financial instruments subject to reform, similar to the changes to a floating interest rate. A similar practical expedient will apply under IFRS 16 Leases for lessees when accounting for lease modifications required by the IBOR reform.

In addition, the Phase 2 amendments permit changes required by the IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued. Permitted changes include redefining the hedged risk and the description of the hedging instruments and/or the hedged items to reflect RFR as well as amending the description of how an entity will assess the hedge effectiveness (under IAS 39 only). An entity will apply the existing requirements in IAS 39 or IFRS 9 for qualifying fair value and cash flow hedging relationships to account for any changes in the fair value of the hedged item or the hedging instrument. Additionally, any resulting ineffectiveness is recognized in the income statement. Upon changing the hedge designation once the Phase 1 reliefs cease to apply, the amount accumulated in the cash flow hedge reserve is also assumed to be based on the RFR for the purpose of assessing whether the hedged future cash flows are still expected to occur.

Based on the Phase 2 amendments, when performing a retrospective hedge effectiveness assessment under IAS 39, a company may elect to reset the cumulative fair value changes of the hedged item and hedging instrument to zero immediately after ceasing to apply the Phase 1 relief on a hedge-by-hedge basis. The Phase 2 amendments clarify that changes to the method for assessing hedge ineffectiveness due to the modifications required by the IBOR reform, will not result to the discontinuation of the hedge accounting.

As described in note 2.2.3 of the consolidated financial statements for the year ended 31 December 2020, the Group elected, as a policy choice permitted under IFRS 9, to continue to apply hedge accounting in accordance with IAS 39. Therefore, for hedge accounting purposes, the Group applies the Phase 2 amendments to IAS 39.

The amendments to IFRS 4 are designed to allow insurers who are still applying IAS 39 to obtain the same reliefs as those provided by the amendments made to IFRS 9.

Consequential amendments were made by the Phase 2 amendments to IFRS 7, to enable users of financial statements to understand the effect of interest rate benchmark reform on an entity's financial instruments and risk management strategy.

Upon transition, the adoption of the amendments had no material impact on the interim consolidated financial statements. The Group continues to assess the impact of the IBOR reform considering the developments on the respective transition program.

As described in note 5.2.4 of the consolidated financial statements for the year ended 31 December 2020, the Group has established an internal Benchmark Reform Working Committee (the "BR Working Committee") consisting of representatives from competent business units across the Bank (Economic Analysis and Research, Group Market and Counterparty Risk, Legal, Group Organization & Business Analysis and Group Finance) led by the Global Markets Unit, in order to manage the transition to the new RFRs, mitigate the related risks and comply with the regulatory requirements of the EU Benchmarks Regulation (BMR). In 2021, the Working Committee has mainly focused on quantifying the exposure to the various LIBORs in order to set the necessary specifications in the Group's systems to accommodate the new RFRs, whilst follows closely all relevant developments, takes into account any recommendations and guidance by the competent authorities and bodies in respect of each benchmark under reform and examines the available and/or recommended replacement benchmarks options.

As at 30 June 2021, the Group has exposure to a significant number of IBOR-linked (mainly USD, CHF LIBOR and EONIA) financial instruments such as derivatives, loans to customers and deposit contracts. In addition, it is exposed to a number of interest rate benchmarks within its hedge accounting relationships that mature after 31 December 2021 or 30 June 2023 for specific USD LIBOR hedges, when the transition to the new RFRs is expected to be completed.

As of 30 June 2021, the uncertainty with respect to the precise methods of transition for some new benchmarks, as well as the necessary contractual modifications of the financial instruments linked to such benchmarks still remains, whilst there are ongoing official efforts aiming to facilitate the transition of legacy contracts in certain cases such as CHF Libor. Accordingly, the respective transition process to RFRs pose a variety of risks for the Group that include operational, legal and conduct risks considering the compressed timeline for the transition and the large scale of the legacy contracts that need to be modified as well as increases some financial risk in case that markets are disrupted due to the IBOR reform. Additionally, the existing uncertainty on the amount and timing of the cash flows indexed to IBOR could have consequences on the financial instruments' accounting treatment, mainly relating to hedge accounting and hedge designations. The Group expects that the existing hedge relationships will continue to qualify for hedge accounting.

The Group continues to assess the impact of IBOR reform on its operations, closely monitors the market and regulatory developments relating to the reform, reviewing the work of international industry associations such as ISDA aimed to guide the benchmark transition process and ensure compliance to the EU benchmark regulation (BMR) through the use of "standardized" market solutions and facilitate the bilateral negotiation process across market participants, while reducing the risk of non-orderly transition. In this context, the Bank has adhered to the ISDA 2018 Benchmarks Supplement Protocol as well as the ISDA 2020 IBOR Fallbacks Protocol to facilitate the transition of derivatives to the new RFRs through the incorporation of appropriate fallbacks in ISDA agreements with protocol adhering counterparties. Furthermore, the Group has taken into consideration in its overall benchmark rate transition strategy, the European Commission's public consultation on the statutory replacement on CHF Libor and EONIA, as well as the ECB's Euro Working Group public recommendations on EURIBOR cessation trigger events and fallback rates recommendations.

The Group continues to evaluate the different risks associated with the reform and takes mitigation actions, which include the development of detailed plans, processes and procedures in place to support the transition to the new RFRs by their planned cessation date, new product development, a client outreach programme to ensure readiness to mitigate and explain the changes and outcomes arising from the transition, preparation for the systems and processes adaption to deal with the alternative RFRs.

IFRS 4, Amendment, Deferral of IFRS 9

In June 2020, the IASB issued Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) that extends the fixed expiry date of the temporary exemption from applying IFRS 9 in IFRS 4 to annual reporting periods beginning on or after 1 January 2023, in order to align the effective dates of IFRS 9 Financial Instruments with IFRS 17 Insurance Contracts.

The amendment is not relevant to the Group's activities, other than through its associate Eurolife FFH Insurance Group Holdings S.A.

2.2 Other accounting developments

IFRIC agenda decision - Attributing Benefit to Periods of Service (IAS 19)
In May 2021, an IFRIC agenda decision was published that concludes about the periods of service over which an entity should attribute benefits under a specific retirement defined benefit plan based on the existing requirements of IAS 19.

The Group is currently evaluating the impact of the above agenda decision and will include any resulting adjustments in the financial statements by 31 December 2021.

3. Significant accounting estimates and judgments in applying accounting policies

In preparing these interim consolidated financial statements, the significant estimates, judgments and assumptions made by Management in applying the Group's accounting policies and the key sources of estimation uncertainty are the same as those applied in the consolidated financial statements for the year ended 31 December 2020, except for those that relate to the impact of the Covid-19 pandemic to the estimation of the expected credit losses (ECL) on loans and advances to customers as analyzed below.

Further information about the key assumptions and sources of estimation uncertainty are set out in notes 12, 13, 21, 25, 27 and 29.

Impairment losses on loans and advances to customers

With respect to the elements of the ECL models and methodologies as described in the consolidated financial statements for the year ended 31 December 2020, as at 30 June 2021, the methodology regarding the application of the three macroeconomic scenarios (baseline, optimistic, adverse) and their weights, the forward-looking information incorporated in these scenarios, as those were revised by the Group in order to reflect appropriately, to the extent possible, the negative impact of the Covid-19 pandemic, remained unchanged compared to 31 December 2020. However, with respect to the significant credit risk assessment (SICR), the Group revisited the segregation of its lending exposures at year end 2020 and 31 March 2021 depending on whether the respective borrowers were affected by the Covid-19 pandemic or not. The above segregation was applied in order to address the facts that borrowers were not equally affected by the pandemic and the effect of moratoria and government support measures were not fully captured in the macroeconomic variables applied in the IFRS9 models. As of the second quarter of 2021, given the actual evolution of the projected macroeconomic variables in 2021 and the related effect in the IFRS9 models' outputs as well as the expiration of the majority of the moratoria relief measures provided by the Group, Management assessed that the above-mentioned segmentation is no longer required. As a result, the Group ceased to segregate its lending portfolios and returned to its standard IFRS9 approach in performing both the SICR assessment and ECL measurement.

Furthermore, with respect to management overlays and adjustments, despite the signs of the gradual recovery of the economy in 2021, which demonstrated resilience towards the Covid-19 crisis, the uncertainty regarding the impact of the pandemic on both the macroeconomic environment and the borrowers' ability to repay their financial obligations still remains, while at the same time there are ongoing support measures that may delay the manifestation of a potential credit deterioration. As a result, the post model adjustment included in the impairment allowance as of 31 December 2020 remained largely unchanged.

The Group continues to monitor closely and constantly re-assesses all the available information for the Covid-19 pandemic, the prospects of the economies in which the Group operates (note 2), the nature, size and effectiveness of the government support measures, in order to revise its estimates and assumptions applied to the assessment of impairment losses as appropriate.

Covid-19 relief measures ('moratoria')

The Group has taken all appropriate actions to address liquidity difficulties of businesses and individuals caused by the limited or suspended operations of businesses resulting from the impact of Covid-19. Further information regarding the Covid-19 relief measures activated by the Group as well as the respective borrowers' eligibility criteria is provided in note 5.2.1.2 (e) of the consolidated financial statements for the year ended 31 December 2020.

As at 30 June 2021, the Group's active moratoria amount to € 0.6 billion (31 December 2020: € 2.8 billion) mainly relating to Wholesale lending.

Government support measures

In addition to the relief measures activated by the Group, the government in the countries where the Group operates has initiated various programs, in order to stimulate liquidity and economic activity and to alleviate the consequences of the Covid-19 outbreak.

The main programs that have been available to eligible borrowers in Greece include:

(i) State participation (of 40% or 5%) on newly disbursed loans granted by the Bank that is zero-interest bearing, accompanied with a government-subsidy for the interest bearing part of the principal (of 60% or 95% respectively) for the first 2 years (TEPIX II), (ii) State aid in the form of a guarantee for the 80% of the principal and the accrued interest during a period of 90 consecutive days, (iii) ‘'Gefyra I'’ subsidy program, applicable to the Retail lending portfolio secured with prime residence collateral, involving 9-months installments' state subsidy on existing lending exposures, and (iv) “Gefyra II” subsidy program (Law 4790/2021), applicable to Covid-19 affected eligible small business professionals and legal entities, as well as SMEs, involving 8-months state subsidy of up to 90% of monthly installment on existing lending exposures, followed by a probation period up to 18 months, depending on the loan performance.

As of 30 June 2021, the Bank has been allotted € 0.6 billion, of which € 0.4 billion has been utilized under program i) above and € 1.5 billion, of which € 1.3 billion utilized, under program ii) above. It is noted that the credit enhancement provided by the State under program ii) above is not accounted for separately as it is integral to the loans' terms and as such any potential benefit that may arise to the Bank in the event of the borrower's default is reflected in the guaranteed loans' ECL calculation. Additionally, as at 30 June 2021, the gross carrying amount of lending exposures under “Gefyra I” and “Gefyra II” programs amounts to € 1.5 billion and € 0.8 billion, respectively.

In addition, starting from December 2020, the Bank signed an agreement with the European Investment Bank (EIB) for the disbursement of new loans financed by EIB as a response to the Covid-19 crisis. Moreover, on existing lending facilities in the Corporate lending portfolio, a three-month, starting from 1 January 2021 government interest subsidy program was initiated in February 2021, which could be opted in combination with the other Covid-19 relief measures.

As at 30 June 2021, the gross carrying amount of loans under government support measures enacted as a response to Covid-19 pandemic in the countries that the Group operates amounts to € 221 million.

New Definition of Default

The new definition of default (DoD) for regulatory purposes introduced a new set of standards that has a significant impact on governance, data, processes, systems and credit models. The new DoD is applicable from 1 January 2021 and is set in the Article 178 of Regulation (EU) No. 575/2013, the Commission Delegated Regulation (EU) 2018/171 and European Banking Authority (EBA) Guidelines (EBA/GL/2016/07). It aims at the harmonization of the definition of default across institutions and jurisdictions in the European Union.

In particular, the new DoD guidelines specify that days past due are counted from the date that both materiality thresholds are breached (an absolute amount of the total exposure and a relative as a percentage of the exposure), include conditions for a return to non-defaulted status (introduction of a probation period) and explicit criteria for classification of restructured loans as defaulted when the diminished financial obligation criterion is satisfied (difference between the net present value of cash flows before and after the restructuring exceeds the threshold of 1%).

The Group applied the new provisions of DoD, in order to identify defaulted exposures, starting from 1 January 2021, consistently across all its lending portfolios and subsidiaries, subject to local regulations and specific credit risk characteristics of each jurisdiction. Accordingly, the definition of default for accounting purposes is aligned with the new DoD, that is also the one used for internal credit risk management purposes. The implementation of the new definition of default did not have a material impact on the Group's ECL. Further information regarding the impact of new DoD to the Group's regulatory capital is provided in note 4.

4. Capital Management

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

	30 June 2021 € million	31 December 2020 € million
Total equity	**5,453**	5,245
Add: Adjustment due to IFRS 9 transitional arrangements	**552**	849
Less: Goodwill	**(2)**	(1)
Less: Other regulatory adjustments	**(556)**	(489)
Common Equity Tier 1 Capital	**5,447**	5,604
Total Tier 1 Capital	**5,447**	5,604
Tier 2 capital-subordinated debt	**950**	950
Add: Other regulatory adjustments	**44**	-
Total Regulatory Capital	**6,441**	6,554
Risk Weighted Assets	**41,159**	40,237
Ratios:	**%**	**%**
Common Equity Tier 1	**13.2**	13.9
Tier 1	**13.2**	13.9
Total Capital Adequacy Ratio	**15.6**	16.3

Notes:

a) The Group has elected to apply the phase-in approach for mitigating the impact of IFRS 9 transition on the regulatory capital, according to the Regulation (EU) 2017/2395 (providing a 5-year transition period to recognize the impact of IFRS 9 adoption) and the Regulation 2020/873 (CRR quick fix). The transition effect is included in the regulatory capital as of the first quarter of each year.

b) The implementation of the new Definition of Default from 1 January 2021 (note 3) had a negative impact on the regulatory capital by increasing the Internal Ratings Based (IRB) approach shortfall, which is presented above within other regulatory adjustments.

c) The Group's CET1 as at 30 June 2021, based on the full implementation of the Basel III rules in 2025 (fully loaded CET1), referring mainly to the completion of the aforementioned IFRS 9 transitional arrangements, would be 12.1% (31 December 2020: 12%).

The Group has sought to maintain an actively managed capital base to cover risks inherent in the business. The adequacy of the Group's capital is monitored using, among other measures, the rules and ratios established by the Basel Committee on Banking Supervision (BIS rules/ratios) which have been incorporated in the European Union (EU) legislation through the Directive 2013/36/EU (known as CRD IV), along with the Regulation No 575/2013/EU (known as CRR). Directive 2013/36/EU was transposed into Greek legislation by Law 4261/2014. In May 2021, Law 4261/2014 was amended by Law 4799/2021, which introduced Directive 2019/878 (CRD V) into Greek law. Supplementary to that, in the context of Internal Capital Adequacy Assessment Process (ICAAP), the Group considers a broader range of risk types and the Group's risk management capabilities. ICAAP aims ultimately to ensure that the Group has sufficient capital to cover all material risks that it is exposed to, over a three-year horizon.

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

In response to the Covid-19 outbreak, on 12 March 2020, the ECB announced a number of measures to ensure that its directly supervised institutions can continue to fulfil their role in funding the real economy (note 2). Specifically, banks are allowed, among others, to operate below the level of capital defined by the Pillar 2 Guidance and, without prejudice to the restrictions set out in CRD IV, the Combined Buffer Requirement (i.e. Capital Conservation Buffer, Countercyclical Capital Buffer, Other Systemically Important Institutions Buffer) until at least the end of 2022, as per the latest ECB's communication issued on 28 July 2020. Banks are also allowed to partially use capital instruments that do not qualify as CET1 capital (i.e. Additional Tier 1 or Tier 2 instruments) to meet the Pillar 2 Requirement (P2R).

Taking into account the aforementioned developments and the 2020 SREP decision, for 2021, the Group is required to meet a Common Equity Tier 1 ratio of at least 9.25% and a Total Capital Adequacy Ratio of at least 14.06% (Overall Capital Requirement or OCR), including the Combined Buffer Requirement. The capital relief measures mentioned above do not change the level of the

Combined Buffer Requirement (stands at 3.06% and covered with CET1 capital), which sits on top of the Total SREP Capital Ratio (11%) resulting in an OCR of 14.06% in terms of total capital. According to the FAQs published by the ECB (last updated 23 July 2021), the allowance provided to banks to 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.

	30 June 2021	
	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)	0.06%	0.06%
Other systemic institutions buffer (O-SII)	0.50%	0.50%
Overall Capital Requirement (OCR)	**9.25%**	**14.06%**

Furthermore, on 24 June 2020 the Regulation 2020/873 (CRR quick fix) was adopted by the Council of the European Union and the European Parliament. This Regulation introduced some changes in the CRR to maximize the ability of banks to continue lending during the Covid-19 pandemic. These changes include among others:

-Extension by two years of the transitional arrangements for IFRS 9 and further relief measures, allowing banks to add back to their regulatory capital any increase in new provisions for expected losses that they recognize in 2020 and 2021 for their financial assets, which have not been defaulted. Accordingly, the relief applied for 2022 is 75%, for 2023 50% and for 2024 25%.

-Earlier application of the revised supporting factors for loans to SMEs and certain infrastructure projects' companies, which allows for a more favorable prudential treatment of these exposures.

-A preferential treatment of exposures to public debt issued in the currency of another Member State and flexibility regarding the large exposures limit.

