EUROBANK Holdings

EUROBANK ERGASIAS
SERVICES AND HOLDINGS S.A.

CONSOLIDATED PILLAR 3 REPORT

FOR THE NINE MONTHS ENDED

30 SEPTEMBER 2023

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1. Introduction – General Information

Eurobank Ergasias Services and Holdings S.A. (the Company or Eurobank Holdings), which is the parent company of Eurobank S.A. (the Bank) and its subsidiaries (the Group), consisting mainly of Eurobank S.A. Group 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.

Eurobank Holdings is supervised on a consolidated basis and Eurobank S.A. is supervised on a standalone basis by the European Central Bank (ECB) and the Bank of Greece (BoG).

Pursuant to article 22A of Greek Law 4261/2014 (as amended), which incorporated article 21 (a) of Directive 2013/36/EU (as amended) into the Greek legislation and following the ECB's decision in December 2021, Eurobank Holdings was licensed as a financial holding company. This Decision entails that Eurobank Holdings is required to meet the prudential requirements set out in Capital Requirements Regulation (CRR) and Capital Requirements Directive (CRD) as amended at consolidated level.

1.1 Highlights

Risk profile

	30 September 2023 (1) & (2) **€ million**	**30 September 2023** (1) **€ million**	30 June 2023 (1) € million	30 September 2022 € million
Available own funds				
Common Equity Tier 1 (CET1) capital	**6,986**	7,047	6,871	6,302
Tier 1 capital	**6,986**	7,047	6,871	6,302
Total capital	**8,107**	8,169	8,020	7,345
Risk-weighted exposure amounts				
Total risk-weighted exposure amount	**42,535**	44,225	43,976	42,183
Capital ratios				
Common Equity Tier 1 ratio (%)	**16.4%**	15.9%	15.6%	14.9%
Tier 1 ratio (%)	**16.4%**	15.9%	15.6%	14.9%
Total capital ratio (%)	**19.1%**	18.5%	18.2%	17.4%
Leverage ratio				
Leverage ratio	**8.5%**	8.3%	8.1%	7.4%
Liquidity Ratio				
Liquidity coverage ratio (%)	**170.6%**	170.6%	174.0%	169.0%
Net Stable Funding Ratio (%)	**129.4%**	129.4%	129.7%	127.2%

(1) Including profits € 980 million for the 9M 2023 and € 684 million for the 1H 2023.
(2) Pro-forma with the completion of Project "Solar" and the disposal of Eurobank Direktna a.d.

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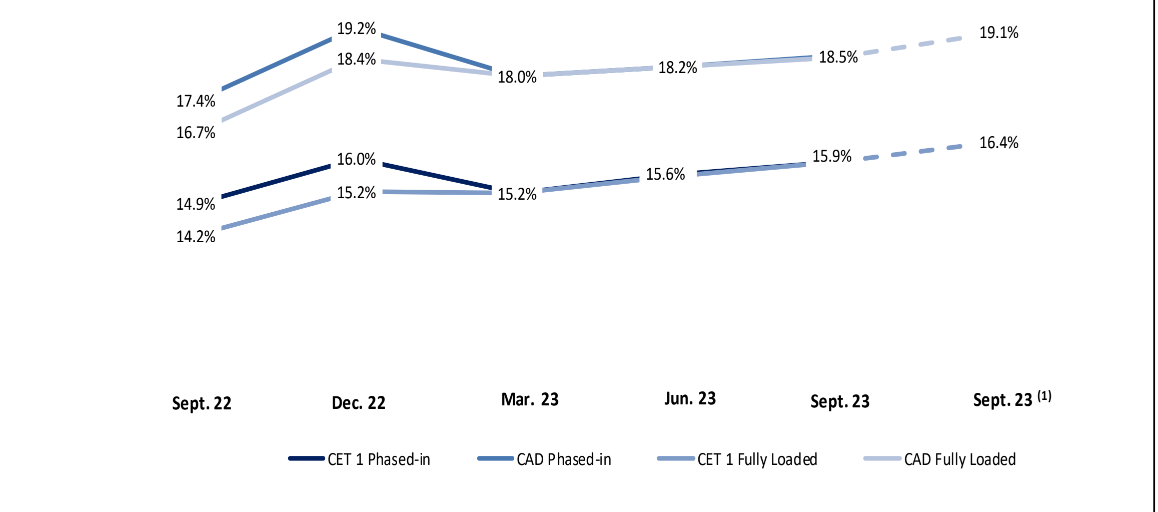
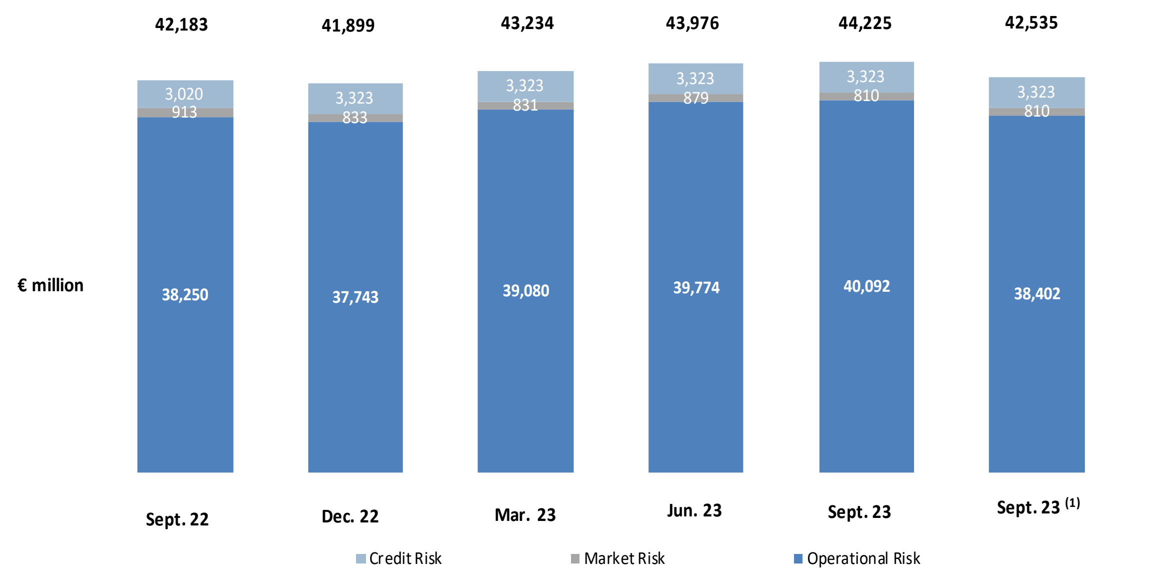
Evolution of Capital Ratio



