EUROBANK ERGASIAS SERVICES and HOLDINGS S.A.

INTERIM 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

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	CHIEF EXECUTIVE OFFICER	GENERAL MANAGER OF GROUP FINANCE
OF THE BOARD OF DIRECTORS		CHIEF FINANCIAL OFFICER