Further disclosures regarding capital adequacy in accordance with the Regulation 575/2013, including the regulatory developments and relief measures introduced with CRR quick fix, are provided in the Consolidated Pillar 3 Reports on the Company's website.

2021 EU – wide stress test

In January 2021, the EBA launched the 2021 EU-wide stress test exercise which provided valuable input for assessing the resilience of the European banking sector, notably its ability to absorb shocks under adverse macroeconomic conditions.

This exercise was coordinated by the EBA in cooperation with the ECB and national authorities, and was conducted according to the EBA's methodology, which was published in November 2020. It was carried out on the basis of year-end 2020 figures and assessed the resilience of EU banks under a common macroeconomic baseline scenario and a common adverse scenario, covering the period of 2021-2023. The baseline scenario for EU countries was based on the projections from the national central banks of December 2020, while the adverse scenario assumed the materialisation of the main financial stability risks that had been identified by the European Systemic Risk Board (ESRB) and which the EU banking sector is exposed to. The adverse scenario also reflected ongoing concerns about the possible evolution of the Covid-19 pandemic coupled with a potential strong drop in confidence and was designed to ensure an adequate level of severity across all EU countries.

In parallel, the ECB also conducted its own stress test for the banks it directly supervises but that were not included in the EBA-led stress test sample. This exercise was consistent with the EBA's methodology and applied the same scenarios, while also including proportionality elements as suggested by the overall smaller size and lower complexity of these banks. Eurobank Holdings Group participated in the ECB-led stress test.

2021 Eurobank Stress Test Results

On 30 July 2021, the Company announced that Eurobank Holdings Group successfully completed the 2021 SSM Stress Test (ST), which was coordinated and conducted by the ECB. The starting point of the ST exercise was the financial and capital position of the Group as at 31 December 2020 and the ST horizon covered the period until the end of 2023.

Under the baseline scenario, the Group is capital accretive by 290 bps over the three-year ST horizon, reaching, on a fully loaded (FL) basis, total CAD ratio of 17.5%, and CET1 ratio of 14.9%, as at the end of 2023.

Under the adverse scenario, the capital depletion in terms of FL CET1 ratio amounts to 433 bps as at the end of 2023 and to 517 bps at the year with the highest impact (2021). Accordingly, the FL CET1 ratio stands at 7.6% as at the end of 2023 and at 6.8% at the year with the highest impact (2021). On a transitional basis, the CET1 ratio at the end of 2023 stands at 8%.

The Group's performance in the ST confirmed its resilience and ability to withstand a significant downturn, especially under the severe assumptions of the adverse scenario. In addition, the results of ST will be used to determine the Pillar 2 capital recommendation ("Guidance") in the context of the SREP.

5. Operating segment information

Management has determined the operating segments based on the internal reports reviewed by the Strategic Planning Committee that are used to allocate resources and to assess their performance in order to make strategic decisions. The Strategic Planning Committee considers the business both from a business unit and geographic perspective. Geographically, management considers the performance of its business activities originated from Greece and other countries in Europe (International).

Greece is further segregated into retail, corporate, global, capital markets & asset management and investment property. International is monitored and reviewed on a country basis. The Group aggregates segments when they exhibit similar economic characteristics and profile and are expected to have similar long-term economic development.

In more detail, the Group is organized in the following reportable segments:

- Retail: incorporating customer current accounts, savings, deposits and investment savings products, credit and debit cards, consumer loans, small business banking and mortgages.
- Corporate: incorporating current accounts, deposits, overdrafts, loan and other credit facilities, foreign currency and derivative products to corporate entities, custody, cash management and trade services.
- Global, Capital Markets & Asset Management: incorporating investment banking services including corporate finance, merger and acquisitions advice, financial instruments trading and institutional finance to corporate and institutional entities, as well as, specialized financial advice and intermediation to private and large retail individuals and to small and large corporate entities. In addition, this segment incorporates mutual fund and investment savings products, institutional asset management and equity brokerage.
- International: incorporating operations in Bulgaria, Serbia, Cyprus, Luxembourg and Romania.
- Investment Property: incorporating investment property activities (Bank, Eurobank Ergasias Leasing S.A. and former Grivalia group) relating to a diversified portfolio of commercial assets, with high yield on prime real estate assets, in the office, retail, logistics, infrastructure and hospitality sectors.

Other segment of the Group refers mainly to a) property management (including repossessed assets), b) other investing activities (including equities' positions), c) private banking services to medium and high net worth individuals and the Group's share of results of Eurolife Insurance group and d) the results related to the corporate transformation plan, the notes of the Cairo and Pillar securitizations, which were retained by the Group, and the Group's share of results of doValue Greece Loans and Credits Claim Management S.A.

The Group's management reporting is based on International Financial Reporting Standards (IFRS) as adopted by the EU. The accounting policies of the Group's operating segments are the same with those described in the principal accounting policies.

Revenues from transactions between business segments are allocated on a mutually agreed basis at rates that approximate market prices.

Operating segments

	For the six months ended 30 June 2021						
	Retail	Corporate	Global, Capital Markets & Asset Mngt	Investment Property	International	Other and Elimination center	Total
	€ million	€ million	€ million	€ million	€ million	€ million	€ million
Net interest income	222	161	110	(8)	185	(1)	670
Net commission income	32	35	39	0	55	(0)	161
Other net revenue	0	3	34	48	0	8	93
Total external revenue	255	199	182	39	240	8	924
Inter-segment revenue	10	20	(16)	1	(1)	(15)	-
Total revenue	265	220	166	40	240	(7)	924
Operating expenses	(204)	(61)	(31)	(19)	(116)	(1)	(433)
Impairment losses relating to loans and advances to customers	(151)	(37)	-	-	(37)	1	(224)
Other impairment losses and provisions (note 11)	(0)	(1)	1	(0)	(3)	(7)	(10)
Share of results of associates and joint ventures	(0)	0	0	(2)	(0)	8	6
Profit/(loss) before tax before restructuring costs	(90)	121	136	19	83	(6)	263
Restructuring costs (note 11)	(3)	(1)	(0)	-	(0)	(3)	(7)
Profit/(loss) before tax	(93)	120	136	19	83	(9)	256
Non controlling interests	-	-	-	(0)	(0)	(0)	(0)
Profit/(loss) before tax attributable to shareholders	(93)	120	136	19	83	(9)	256

	30 June 2021						
	Retail	Corporate	Global, Capital Markets & Asset Mngt	Investment Property	International	Other and Elimination center [1]	Total
	€ million	€ million	€ million	€ million	€ million	€ million	€ million
Segment assets	16,552	13,428	12,049	1,466	17,949	9,421	70,866
Segment liabilities	28,616	8,631	6,270	286	16,165	5,446	65,413

The International segment is further analyzed as follows:

	For the six months ended 30 June 2021					
	Bulgaria	Serbia	Cyprus	Luxembourg	Romania	Total
	€ million	€ million	€ million	€ million	€ million	€ million
Net interest income	91	26	50	13	6	185
Net commission income	30	7	16	4	(1)	55
Other net revenue	(0)	1	0	0	(1)	0
Total external revenue	120	33	66	17	4	240
Inter-segment revenue	0	(0)	0	(1)	-	(1)
Total revenue	120	33	66	16	4	240
Operating expenses	(57)	(24)	(23)	(10)	(3)	(116)
Impairment losses relating to loans and advances to customers	(20)	(6)	(3)	0	(8)	(37)
Other impairment losses and provisions	(1)	(2)	1	(0)	(0)	(3)
Share of results of associates and joint ventures	-	(0)	-	-	0	(0)
Profit/(loss) before tax before restructuring costs	42	1	41	6	(6)	83
Restructuring costs	-	-	-	(0)	-	(0)
Profit/(loss) before tax	42	1	41	5	(6)	83
Non controlling interests	(0)	(0)	-	-	-	(0)
Profit/(loss) before tax attributable to shareholders	42	1	41	5	(6)	83

	30 June 2021					
	Bulgaria	**Serbia**	**Cyprus**	**Luxembourg**	**Romania**	**International**
	€ million	**€ million**	**€ million**	**€ million**	**€ million**	**€ million**
Segment assets[(2)]	**6,518**	**1,812**	**7,351**	**2,103**	**275**	**17,949**
Segment liabilities[(2)]	**5,815**	**1,393**	**6,700**	**1,906**	**462**	**16,165**

	For the six months ended 30 June 2020						
	Retail	Corporate	Global, Capital Markets & Asset Mngt	Investment Property	International	Other and Elimination center	Total
	€ million	€ million	€ million	€ million	€ million	€ million	€ million
Net interest income	248	168	105	(9)	186	(9)	689
Net commission income	25	28	39	(0)	49	(1)	140
Other net revenue	(3)	(2)	60	52	6	212	325
Total external revenue	270	194	204	43	241	202	1,154
Inter-segment revenue	7	24	(15)	1	(1)	(16)	-
Total revenue	277	218	189	44	240	186	1,154
Operating expenses	(208)	(66)	(27)	(16)	(117)	(0)	(434)
Impairment losses relating to loans and advances to customers	(176)	(58)	-	-	(37)	(1,509)	(1,780)
Other impairment losses and provisions (note 11)	(2)	(3)	(8)	(0)	(2)	(3)	(18)
Share of results of associates and joint ventures	(0)	0	0	(1)	(0)	8	7
Profit/(loss) before tax before restructuring costs	(109)	91	154	27	84	(1,318)	(1,071)
Restructuring costs (note 11)	(3)	(0)	-	-	-	(8)	(11)
Profit/(loss) before tax	(112)	91	154	27	84	(1,326)	(1,082)
Non controlling interests	-	-	-	-	(0)	0	(0)
Profit/(loss) before tax attributable to shareholders	(112)	91	154	27	84	(1,326)	(1,082)

	31 December 2020						
	Retail	Corporate	Global, Capital Markets & Asset Mngt	Investment Property	International	Other and Elimination center[(1)]	Total
	€ million	€ million	€ million	€ million	€ million	€ million	€ million
Segment assets	16,745	13,377	12,309	1,444	16,694	7,160	67,728
Segment liabilities	27,305	8,129	6,805	310	14,993	4,941	62,483

	For the six months ended 30 June 2020					
	Bulgaria	Serbia	Cyprus	Luxembourg	Romania	Total
	€ million	€ million	€ million	€ million	€ million	€ million
Net interest income	92	27	52	11	4	186
Net commission income	25	6	14	4	(0)	49
Other net revenue	1	1	4	0	0	6
Total external revenue	118	34	70	15	4	241
Inter-segment revenue	0	(0)	(0)	(1)	-	(1)
Total revenue	118	34	70	14	4	240
Operating expenses	(59)	(24)	(22)	(9)	(3)	(117)
Impairment losses relating to loans and advances to customers	(27)	(3)	(4)	(0)	(3)	(37)
Other impairment losses and provisions	(2)	(0)	(0)	(0)	-	(2)
Share of results of associates and joint ventures	-	(0)	-	-	0	(0)
Profit/(loss) before tax	30	7	44	5	(2)	84
Non controlling interests	(0)	(0)	-	-	-	(0)
Profit/(loss) before tax attributable to shareholders	30	7	44	5	(2)	84

	31 December 2020					
	Bulgaria € million	Serbia € million	Cyprus € million	Luxembourg € million	Romania € million	International € million
Segment assets (2)	6,010	1,691	6,852	1,892	301	16,694
Segment liabilities (2)	5,359	1,275	6,232	1,699	481	14,993

(1) Interbank eliminations between International and the other Group's segments are included.

(2) Intercompany balances among the Countries have been excluded from the reported assets and liabilities of International segment.

6. Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the period, excluding the average number of ordinary shares purchased by the Group and held as treasury shares.

The diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all potentially dilutive ordinary shares. As at 30 June 2021, the Group has no potentially dilutive ordinary shares. Information for the five year shares award plan, starting from 2021, in the form of stock options rights approved by the Annual General Meeting of the shareholders of the Company on 28 July 2020, is provided in note 37 "Share capital, share premium and treasury shares" of the consolidated financial statements for the year ended 31 December 2020.

		Six months ended 30 June		Three months ended 30 June	
		2021	2020	**2021**	2020
Net profit/(loss) for the period attributable to ordinary shareholders (1)	*€ million*	**190**	(1,166)	**120**	(1,223)
Weighted average number of ordinary shares in issue for basic earnings per share	*Number of shares*	***3,707,174,410***	*3,707,517,541*	***3,706,693,220***	*3,708,153,718*
Earnings/(losses) per share					
- Basic and diluted earnings/(losses) per share	€	**0.05**	(0.31)	**0.03**	(0.33)

(1) After deducting dividend attributable to preferred securities holders, for the comparative period.

7. Net interest income

	30 June 2021 € million	30 June 2020 € million
Interest income		
Customers	**612**	695
Banks and other assets (1)	**3**	5
Securities	**73**	98
Derivatives	**225**	218
	913	1,016
Interest expense		
Customers	**(28)**	(64)
Banks (1)(2)	**37**	(19)
Debt securities in issue	**(37)**	(48)
Derivatives	**(213)**	(194)
Lease liabilities - IFRS 16	**(2)**	(2)
	(243)	(327)
Total	**670**	689

(1) In the period ended 30 June 2021, interest from financial assets with negative rates is recorded in interest expense. Comparative information has been adjusted accordingly resulting in a reclassification of € 5 million from interest income to interest expense.
(2) For the period ended 30 June 2021, it includes a benefit of € 61 million that is attributable to the targeted longer-term refinancing operations (TLTRO III) of the European Central Bank (note 21).

8. Net banking fee and commission income

The following tables include net banking fees and commission income from contracts with customers in the scope of IFRS 15, disaggregated by major type of services and operating segments (note 5).

	30 June 2021					
	Retail	Corporate	Global, Capital Markets & Asset Mngt	International	Other and Elimination center	Total
	€ million	€ million	€ million	€ million	€ million	€ million
Lending related activities	5	29	3	6	(0)	43
Mutual funds and assets under management	7	1	16	4	4	32
Network activities and other[(1)]	20	3	11	43	(4)	73
Capital markets	-	3	8	3	0	13
Total	**32**	**35**	**39**	**55**	**(0)**	**161**

	30 June 2020					
	Retail	Corporate	Global, Capital Markets & Asset Mngt	International	Other and Elimination center	Total
	€ million	€ million	€ million	€ million	€ million	€ million
Lending related activities	4	22	3	6	(0)	35
Mutual funds and assets under management	8	1	13	4	3	29
Network activities and other [(1)]	13	2	12	37	(4)	60
Capital markets	(0)	3	11	2	0	16
Total	25	28	39	49	(1)	140

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

9. Operating expenses

	30 June 2021	30 June 2020
	€ million	€ million
Staff costs	**(215)**	(227)
Administrative expenses	**(121)**	(116)
Contributions to resolution and deposit guarantee funds	**(39)**	(38)
Depreciation of real estate properties and equipment	**(21)**	(18)
Depreciation of right of use assets	**(19)**	(19)
Amortisation of intangible assets	**(18)**	(16)
Total	**(433)**	(434)

The average number of employees of the Group during the period was 11,465 (30 June 2020: 13,167). As at 30 June 2021, the number of branches and business/private banking centers of the Group amounted to 623.

10. Impairment allowance for loans and advances to customers

The following tables present the movement of the impairment allowance on loans and advances to customers (expected credit losses – ECL). Information with regards to the estimates applied for the expected credit loss measurement as at 30 June 2021 is provided in note 3.

	30 June 2021			
	12-month ECL - Stage 1 € million	Lifetime ECL - Stage 2 € million	Lifetime ECL - Stage 3 and POCI[1] € million	Total € million
Impairment allowance as at 1 January 2021	183	439	2,855	3,477
Transfers between stages	48	1	(49)	-
Impairment loss for the period	(24)	(9)	284	250
Recoveries from written - off loans	-	-	13	13
Loans and advances derecognised/ reclassified as held for sale during the period[2]	(0)	(0)	(9)	(9)
Amounts written off	-	-	(79)	(79)
Unwinding of Discount	-	-	(27)	(27)
Foreign exchange and other movements	(14)	(9)	(31)	(54)
Impairment allowance as at 30 June 2021[3]	**193**	**422**	**2,956**	**3,572**

	30 June 2020			
	12-month ECL - Stage 1 € million	Lifetime ECL - Stage 2 € million	Lifetime ECL - Stage 3 and POCI [1] € million	Total € million
Impairment allowance as at 1 January 2020	136	407	6,556	7,099
Transfers between stages	16	53	(69)	-
Impairment loss for the period	23	90	1,628	1,741
Recoveries from written - off loans	-	-	12	12
Loans and advances derecognised/ reclassified as held for sale during the period [2]	(32)	(151)	(4,748)	(4,931)
Amounts written off	-	-	(121)	(121)
Unwinding of Discount	-	-	(87)	(87)
Foreign exchange and other movements	8	6	(27)	(13)
Impairment allowance as at 30 June 2020	151	405	3,144	3,700

[1] *The impairment allowance for POCI loans of € 4 million is included in 'Lifetime ECL –Stage 3 and POCI' (30 June 2020: € 5 million).*

[2] *It represents the impairment allowance of loans derecognized during the period due to a) sale transactions and b) substantial modifications of the loans' contractual terms and those that have been classified as held for sale during the period (note 13).*

[3] *As at 30 June 2021, the expected credit losses of the loan portfolio of Mexico securitization incorporate a probability weighted disposal scenario, which was determined after assessing the available information regarding the Mexico project's progress as of the aforementioned date as well as the timing of completion, outcome and prerequisites of the individual steps involved, including required outstanding regulatory approvals (note 15.1).*

The impairment losses relating to loans and advances to customers recognized in the Group's income statement for the period ended 30 June 2021 amounted to € 224 million (30 June 2020: € 1,780 million, including € 1,509 million loss relating to the Cairo transaction) and are analyzed as follows:

	30 June 2021 € million	30 June 2020 € million
Impairment loss on loans and advances to customers	**(250)**	(1,741)
Modification gain / (loss) on loans and advances to customers	**19**	(35)
Impairment (loss)/ reversal for credit related commitments	**7**	(4)
Total	**(224)**	(1,780)

11. Other impairments, restructuring costs and provisions

	30 June 2021 € million	30 June 2020 € million
Impairment and valuation losses on real estate properties	**(5)**	(5)
Impairment (losses)/ reversal on bonds	**2**	(9)
Other impairment losses and provisions[1]	**(7)**	(4)
Other impairment losses and provisions	**(10)**	(18)
Voluntary exit schemes and other related costs	**(5)**	(5)
Other restructuring costs	**(2)**	(6)
Restructuring costs	**(7)**	(11)
Total	**(17)**	(29)

[1] Includes impairment losses on software, other assets and provisions on litigations and other operational risk events.