(1) *Pro-forma with the completion of Project "Solar" and the disposal of Eurobank Direktna a.d..*

Evolution of Risk Weighted Assets Amount



(1) *Pro-forma with the completion of Project "Solar" and the disposal of Eurobank Direktna a.d...*

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1.2 NPE Operational targets

In line with the regulatory framework and Single Supervisory Mechanism's (SSM) requirements for Non-Performing exposures' (NPE) management, in March 2023 the Group submitted its NPE Management Strategy for 2023-2025, along with the annual NPE stock targets at both Bank and Group level. The plan envisages the decrease of NPE ratio at 4.5% in 2025.

1.3 Project Solar

In the context of its NPE management strategy, the Group has structured another NPE securitization transaction (project "Solar"), as part of a joint initiative with the other Greek systemic banks initiated since 2018, in order to decrease further its NPE ratio and strengthen its balance sheet de-risking. In addition, the Group targets to the prudential and accounting derecognition of the underlying corporate loan portfolio from its balance sheet by achieving a Significant Risk Transfer (SRT) and including "Solar" securitization under the Hellenic Asset Protection Scheme (HAPS), thus the senior note of the securitization to become entitled to the Greek State's guarantee. The Management remains committed to its plan for the completion of the above transaction and has undertaken actions, along with the other participating banks, towards the disposal of the majority stake of the mezzanine and junior notes to be issued in the context of the above-mentioned securitization.

As at 30 Septemeber 2023 the Group's NPE stock and the NPE ratio decreased to € 2.1 billion (31 June 2023: € 2.2 billion) and 4.9% (30 June 2023 5.2%) respectively, following the classification of Eurobank Direktna a.d. disposal group (as of March 2023) and project "Solar" underlying loan portfolio (since June 2022) as held for sale (HFS), while the NPE coverage ratio stood at 75% (30 June 2023: 73.2%).

On 2 November 2023, the Bank announced the execution of a binding agreement between the four Greek systemic banks (the Banks) and Waterwheel Capital Management, L.P., with respect to the sale to the latter of 95% of the Mezzanine notes and of 95% of the Junior notes to be issued in the context of "Solar" securitization. The Banks will hold 100% of the Senior notes as well as 5% of the Mezzanine and of the Junior notes. The transaction is expected to be completed within the first quarter of 2024, subject to customary conditions for such transactions.

For further details, please refer to Interim Consolidated Financial Statements, Note 15.

1.4 Eurobank Direktna a.d., Serbia

On 2 March 2023, the Bank announced that it has signed a binding agreement (share purchase agreement) with AIK Banka a.d. Beograd ("AIK") for the sale of its 70% shareholding in its subsidiary in Serbia, Eurobank Direktna a.d. (the "Transaction"). The sale was considered highly probable, therefore, as of 31 March 2023 the assets of Eurobank Direktna a.d. and the associated liabilities ("disposal group"), which form part of the share purchase agreement, were classified as HFS and presented as a discontinued operation. The subsidiary is a major part of the Group's operations in Serbia, which are presented in the International segment.

The Transaction is consistent with Eurobank's strategy to direct capital to opportunities with more compelling Return on Tangible Book Value and to further enhance its presence in its core markets. In this context, based on the agreement, 100% of Eurobank Direktna a.d. disposal group was valued at € 280 million.

On 2 November 2023, the Bank announced that the sale of its 70% shareholding in Eurobank Direktna to AIK Banka a.d. Beograd was completed for a cash consideration of ca. € 198 million and is expected to contribute ca. 45 bps to Eurobank Holdings Group's CET1 ratio (based on 30 September 2023 ratio), reflecting the release of related RWAs (Risk weighted assets).

For further details, please refer to Interim Consolidated Financial Statements, Note 13.

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1.5 Hellenic Bank Public Company Ltd, Cyprus

On 4 April 2023 after the receipt of the relevant regulatory approvals, the Bank has completed the acquisition of an additional 13.41% holding in Hellenic Bank Public Company Limited ("Hellenic Bank"), a financial institution located in Cyprus and listed in the Cyprus Stock Exchange, for a consideration of € 70 million. Following that, the total holding in Hellenic Bank, including the previously held participation of 15.8% with carrying value of € 103 million on the above date, reached 29.2% and the Group in accordance with the IFRS is considered to have significant influence over the entity.