12. Income tax

	30 June 2021 € million	30 June 2020 € million
Current tax [1]	**(12)**	(20)
Deferred tax	**(54)**	(64)
Total income tax	**(66)**	(84)

[1] For the period ended 30 June 2021, it includes € 5 million reversal of provision for an uncertain tax position of a Company's subsidiary, following a positive decision issued by the Supreme Court.

According to Law 4172/2013 currently in force, the nominal Greek corporate tax rate for credit institutions that fall under the requirements of article 27A of Law 4172/2013 regarding eligible DTAs/deferred tax credits (DTCs) against the Greek State is 29%. According to Law 4799/2021, which was enacted in May 2021 and amended Law 4172/2013, the Greek corporate tax rate for legal entities other than the aforementioned credit institutions decreased from 24% to 22% from the tax year 2021 onwards. This resulted to a reduction in the net deferred tax liability by ca. € 1.6 million for the Company's Greek subsidiaries that has been recorded in the income statement. In addition, the withholding tax rate for dividends distributed, other than intragroup dividends, is 5%. In particular, the intragroup dividends under certain preconditions are relieved from both income and withholding tax.

The nominal corporate tax rates applicable in the banking subsidiaries incorporated in the international segment of the Group (note 5) are as follows: Bulgaria 10%, Serbia 15%, Cyprus 12.5% and Luxembourg 24.94%.

Tax certificate and open tax years

The Company and its subsidiaries, associates and joint ventures, which operate in Greece (notes 17.1 and 18) have in principle 1 to 6 open tax years. For the open tax year 2015 the Company and the Group's Greek entities, with annual financial statements audited compulsorily, were required to obtain an 'Annual Tax Certificate' pursuant to the Law 4174/2013, which is issued after a tax audit is performed by the same statutory auditor or audit firm that audits the annual financial statements. For fiscal years starting from 1 January 2016 onwards, the 'Annual Tax Certificate' is optional, however, the Company and (as a general rule) the Group's Greek companies will continue to obtain such certificate.

The tax certificates, which have been obtained by the Company and its subsidiaries, associates and joint ventures, which operate in Greece, are unqualified for the open tax years 2015-2019. For the year ended 31 December 2020, the tax audits from external auditors are in progress.

In accordance with the Greek tax legislation and the respective Ministerial Decisions issued, additional taxes and penalties may be imposed by the Greek tax authorities following a tax audit within the applicable statute of limitations (i.e. in principle five years as from the end of the fiscal year within which the relevant tax return should have been submitted), irrespective of whether an unqualified tax certificate has been obtained from the tax paying company. In light of the above, as a general rule, the right of the Greek State to impose taxes up to tax year 2014 (included) has been time-barred for the Company and the Group's Greek entities as at 31 December 2020. On 18 January 2021, the Company received two orders for a tax audit by the tax authorities for the tax years 2015 and 2016. The tax audit is in progress.

The open tax years of the foreign banking entities of the Group are as follows: (a) Eurobank Cyprus Ltd, 2018-2020, (b) Eurobank Bulgaria A.D., 2015-2020, (c) Eurobank A.D. Beograd (Serbia), 2015-2020, and (d) Eurobank Private Bank Luxembourg S.A., 2016-2020. The remaining foreign entities of the Group (notes 17.1 and 18), which operate in countries where a statutory tax audit is explicitly stipulated by law, have 2 to 6 open tax years in principle, subject to certain preconditions of the applicable tax legislation of each jurisdiction.

In reference to its total uncertain tax positions, the Group assesses all relevant developments (e.g. legislative changes, case law, ad hoc tax/legal opinions, administrative practices) and raises adequate provisions.

Deferred tax

Deferred tax is calculated on all deductible temporary differences under the liability method as well as for unused tax losses at the rate in effect at the time the reversal is expected to take place.

The movement on deferred tax is as follows:

	30 June 2021 € million
Balance at 1 January	**4,505**
Arising from acquisition[1]	**(2)**
Income statement credit/(charge)	**(54)**
Investment securities at FVOCI	**2**
Cash flow hedges	**(9)**
Balance at 30 June	**4,442**

[1] It refers to the acquisition of Value Touristiki S.A. (note 17.1).

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

	30 June 2021 € million	31 December 2020 € million
Impairment/ valuation relating to loans and accounting write-offs [1]	**941**	1,608
PSI+ tax related losses	**1,026**	1,051
Losses from disposals and crystallized write-offs of loans[1]	**2,438**	1,778
Other impairments/ valuations through the income statement	**145**	156
Unused tax losses	**1**	1
Costs directly attributable to equity transactions	**7**	8
Cash flow hedges	**11**	20
Defined benefit obligations	**12**	12
Real estate properties, equipment and intangible assets	**(77)**	(74)
Investment securities at FVOCI	**(140)**	(142)
Other	**78**	87
Net deferred tax	**4,442**	4,505

[1] The crystallization for tax purposes of impairment losses and write-offs relating to the project "Mexico" (note 15.1) resulted in the significant increase of the deferred tax on the category "Losses from disposals and crystallised write-offs of loans" against a decrease in the category "Impairment/valuation relating to loans and accounting write-offs".

The net deferred tax is analyzed as follows:

	30 June 2021 € million	31 December 2020 € million
Deferred tax assets	**4,465**	4,526
Deferred tax liabilities	**(23)**	(21)
Net deferred tax	**4,442**	4,505

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

	30 June 2021 € million	30 June 2020 € million
Impairment/ valuation relating to loans, disposals and write-offs	**(7)**	(21)
Unused tax losses	**(1)**	(1)
Tax deductible PSI+ losses	**(25)**	(25)
Change in fair value and other temporary differences	**(21)**	(17)
Deferred income tax (charge)/credit	**(54)**	(64)

As at 30 June 2021, the Group recognized net deferred tax assets amounting to € 4.4 billion as follows:

(a) € 941 million refer to deductible temporary differences arising from impairment/valuation relating to loans including the accounting debt write-offs according to the Greek tax law 4172/2013, as in force. These temporary differences can be utilized in future periods with no specified time limit and according to current tax legislation of each jurisdiction;

(b) € 1,026 million refer to losses resulted from the Group's participation in PSI+ and the Greek's state debt buyback program which are subject to amortization (i.e. 1/30 of losses per year starting from year 2012 onwards) for tax purposes;

(c) € 2,438 million refer to the unamortized part of the crystallized tax losses arising from write-offs and disposals of loans, which are subject to amortization over a twenty-year period, according to the Greek tax law 4172/2013, as in force;

(d) € 7 million mainly refer to deductible temporary differences related to the (unamortized for tax purposes) costs directly attributable to Eurobank Ergasias S.A. share capital increases, subject to 10 years' amortization according to tax legislation in force at the year they have been incurred;

(e) € 1 million refer to the unused tax losses of the Company's subsidiaries; and

(f) € 29 million refer to other taxable and deductible temporary differences (i.e. valuation gains/losses, provisions for pensions and other post-retirement benefits, etc.) the majority of which can be utilized in future periods with no specified time limit and according to the applicable tax legislation of each jurisdiction.

Assessment of the recoverability of deferred tax assets

The recognition of the above presented deferred tax assets is based on management's assessment that the Group's legal entities will have sufficient future taxable profits, against which the deductible temporary differences and the unused tax losses can be utilized. The deferred tax assets are determined on the basis of the tax treatment of each deferred tax asset category, as provided by the applicable tax legislation of each jurisdiction and the eligibility of carried forward losses for offsetting with future taxable profits. Additionally, the Group's assessment on the recoverability of recognized deferred tax assets is based on (a) the future performance expectations (projections of operating results) and growth opportunities relevant for determining the expected future taxable profits, (b) the expected timing of reversal of the deductible and taxable temporary differences, (c) the probability that the Group entities will have sufficient taxable profits in the future, in the same period as the reversal of the deductible and taxable temporary differences or in the years into which the tax losses can be carried forward, and (d) the historical levels of Group entities' performance in combination with the previous years' tax losses caused by one off or non-recurring events.

In particular, as of 30 June 2021, the deferred tax asset (DTA) recoverability assessment has been based on the three-year Business Plan that was approved by the Board of Directors in December 2020, for the period up to the end of 2023, (also submitted to the Single Supervisory Mechanism -SSM-) and certain updates of the above plan that were carried out in the first half of 2021. For the years beyond 2023, the forecast of operating results was based on the management projections considering the growth opportunities of the Greek economy, the banking sector and the Group itself. Specifically, the management projections for the Group's future profitability adopted in the Business Plan, as updated in the first half of 2021, have considered, among others, (a) the impact of the continuing Covid-19 pandemic and the relevant mitigating measures taken by the national and European authorities on the economy and the banking system (note 2) and (b) the planned strategic initiatives, including securitizations of loan portfolios (information for project "Mexico" is provided in the note 15.1), for the further reduction of the NPE in line with the Group's 2021-2023 NPE Management Strategy that was submitted to SSM in March 2021.

The Group closely monitors and constantly assesses the developments on the Covid-19 front and their effect on the assumptions used in its plans and the projections for future profitability and will continue to update its estimates accordingly.

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

As at 30 June 2021, pursuant to the Law 4172/2013, as in force, the Bank's eligible DTAs/deferred tax credits (DTCs) against the Greek State amounted to € 3,624 million (31 December 2020: € 3,691 million). The decrease is due to the annual amortization of PSI+ losses and DTC eligible crystallized loan losses from write-offs and disposals. The DTCs will be converted into directly enforceable claims (tax credit) against the Greek State provided that the Bank's after tax accounting result for the year is a loss. In particular, DTCs are accounted for on: (a) the losses from the Private Sector Involvement (PSI) and the Greek State Debt Buyback Program and (b) on the sum of (i) the unamortized part of the crystallized loan losses from write-offs and disposals, (ii) the accounting debt write-offs and (iii) the remaining accumulated provisions and other losses in general due to credit risk recorded up to 30 June 2015.

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

According to tax Law 4172/2013 as in force, an annual fee of 1.5% is imposed on the excess amount of deferred tax assets guaranteed by the Greek State, stemming from the difference between the current tax rate for the eligible credit institutions (i.e. 29%) and the tax rate applicable on 30 June 2015 (i.e. 26%). For the period ended 30 June 2021, an amount of € 3.2 million has been recognized in "Other income/(expenses)".

13. Assets of disposal groups classified as held for sale

Real estate properties

At the end of 2019, the Group, in the context of its strategy for the active management of its real estate portfolio (repossessed, investment properties and own used properties) classified as held for sale (HFS) three pools of real estate assets of total value ca. €63 million, after their remeasurement in accordance with IFRS 5 requirements. Following the completion of certain sales during 2020 and the first half of 2021, as well as certain additions of real estate assets to the abovementioned portfolios, the carrying amount of these assets as at 30 June 2021 amounted to € 38 million (31 December 2020: € 39 million).

The Group remains committed to its plan to sell the aforementioned assets, which continue to be actively marketed for sale, while a number of sales of individual items within the portfolios have already taken place.

The sale of the real estate properties classified as HFS, which was initially expected to be concluded within 2020, has been extended beyond this period due to the extraordinary conditions related to Covid-19 pandemic and is currently expected to be completed within 2021.

The above non-recurring fair value measurement was categorized as Level 3 of the fair value hierarchy due to the significance of the unobservable inputs used with no change occurring up to 30 June 2021.

Non-performing loan portfolios

In the second quarter of 2021, Eurobank Bulgaria A.D. entered into an agreement for the disposal of non-performing corporate and retail loans. Accordingly, loans with gross carrying amount of € 18.2 million, which carried an impairment allowance of € 4.6 million, were classified as held for sale. The transaction was completed in July 2021 with no effect in the Group's income statement.

14. Derivative financial instruments

	30 June 2021		31 December 2020	
	Fair values		Fair values	
	Assets	**Liabilities**	Assets	Liabilities
	€ million	**€ million**	€ million	€ million
Derivatives for which hedge accounting is not applied/ held for trading	**1,999**	**1,679**	2,545	2,196
Derivatives designated as fair value hedges	**86**	**549**	3	636
Derivatives designated as cash flow hedges	**21**	**74**	4	107
Total derivatives assets/liabilities	**2,106**	**2,302**	2,552	2,939

As at 30 June 2021, the derivative assets and liabilities decreased by € 446 million and € 637 million, respectively, compared to 31 December 2020, mainly as a result of the upward movement of the euro interest rate curve. On the same date, the net carrying value of the derivatives with the Hellenic Republic amounted to € 1,228 million (31 December 2020: € 1,632 million).

15. Loans and advances to customers

	30 June 2021 € million	31 December 2020 € million
Loans and advances to customers at amortised cost		
- Gross carrying amount	41,061	40,874
- Impairment allowance	(3,572)	(3,477)
Carrying Amount	**37,490**	37,397
Loans and advances to customers at FVTPL	**22**	27
Total	**37,511**	37,424

The table below presents the carrying amount of loans and advances to customers per business unit and per stage as at 30 June 2021:

	30 June 2021				31 December 2020
	12-month ECL-Stage 1 € million	Lifetime ECL-Stage 2 € million	Lifetime ECL - Stage 3 and POCI [(1)] € million	Total amount € million	Total amount € million
Loans and advances to customers at amortised cost					
Mortgage lending:					
- Gross carrying amount	6,755	2,989	1,753	11,497	11,650
- Impairment allowance	(25)	(169)	(702)	(896)	(842)
Carrying Amount	6,730	2,820	1,051	10,601	10,809
Consumer lending:					
- Gross carrying amount	2,258	376	789	3,423	3,408
- Impairment allowance	(43)	(50)	(652)	(745)	(719)
Carrying Amount	2,214	326	137	2,678	2,688
Small Business lending:					
- Gross carrying amount	2,465	905	1,132	4,501	4,476
- Impairment allowance	(46)	(93)	(564)	(702)	(674)
Carrying Amount	2,419	812	568	3,799	3,802
Wholesale lending: [(2)]					
- Gross carrying amount	17,651	1,931	2,059	21,640	21,340
- Impairment allowance	(79)	(110)	(1,039)	(1,228)	(1,242)
Carrying Amount	17,572	1,821	1,020	20,412	20,098
Total loans and advances to customers at AC					
- Gross carrying amount	29,128	6,201	5,733	41,061	40,874
- Impairment allowance	(193)	(422)	(2,956)	(3,572)	(3,477)
Carrying Amount	**28,935**	**5,778**	**2,776**	**37,490**	37,397
Loans and advances to customers at FVTPL					
Carrying Amount [(3)]				**22**	27
Total				**37,511**	37,424

[(1)] As at 30 June 2021, POCI loans of € 39 million gross carrying amount (of which € 37 million included in non performing exposures) and € 4 million impairment allowance are presented in 'Lifetime ECL – Stage 3 and POCI' (31 December 2020: € 43 million gross carrying amount and € 3.5 million impairment allowance).

[(2)] Includes € 1,057 million related to the senior notes of the Pillar securitization and € 2,439 million of the Cairo securitization which are under the Hellenic Asset Protection Scheme. The notes have been categorized in Stage 1.

[(3)] Includes € 7.4 million related to the mezzanine notes of the Pillar and Cairo securitizations.

Operational targets for Non-Performing Exposures (NPE)

As at 30 June 2021, the Group's NPE stock and NPE ratio remained stable at € 5.7 billion and 14.0% respectively compared to 31 December 2020, while the NPE coverage ratio stood at 63.3% (31 December 2020: 61.8%).

In line with the regulatory framework and SSM requirements for NPE management, in March 2021 the Group submitted its NPE Management Strategy for 2021-2023, along with NPE stock annual targets at both Bank and Group level. The submitted plan has taken into account a new NPE securitization of gross carrying amount of ca. € 3.2 billion (note 15.1) and envisages the decrease of NPE ratio at 8.8% (currently estimated at approximately 8%) at the end of 2021, 6.4% in 2022 and below 6% in 2023.

Eurobank has been taking all appropriate actions to address liquidity difficulties of businesses and individuals caused by the limited or suspended operations of businesses resulting from the impact of Covid-19. In this context, Eurobank has defined a set of emergency relief measures that have been applied to specific segments that are affected by Covid-19. Since January 2021 when the vast majority of moratoria measures expired, the priority of the Bank is to take timely action to minimize any cliff effects, capitalizing on all available schemes and offering customized solutions that will gradually lead to pre Covid-19 payment patterns.

15.1 NPE reduction plan – project "Mexico"

In line with the regulatory framework and Single Supervisory Mechanism (SSM) requirements for the non-performing loans (NPE) management, the Group contemplated another NPE securitization transaction (Project Mexico) in order to decrease further its NPE ratio by the end of 2021 and strengthen its balance sheet de-risking. Moreover, the Group targets to include Project Mexico under the Hellenic Asset Protection Scheme (HAPS) thus benefit from the Greek State's unconditional, timely and irrevocable guarantee which is subject to the accounting derecognition of the underlying loan portfolio from the Group's balance sheet.