Furthermore, in August 2023, the Bank announced that it has entered into share purchase agreements (SPAs) with certain shareholders of the Hellenic Bank, pursuant to which, it has agreed to acquire an additional total holding of 26,1% in the entity, for a total consideration of € 253.2 million (announcements dated on August 23rd, 25th and 30th). The consideration for the said transactions is subject to possible adjustments depending inter alia on the timing of the completion and the terms of the mandatory tender offer, in accordance with the provisions of the Takeover Bids Law of 2007 in Cyprus. The completion of the acquisitions is subject to the customary regulatory approvals. Following their completion, the total holding in Hellenic Bank will amount to 55.3%.

For further details, please refer to Interim Consolidated Financial Statements, Note 18.

1.6 Acquisition of BNP Paribas Personal Finance Bulgaria by Eurobank Bulgaria A.D.

On 9 December 2022, Eurobank Holdings announced that it had reached an agreement for the acquisition of BNP Paribas Personal Finance Bulgaria (the "Business") by Eurobank's subsidiary in Bulgaria, Eurobank Bulgaria A.D. ("Postbank"). The completion of the transaction took place in May 2023, following the receipt of the approvals by all competent regulatory authorities.

For further details, please refer to Interim Consolidated Financial Statements, Note 17.2.

1.7 Hellenic Financial Stability Fund's (HFSF) shares buy back

Following the receipt of the required approval from the regulator in May 2023, the General Meeting of the Company's Shareholders, which was held on 20 July 2023, approved the acquisition of 52,080,673 Company's shares held by the HFSF, corresponding to approximately 1.4% of the Company's share capital and voting rights, and authorized the Board of Directors (BoD) to determine the specific conditions and relevant details for the acquisition. The maximum and the minimum purchase price were set at €1.90 and € 1.10 per share respectively.

On 25 September 2023, the Bank announced that it had entered into a conditional share purchase agreement with the HFSF to acquire all of its issued shares held by HFSF, at a price of € 1.80 per share. Accordingly, as at 30 September 2023, the Company recognised a financial liability for the redemption amount of € 93.7 million, with a corresponding debit in equity.

On 9 October 2023, the acquisition of all the shares held by the HFSF was completed for a total consideration of € 93.8 million, including related third party fees. Following the above, the Company and the Bank are no longer subject to Law 3864/2010 and to the special rights of HFSF provided for in such law.

For further details, please refer to Interim Consolidated Financial Statements, Note 26.

1.8 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 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.

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On 30 November 2022, the Company announced the issuance of a € 300 million subordinated Tier II debt instrument which matures in December 2032, is callable in December 2027 offering a coupon of 10% per annum and is listed on the Luxembourg Stock Exchange's Euro MTF market. On the same date, the Bank issued a subordinated instrument of equivalent terms, held by the Company.

1.9 Regulatory framework

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

- Pillar 1 defines the minimum regulatory capital requirements, based on principles, rules and methods specifying and measuring credit, market and operational risk. These requirements are covered by regulatory own funds, according to the rules and specifications of CRR.
- Pillar 2 addresses the internal processes for assessing overall capital and liquid asset holdings are adequate in relation to risk profile (Internal Capital Adequacy Assessment Process - ICAAP and Internal Liquidity Assessment Process - ILAAP). Moreover, Pillar 2 introduces the Supervisory Review & Evaluation Process (SREP), which assesses the risks banks face and check that banks are equipped to manage those risks properly.
- Pillar 3 intends to enhance market discipline by developing a set of quantitative and qualitative disclosure requirements, which allow market participants to assess key pieces of information on the scope of application, capital, risk exposures, risk assessment processes and hence the capital adequacy and the internal liquidity adequacy of credit institutions.

According to the CRD IV provisions:

- Minimum CET1 ratio: 4.5%;
- Minimum Tier 1 ratio: 6%;
- Minimum Total Capital ratio: 8%

Furthermore, banks are required to maintain in addition to the above minimum ratios, a Capital Conservation Buffer (CCB) equal to 2.5% (from 1 January 2019) of their total risk exposure amount calculated.

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

- Minimum CET1 capital ratio 7% and
- Total capital adequacy ratio 10.5%.

Additional capital buffers that CRD IV introduces are the following:

a) Countercyclical buffer (CCyB). The purpose of this buffer is to counteract the effects of the economic cycle on banks' lending activity, thus making the supply of credit less volatile and possibly even reduce the probability of credit bubbles or crunches. Credit institutions are required under the CRD IV to build up an additional buffer of 0 - 2.5% of CET1 during periods of excess credit growth, according to national circumstances. According to BoG Executive Committee Act No 202/1/11.03.2022, which lays down the procedure for applying the CCyB rate in Greece and the relevant calibration methodology, BoG assesses, on a quarterly basis, the intensity of cyclical systemic risk and the appropriateness of the CCyB rate, taking into account the standardised credit-to-GDP gap, the buffer guide and, in particular, additional indicators for monitoring the build-up of cyclical systemic risk. On 28 September 2023, BoG announced that would keep the countercyclical capital buffer rate for Greece unchanged at "zero percent" (0%) in the fourth quarter of 2023, with effect from 1 October 2023.

b) Global systemic institution buffer (G-SIIs). CRD IV includes a mandatory systemic risk buffer of CET1 for banks that are identified by the relevant authority as globally systemically important, which is not applicable to Greek banks.

c) Other systemically important institutions buffer (O-SIIs). On 12 June 2023, European Banking Authority (EBA) published the updated list of O-SIIs in the EU, which, together with G-SIIs, are identified as systemically important by the relevant authorities according to harmonised criteria laid down in the EBA Guidelines (the size, importance, complexity and interconnectedness). This list is based on year-end-2022 data and also reflects the capital buffers that the relevant authorities have set for the identified O-SIIs. The list of O-SIIs is disclosed on an annual basis, along with any CET1 capital buffer requirements, which may need to be set or reset. Higher capital requirements will become applicable in case relevant authorities decide to set institution specific buffer requirements following the O-SII identification. For each O-SIII, the list includes the overall score in terms of basis points resulting from the EBA scoring methodology. The EBA methodology has been applied to compute the scores for all the institutions operating in Greece using consolidated data. Based on the above scoring system, all Greek O-SIIs are classified in bucket 4, which corresponds to a capital buffer up to 1%. According to BoG Executive Committee Act No 212/21.09.2022, the O-SII buffer for Greek institutions is set at 1% for 2023.
   On 22 December 2022, ECB published the November 2022 Governing Council statement on macroprudential policies regarding the revised floor methodology for assessing capital buffers for O-SIIs. The revised floor methodology increases the number of buckets to which O-SIIs are allocated from four to six and raises the floor level for the highest bucket to 1.50% while keeping the floor of the lowest bucket unchanged at 0.25%. The aforementioned methodology will strengthen the capacity of systemically important banks to absorb losses. Moreover, it will further reduce the risk of heterogeneity in O-SII buffers and lead to a more consistent treatment of these institutions across the countries participating in European banking supervision. The ECB will use the revised floor methodology to assess O-SII buffers proposed by national authorities as of 1 January 2024.
   From 1 January 2024, the O-SII buffer for the Group will increase to 1.25% (from 1.00% in 2023), in accordance with the Executive Committee Act 221/1/17.10.2023 of BoG, following the above change in the floor methodology.

d) Systemic Risk Buffer (SyRB). According to article 133 of CRD, SyRB can be used to address a broad range of systemic risks, which may also stem from exposures to specific sectors, as long as they are not already covered by the Capital Requirements Regulation or by the CCyB or the G-SII/O-SII buffers. The level of the SyRB may vary across institutions or sets of institutions as well as across subsets of exposures. There is no maximum limit for this buffer. Competent authority is in charge of setting the systemic risk buffer and of identifying the sets of institutions to which it applies. According to BoG Executive Committee Act No 197/2/21.12.2021, BoG decided to adopt the EBA guidelines on the appropriate subsets of exposures to which the competent authority or the designated authority may apply a systemic risk buffer based on paragraph 5 of article 133 of CRD.
   The systemic risk buffer consists of CET1 capital and is expressed as a percentage of the total risk exposure amount of credit institutions. It can be set in multiples of 0.5% and may exceed 3% provided that the relevant procedures laid down in EU law are respected. The BoG has set neither a sectoral nor a broader systemic risk buffer rate as yet.

1.10 Regulatory Developments

On 29 May 2020, EBA published its Guidelines on loan origination and monitoring that expect Banks to develop robust and prudent standards to ensure newly originated loans are assessed properly. The Guidelines set requirements for assessing the borrowers' creditworthiness together with the handling of information and data for the purposes of such assessments. In these requirements, the Guidelines bring together the EBA's prudential and consumer protection objectives. The application of the Guidelines for newly originated loans needs to be in place within Q2 2021, while gradually and until Q2 2024 the application of the Guidelines needs to be expanded to existing loans that have been renegotiated and to the stock of existing loans.

On 24 January 2022, EBA published its final draft ITS on Pillar 3 disclosures on Environmental, Social and Governance (ESG) risks. The final draft ITS put forward tables, templates and associated instructions that specify the requirement in Article 449a of Regulation (EU) No 575/2013 to disclose prudential information on ESG risks, including transition and physical

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risk, addressed to large institutions with securities traded on a regulated market of any Member State. The Pillar 3 framework on prudential disclosures on ESG risks supports institutions in the public disclosure of meaningful and comparable information on how ESG-related risks and vulnerabilities, and in particular climate change, may exacerbate other risks in their balance sheet. Disclosure of information on ESG risks is a vital tool to promote market discipline, allowing stakeholders to assess banks' ESG related risks and sustainable finance strategy.

Large institutions should disclose information on ESG risks from 28 June 2022. For the first year this information must be disclosed on an annual basis and semi-annually thereinafter. Consequently, the first disclosure reference date is 31 December 2022 and the information is made publicly available during the first months of 2023. An overview of the qualitative and quantitative information is depicted below:

- Three tables are set up for qualitative information on ESG risks. Under each risk category, the disclosure requirements target three aspects: governance, business model and strategy, and risk management. First disclosure reference date is 31.12.2022.
- Ten templates are set up for quantitative disclosures, specifically:
  a. four templates on climate change transition risk that should be disclosed with reference date 31.12.2022, except for disclosures on institutions' scope 3 emissions and alignment metrics which have phase-in period until June 2024;
  b. one template on climate change physical risks with first disclosure date on 31.12.2022;
  c. five templates on the actions that institutions are putting in place to mitigate climate-change-related risks, including information on Taxonomy-aligned activities (Green Asset Ratio - GAR and Banking Book Taxonomy Alignment Ratio -BTAR) and on other mitigating actions. The disclosure of information on the GAR will start to apply on 31.12.2023, the additional and separate information on the BTAR will apply from 30.06.2024.