At first, in May 2021, the Bank, through its special purpose financing vehicle (SPV) 'Mexico Finance Designated Activity Company', issued senior (Class A), mezzanine (Class B) and junior (Class C) notes of total nominal amount of ca. € 5.2 billion, via a securitization of a mixed portfolio comprising primarily NPE of total principle amount due of ca. € 5.2 billion and gross carrying amount of ca. € 3.2 billion, which were fully retained by the Bank (note 24). The control of the SPV resides with the majority holder of the Class B notes. Accordingly, the Group, being the sole holder of the issued notes, controls the SPV and continues recognizing the underlying loan portfolio on its balance sheet on the basis that it retains substantially all risks and rewards of ownership.

On 1 June 2021, the General Shareholders' Meeting of the Bank (GM), following the relevant decision of its Board of Directors (BoD), approved the distribution of the 95% of the mezzanine and junior notes of Mexico securitization to its parent company (Eurobank Holdings) through the decrease in kind of the Bank's share capital. The aforementioned GM's approval for the Bank's share capital reduction and the relevant amendments of its articles of association was subject to the prior receipt of the required regulatory approval.

Post balance sheet event
The initiation of the regulatory approval process for the Bank's share capital decrease took place in early July, while the required approvals were provided in August 2021.

The distribution in kind of the Bank to its parent company though a share capital reduction constitutes a common control transaction within the scope of IAS 32 "Financial Instruments: Presentation". However, the above accounting standard does not shed light on the various issues arising in non cash distributions, such as the amount to be recorded in equity as well as whether recording of the transaction should be performed in fair or book values. On the other hand, IFRIC 17 "Distributions of Non-cash Assets to Owners", that specifies the use of fair values in specific types of distributions, does not apply to common control transactions, which are explicitly excluded from its scope. Considering the scope limitation of IFRIC 17, the Bank will apply the use of book values in intercompany distributions of non-cash assets, consistently with the accounting policies already applied in other types of common control transactions. Given so, the reduction of the Bank's total equity that occurs as soon as the regulatory approvals for the capital reduction are granted, is determined by the book value of the assets distributed.

The settlement of the above mentioned distribution, that is expected to take place in September 2021, will result in the de-recognition of the underlying loan portfolio and the related assets and liabilities from the Bank's balance sheet on the basis that the Bank will transfer substantially all risks and rewards of the portfolio's ownership and will relinquish its control over the portfolio and the SPV, which resides with the majority stake of Class B noteholders. At the same time Eurobank Holdings will recognize the distributed notes at fair value and will obtain the control of the SPV.

The distribution of 95% of the mezzanine and junior notes from the Bank to its parent company under a share capital reduction, as analysed above, is an intercompany transaction thus does not affect the consolidation of the SPV and recognition assessment of the underlying loan portfolio, which will continue to be recognised at Holdings Group level considering the latter continues to retain the 100% of the issued notes.

The percentage holding of the notes issued by the SPV, post the share capital decrease in kind, is presented in the table below:

Notes	Bank	Eurobank Holdings	Group
Class A	**100%**	**0%**	**100%**
Class B	**5%**	**95%**	**100%**
Class C	**5%**	**95%**	**100%**

The Mexico project represents the continuation of the Group's NPE reduction acceleration plan that was successfully completed in 2020, where NPE are transferred to Eurobank Holdings, the group company being responsible for the overall management and supervision of the Group's NPE. Moreover, the Group, depending on the timing of completion and outcome of the actions required, as well as the existing market conditions, assesses its alternatives for the disposal of the retained notes. Subject to the completion of all required steps of the Mexico project that will lead to the de-recognition of the underlying loan portfolio from its balance sheet, the Group envisages a reduction of its NPE ratio to around 8% at the end of 2021 and estimates that the transaction will have no material impact on its regulatory capital ratios.

Post balance sheet event

In August 2021, a commitment letter was signed between Eurobank Holdings, Eurobank and doValue S.p.A. for the sale of 95% of mezzanine and junior notes of Mexico securitization, subject to certain conditions, including the completion of the aforementioned notes' distribution from the Bank to Eurobank Holdings as well as HAPS guarantee and regulatory approval on underlying loan portfolio's significant risk transfer.

16. Investment securities

	30 June 2021		
	12-month ECL-Stage 1 € million	**Lifetime ECL-Stage 2 € million**	**Total € million**
Investment securities at amortised cost			
- Gross carrying amount	3,780	-	3,780
- Impairment allowance	(5)	-	(5)
Carrying Amount	3,775	-	3,775
Investment securities at FVOCI			
Carrying Amount	5,435	7	5,442
Total	**9,210**	**7**	**9,216**
Investment securities at FVTPL			
Carrying Amount			146
Total Investment securities			**9,362**

	31 December 2020		
	12-month ECL-Stage 1 € million	Lifetime ECL-Stage 2 € million	Total € million
Investment securities at amortised cost			
- Gross carrying amount	2,789	-	2,789
- Impairment allowance	(5)	-	(5)
Carrying Amount	2,784	-	2,784
Investment securities at FVOCI			
Carrying Amount	5,444	10	5,454
Total	8,229	10	8,239
Investment securities at FVTPL			
Carrying Amount			127
Total Investment securities			8,365

The investment securities per category are analyzed as follows:

	30 June 2021			
	Investment securities at FVOCI € million	**Investment securities at amortised cost € million**	**Investment securities at FVTPL € million**	**Total € million**
Debt securities				
- Greek government bonds	**1,859**	**2,828**	**-**	**4,687**
- Greek government treasury bills	**113**	**-**	**-**	**113**
- Other government bonds	**2,007**	**522**	**-**	**2,529**
- Other issues	**1,462**	**424**	**2**	**1,888**
	5,442	**3,774**	**2**	**9,218**
Equity securities	**-**	**-**	**144**	**144**
Total	**5,442**	**3,774**	**146**	**9,362**

	31 December 2020			
	Investment securities at FVOCI € million	Investment securities at amortised cost € million	Investment securities at FVTPL € million	Total € million
Debt securities				
- Greek government bonds	1,992	1,949	-	3,941
- Greek government treasury bills	75	-	-	75
- Other government bonds [(1)]	2,151	527	-	2,678
- Other issues	1,236	309	2	1,547
	5,454	2,784	2	8,240
Equity securities	-	-	125	125
Total	5,454	2,784	127	8,365

[(1)] *Other government bonds include EFSF bonds of carrying amount of € 171 million.*

Post balance sheet event

On 23 July 2021, Eurobank S.A. announced the acquisition of a 9.9% holding in Hellenic Bank Public Company Limited ("Hellenic Bank") and the entering into a share purchase agreement with Third Point Hellenic Recovery Fund L.P. for the acquisition of an additional 2.7%, subject to all customary regulatory approvals.

Hellenic Bank is one of the largest financial institutions in Cyprus, active in personal, business and international banking. The above investment is aligned with the overall strategy of the Group to further strengthen its presence in all key markets in which retains a strategic interest.

17. Group composition

17.1 Shares in subsidiaries

The following is a listing of the Company's subsidiaries as at 30 June 2021, included in the interim consolidated financial statements for the period ended 30 June 2021:

Name	Note	Percentage holding	Country of incorporation	Line of business
Eurobank S.A.	d	100.00	Greece	Banking
Be Business Exchanges S.A. of Business Exchanges Networks and Accounting and Tax Services		98.01	Greece	Business-to-business e-commerce, accounting, tax and sundry services
Eurobank Asset Management Mutual Fund Mngt Company Single Member S.A.		100.00	Greece	Mutual fund and asset management
Eurobank Equities Investment Firm Single Member S.A.		100.00	Greece	Capital markets and advisory services
Eurobank Ergasias Leasing Single Member S.A.	d	100.00	Greece	Leasing
Eurobank Factors Single Member S.A.		100.00	Greece	Factoring
Hellenic Post Credit S.A.		50.00	Greece	Credit card management and other services
Herald Greece Single Member Real Estate development and services S.A. 1		100.00	Greece	Real estate
Herald Greece Single Member Real Estate development and services S.A. 2		100.00	Greece	Real estate
Standard Single Member Real Estate S.A.		94.10	Greece	Real estate
Cloud Hellas Single Member Ktimatiki S.A.		100.00	Greece	Real estate
Piraeus Port Plaza 1 Single Member Development S.A.		100.00	Greece	Real estate
(Under liquidation) Real Estate Management Single Member S.A.		100.00	Greece	Real estate services
(Under liquidation) Anchor Hellenic Investment Holding Single Member S.A.		100.00	Greece	Real estate
Vouliagmeni Residence Single Member S.A.		100.00	Greece	Real estate
Athinaiki Estate Investments Single Member S.A.		100.00	Greece	Real estate
Piraeus Port Plaza 2 Development S.A.		100.00	Greece	Real estate
Piraeus Port Plaza 3 Development S.A.		100.00	Greece	Real estate
Tenberco Properties Development and Exploitation Single Member S.A.		100.00	Greece	Real estate
Value Touristiki S.A.	b	100.00	Greece	Real estate
Mexico Estate Single Member S.A.	c	100.00	Greece	Real estate
Eurobank Bulgaria A.D.		99.99	Bulgaria	Banking
IMO 03 E.A.D.		100.00	Bulgaria	Real estate services
IMO Property Investments Sofia E.A.D.		100.00	Bulgaria	Real estate services
ERB Hellas (Cayman Islands) Ltd		100.00	Cayman Islands	Special purpose financing vehicle
Berberis Investments Ltd		100.00	Channel Islands	Holding company
Eurobank Cyprus Ltd		100.00	Cyprus	Banking
ERB New Europe Funding III Ltd		100.00	Cyprus	Finance company
Foramonio Ltd		100.00	Cyprus	Real estate
NEU 03 Property Holdings Ltd		100.00	Cyprus	Holding company
NEU Property Holdings Ltd		100.00	Cyprus	Holding company
Lenevino Holdings Ltd		100.00	Cyprus	Real estate
Rano Investments Ltd		100.00	Cyprus	Real estate
Neviko Ventures Ltd		100.00	Cyprus	Real estate
Staynia Holdings Ltd		100.00	Cyprus	Holding company
Zivar Investments Ltd		100.00	Cyprus	Real estate
Amvanero Ltd		100.00	Cyprus	Real estate
Ragisena Ltd		100.00	Cyprus	Real estate
Revasono Holdings Ltd		100.00	Cyprus	Real estate
Volki Investments Ltd		100.00	Cyprus	Real estate
Adariano Investments Ltd		100.00	Cyprus	Real estate
Elerovio Holdings Ltd		100.00	Cyprus	Real estate
Sagiol Ltd		100.00	Cyprus	Holding company
Macoliq Holdings Ltd		100.00	Cyprus	Holding company
Senseco Trading Limited	b	100.00	Cyprus	Holding company
Eurobank Private Bank Luxembourg S.A.		100.00	Luxembourg	Banking
Eurobank Fund Management Company (Luxembourg) S.A.		100.00	Luxembourg	Fund management
Eurobank Holding (Luxembourg) S.A.		100.00	Luxembourg	Holding company

Name	Note	Percentage holding	Country of incorporation	Line of business
ERB Lux Immo S.A.		100.00	Luxembourg	Real estate
ERB New Europe Funding B.V.		100.00	Netherlands	Finance company
ERB New Europe Funding II B.V.		100.00	Netherlands	Finance company
ERB New Europe Holding B.V.		100.00	Netherlands	Holding company
ERB IT Shared Services S.A.		100.00	Romania	Informatics data processing
IMO Property Investments Bucuresti S.A.		100.00	Romania	Real estate services
IMO-II Property Investments S.A.		100.00	Romania	Real estate services
Eliade Tower S.A.		99.99	Romania	Real estate
Retail Development S.A.		99.99	Romania	Real estate
Seferco Development S.A.		99.99	Romania	Real estate
Eurobank A.D. Beograd		99.99	Serbia	Banking
ERB Leasing A.D. Beograd-in Liquidation		99.99	Serbia	Leasing
IMO Property Investments A.D. Beograd		100.00	Serbia	Real estate services
Reco Real Property A.D. Beograd		100.00	Serbia	Real estate
ERB Istanbul Holding A.S.		100.00	Turkey	Holding company
ERB Hellas Plc		100.00	United Kingdom	Special purpose financing vehicle
Karta II Plc		-	United Kingdom	Special purpose financing vehicle
Astarti Designated Activity Company		-	Ireland	Special purpose financing vehicle
ERB Recovery Designated Activity Company		-	Ireland	Special purpose financing vehicle
Mexico Finance Designated Activity Company	c	-	Ireland	Special purpose financing vehicle

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

(i) the Group's special purpose financing vehicles and the related holding entities, which are dormant and/or are under liquidation: Themeleion III Holdings Ltd, Themeleion IV Holdings Ltd, Themeleion Mortgage Finance Plc, Themeleion II Mortgage Finance Plc, Themeleion III Mortgage Finance Plc, Themeleion IV Mortgage Finance Plc, Themeleion V Mortgage Finance Plc, Themeleion VI Mortgage Finance Plc, Anaptyxi APC Ltd, Byzantium II Finance Plc and Maximus Hellas Designated Activity Company.

(ii) the holding entity of Karta II Plc: Karta II Holdings Ltd.

(iii) dormant entity: Enalios Real Estate Development S.A.

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

(a) Grivalia New Europe S.A., Luxembourg

In January 2021, the liquidation of the company was completed.

(b) Senseco Trading Ltd, Cyprus and Value Touristiki S.A., Greece

In April 2021, the Bank acquired 100% of the shares and voting rights of Senseco Trading Limited for a cash consideration of € 6.7 million. The acquisition was accounted for as a business combination using the purchase method of accounting. At the date of acquisition, the fair value of the total net assets amounted to € 6.4 million mainly referring to 51% of the shares and voting rights of the Group's joint venture Value Touristiki S.A. Accordingly, the resulting goodwill asset amounted to € 0.3 million. Following the above transaction, Value Touristiki S.A. became a wholly owned subsidiary of the Bank. In accordance with the requirements for business combinations achieved in stages, the Group has remeasured its previously held interest of 49% in Value Touristiki S.A. at fair value of € 6.1 million, with a resulting gain of € 1.7 million that was recognized in "Other income/(expenses)".

(c) Special purpose financing vehicle for the securitization of Bank's loans and related real estate company

In May 2021, in the context of the management of the Group's non performing exposures (NPE) the Bank, through its special purpose financing vehicle Mexico Finance Designated Activity Company, proceeded with the securitization of a mixed assets portfolio of primarily NPE (note 15.1) and established the related real estate company Mexico Estate Single Member S.A.

(d) Demerger of Eurobank Ergasias Leasing Single Member S.A.

In June 2021, in the context of the optimization of the Group's organizational structure and the enhancement of its competitiveness in the leasing market, the Extraordinary General Shareholders' Meetings of the Bank and its wholly owned subsidiary Eurobank Ergasias Leasing Single Member S.A. resolved the approval of the demerger of Eurobank Ergasias Leasing Single Member S.A. ("Demerged Entity") through (i) the transfer of part of its assets and liabilities to the Bank and (ii) the establishment of a new company through the transfer of the remaining part of the assets and liabilities of the Demerged Entity. The completion of the demerger is expected to take place by early fourth quarter of 2021, subject to the receipt of the necessary approvals by the competent Authorities.

Post balance sheet events

Eurobank A.D. Beograd, Serbia

On 1 July 2021, Eurobank S.A. ("Eurobank") announced that it has concluded an agreement with the shareholders and principals of Direktna Banka a.d. Kragujevac ("Direktna"), for the merger of Direktna with Eurobank's subsidiary in Serbia, Eurobank a.d. Beograd ("Eurobank Serbia") (the "Transaction"), with absorption of Direktna by Eurobank Serbia. The combined bank ("Eurobank Direktna") will have total assets in excess of € 2 billion, total equity above € 300 million and, accounting for the expected fully-phased synergies, pre-provision income and net income in excess of € 50 million and € 35 million respectively. After the completion of the Transaction, Eurobank will control c. 70% of the combined bank, while Direktna's shareholders will own the remaining 30%. Part of the Transaction is the payment of a dividend/capital return to Eurobank. The Transaction is capital neutral for Eurobank and earnings per share (EPS) accretive by 3% post synergies.

The Transaction is consistent with Eurobank's strategy to further strengthen its position in the countries where the Group retains presence and further grow with bolt-on acquisitions and friendly mergers.

The completion of the Transaction is subject to customary approvals by the competent regulatory and supervisory authorities and is expected to take place during the last quarter of 2021.

Furthermore, in August 2021 Eurobank S.A. acquired the shares from the remaining shareholders of Eurobank A.D. Beograd, which accounted for 0.01% of the company's share capital, for a cash consideration of € 0.03 million. Following the above transaction, Eurobank A.D. Beograd and ERB Leasing A.D. Beograd-in Liquidation became wholly owned subsidiaries of the Company.

Ragisena Ltd, Cyprus

In July 2021, Eurobank Cyprus Ltd signed an agreement for the disposal of its participation (100%) in Ragisena Ltd.

17.2 Consolidated balance sheet and income statement of Eurobank S.A.

Eurobank Holdings Group comprises Eurobank S.A. Group, which constitutes its most significant component and the Company's directly held subsidiary Be Business Exchanges S.A. The consolidated balance sheet and income statement of Eurobank S.A. including explanatory information regarding the main differences with those of Eurobank Holdings are set out below.