On 25 March 2022, the three European Supervisory Authorities (EBA, EIOPA and ESMA – ESAs) updated their joint supervisory statement on the application of the Sustainable Finance Disclosure Regulation (SFDR). This includes a new timeline, expectations about the explicit quantification of the product disclosures under Article 5 and 6 of the Taxonomy Regulation, and the use of estimates. The supervisory statement aims to promote an effective and consistent application and national supervision of the SFDR, thus creating a level playing field and protecting investors. On 25 November 2021, the Commission sent a letter announcing that the application date of the Regulatory Technical Standards (RTS) would be 1 January 2023. The European Commission (EC) is required to endorse the ESAs draft RTS within 3 months of the publication. Subject to the non-objection by the European Parliament (EP) and Council of the European Union – within 3 months following the Commission's endorsement – the RTS will be adopted by the Commission by means of a delegated regulation.

On 8 November 2022, the Council of the EU published its position (general approach) on the proposals amending

- Regulation (EU) No 575/2013 as regards requirements for credit risk, credit valuation adjustment risk, operational risk, market risk and the output floor the capital requirements directive and the capital requirements regulation. Proposed implementation date is 1 January 2025;
- Directive 2013/36/EU as regards supervisory powers, sanctions, third-country branches, and ESG risks, and amending Directive 2014/59/EU (CRD).

Following the usual legislative procedure, the Council's general approach will be discussed together with EP's final position and the EC's initial legislative proposal to agree on a final version of the texts. The trialogue is expected to start in 2023.

On 31 January 2023, EBA published a consultation on draft ITS on supervisory reporting with respect to Interest Rate risk in the Banking Book (IRRBB). The consultation paper proposes new, harmonised reporting requirements for the assessment and monitoring of institutions' IRRBB across the EU. This new reporting will provide supervisors the necessary data to monitor IRRBB risks in credit institutions, taking into careful consideration the concept of proportionality. The

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consultation runs until 2 May 2023. EBA expects to submit this draft ITS to the European Commission (EC) in mid-2023. The expected application of the revised requirements is for 30 June 2024 reporting reference date.

On 14 February 2023, EBA published the final draft RTS setting out the conditions for the assessment of the homogeneity of the underlying exposures in a pool of a Simple Transparent and Standardised (STS) on-balance-sheet securitisation. In general, the proposed amendments consider the specificities of on-balance-sheet securitisations and aim at enabling both the originators and the investors to assess the underlying risks of the pool of the underlying exposures on the basis of common methodologies and parameters in line with the overarching objective of the homogeneity requirement. The final draft RTS will be submitted to the Commission for endorsement. Following the submission, RTS will be subject to scrutiny by the EP and the Council before being published in the Official Journal of the European Union.

On 13 March 2023, ESAs together with ECB published a Joint Statement on climate-related disclosure for structured finance products. The Statement encourages the development of disclosure standards for securitised assets through harmonised climate-related data requirements. Securitisation transactions are often backed by assets that could be directly exposed to physical or transition climate-related risks, such as real estate mortgages or auto loans. Finally, the introduction of new climate change-related disclosure requirements for securitisations may become also relevant for similar funding instruments backed by the same type of underlying assets, such as covered bonds.

On 21 March 2023, EBA launched a public consultation on its draft ITS amending the ITS on specific reporting requirements on market risks (FRTB reporting), aiming at providing supervisors with the necessary tools to monitor these risks. The consultation runs until 21 June 2023. As the full implementation of the FRTB in the EU approaches proposed to be 1 January 2025, the proposals set out in the consultation paper complement the already existing reporting requirements with a comprehensive set of information on the instruments and positions to which institutions apply related to the FRTB approaches.

On 21 April 2023, EBA launched a public consultation on its draft Guidelines on the criteria related to simplicity, standardisation and transparency and additional specific criteria for on-balance-sheet securitisations (so-called STS criteria). The Consultation Paper is composed of two sections. The main section includes the Draft Guidelines for on-balance-sheet securitisations. With the introduction of STS criteria for on-balance-sheet securitisations in the Securitisation Regulation, on-balance-sheet securitisations are now eligible for preferential risk-weight treatment under CRR. The second section includes the targeted amendments to the Guidelines for non-ABCP and ABCP securitisation to ensure that the interpretation provided by the EBA is, where appropriate, the same and consistent across all three sets of guidelines. The consultation ran until 7 July 2023.

On 25 May 2023, the three European Supervisory Authorities (EBA, EIOPA and ESMA – ESAs) jointly submitted to the EC Draft RTS on the ESG impact disclosure for STS securitisations under the Securitisation Regulation. These technical standards aim to ensure consistency with those developed under the SFDR which distinguish between the publication of available information on mandatory indicators (e.g., energy efficiency) and on additional indicators (e.g., emissions). The key proposals included in the technical standards specify ESG disclosures which would apply to STS securitisations where the underlying exposures are residential loans, auto loans and leases. EC has three months to decide whether to endorse the RTS.

On 7 July 2023, EBA launched a public consultation on amendments to the draft ITS on disclosure and reporting of the Minimum Requirement for own funds and Eligible Liabilities (MREL) and the Total Loss Absorbency Requirement (TLAC). These amendments aim to reflect changes to the prudential framework that came or will soon come into force and provide clarifications on the information to be reported in the insolvency ranking templates. The consultation paper also includes an updated mapping between disclosure and reporting requirements. The consultation ran until 18 August 2023 and EBA expects to submit this draft ITS to EC in August/September 2023. The amendments are envisaged to apply for the reference date of June 2024. EBA will also develop a technical package, consisting of the data point model, validation rules and XBRL taxonomy, reflecting the amendments introduced through these Implementing Technical Standards (ITS). The technical package will become part of release v3.4 of the EBA reporting framework.