	30 June 2021 € million	31 December 2020 € million
ASSETS		
Cash and balances with central banks	**9,822**	6,637
Due from credit institutions	**2,538**	3,336
Securities held for trading	**101**	89
Derivative financial instruments	**2,106**	2,552
Loans and advances to customers	**37,511**	37,424
Investment securities	**9,362**	8,365
Investments in associates and joint ventures	**282**	276
Property and equipment	**803**	778
Investment property	**1,479**	1,459
Goodwill and other intangible assets	**265**	253
Deferred tax assets	**4,465**	4,526
Other assets	**2,078**	1,992
Assets of disposal groups classified as held for sale	**52**	39
Total assets	**70,864**	67,726
LIABILITIES		
Due to central banks	**8,763**	7,999
Due to credit institutions	**1,262**	1,502
Derivative financial instruments	**2,302**	2,939
Due to customers	**49,756**	47,306
Debt securities in issue	**2,017**	1,559
Other liabilities	**1,329**	1,196
Total liabilities	**65,429**	62,501
EQUITY		
Share capital	**4,052**	4,052
Reserves and retained earnings	**1,383**	1,173
Total equity	**5,435**	5,225
Total equity and liabilities	**70,864**	67,726

	Six months ended 30 June 2021 € million	Period 20 March - 30 June 2020[(1)] € million
Net interest income	**670**	347
Net banking fee and commission income	**161**	82
Income from non banking services	**48**	22
Net trading income/(loss)	**(6)**	13
Gains less losses from investment securities	**50**	47
Other income/(expenses)	**1**	227
Operating income	**924**	738
Operating expenses	**(429)**	(222)
Profit from operations before impairments, provisions and restructuring costs	**495**	516
Impairment losses relating to loans and advances to customers	**(224)**	(147)
Other impairment losses and provisions	**(10)**	(7)
Restructuring costs	**(7)**	(7)
Share of results of associates and joint ventures	**6**	9
Profit before tax	**260**	364
Income tax	**(66)**	(74)
Net profit attributable to shareholders	**194**	290

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

As at 30 June 2021, the total assets and total liabilities of Eurobank S.A. Group are € 2 million lower and € 16 million higher than those of Eurobank Holdings Group, respectively. Hence, the total equity of Eurobank S.A. Group amounting to € 5,435 million is € 18 million lower than that of Eurobank Holdings Group. The main difference refers to € 14 million deposits of the Company and its direct subsidiary "Be Business Exchanges S.A." to the Bank. The net profit for the period of Eurobank S.A. Group amounting to € 194 million is € 4 million higher than that of Eurobank Holdings Group due to lower operating expenses by an equal amount.

18. Investments in associates and joint ventures

As at 30 June 2021, the carrying amount of the Group's investments in associates and joint ventures amounted to € 282 million (31 December 2020: € 276 million). The following is the listing of the Group's associates and joint ventures as at 30 June 2021:

Name	Note	Country of incorporation	Line of business	Group's share
Femion Ltd		Cyprus	Special purpose investment vehicle	66.45
(Under liquidation) Tefin S.A.		Greece	Dealership of vehicles and machinery	50.00
Sinda Enterprises Company Ltd		Cyprus	Special purpose investment vehicle	48.00
Alpha Investment Property Kefalariou S.A.		Greece	Real estate	41.67
Global Finance S.A.[(2)]		Greece	Investment financing	33.82
Rosequeens Properties Ltd[(3)]		Cyprus	Special purpose investment vehicle	33.33
Famar S.A.[(1)]		Luxembourg	Holding company	23.55
Odyssey GP S.a.r.l.		Luxembourg	Special purpose investment vehicle	20.00
Eurolife FFH Insurance Group Holdings S.A.[(2)]		Greece	Holding company	20.00
Alpha Investment Property Commercial Stores S.A.		Greece	Real estate	30.00
Peirga Kythnou P.C.		Greece	Real estate	50.00
Grivalia Hospitality S.A.[(3)]		Luxembourg	Real estate	25.00
Information Systems Impact S.A.		Greece	Information systems services	15.00
doValue Greece Loans and Credits Claim Management S.A.	b	Greece	Loans and Credits Claim Management	20.00
Perigenis Business Properties S.A.		Greece	Real estate	18.90

[(1)] *Entity under liquidation at 30 June 2021.*

[(2)] *Eurolife Insurance group (Eurolife FFH Insurance Group Holdings S.A. and its subsidiaries) and Global Finance group (Global Finance S.A. and its subsidiaries) are considered as the Group's associates.*

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

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

In March 2021, the Group's entity IMO Property Investments A.D. Beograd signed a share transfer agreement with the other shareholder of Singidunum - Buildings d.o.o Beograd for the disposal of its participation (20.01%) in the company. The transaction resulted to a loss of € 42 thousand recognized in "Other income/(expenses)".

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

On 31 March 2021, the Board of Directors of "doValue Greece Loans and Credits Management S.A." ("doValue Greece") approved the draft terms of the merger by way of absorption of "doValue Hellas Credit and Loan Servicing S.A." by doValue Greece, in accordance with the provisions of Law 4601/2019, Law 4548/2018, article 54 of Law 4172/2013 and article 16 par. 18 of Law 2515/1997, as in force. The merger was approved by the General Meetings of the shareholders of each of the merging companies and by the competent authorities in July and August 2021, respectively. Upon completion of the merger in August 2021, and based on the exchange ratio agreed by the merging companies pursuant to acceptable valuation methods, doValue SpA, as the sole shareholder of doValue Hellas, received 1,418,880 new common shares of doValue Greece in exchange for the shares of doValue Hellas. As a result, the Group's shareholding in doValue Greece was initially reduced to 19.791% and was subsequently restored to 20%.

In the period ended 30 June 2020, the Group had disposed of 80% of its former subsidiary Eurobank FPS Loans and Credits Claim Management S.A. (renamed to doValue Greece Loans and Credits Claim Management S.A.). The resulting gain on disposal that was recognized in "Other income/(expenses)" amounted to € 219 million before tax (€ 173 million after tax), including the costs directly attributable to the transaction and the remeasurement of the retained interest of 20% in the company.

(c) Value Touristiki S.A., Greece

As of April 2021, Value Touristiki S.A. ceased to be a Group's joint venture and became a wholly owned subsidiary of the Bank (note 17.1).

19. Property and equipment and Investment property

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

	30 June 2021 € million	31 December 2020 € million
Land, buildings, leasehold improvements	**464**	469
Furniture, equipment, motor vehicles	**41**	41
Computer hardware, software	**75**	66
Right of use of assets (1)	**223**	202
Total property and equipment	**803**	778
Investment Property (2)	**1,479**	1,459
Total	**2,282**	2,237

(1) The respective lease liabilities are presented in "other liabilities" (note 25).

(2) In the period ended 30 June 2021, the investment property has increased by € 20 million mainly due to additions of € 32 million arising from the acquisition of Value Touristiki S.A. (note 17.1) and € 12 million disposals.

In the period ended 30 June 2021, the Group recognized rental income of € 46 million from real estate properties in the income statement line 'income from non banking services' (30 June 2020: € 39 million).

In the context of the relief measures taken in response to the Covid-19 outbreak, the Group as a lessor has granted certain rent concessions to its tenants directly affected by the Covid-19 pandemic. As at 30 June 2021, the unamortized balance of the above mentioned rent concessions, net of the reimbursement provided by the Greek government to lessors in 2021, amounted to approximately € 11.5 million before tax (2020: € 6 million), which will be gradually recognized in profit or loss over the remaining lease term of the respective contracts.

For the period ended 30 June 2021, the amount of the rent reduction recognized in "Income from non-banking services" amounted to approximately € 1.5 million.

The rent concessions granted to the Group in the first half of 2021, as a direct consequence of the Covid-19 pandemic, were not significant.

The valuation methods and key assumptions required under each method, based on which the carrying value of investment property portfolio is determined, as well as the sensitivity analysis on key assumptions, are described in the consolidated financial statements for the year ended 31 December 2020. The Group will continue to monitor closely the effect of the economic environment and Covid-19 pandemic on the valuation of its investment properties.

As at 30 June 2021, there were no significant contractual obligations in relation to investment property.

20. Other assets

	30 June 2021 € million	31 December 2020 € million
Receivable from Deposit Guarantee and Investment Fund	**708**	708
Repossessed properties and relative prepayments	**609**	616
Pledged amount for a Greek sovereign risk financial guarantee	**236**	237
Balances under settlement (2)	**29**	11
Prepaid expenses and accrued income	**132**	104
Other guarantees	**128**	111
Income tax receivable (1)	**37**	24
Other assets	**202**	184
Total	**2,081**	1,995

(1) Includes withholding taxes, net of provisions.

(2) Includes settlement balances with customers and brokerage activity.

As at 30 June 2021, other assets net of provisions, amounting to € 202 million include, among others, receivables related to (a) prepayments to suppliers, (b) public entities, (c) property management activities and (d) legal cases.

21. Due to central banks

	30 June 2021 € million	31 December 2020 € million
Secured borrowing from ECB	**8,763**	7,999

In the face of the Covid-19 pandemic's outbreak, the European Central Bank (ECB) has introduced a number of modifications to the terms of the targeted longer-term refinancing operations (TLTRO III) in order to support the continuous access of households and firms to bank credit.

In particular, based on the modified terms of TLTRO III facilities up to December 2020, the interest rate on TLTRO III facilities has been reduced to -0.50% for the period from June 2020 to June 2021, while for the banks subject to meeting the required lending thresholds for the reference period ended 31 March 2021, the interest rate for the abovementioned period is capped at -1% (i.e. the minimum of the average deposit facility rate minus 0.5% and the rate of -1%). Additionally, based on the ECB's decision in January 2021, the reduction of interest rate to -0.5% is extended to the period from June 2021 to June 2022 (also capped at -1%), provided that the lending thresholds for the additional observation period ended 31 December 2021 are met.

In the context of the aforementioned measures, the Group increased the borrowing from ECB's longer-term refinancing operations by € 0.8 billion from 31 December 2020, reaching € 8.8 billion at the end of June 2021, using as collaterals, among others, Greek government bonds which became eligible for such financing following ECB's relevant decision in 2020.

The Group has assessed the terms of the program and concluded that TLTRO III contains a significant benefit in comparison to the market's pricing for other similarly collateralized borrowings available to the Group and this benefit should be accounted for as a government grant under IAS 20. Consequently, the Group considers that the grant is intended to compensate for its funding costs incurred over the term of each TLTRO-III facility and therefore, the benefit should be allocated systematically under interest expense.

As at 30 June 2021, the Group has recognized on an accrual basis, the benefit of '-0.50%' applicable to the period June 2020 to June 2022. In addition, following the re-assessment of the lending performance thresholds for the reference period ended 31 March 2021, the Group has reasonable assurance that it will receive the benefit attached to the more favorable interest rates of the TLTRO III facilities. Accordingly, for the period ended 30 June 2021, the cumulative benefit from TLTRO III program recognized by the Group amounts to € 61 million.

22. Due to credit institutions

	30 June 2021 € million	31 December 2020 € million
Secured borrowing from credit institutions	**526**	683
Borrowings from international financial and similar institutions	**624**	695
Current accounts and settlement balances with banks	**110**	87
Interbank takings	**2**	37
Total	**1,262**	1,502

As at 30 June 2021, secured borrowing from credit institutions refers mainly to transactions with foreign institutions, which were conducted mainly with collaterals Greek government securities (note 16). In addition, borrowings from international financial and similar institutions include borrowings from European Investment Bank, European Bank for Reconstruction and Development and other similar institutions.

23. Due to customers

	30 June 2021 € million	31 December 2020 € million
Savings and current accounts	**35,610**	31,663
Term deposits [1]	**13,932**	15,427
Repurchase agreements	**200**	200
Total	**49,742**	47,290

[1] Comparative figures include € 10 million senior medium term notes held by Bank's customers.

For the period ended 30 June 2021, due to customers for the Greek and International operations amounted to € 35,479 million and € 14,263 million, respectively (31 December 2020: € 34,190 million and € 13,100 million, respectively).

24. Debt securities in issue

	30 June 2021 € million	31 December 2020 € million
Securitisations	**552**	594
Subordinated notes (Tier 2)	**947**	947
Medium-term notes (EMTN) (note 23)	**514**	15
Total	**2,014**	1,556

Securitisations

On 22 February 2021 the Bank proceeded with the early termination of the Maximus Hellas DAC securitization.

In addition, on 22 March 2021 the Bank proceeded with the restructuring of ASTARTI securitization upsizing the Class A notes held by an international institutional investor to € 250 million while the Class B notes, retained by the Bank, were decreased from € 219 million to € 98 million.

The carrying value of the class A asset backed securities issued by the Bank's special purpose vehicle Karta II plc as at 30 June 2021, amounted to € 302 million.

In May 2021, the Group, through its special purpose financing vehicle (SPV) 'Mexico Finance Designated Activity Company' issued asset backed securities (notes) of total nominal value of ca. € 5.2 billion, collateralized by a mixed assets portfolio of primarily non performing loans of total principle amount due of ca € 5.2 billion and gross carrying amount of ca € 3.2 billion, which were fully retained by the Bank. The securitization notes consisted of € 1,550 million senior issued at par, € 200 million mezzanine of issue price € 107 million and € 3,402 million junior of issue price € 1.

In May 2021, in the context of Law 4649 as currently in force ('Hercules' – Hellenic Asset Protection Scheme), the SPV opted in for the state guarantee scheme by submitting the relevant application to the Ministry of Finance.

Post balance sheet event

In August 2021, a commitment letter was signed between Eurobank Holdings, Eurobank and doValue S.p.A. for the sale of 95% of mezzanine and junior notes of Mexico securitization, subject to certain conditions, including the completion of the aforementioned notes' distribution from the Bank to Eurobank Holdings as well as Hellenic Asset Protection Scheme (HAPS) guarantee and regulatory approval on underlying loan portfolio's significant risk transfer (note 15.1).

Tier 2 Capital instruments

In January 2018, Eurobank Ergasias S.A. 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 30 June 2021, amounted to € 947 million, including € 3 million unamortized issuance costs.

Covered bonds

On 4 February 2021, the Bank proceeded with a new covered bonds' issue of face value of € 600 million, fully retained by the Bank.

Financial disclosures required by the Act 2620/28.08.2009 of the Bank of Greece in relation to the covered bonds issued, are available at the Bank's website (Investor Report for Covered Bonds Programs).

Medium-term notes (EMTN)

At the end of April 2021, the Bank proceeded with the issue of a preferred senior debt with a nominal value of € 500 million. The issue was over-subscribed by more than two times, which enabled the Bank to lower the interest rate by 25 basis points, from the 2.375% initially offered to the 2.125% re-offer yield. The notes, which are listed in the Luxembourg Stock Exchange's Euro MTF market, have a maturity of six years and are callable at par in five years, offering a coupon of 2% per annum that is resettable on 5 May 2026.

The transaction marks Eurobank's return to international capital markets, enhancing the diversification of the Group's investor base, and is the first step on the medium term strategy of the Bank to meet its Minimum Required Eligible Liabilities (MREL) requirements scheduled for 2025. The proceeds from the issue will be used for Eurobank's business purposes, including the financing of environmental projects that promote the use of energy from renewable sources. Further information about the issue is provided in the relevant announcement published in the Bank's website on 29 April 2021.

In addition, the Bank in April 2021 proceeded with the issue of medium term notes of face value of € 12 million which were designated for Group's customers.

25. Other liabilities

	30 June 2021 € million	31 December 2020 € million
Balances under settlement[(1)]	**342**	267
Lease liabilities	**242**	221
Deferred income and accrued expenses	**171**	134
Other provisions	**93**	93
ECL allowance for credit related commitments	**59**	66
Standard legal staff retirement indemnity obligations	**48**	46
Employee termination benefits	**78**	97
Sovereign risk financial guarantee	**37**	38
Acquisition obligation	**10**	15
Income taxes payable	**20**	10
Deferred tax liabilities (note 12)	**23**	21
Trading liabilities	**59**	19
Other liabilities	**148**	170
Total	**1,330**	1,197

(1) Includes settlement balances relating to bank cheques and remittances, credit card transactions, other banking and brokerage activities.

As at 30 June 2021, other liabilities amounting to € 148 million mainly consist of payables relating with (a) suppliers and creditors, (b) contributions to insurance organizations, and (c) duties and other taxes.

As at 30 June 2021, other provisions amounting to € 93 million (31 December 2020: € 93 million) mainly include: (a) € 62 million for outstanding litigations against the Group (note 29), (b) € 28 million for other operational risk events, of which € 22 million is related to the Romanian disposal group (further information is provided in note 30 of the consolidated financial statements for the year ended 31 December 2020) and (c) € 1 million for restructuring costs mainly relating to the acquisition of Piraeus Bank Bulgaria A.D.

26. Share capital, share premium and treasury shares

As at 30 June 2021, the par value of the Company's shares is € 0.22 per share (31 December 2020: € 0.22). All shares are fully paid. The movement of share capital, share premium and treasury shares is as follows:

	Share capital € million	Treasury shares € million	Net € million	Share premium € million	Treasury shares € million	Net € million
Balance at 1 January 2021	**816**	**(1)**	**815**	**8,056**	**(1)**	**8,055**
Purchase of treasury shares	**-**	**(1)**	**(1)**	**-**	**(2)**	**(2)**
Sale of treasury shares	**-**	**2**	**2**	**-**	**2**	**2**
Balance at 30 June 2021	**816**	**(0)**	**816**	**8,056**	**(1)**	**8,055**

The following is an analysis of the movement in the number of shares issued by the Company:

	Number of shares		
	Issued Shares	Treasury Shares	Net
Balance at 1 January 2021	**3,709,161,852**	**(2,433,987)**	**3,706,727,865**
Purchase of treasury shares	-	(2,520,351)	**(2,520,351)**
Sale of treasury shares	-	4,231,399	**4,231,399**
Balance at 30 June 2021	**3,709,161,852**	**(722,939)**	**3,708,438,913**

Treasury shares

In the ordinary course of business, the Company's subsidiaries, except for the Bank, may acquire and dispose of treasury shares. According to paragraph 1 of Article 16c of Law 3864/2010, during the period of the participation of the HFSF in the share capital of the Company, the Company is not permitted to purchase treasury shares without the approval of the HFSF.