On 31 July 2023, EBA published its final ITS on supervisory reporting with respect to IRRBB. This draft amending ITS propose new, harmonised reporting requirements for the assessment and monitoring of institutions' IRRBB across the EU. Moreover, it will provide supervisors with the necessary data to monitor IRRBB risks in credit institutions, taking into careful consideration the concept of proportionality. The first reference date for the application of these technical standards is 30 September 2024. The final draft ITS are part of the 3.4 reporting framework release, and the technical package will be published by mid-October 2023.

On 3 August 2023, EBA launched a public consultation on draft RTS to identify extraordinary circumstances under which competent authorities may soften or waive certain requirements for the calculation of own funds requirements for market risk on the basis of internal models. More specifically, these RTS set out that only a situation of cross-border financial market stress, or a regime shift, can qualify as a situation of extraordinary circumstances, and only subject to the additional condition that this stress or regime shift impacts the validity of the results of the back-testing or the profit and loss attribution test (PLAT). The consultation runs until 3 November 2023.

On 12 October 2023, EBA published a Report on the role of environmental and social risks in the prudential framework of credit institutions and investment firms. Taking a risk-based approach, the Report assesses how the current prudential framework captures environmental and social risks. It recommends targeted enhancements to accelerate the integration of environmental and social risks across the Pillar 1. The proposed enhancements aim to support the transition towards a more sustainable economy, while ensuring that the banking sector remains resilient.

1.11 Minimum Requirements for Eligible Own Funds and Eligible Liabilities (MREL)

Under the Directive 2014/59 (Bank Recovery and Resolution Directive), as in force, which was transposed into the Greek legislation pursuant to Law 4335/2015 as in force, European banks are required to meet the minimum requirement for MREL. The Single Resolution Board (SRB) has determined Eurobank S.A. as the Group's resolution entity and a Single Point of Entry (SPE) strategy for resolution purposes. Based on the latest SRB's communication, the fully calibrated MREL (final target) to be met by Eurobank S.A. on a consolidated basis until the end of 2025 is set at 27.77% of its total RWAs, including a fully-loaded combined buffer requirement (CBR) of 4.20%. The final MREL target is updated by the SRB on an annual basis. The interim non-binding MREL target, which is applicable from January 2023, stands at 20.55% of RWAs, including a CBR of 3.77% and at 23.19% from January 2024, including a CBR of 4.14%.

In the period ended 30 September 2023, in the context of the implementation of its strategy to ensure ongoing compliance with its MREL requirements, the Bank successfully completed the issue of € 500 million MREL-eligible senior preferred notes. As at 30 September 2023, the Bank's MREL ratio at Eurobank S.A. consolidated level stood at 23.69% of RWAs including profit for the period ended 30 September 2023 (30 June 2023: 23.17%) which is significantly above the aforementioned interim MREL target of 20.55%. In terms of Leverage Ratio Exposure, the Bank's MREL ratio stands as of June 2023 stood at 12.28%, which is significantly above the relevant MREL target of 5.91%.

1.12 2023 EU-wide stress test

On 21 July 2022, EBA published its 2023 EU-wide stress test draft methodology, templates and template guidance. The methodology covered all risk areas and was built on the one prepared for the 2021 EU wide stress test exercise. New features in the Stress test were a) the projections on net fee and commission income which was based on a top-down model and b) the sample coverage has been increased compared to the 2021 exercise. This exercise was coordinated by the EBA in cooperation with the ECB and national supervisory authorities and was conducted according to the EBA's methodology. On 4 November 2022, EBA published the final methodology, draft templates and template guidance for the 2023 EU-wide stress test along with the milestone dates for the exercise.

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In January 2023, EBA launched the 2023 EU-wide stress test exercise which was designed to provide valuable input for assessing the resilience of the European banking sector in the current uncertain and changing macroeconomic environment. It was carried out on the basis of year-end 2022 figures and assessed the performance of EU banks under a baseline and adverse macroeconomic scenario, covering the period of 3 years from 2023 to 2025. The baseline scenario for EU countries was based on the projections from the EU national central banks of December 2022. The adverse scenario, although unlikely to unfold, was used to assess the resilience of banks to a hypothetical severe scenario of a significant deterioration in the overall outlook for the economy and financial markets in the next three years. The narrative depicted an adverse scenario related to a hypothetical worsening of geopolitical developments leading to a severe decline in GDP with persistent inflation and high interest rates. In terms of GDP decline, the 2023 adverse scenario was the most severe used in the EU wide stress up to now. Eurobank Holdings Group participated in the EBA-led stress test.

In parallel, the ECB conducted its own stress test for a number of medium sized- banks that it supervises directly and that were not included in the EBA-led stress test sample.

2023 Stress Test Results

On 28 July 2023, the Company announced that Eurobank Holdings Group successfully completed the 2023 EU-wide Stress Test, which was coordinated by the EBA in cooperation with the ECB and the ESRB. The Group has significantly improved its results and resilience to stress under the adverse scenario compared to the ST 2021 exercise.