In addition, as at 30 June 2021 the number of the Company's shares held by the Group's associates in the ordinary course of their insurance and investing activities was 64,163,790 in total (31 December 2020: 64,763,790).

27. Fair value of financial assets and liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price). When a quoted price for an identical asset or liability is not observable, fair value is measured using another valuation technique that is appropriate in the circumstances and maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. Observable inputs are developed using market data, such as publicly available information about actual events or transactions, and reflect assumptions that market participants would use when pricing financial instruments, such as quoted prices in active markets for similar instruments, interest rates and yield curves, implied volatilities and credit spreads.

The Group's financial instruments measured at fair value or at amortized cost for which fair value is disclosed are categorized into the three levels of the fair value hierarchy based on whether the inputs to the fair values are observable or unobservable, as follows:

(a) Level 1-Financial instruments measured based on quoted prices (unadjusted) in active markets for identical financial instruments that the Group can access at the measurement date. A market is considered active when quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and represent actually and regularly occurring transactions. Level 1 financial instruments include actively quoted debt instruments held or issued by the Group, equity and derivative instruments traded on exchanges, as well as mutual funds that have regularly and frequently published quotes.

(b) Level 2-Financial instruments measured using valuation techniques with inputs, other than level 1 quoted prices, that are observable either directly or indirectly, such as: i) quoted prices for similar financial instruments in active markets, ii) quoted prices for identical or similar financial instruments in markets that are not active, iii) inputs other than quoted prices that are directly or indirectly observable, mainly interest rates and yield curves observable at commonly quoted intervals, forward exchange rates, equity prices, credit spreads and implied volatilities obtained from internationally recognized market data providers and iv) other unobservable inputs which are insignificant to the entire fair value measurement. Level 2 financial instruments include over the counter (OTC) derivatives, less liquid debt instruments held or issued by the Group and equity instruments.

(c) Level 3-Financial instruments measured using valuation techniques with significant unobservable inputs. When developing unobservable inputs, best information available is used, including own data, while at the same time market participants' assumptions are reflected (e.g. assumptions about risk). Level 3 financial instruments include unquoted equities or equities traded in markets that are not considered active, certain OTC derivatives, loans and advances to customers including securitized notes issued by special purpose entities established by the Group and recognized in financial assets and debt securities issued by the Group.

Financial instruments carried at fair value

The fair value hierarchy categorization of the Group's financial assets and liabilities measured at fair value is presented in the following tables:

	30 June 2021			
	Level 1 € million	**Level 2 € million**	**Level 3 € million**	**Total € million**
Securities held for trading	**100**	**-**	**-**	**100**
Investment securities at FVTPL	**75**	**17**	**54**	**146**
Derivative financial instruments	**0**	**2,106**	**0**	**2,106**
Investment securities at FVOCI	**5,257**	**185**	**-**	**5,442**
Loans and advances to customers mandatorily at FVTPL	**-**	**-**	**22**	**22**
Financial assets measured at fair value	**5,432**	**2,308**	**75**	**7,815**
Derivative financial instruments	**0**	**2,302**	**-**	**2,302**
Trading liabilities	**59**	**-**	**-**	**59**
Financial liabilities measured at fair value	**59**	**2,302**	**-**	**2,361**

	31 December 2020			
	Level 1 € million	Level 2 € million	Level 3 € million	Total € million
Securities held for trading	87	-	-	87
Investment securities at FVTPL	54	15	58	127
Derivative financial instruments	0	2,551	1	2,552
Investment securities at FVOCI	5,375	79	-	5,454
Loans and advances to customers mandatorily at FVTPL	-	-	27	27
Financial assets measured at fair value	5,516	2,645	86	8,247
Derivative financial instruments	0	2,939	-	2,939
Trading liabilities	19	-	-	19
Financial liabilities measured at fair value	19	2,939	-	2,958

The Group recognizes transfers into and out of the fair value hierarchy levels at the beginning of the quarter in which a financial instrument's transfer was effected. There were no material transfers between levels during the period ended 30 June 2021.

Reconciliation of Level 3 fair value measurements

	30 June 2021 € million
Balance at 1 January	**86**
Transfers into Level 3	**0**
Transfers out of Level 3	**(0)**
Additions, net of disposals and redemptions [(1)]	**(9)**
Total gain/(loss) for the period included in profit or loss	**(2)**
Foreign exchange differences and other	**0**
Balance at 30 June	**75**

[(1)] *Including capital returns on equity investments.*

Group's valuation processes and techniques

The Group's processes and procedures governing the fair valuations are established by the Group Market Counterparty Risk Sector in line with the Group's accounting policies. The Group uses widely recognized valuation models for determining the fair value of common financial instruments that are not quoted in an active market, such as interest and cross currency swaps, that use only observable market data and require little management estimation and judgment. Specifically, observable prices or model inputs are usually available in the market for listed debt and equity securities, exchange-traded and simple over-the-counter derivatives. Availability of observable market prices and model inputs reduces the need for management judgment and estimation and also reduces the uncertainty associated with determining fair values.

Where valuation techniques are used to determine the fair values of financial instruments that are not quoted in an active market, they are validated against historical data and, where possible, against current or recent observed transactions in different instruments, and periodically reviewed by qualified personnel independent of the personnel that created them. All models are certified before they are used and models are calibrated to ensure that outputs reflect actual data and comparative market prices. Fair values' estimates obtained from models are adjusted for any other factors, such as liquidity risk or model uncertainties, to the extent that market participants would take them into account in pricing the instrument. Fair values also reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group entity and the counterparty, where appropriate.

Valuation controls applied by the Group may include verification of observable pricing, re-performance of model valuations, review and approval process for new models and/or changes to models, calibration and back-testing against observable market transactions, where available, analysis of significant valuation movements, etc. Where third parties' valuations are used for fair value measurement, these are reviewed in order to ensure compliance with the requirements of IFRS 13.

The fair values of OTC derivative financial instruments are estimated by discounting expected cash flows using market interest rates at the measurement date. Counterparty credit risk adjustments and own credit risk adjustments are applied to OTC derivatives, where appropriate. Bilateral credit risk adjustments consider the expected cash flows between the Group and its counterparties under the relevant terms of the derivative instruments and the effect of the credit risk on the valuation of these cash flows. As appropriate in circumstances, the Group considers also the effect of any credit risk mitigating arrangements, including collateral agreements and master netting agreements on the calculation of credit risk valuation adjustments (CVAs). CVA calculation uses probabilities of default (PDs) based on observable market data such as credit default swaps (CDS) spreads, where appropriate, or based on internal rating models. The Group applies similar methodology for the calculation of debit-value-adjustments (DVAs), when applicable. Where valuation techniques are based on internal rating models and the relevant CVA is significant to the entire fair value measurement, such derivative instruments are categorized as Level 3 in the fair value hierarchy. A reasonably possible change in the main unobservable input (i.e. the recovery rate), used in their valuation, would not have a significant effect on their fair value measurement.

The Group determines fair values for debt securities held using quoted market prices in active markets for securities with similar credit risk, maturity and yield, quoted market prices in non active markets for identical or similar financial instruments, or using discounted cash flows method.

Unquoted equity instruments at FVTPL under IFRS 9 are estimated mainly (i) using third parties' valuation reports based on investees' net assets, where management does not perform any further significant adjustments, and (ii) net assets' valuations, adjusted where considered necessary.

Loans and advances to customers including securitized notes issued by the special purpose entities established by the Group of which contractual cash flows do not represent solely payments of principal and interest (SPPI failures), are measured mandatorily at fair value through profit or loss. Quoted market prices are not available as there are no active markets where these instruments are traded. Their fair values are estimated on an individual loan basis by discounting the future expected cash flows over the time period they are expected to be recovered, using an appropriate discount rate or by reference to other comparable assets of the same type that have been transacted during a recent time period. Expected cash flows, which incorporate credit risk, represent significant unobservable input in the valuation and as such, the entire fair value measurement is categorized as Level 3 in the fair value hierarchy.

Financial instruments not measured at fair value

The following tables present the carrying amounts and fair values of the Group's financial assets and liabilities which are not carried at fair value on the balance sheet:

	30 June 2021	
	Carrying amount € million	**Fair value € million**
Loans and advances to customers	**37,490**	**37,030**
Investment securities at amortised cost	**3,775**	**3,621**
Financial assets not measured at fair value	**41,264**	**40,651**
Debt securities in issue	**2,014**	**2,031**
Financial liabilities not measured at fair value	**2,014**	**2,031**

	31 December 2020	
	Carrying amount € million	Fair value € million
Loans and advances to customers	37,397	37,071
Investment securities at amortised cost	2,784	2,654
Financial assets not measured at fair value	40,181	39,725
Debt securities in issue	1,556	1,539
Financial liabilities not measured at fair value	1,556	1,539

The assumptions and methodologies underlying the calculation of fair values of financial instruments not measured at fair value, are in line with those used to calculate the fair values for financial instruments measured at fair value. Particularly:

(a) Loans and advances to customers including securitized notes issued by special purpose entities established by the Group: for loans and advances to customers, quoted market prices are not available as there are no active markets where these instruments are traded. The fair values are estimated by discounting future expected cash flows over the time period they are expected to be recovered, using appropriate risk-adjusted rates. Loans are grouped into homogenous assets with similar characteristics, as monitored by Management, such as product, borrower type and delinquency status, in order to improve the accuracy of the estimated valuation outputs. In estimating future cash flows, the Group makes assumptions on expected prepayments, product spreads and timing of collateral realization. The discount rates for loans to customers incorporate inputs for expected credit losses and interest rates, as appropriate;

(b) Investment securities measured at amortized cost: the fair values of financial investments are determined using prices quoted in an active market when these are available. In other cases, fair values are determined using quoted market prices for securities with similar credit risk, maturity and yield, quoted market prices in non active markets for identical or similar financial instruments, or by using the discounted cash flows method; and

(c) Debt securities in issue: the fair values of the debt securities in issue are determined using quoted market prices, if available. If quoted prices are not available, fair values are determined based on third party valuations, quotes for similar debt securities or by discounting the expected cash flows at a risk-adjusted rate, where the Group's own credit risk is determined using inputs indirectly observable, i.e. quoted prices of similar securities issued by the Group or other Greek issuers.

For other financial instruments, which are short term or re-price at frequent intervals (cash and balances with central banks, due from credit institutions, due to central banks, due to credit institutions and due to customers), the carrying amounts represent reasonable approximations of fair values.

28. Cash and cash equivalents and other information on interim cash flow statement

For the purpose of the cash flow statement, cash and cash equivalents comprise the following balances with original maturities of three months or less:

	30 June 2021 € million	31 December 2020 € million
Cash and balances with central banks (excluding mandatory and collateral deposits with central banks)	**9,115**	6,013
Due from credit institutions	**643**	667
Securities held for trading	**-**	1
Total	**9,758**	6,681

Other (income)/losses on investment securities presented in operating activities are analyzed as follows:

	30 June 2021 € million	30 June 2020 € million
Amortisation of premiums/discounts and accrued interest	**35**	33
(Gains)/losses from investment securities	**(50)**	(49)
Total	**(15)**	(16)

In the period ended 30 June 2021, changes in debt securities in issue arising from accrued interest and amortisation of debt issuance costs amount to € 2 million (30 June 2020: € 9 million).

In the period ended 30 June 2020, other adjustments of € 221 million include € 219 million gain on the disposal of 80% of the Company's former subsidiary Eurobank FPS Loans and Credits Claim Management S.A. (note 18).

29. Contingent liabilities and commitments

The Group presents the credit related commitments it has undertaken within the context of its lending related activities into the following three categories: a) financial guarantee contracts, which refer to guarantees and standby letters of credit that carry the same credit risk as loans (credit substitutes), b) commitments to extend credit, which comprise firm commitments that are irrevocable over the life of the facility or revocable only in response to a material adverse effect and c) other credit related commitments, which refer to documentary and commercial letters and other guarantees of medium and low risk according to the Regulation No 575/2013/EU.

Credit related commitments are analyzed as follows:

	30 June 2021 € million	31 December 2020 € million
Financial guarantee contracts	**981**	641
Commitments to extend credit	**1,499**	1,200
Other credit related commitments	**516**	484
Total	**2,996**	2,325

The credit related commitments within the scope of IFRS 9 impairment requirements amount to € 6.5 billion (31 December 2020: € 5.7 billion), including revocable loan commitments of € 3.5 billion (31 December 2020: € 3.4 billion), while the corresponding allowance for impairment losses amounts to € 59 million (31 December 2020: € 66 million).

In addition, the Group has issued a sovereign risk financial guarantee of € 0.24 billion (31 December 2020: € 0.24 billion) for which an equivalent amount has been deposited under the relevant pledge agreement (note 20).

Legal proceedings

As at 30 June 2021, a provision of € 62 million has been recorded for a number of legal proceedings outstanding against the Group (31 December 2020: € 60 million). The said amount includes € 34 million for an outstanding litigation related to the acquisition of New TT Hellenic Postbank S.A. in 2013 (31 December 2020: € 34 million).

Furthermore, in the normal course of its business, the Group has been involved in a number of legal proceedings, which are either at still a premature or at an advanced trial instance. The final settlement of these cases may require the lapse of a certain time so that the litigants exhaust the legal remedies provided for by the law. Management, having considered the advice of the Legal Services General Division, does not expect that there will be an outflow of resources and therefore does not acknowledge the need for a provision.

Following the completion of the banking sector's hive down of Eurobank Ergasias S.A. (Demerged entity) in 2020, the Beneficiary (i.e. Eurobank S.A., "Bank") substituted the Demerged Entity (currently Eurobank Holdings), by way of universal succession, to all the transferred assets and liabilities, while pending lawsuits where the Demerged entity was an involved party and are related to the hived down banking sector, will continue ipso jure by the Bank or against it.

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

On the class action that has been filed by a consumer union, a judgment of the Athens Court of Appeals was issued in February 2018, which was in favour of the Bank and rejected the lawsuit on its merits. The judgment has been challenged by the consumer unions with a petition of cassation which was heard on 13 January 2020. The decision issued on 20 July 2021 was in favour of the Bank.

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

30. Post balance sheet events

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

Note 2 - Basis of preparation and principal accounting policies

Note 4 - Capital management

Note 13 - Assets of disposal groups classified as held for sale

Note 15.1 – NPE reduction plan – project "Mexico"

Note 16 - Investment securities

Note 17.1 - Shares in subsidiaries

Note 18 - Investments in associates and joint ventures

Note 24 - Debt securities in issue

Note 29 - Contingent liabilities and commitments

Note 31 - Related parties

Note 32 - Board of Directors

31. Related parties

Eurobank Ergasias Services and Holdings S.A. (the Company or Eurobank Holdings) is the parent company of Eurobank S.A. (the Bank), which resulted from the demerger of Eurobank Ergasias S.A. ("Demerged Entity") through its banking sector's hive down that was completed in March 2020.

The Board of Directors (BoD) of Eurobank Holdings is the same as the BoD of the Bank and part of the KMP of the Bank provides services to Eurobank Holdings according to the terms of the relevant agreement between the two entities. As at 30 June 2021, the percentage of the Company's ordinary shares with voting rights held by the Hellenic Financial Stability Fund (HFSF) stands at 1.40%. The HFSF is considered to have significant influence over the Company pursuant to the provisions of the Law 3864/2010, as in force, the Relationship Framework Agreement (RFA) the Demerged Entity has entered into with the HFSF on 4 December 2015 and the Tripartite Relationship Framework Agreement (TRFA) between the Bank, the Company and the HFSF signed on 23 March 2020. Further information in respect of the HFSF rights based on the aforementioned framework is provided in the section "Report of the Directors and Corporate Governance Statement" of the Annual Financial Report for the year ended 31 December 2020.

In addition, Fairfax Group, which as at 30 June 2021 held 31.27% of Eurobank Holdings voting rights, is considered to have significant influence over the Company. In July 2021, Eurolife FFH Insurance Group Holdings S.A. (note 18) became a subsidiary of Fairfax and the percentage of Eurobank Holdings voting rights held by Fairfax Group increased to 33%.

A number of banking transactions are entered into with related parties in the normal course of business and are conducted on an arm's length basis. These include loans, deposits and guarantees. In addition, as part of its normal course of business in investment banking activities, the Group at times may hold positions in debt and equity instruments of related parties.

	30 June 2021			31 December 2020		
	Fairfax Group	**KMP and Entities controlled or jointly controlled by KMP[(1)]**	**Associates and joint ventures**	Fairfax Group	KMP and Entities controlled or jointly controlled by KMP[(1)]	Associates and joint ventures
	€ million	**€ million**	**€ million**	€ million	€ million	€ million
Loans and advances to customers	**10.05**	**4.51**	**14.30**	9.02	4.69	28.94
Derivative financial instruments - assets	**-**	**-**	**-**	0.10	-	-
Other assets[(2)]	**1.63**	**0.25**	**57.33**	1.92	0.27	65.33
Due to customers	**0.47**	**20.96**	**99.23**	0.15	22.29	114.06
Debt securities in issue	**-**	**0.10**	**-**	-	-	-
Other liabilities	**0.01**	**0.27**	**33.27**	0.01	0.96	19.82
Guarantees issued	**-**	**0.01**	**-**	-	0.01	2.00
Guarantees received	**-**	**0.02**	**-**	-	0.02	-
	Six months ended 30 June 2021			Six months ended 30 June 2020		
Net interest income	**0.19**	**(0.01)**	**(1.10)**	0.11	(0.01)	(1.83)
Net banking fee and commission income	**-**	**0.07**	**6.93**	-	0.02	8.08
Impairment losses relating to loans and advances including relative fees	**(0.01)**	**-**	**(44.41)**	(0.02)	-	(2.55)
Other operating income/(expenses)	**0.85**	**(7.62)**	**(8.44)**	1.77	(6.78)	(11.20)

(1) Includes the key management personnel of the Group and their close family members.