The starting point of the exercise is the financial and capital position of the Group as at 31 December 2022, as calculated based on the Standardised Approach (STD). On that date, the Fully Loaded (FL) CET 1 ratio (based on the full implementation of Basel III rules) amounted to 14.4%. Under the Baseline scenario, the FL CET1 ratio increases by 360bps over the 3-year ST horizon, reaching the level of 18% at the end of 2025. Under the Adverse scenario, the FL CET1 ratio decreases by 220bps at the end of 2025 and it stands at 12.2%, while at the end of the first year (2023) the Group registered its highest FL CET 1 ratio depletion, at 316bps.

1.13 Scope of Pillar 3

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

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

In December 2016, EBA published EBA/GL/2016/11 guidelines on revised Pillar 3 disclosures requirements to improve the consistency and comparability of institutions' regulatory disclosures. These guidelines harmonised the frequency of disclosures and updated the list of requirements to be considered for more frequent disclosures.

According to the above guidelines, for templates that require the disclosure for current and previous reporting periods, the previous reporting period is always referred to as the last data disclosed according to the frequency of the template. When the disclosure is being reported for the first time, the data of the previous period is not required.

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

In June 2019 the EP and the Council published the Regulation (EU) No 876/2019 or CRR2 amending the CRR, regarding among others the reporting and disclosure framework. The CRR2 rules follow a phased implementation with significant elements entering into force in 2021.

Introduction – General Information

In addition to the CRR 'quick fix', EBA issued EBA/GL/2020/12 guidelines, which amend the EBA/GL/2018/01 on uniform disclosures under Article 473a of Regulation (EU) No 575/2013 (CRR) as regards the transitional period for mitigating the impact of the introduction of IFRS 9 on own funds, to provide clarity to institutions and users of information on the implementation of part of the disclosure requirements included in the CRR 'quick fix' and how institutions should disclose the information required.

In June 2020, EBA published new ITS on public disclosures by institutions and revised final draft ITS on supervisory reporting that implements changes introduced in the revised CRR2 and the Prudential Backstop Regulation. The two ITS aim to promote market discipline through enhanced and comparable public disclosures for stakeholders and to keep the reporting requirements in line with the evolving needs for Supervisory Authorities' risk assessments.

On 6 August 2021, EBA published an updated tool, which specifies the mapping between quantitative disclosure data points and the relevant supervisory reporting data points. This tool aims at facilitating institutions' compliance with disclosure requirements and improving the consistency and quality of the information disclosed.

On 24 May 2022, EBA published an updated mapping between quantitative disclosure data points and the relevant supervisory reporting data points. The amendments mainly address issues raised by competent authorities and the industry. The updated mapping applies to the reporting framework 3.0 and the ITS on institutions' Pillar 3 public disclosures.

On 19 December 2022, the Commission Implementing Regulation (EU) 2022/2453 of 30 November 2022 was published in the Official Journal. The ITS amending the ITS laid down in Implementing Regulation (EU) 2021/637 as regards the uniform disclosure formats for the disclosure of ESG risks. This Implementing Regulation was entered into force on 8 January 2023.

1.14 Location, timing and frequency of disclosures

Pillar 3 disclosures are provided on a quarterly basis in electronic format, after taking into consideration the relevant recommendation of EBA Guidelines 2016/11, which include the list of requirements to be considered for more frequent, than annual basis, disclosures.

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

Moreover, the Group has issued an internal approved by the Board of Directors "Consolidated Pillar 3 Disclosures Policy" in order to ensure consistent and continuous compliance with the Pillar 3 disclosures requirements, as these have been specified in the aforementioned regulatory framework.

Pillar 3 disclosures are a standalone document that provides a readily accessible source of prudential information for users and is available on a designated location on the Company's website https://www.eurobankholdings.gr/en/investor-relations/financial-results in chronological order and cover both quantitative and qualitative information.

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

Regarding the timing of disclosures, CRR clarifies that disclosures shall be published on the same date as the date on which the institution publishes its financial reports or as soon as possible thereafter. The Group's Pillar 3 disclosures will be published the latest either within one month from the publication of the financial statements or within the deadline of relevant Financial statements publication, as defined in Law 3556/2007.

Introduction – General Information

The information contained in the Pillar 3 Disclosures has been verified by the Audit Committee and was approved by the Board of Directors on 29 November 2023.

1.15 Regulatory versus accounting consolidation

There is no difference between regulatory and accounting consolidation.

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

The table below shows the Group's regulatory and accounting Balance Sheet as at 30 September and 30 June 2023.

Table 1: Regulatory and accounting Balance Sheet

Balance sheet per published financial statements and per regulatory consolidation	Ref.	30 September 2023 € million	30 June 2023 € million
Assets			
Cash and Balances with central banks		11,679	12,619
Due from credit institutions		1,577	1,855
Securities held for trading		289	324
Derivative financial instruments		1,068	984
Loans and advances to customers		40,650	40,526
Investment securities		13,636	13,603
Investments in associaties and joint ventures		515	489
Property, plant and equipment		778	781
Investment property		1,351	1,355
Intangible assets	*a*	338	329
Deferred tax asset		4,066	4,113
of which deferred tax assets that rely on future profitability excluding those arising from temporary differences	*b*	-	2
of which deferred tax credit		3,260	3,307
of which deferred tax assets arising from temporary differences	*c*	806	804
Other assets		1,971	2,075
Assets of disposal group classified as held for sale		2,557	2,468
Total assets		**80,475**	81,521
Liabilities			
Due to central banks		4,185	7,402
Due to credit institutions		3,056	1,677
Derivative financial instruments		1,553	1,627
Due to customers		56,453	55,892
Debt securities in issue		4,150	4,099
Other liabilities		1,393	1,424
of which tier 2 instruments	*e*	1,258	1,244
Liabilities of disposal group classified as held for sale		2,042	1,948
Total liabilities		**72,832**	74,069
Equity			
Ordinary share capital		818	816
Share premium		1,161	1,161
Reserves and retained earnings		5,580	5,391
of which cash flow hedge reserves	*d*	(15)	(14)
Non controlling interests		84	84
Total equity	*f*	**7,643**	7,452
Total equity and liabilities		**80,475**	81,521

2. Capital Management

2.1 Key Metrics

The table below provides an overview of Group's prudential regulatory metrics.