(2) For the period ended 30 June 2021, it includes € 0.2 million right of use assets (RoU) related to an entity controlled by KMP

For the period ended 30 June 2021, there were no material transactions with the HFSF. In addition, as at 30 June 2021 the loans, net of provisions, granted to non consolidated entities controlled by the Company pursuant to the terms of the relevant share pledge agreements amounted to € 0.9 million (31 December 2020: € 0.3 million).

For the period ended 30 June 2021, an impairment of € 0.1 million (30 June 2020: a reversal of impairment of € 0.4 million) has been recorded against loan balances with Group's associates and joint ventures, while the respective impairment allowance amounts to € 0.2 million (31 December 2020: € 0.1 million). In addition, as at 30 June 2021, the fair value adjustment for loans to Group's associates and joint ventures measured at FVTPL amounts to € 17.7 million.

Key management compensation (directors and other key management personnel of the Group)

Key management personnel are entitled to compensation in the form of short-term employee benefits of € 3.46 million (30 June 2020: € 3.26 million) and long-term employee benefits of € 0.55 million (30 June 2020: € 0.49 million). In addition, as at 30 June 2021, the defined benefit obligation for the KMP amounts to € 1.62 million (31 December 2020: € 1.58 million), while the respective cost for the period through the income statement amounts to € 0.04 million (30 June 2020: € 0.04 million cost through the income statement and € 0.22 million actuarial gain through the other comprehensive income).

32. Board of Directors

The Board of Directors (BoD) was elected by the Annual General Meeting (AGM) of the Shareholders held on 23 July 2021 for a three years term of office that will expire on 23 July 2024, prolonged until the end of the period the AGM for the year 2024 will take place.

Following the aforementioned AGM decision, the BoD was constituted as a body at the BoD meeting of 23 July 2021, as follows:

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

Athens, 30 August 2021

Georgios P. Zanias	**Fokion C. Karavias**	**Harris V. Kokologiannis**
I.D. No AI - 414343	I.D. No AI - 677962	I.D. No AN - 582334
CHAIRMAN OF THE BOARD OF DIRECTORS	CHIEF EXECUTIVE OFFICER	GENERAL MANAGER OF GROUP FINANCE CHIEF FINANCIAL OFFICER

V. Independent Auditor's Report on Review of Condensed Interim Financial Information (on the Interim Financial Statements)

KPMG Certified Auditors S.A.
3 Stratigou Tombra Street
Aghia Paraskevi
153 42 Athens, Greece
Telephone +30 210 6062100
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Independent Auditor’s Report on Review of Condensed Interim Financial Information

To the Shareholders of
Eurobank Ergasias Services and Holdings S.A.

Report on the Review of Condensed Interim Financial Information

Introduction

We have reviewed the accompanying interim Balance Sheet of Eurobank Ergasias Services and Holdings S.A. (the “Company”) as at 30 June 2021 and the related interim statements of Income and Comprehensive Income, Changes in Equity and Cash Flows for the six-month period then ended and the selected explanatory notes, which comprise the interim condensed financial information and which forms an integral part of the six-month financial report of articles 5 and 5a of Law 3556/2007. Management is responsible for the preparation and presentation of this interim condensed financial information in accordance with the International Financial Reporting Standards adopted by the European Union and specifically with International Accounting Standard (IAS) 34 “Interim Financial Reporting”. Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial information as at 30 June 2021 is not prepared, in all material respects, in accordance with IAS 34 “Interim Financial Reporting”.

Athens, 2 September 2021

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

Harry Sirounis, Certified Auditor Accountant
A.M. SOEL 19071

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VI. Interim Financial Statements for the six months ended 30 June 2021

EUROBANK ERGASIAS SERVICES and HOLDINGS S.A.

INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED

30 JUNE 2021

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www.eurobankholdings.gr, Tel.: (+30) 214 40 61000

General Commercial Registry No: 000223001000

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Selected Explanatory Notes to the Interim Financial Statements

Interim Balance Sheet

	Note	30 June 2021 € million	31 December 2020 € million
ASSETS			
Due from credit institutions		**13**	14
Investment securities	10	**947**	942
Shares in subsidiaries	11	**4,091**	4,091
Property and equipment		**0**	0
Intagible assets		**0**	0
Other assets	12	**2**	4
Total assets		**5,053**	5,051
LIABILITIES			
Debt securities in issue	13	**947**	947
Other liabilities	14	**1**	1
Total liabilities		**948**	948
EQUITY			
Share capital	15	**816**	816
Share premium	15	**8,056**	8,056
Reserves and retained earnings		**(4,767)**	(4,769)
Total equity		**4,105**	4,103
Total equity and liabilities		**5,053**	5,051

Notes on pages 6 to 13 form an integral part of these interim financial statements.

Interim Income Statement

	Note	Six months ended 30 June 2021 € million	2020 € million
Interest income		**30**	91
Interest expense		**(30)**	(28)
Net interest income	4	**(0)**	63
Commission income/(expense)		**-**	(8)
Other income/(expenses)	5	**2**	(3)
Operating income		**2**	52
Operating expenses	6	**(5)**	(3)
Profit/(loss) from operations before impairments		**(3)**	49
Impairment losses relating to loans and advances to customers	7	**-**	(1,509)
Other impairment (losses)/reversal	10	**5**	(10)
Profit/(loss) before tax		**2**	(1,470)
Income tax	8	**-**	-
Net profit/(loss) from continuing operations		**2**	(1,470)
Net profit/(loss) from discontinued operations	9	**-**	(41)
Net profit/(loss)		**2**	(1,511)

Notes on pages 6 to 13 form an integral part of these interim financial statements.

Interim Statement of Comprehensive Income

	Six months ended 30 June			
	2021		2020	
	€ million		€ million	
Net profit/(loss)		**2**		(1,511)
Other comprehensive income:				
Items that are or may be reclassified subsequently to profit or loss:				
Cash flow hedges				
-changes in fair value, net of tax	-		8	
-transfer to net profit, net of tax	-	-	(1)	7
Debt securities at FVOCI				
-changes in fair value, net of tax	-		(143)	
-transfer to net profit, net of tax	-	-	(46)	(189)
Other comprehensive income		-		(182)
Total comprehensive income				
-from continuing operations		**2**		(1,470)
-from discontinued operations		-		(223)
		2		(1,693)

Notes on pages 6 to 13 form an integral part of these interim financial statements.

Interim Statement of Changes in Equity

	Share capital € million	Share premium € million	Reserves and Retained earnings € million	Hybrid capital € million	Total € million
Balance at 1 January 2020	853	8,056	(3,054)	2	5,857
Net loss	-	-	(1,511)	-	(1,511)
Other comprehensive income	-	-	(182)	-	(182)
Total comprehensive income for the six months ended 30 June 2020	-	-	(1,693)	-	(1,693)
Hybrid capital's redemption and dividend paid, net of tax	-	-	(0)	(2)	(2)
Balance at 30 June 2020	853	8,056	(4,747)	-	4,162
Balance at 1 January 2021	**816**	**8,056**	**(4,769)**	**-**	**4,103**
Net profit	-	-	2	-	**2**
Total comprehensive income for the six months ended 30 June 2021	**-**	**-**	**2**	**-**	**2**
Balance at 30 June 2021	**816**	**8,056**	**(4,767)**	**-**	**4,105**
	Note 15	Note 15			

Notes on pages 6 to 13 form an integral part of these interim financial statements.

Interim Cash Flow Statement

	Note	Six months ended 30 June 2021 € million	2020 € million
Cash flows from continuing operating activities			
Profit/(loss) before income tax from continuing operations		**2**	(1,470)
Adjustments for:			
Impairment losses relating to loans and advances to customers		**-**	1,509
Other impairment (losses)/reversal	10	**(5)**	10
Depreciation and amortisation		**0**	0
Other adjustments		**0**	(3)
		(3)	46
Changes in operating assets and liabilities			
Net (increase)/decrease in due from credit institutions		**-**	2
Net (increase)/decrease in loans and advances to customers		**-**	(25)
Net (increase)/decrease in other assets		**2**	(7)
Net increase/(decrease) in other liabilities		**(0)**	2
		2	(28)
Net cash from/(used in) continuing operating activities		**(1)**	18
Cash flows from continuing investing activities			
Acquisition of subsidiaries and participation in capital increases		**-**	(1)
Net cash from/(used in) continuing investing activities		**-**	(1)
Net increase/(decrease) in cash and cash equivalents from continuing operations		**(1)**	17
Net cash flows from discontinued operating activities		**-**	(71)
Net cash flows from discontinued investing activities		**-**	(903)
Net cash flows from discontinued financing activities		**-**	(8)
Net increase/(decrease) in cash and cash equivalents from discontinued operations		**-**	(982)
Cash and cash equivalents of hived down banking sector on 20 March 2020		**-**	(1,788)
Cash and cash equivalents at beginning of period	16	**14**	2,773
Cash and cash equivalents at end of period	16	**13**	20

Notes on pages 6 to 13 form an integral part of these interim financial statements.

1. General information

Eurobank Ergasias Services and Holdings S.A. (the Company or Eurobank Holdings) resulted from the demerger of Eurobank Ergasias S.A. through its banking sector's hive down that was completed in March 2020. Further information is provided in note 4 "Corporate Transformation-Hive down" of the Company's financial statements for the year ended 31 December 2020.

Eurobank Holdings is a holding company, parent of Eurobank S.A. (the Bank) which along with its subsidiaries (Eurobank S.A. Group) comprise the major part of Eurobank Holdings Group (the Group) (note 11). The Company operates mainly in Greece and through the Bank's subsidiaries in Central and Southeastern Europe. Its main activities relate to the strategic planning of the administration of non-performing loans and the provision of services to its subsidiaries and third parties, while the Eurobank S.A. Group is active in retail, corporate and private banking, asset management, treasury, capital markets and other services. The Company is incorporated in Greece and its shares are listed on the Athens Stock Exchange.

These interim financial statements were approved by the Board of Directors on 30 August 2021. The Independent Auditor's Report on Review of Condensed Interim Financial Information is included in the Section V of the Financial Report for the period ended 30 June 2021.

2. Basis of preparation and principal accounting policies

These interim condensed financial statements have been prepared in accordance with the International Accounting Standard (IAS) 34 'Interim Financial Reporting' as endorsed by the European Union (EU). The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements for the year ended 31 December 2020. Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current period. Unless indicated otherwise, financial information presented in Euro has been rounded to the nearest million. The figures presented in the notes may not sum precisely to the totals provided due to rounding.

The accounting policies and methods of computation in these interim financial statements are consistent with those in the financial statements for the year ended 31 December 2020, except as described below (note 2.1).

Going concern considerations

The Company's business strategy and activities are linked to those of its banking subsidiary Eurobank S.A. In this context, the directors monitor closely the capital and liquidity position of the Bank as well as the associated risks, uncertainties and the mitigating factors affecting its operations. The interim financial statements have been prepared on a going concern basis, as the Board of the Directors considered as appropriate, taking into consideration the following:

During 2020 and the first half of 2021, the outbreak of Covid-19 pandemic and the measures adopted to contain the spread of the virus defined the economic environment in Greece and globally. The improvement of the epidemiological situation in Greece following the progress of the vaccination programs in the second quarter of 2021 allowed the gradual re-opening of the suspended economic activities from early May 2021, which have created positive expectations among consumers and businesses about the economic outlook in months ahead. Based on Hellenic Statistical Authority's (ELSTAT) provisional data, the real GDP in the first quarter of 2021 registered a decrease of 2.3% on an annual basis (1st quarter 2020: 0.5% decrease), while the unemployment rate stood at 15% in June 2021 (June 2020: 17.8%). The European Commission (EC), in its summer economic forecasts (July 2021), estimates the real GDP growth rate in Greece for 2021 and 2022 at 4.3% and 6% respectively, while in accordance with its spring economic forecasts (May 2021), the unemployment rate is expected at 16.3% and 16.1% in 2021 and 2022 respectively. On the fiscal front, according to the Medium-term Budgetary Framework 2022–2025, the primary balance in 2021 and 2022 is expected to register a deficit of 7.1% and 0.5% of GDP respectively, as a result of the fiscal support measures, while the gross public debt is expected at 204.8% and 189.5% of GDP in 2021 and 2022 respectively. The deviation from the European Surveillance (ES) primary surplus target of 3.5% of GDP in 2020 and 2021 will not be considered a violation of Greece's commitments undertaken in the ES framework, as in March 2020 EC activated the general escape clause, allowing for non-permanent deviations from the agreed fiscal paths of the member- states due to the extraordinary health and economic distress caused by the pandemic. According to the 2 June 2021 EC press release, the clause shall remain in force in 2022, and is expected to be deactivated in 2023. The aforementioned primary balance and public debt forecasts may change as a result of the actual size of the public sector's support measures and the impact of the recovery of economic activity on tax revenue.

In response to the Covid-19 outbreak, there has been an unprecedented monetary, fiscal and regulatory support to the economy and the banking system by both Greek Government and European authorities. According to the Medium-term Budgetary Framework 2022–2025, the Greek government's planned total measures aiming to address the economic and social effects of the

Covid-19 pandemic will exceed € 41 billion of which € 23.1 billion correspond to 2020, € 15.8 billion to 2021, and € 2.1 billion to 2022. On top of the above, the liquidity support for the Greek economy via the various EC, European Stability Mechanism (ESM), European Investment Bank (EIB) and European Investment Fund (EIF) initiatives announced in 2020 and 2021 exceeds € 10 billion and includes, among others, labour market stimulus, SMEs loans, and financing for climate action and sustainable development, backing in total more than € 20 billion of investments, initiatives, and loans.

On 21 July 2020, the European Council agreed a recovery package amounting to € 807 billion (in current prices) under the EC's Next Generation EU framework in order to support the recovery and resilience of the member states' economies, out of which ca. € 32.7 billion will be available to Greece, divided into € 20 billion in grants and € 12.7 billion in loans. On 13 July 2021, the Economic and Financial Affairs Council (ECOFIN) approved the Greek national recovery and resilience plan, entitled "Greece 2.0". The disbursement of the pre-financing of € 4 billion was made in August 2021. The respective amount for the Multiannual Financial Framework 2021-2027 (MFF) is at € 1.2 trillion (in current prices), of which ca € 41 billion are available for Greece. Furthermore, on 24 March 2020, European Central Bank (ECB) established a temporary Pandemic Emergency Purchase Programme (PEPP), with a financial envelope of € 1,850 billion as of December 2020, out of which ca € 37 billion are available for the purchase of Greek Government Bonds (GGBs). In addition, on 12 March 2020 the ECB announced measures to support the liquidity conditions in the euro area (additional Long Term Financing operations, more favorable terms for the Targeted Long Term Operations, new Asset Purchase Programme of € 120 billion), as well as a number of temporary capital and operational relief measures to ensure that its directly supervised banks can continue to fulfil their role in funding the real economy. In the same context, on 24 June 2020 the Regulation 2020/873 (CRR quick fix) introduced targeted amendments to the Capital Requirements Regulation (CRR).

In the first half of 2021, the Greek State proceeded with the issuance of four bonds of various maturities. In particular, on 27 January 2021, the Public Debt Management Agency (PDMA) issued a 10-year bond of € 3.5 billion at a yield of 0.807%, on 17 March 2021 a 30-year bond of € 2.5 billion at a yield of 1.956%, on 5 May 2021, a 5-year bond of € 3 billion at a yield of 0.172% and more recently, on 9 June 2021 a 10-year bond of € 2.5 billion at a yield of 0.888%.

Regarding the outlook for the next 12 months, the major macroeconomic risks and uncertainties in Greece mainly relate with the evolution of Covid-19 pandemic and are as follows: (a) the fourth wave of the pandemic in the second half of 2021 and its negative effect on the domestic, regional and / or global economy as well as the progress on the vaccination programs, and the effectiveness of the existing vaccines against the new Covid-19 variants, (b) the actual size and duration of the fiscal measures aiming to address the effect of the pandemic on the real economy and their effect on the long-term sustainability of the country's public debt, (c) the cliff effects when temporary support measures are lifted (increase in unemployment, firm bankruptcies, and Non Performing Exposures (NPE)), (d) the pace of the tourism's recovery in 2021 and 2022, (e) the prospect of the so-called "twin deficits" (i.e. fiscal and current account deficit) becoming permanent, although currently they appear to be more a repercussion of the pandemic rather than structural, (f) the absorption capacity of the NGEU and MFF funds and the attraction of new investments in the country, (g) the implementation of the reforms and privatizations' agenda in order to meet the ES and EC's Recovery and Resilience Facility (RRF) targets and milestones, (h) the geopolitical conditions in the near or in broader region and (i) the exacerbation of natural disasters due to the climate change and their effect on GDP, employment and fiscal balance.

Materialization of the above Covid-19 related and other risks would have potentially adverse effects on the fiscal planning of the Greek sovereign and on the liquidity, solvency and profitability of the Greek banking sector, as well as on the realization of their NPE reduction plans. The Group is continuously monitoring the developments on the Covid-19 front and has increased its level of readiness, so as to accommodate decisions, initiatives and policies to protect its capital and liquidity standing as well as the fulfilment, to the maximum possible degree, of its strategic and business goals for the quarters ahead, focusing primarily on the support of its clients to overcome the challenging juncture, the mitigation of "cliff effects" post the moratoria expiration, the protection of its asset base and the resilience of its pre-provision profitability. In addition, the Group, under the extraordinary circumstances of the Covid-19 pandemic, has proceeded with the successful implementation of its Business Continuity Plan to ensure that business is continued and critical operations are unimpededly performed. In line with authorities' instructions and recommendations, the Group has taken all the required measures to ensure the health and safety of its employees and customers (e.g. implementation of teleworking, restrictions to business trips, and medical supplies for protective equipment).

At group level, the net profit attributable to shareholders for the first half of 2021 amounted to € 190 million, of which € 73 million was related to the international operations (the adjusted net profit excluding the € 5 million restructuring costs after tax, amounted to € 195 million). The net profit for the Company equals to € 2 million (30 June 2020: € 1,511 million loss including € 1,506 million loss on "Cairo" transaction). The Group's Total Adequacy Ratio (total CAD) and Common Equity Tier 1 (CET1) ratios, which include full year's transition effects, stood at 15.6% (31 December 2020: 16.3%) and 13.2% (31 December 2020: 13.9%) respectively as at

30 June 2021. The Group completed the 2021 SSM stress test (ST), which was coordinated and conducted by the ECB. Under the severe assumptions of the adverse scenario, as at the end of 2023 the capital depletion in terms of the Fully Loaded (FL) CET1 ratio amounts to 433 bps and the CET1 ratio stands at 8% on a transitional basis. The Group's performance in the stress test confirmed its resilience and ability to withstand a significant downturn. As at 30 June 2021, the Group's NPE stock and NPE ratio remained stable at € 5.7 billion and 14.0% respectively compared to 31 December 2020, while the NPE coverage ratio stood at 63.3% (31 December 2020: 61.9%). In accordance with the new plan for the period 2021-2022, the Group is proceeding with a new loans (primarily NPE) securitization transaction of circa € 3.2 billion gross carrying value (Project "Mexico"). Following its completion the NPE ratio is expected to decline to around 8% at the end of 2021.

In terms of liquidity, as at 30 June 2021, the Group deposits have increased by € 2.4 billion to € 49.7 billion (31 December 2020: € 47.3 billion), leading the Group's (net) loans to deposits (L/D) ratio to 75.4% (31 December 2020: 79.1%), while the funding from the targeted long term refinancing operations of the European Central Bank – TLTRO III programme reached € 8.8 billion (31 December 2020: € 8 billion). At the end of April 2021, the Group returned to international capital markets with the Bank's issuance of a 6-year preferred senior note of € 500 million at a yield of 2.125%. The rise in high quality liquid assets of the Group led the respective Liquidity Coverage ratio (LCR) to 166% (31 December 2020: 124%). In the context of the 2021 ILAAP (Internal Liquidity Adequacy Assessment Process), the liquidity stress tests results indicate that the Bank has adequate liquidity buffer to cover all the potential outflows that could occur in all scenarios both in the short term (1 month horizon) and in the medium term (1 year horizon).

Going concern assessment

The Board of Directors, acknowledging the risks of the Covid-19 pandemic to the economy and the banking system and taking into account the above factors relating to (a) the prospects for a recovery of economic activity in 2021 and onwards, (b) the Group's pre-provision income generating capacity, the liquidity position and the adequacy of its capital as also evidenced by the performance to the ST and (c) the completion of the Group's NPE reduction acceleration plan in 2020 and the new plan for the period 2021-2022, has been satisfied that the financial statements of the Company can be prepared on a going concern basis.

2.1 New and amended standards and interpretations adopted by the Company

The following amendments to standards as issued by the International Accounting Standards Board (IASB) and endorsed by the European Union (EU), apply from 1 January 2021:

Interest Rate Benchmark Reform - Phase 2 - Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

In August 2020, the IASB issued "Interest Rate Benchmark Reform: Phase 2 Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16", which addresses the issues that affect financial reporting once an existing rate is replaced with an RFR and provides specific disclosure requirements. The Phase 2 amendments provide key reliefs related to the contractual modifications due to the reform and the hedging designations affected by the reform. In addition, Phase 2 amendments introduce additional disclosure requirements, to enable users of financial statements to understand the effect of interest rate benchmark reform on an entity's financial instruments and risk management strategy.

The adoption of the amendments had no material impact on the interim financial statements.

2.2 Other accounting developments

IFRIC agenda decision - Attributing Benefit to Periods of Service (IAS 19)

In May 2021, an IFRIC agenda decision was published that concludes about the periods of service over which an entity should attribute benefits under a specific retirement defined benefit plan based on the existing requirements of IAS 19.

The Company is currently evaluating the impact of the above agenda decision and will include any resulting adjustments in the financial statements by 31 December 2021.

3. Significant accounting estimates and judgments in applying accounting policies

In preparing these interim financial statements, the significant estimates, judgments and assumptions made by Management in applying the Company's accounting policies and the key sources of estimation uncertainty are the same as those applied in the financial statements for the year ended 31 December 2020.

Further information about the key assumptions and sources of estimation uncertainty are set out in notes 8, 10, 13 and 14.

4. Net interest income

	30 June 2021 € million	30 June 2020 € million
Interest income		
Customers	-	76
Securities	30	15
	30	91
Interest expense		
Debt securities in issue	(30)	(28)
	(30)	(28)
Total	(0)	63

In the period ended 30 June 2021, an amount of € 30 million is included in interest expense relating to the TIER 2 capital instruments issued by the Company, while an equal amount is included in interest income for the subordinated TIER 2 note issued by Eurobank S.A. and held by the Company.

5. Other income/(expenses)

In the period ended 30 June 2021, other income/expenses include € 1 million income from IT services and € 1 million income regarding loan portfolio's related services provided to the Bank. Comparative figures mainly include foreign exchange losses on loans that were derecognized in June 2020, in the context of "Cairo" transaction.

6. Operating expenses

In the period ended 30 June 2021 the operating expenses of € 5 million mainly refer to a) € 1.6 million staff cost (30 June 2020: € 1.4 million) and b) € 2.8 million other administrative expenses (30 June 2020: € 2.1 million). Administrative expenses include € 2 million (30 June 2020: € 1.9 million) insurance premiums relating to the Group's financial lines insurance, including protection for professional liability.

7. Impairment allowance for loans and advances to customers

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

	30 June 2020			
	12-month ECL-Stage 1 € million	Lifetime ECL-Stage 2 € million	Lifetime ECL credit-impaired € million	Total € million
Impairment allowance as at 1 January 2020	105	379	5,982	6,466
Discontinued operations (Hived down banking sector)	(104)	(319)	(2,560)	(2,983)
Transfers between stages	2	(7)	5	-
Impairment loss for the period	29	97	1,380	1,506
Loans and advances derecognised during the period	(32)	(150)	(4,735)	(4,917)
Amounts written off	-	-	(3)	(3)
Unwinding of Discount	-	-	(52)	(52)
Foreign exchange and other movements	-	-	(17)	(17)
Impairment allowance as at 30 June 2020	-	-	-	-

In the comparative period the impairment loss of € 1,506 million presented in the above table, refers to the re-measurement of the Company's portfolios expected credit losses relating to "Cairo" transaction. In addition, the modification loss on loans and advances to customers amounted to € 3 million.

8. Income tax

According to Law 4799/2021 which was enacted in May 2021 and amended Law 4172/2013, the Greek corporate tax rate for legal entities other than credit institutions (i.e. credit institutions that fall under the requirements of article 27A of Law 4172/2013 regarding eligible DTAs/deferred tax credits) decreased from 24% to 22% from the tax year 2021 onwards. In addition, the withholding tax rate for dividends distributed, other than intragroup dividends, is 5%. In particular, the intragroup dividends under certain preconditions are relieved from both income and withholding tax.

Based on the management's assessment the Company is not expected to have sufficient future taxable profits against which the unused tax losses can be utilized. Accordingly, in the period ended 30 June 2021, an income tax has not been recognized.

Tax certificate and open tax years

The Company, in accordance with the general principles of the Greek tax legislation has 6 open tax years (i.e. five years as from the end of the fiscal year within which the relevant tax return should have been submitted). For the open tax year 2015 the Company was required to obtain an 'Annual Tax Certificate' pursuant to the Law 4174/2013, which is issued after a tax audit is performed by the same statutory auditor or audit firm that audits the annual financial statements. For fiscal years starting from 1 January 2016 onwards, the 'Annual Tax Certificate' is optional, however, the Company will continue to obtain such certificate.

The tax certificates, which have been obtained by the Company are unqualified for the open tax years 2015-2019. For the year ended 31 December 2020, the tax audit from external auditor is in progress.

In accordance with the Greek tax legislation and the respective Ministerial Decisions issued, additional taxes and penalties may be imposed by the Greek tax authorities following a tax audit within the applicable/aforementioned statute of limitations, irrespective of whether an unqualified tax certificate has been obtained from the tax paying company. In light of the above, as a general rule, the right of the Greek State to impose taxes up to tax year 2014 (included) has been time-barred for the Company as at 31 December 2020. On 18 January 2021, the Company received two orders for a tax audit by the tax authorities for the tax years 2015 and 2016. The tax audit is in progress.

In reference to its total uncertain tax positions, the Company assesses all relevant developments (e.g. legislative changes, case law, ad hoc tax/legal opinions, administrative practices) and raises adequate provisions.

9. Discontinued operations

On 20 March 2020 the demerger of Eurobank Ergasias S.A. through the banking sector's hive down was completed. In the comparative period the loss of the banking sector, which comprised the major part of the demerged company's operations, amounted to € 41 million.

10. Investment securities

As at 30 June 2021, the carrying amount of the subordinated instrument held by the Company and categorised as at amortised cost, amounted to € 947 million (31 December 2020: € 942 million), including an impairment allowance of € 3 million (31 December 2020: € 8 million) (12-month ECL). The fair value of the said security was determined based on quotes for the related Tier 2 instrument (note 13) and amounted to € 954 million (31 December 2020: € 932 million).

11. Shares in subsidiaries

The following is a listing of the Company's subsidiaries held directly at 30 June 2021:

Name	Percentage holding	Country of incorporation	Line of business
Eurobank S.A.	100.00	Greece	Banking
Be Business Exchanges S.A. of Business Exchanges Networks and Accounting and Tax Services	98.01	Greece	Business-to-business e-commerce, accounting, tax and sundry services

12. Other assets

As at 30 June 2021, other assets amounting to € 2.2 million (31 December 2020: € 3.7 million) primarily consist of (a) € 0.3 million (31 December 2020: € 2.1 million) prepaid expenses mainly for insurance premiums, (b) € 0.8 million (31 December 2020: € 1.1

million) receivables for IT services provided to the Group companies and third parties and (c) € 0.7 million receivables from Fairfax Group relating to financial consulting services.

13. Debt securities in issue

Tier 2 Capital instruments

In January 2018, Eurobank Ergasias issued Tier 2 capital instruments of face value of € 950 million, in replacement of the preference shares which had been issued in the context of the first stream of Hellenic Republic's plan to support liquidity in the Greek economy under Law 3723/2008. The carrying amount of 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 30 June 2021, amounted to € 947 million (31 December 2020: € 947 million), including € 3 million unamortized issuance costs. Their fair value, which was determined by using quotes for identical financial instruments in non-active markets, amounted to € 954 million (31 December 2020: € 932 million).

14. Other liabilities

As at 30 June 2021, other liabilities amounting to € 1.3 million (31 December 2020: € 1.6 million) primarily consist of (a) € 0.7 million (31 December 2020: € 0.6 million) accrued expenses, (b) € 0.1 million (31 December 2020: € 0.5 million) current payables to suppliers and (c) € 0.4 million (31 December 2020: € 0.4 million) Standard legal staff retirement indemnity obligations.

15. Share capital and share premium

As at 30 June 2021, the par value of the Company's shares is € 0.22 per share (31 December 2020: € 0.22). All shares are fully paid. Share capital, share premium and number of shares are as follows:

	Share capital € million	Share premium € million	Number of issued shares
Balance at 30 June	**816**	**8,056**	**3,709,161,852**

Treasury shares

According to paragraph 1 of Article 16c of Law 3864/2010, during the period of the participation of the HFSF in the share capital of the Company, the Company is not permitted to purchase treasury shares without the approval of the HFSF.

16. Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents with original maturities of three months or less, as at 30 June 2021 amount to € 13 million (31 December 2020: € 14 million).

17. Other significant and post balance sheet events

On 1 June 2021, the General Shareholders' Meeting (GM) of Eurobank S.A. (the Bank) following the relevant decision of its Board of Director's (BoD), approved the distribution of the 95% of the mezzanine and junior notes of Mexico securitization to the Company through the decrease in kind of the Bank's share capital. The aforementioned GM's approval for the Bank's share capital reduction and the relevant amendments of its articles of association was subject to the prior receipt of the required regulatory approval. The initiation of the regulatory approval process for the Bank's share capital decrease took place in early July, while the required approvals were provided in August 2021. The settlement of the said distribution expected in September 2021, will result in the recognition of the aforementioned notes at fair value in the Company's balance-sheet.

Furthermore, in August 2021, a commitment letter was signed between the Company, the Bank and doValue S.p.A. for the sale of the aforementioned notes, subject to certain conditions, including the completion of the aforementioned notes' distribution from the Bank to Eurobank Holdings as well as Hellenic Asset Protection Scheme (HAPS) guarantee and regulatory approval on underlying loan portfolio's significant risk transfer.

Further information about the NPE securitisation transaction (Project "Mexico") is provided in the note 15.1 of the consolidated financial statements of the Company for the period ended 30 June 2021.

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

Note 2 – Basis of preparation and principal accounting policies
Note 18 – Related parties
Note 19 – Board of Directors

18. Related parties

Eurobank Ergasias Services and Holdings S.A. (the Company or Eurobank Holdings) is the parent company of Eurobank S.A. (the Bank), which resulted from the demerger of Eurobank Ergasias S.A. ("Demerged Entity") through its banking sector's hive down that was completed in March 2020.

The Board of Directors (BoD) of Eurobank Holdings is the same as the BoD of the Bank and part of the key management personnel (KMP) of the Bank provides services to Eurobank Holdings according to the terms of the relevant agreement between the two entities. As at 30 June 2021, the percentage of the Company's ordinary shares with voting rights held by the Hellenic Financial Stability Fund (HFSF) stands at 1.40%. The HFSF is considered to have significant influence over the Company pursuant to the provisions of the Law 3864/2010, as in force, the Relationship Framework Agreement (RFA) the Demerged Entity has entered into with the HFSF on 4 December 2015 and the Tripartite Relationship Framework Agreement (TRFA) between the Bank, the Company and the HFSF signed on 23 March 2020. Further information in respect of the HFSF rights based on the aforementioned framework is provided in the section "Report of the Directors and Corporate Governance Statement" of the Annual Financial Report for the year ended 31 December 2020.

In addition, Fairfax group, which as at 30 June 2021 held 31.27% of the Company's voting rights, is considered to have significant influence over the Company. In July 2021, Eurolife FFH Insurance Group Holdings S.A. became a subsidiary of Fairfax and the percentage of the Company's voting rights held by Fairfax Group increased to 33%. As at 30 June 2021, the Company's outstanding balances of the transactions with Fairfax group refer to receivables of € 0.72 million related to financial consulting services.

A number of transactions are entered into with related parties in the normal course of business and are conducted on an arm's length basis. The outstanding balances of the transactions with: (a) the subsidiaries, (b) the KMP and the entities controlled or jointly controlled by KMP and (c) the associates and joint ventures, as well as the relating income and expenses from continuing and discontinued (for the comparative period) operations are as follows:

	30 June 2021	31 December 2020		
	Subsidiaries [(1)] **€ million**	Subsidiaries € million	KMP and Entities controlled or jointly controlled by KMP € million	Associates and joint ventures € million
Due from credit institutions	**12.66**	14.39	-	-
Investment securities	**947.21**	941.85	-	-
Other assets	**0.60**	0.74	-	-
Other liabilities	**0.05**	0.37	-	-
	Six months ended 30 June 2021	Six months ended 30 June 2020		
Net interest income	**30.44**	3.84	-	(1.10)
Net banking fee and commission income	**-**	4.44	-	4.02
Net trading income	**-**	0.50	-	-
Other operating income/(expense)	**0.83**	1.33	(3.12)	(4.84)
Other impairment (losses)/reversal	**5.36**	(10.24)	-	-
Impairment losses relating to loans and advances and collector's fees	**-**	(4.95)	-	(0.17)

[(1)] The expenses in relation to KMP services provided by the Company's subsidiary Eurobank S.A. are included in Key management compensation disclosed below.

Key management compensation

In the period ended 30 June 2021, the Company recognized Key management compensation amounting to € 0.1 million that is referring mainly to KMP services provided by Eurobank S.A. in accordance with the relevant agreement (30 June 2020, mainly referring to the pre-hived down period: € 1.43 million for short term employee benefits, € 0.23 million for long term employee benefits and € 0.02 million cost recognised in the income statement relating to the defined benefit obligation for the KMP).

19. Board of Directors

The Board of Directors (BoD) was elected by the Annual General Meeting (AGM) of the Shareholders held on 23 July 2021 for a three years term of office that will expire on 23 July 2024, prolonged until the end of the period the AGM for the year 2024 will take place.

Following the aforementioned AGM decision, the BoD was constituted as a body at the BoD meeting of 23 July 2021, as follows:

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

Athens, 30 August 2021

Georgios P. Zanias	**Fokion C. Karavias**	**Harris V. Kokologiannis**
ID No AI - 414343	ID No AI - 677962	ID No AN - 582334
CHAIRMAN OF THE BOARD OF DIRECTORS	CHIEF EXECUTIVE OFFICER	GENERAL MANAGER OF GROUP FINANCE CHIEF FINANCIAL OFFICER