Table 2: EU KM1 - Key Metrics template

		30 September 2023 [1] € million	30 September 2023 € million	30 June 2023 [1] € million	31 March 2023 [1] € million	31 December 2022 € million	30 September 2022 € million
	Available own funds (amounts)						
1	Common Equity Tier 1 (CET1) capital	**7,047**	6,527	6,871	6,568	6,715	6,302
2	Tier 1 capital	**7,047**	6,527	6,871	6,568	6,715	6,302
3	Total capital	**8,169**	7,649	8,020	7,785	8,026	7,345
	Risk-weighted exposure amounts						
4	Total risk-weighted exposure amount	**44,225**	44,059	43,976	43,234	41,899	42,183
	Capital ratios (as a percentage of risk-weighted exposure amount)						
5	Common Equity Tier 1 ratio (%)	**15.9%**	14.8%	15.6%	15.2%	16.0%	14.9%
6	Tier 1 ratio (%)	**15.9%**	14.8%	15.6%	15.2%	16.0%	14.9%
7	Total capital ratio (%)	**18.5%**	17.4%	18.2%	18.0%	19.2%	17.4%
	Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)						
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	**2.75%**	2.75%	2.75%	2.75%	3.00%	3.00%
EU 7b	of which: to be made up of CET1 capital (percentage points)	**1.55%**	1.55%	1.55%	1.55%	1.69%	1.69%
EU 7c	of which: to be made up of Tier 1 capital (percentage points)	**2.06%**	2.06%	2.06%	2.06%	2.25%	2.25%
EU 7d	Total SREP own funds requirements (%)	**10.75%**	10.75%	10.75%	10.75%	11.00%	11.00%
	Combined buffer requirement (as a percentage of risk-weighted exposure amount)						
8	Capital conservation buffer (%)	**2.50%**	2.50%	2.50%	2.50%	2.50%	2.50%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	**0.00%**	0.00%	0.00%	0.00%	0.00%	0.00%
9	Institution specific countercyclical capital buffer (%)	**0.27%**	0.27%	0.25%	0.20%	0.14%	0.06%
EU 9a	Systemic risk buffer (%)	**0.00%**	0.00%	0.00%	0.00%	0.00%	0.00%
10	Global Systemically Important Institution buffer (%)	**0.00%**	0.00%	0.00%	0.00%	0.00%	0.00%
EU 10a	Other Systemically Important Institution buffer	**1.00%**	1.00%	1.00%	1.00%	0.75%	0.75%
11	Combined buffer requirement (%)	**3.77%**	3.77%	3.75%	3.70%	3.39%	3.31%
EU 11a	Overall capital requirements (%)	**14.52%**	14.52%	14.50%	14.45%	14.39%	14.31%
12	CET1 available after meeting the total SREP own funds requirements (%)	**7.73%**	6.62%	7.49%	7.13%	7.78%	6.42%
	Leverage ratio						
13	Leverage ratio total exposure measure	**84,942**	84,868	84,994	85,407	84,686	84,745
14	Leverage ratio	**8.3%**	7.7%	8.1%	7.7%	7.9%	7.4%
	Additional own funds requirements to address risks of excessive leverage (as a percentage of leverage ratio total exposure amount)						
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	**0.00%**	0.00%	0.00%	0.00%	0.00%	0.00%
EU 14b	of which: to be made up of CET1 capital (percentage points)	**0.00%**	0.00%	0.00%	0.00%	0.00%	0.00%
EU 14c	Total SREP leverage ratio requirements (%)	**3.00%**	3.00%	3.00%	3.00%	3.00%	3.00%
	Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)						
EU 14d	Leverage ratio buffer requirement (%)	**0.00%**	0.00%	0.00%	0.00%	0.00%	0.00%
EU 14e	Overall leverage ratio requirements (%)	**3.00%**	3.00%	3.00%	3.00%	3.00%	3.00%

Capital Management

		30 September 2023 [1] € million	30 September 2023 € million	30 June 2023 (1) € million	31 March 2023 € million	31 December 2022 € million	30 September 2022 € million
	Liquidity Coverage Ratio						
15	Total high-quality liquid assets (HQLA) (Weighted value - average)	**16,850**	16,850	16,074	15,118	14,012	13,051
EU 16a	Cash outflows - Total weighted value	**10,828**	10,828	10,413	9,970	9,626	9,205
EU 16b	Cash inflows - Total weighted value	**1,071**	1,071	1,049	1,071	1,118	1,112
16	Total net cash outflows (adjusted value)	**9,757**	9,757	9,364	8,899	8,508	8,093
17	Liquidity coverage ratio (%) (adjusted value) [2]	**172.8%**	172.8%	171.5%	169.7%	164.4%	161.3%
	Liquidity coverage ratio (%)	**170.6%**	170.6%	174.0%	167.5%	172.9%	169.0%
	Net Stable Funding Ratio						
18	Total available stable funding	**60,606**	60,606	60,104	58,484	59,111	60,167
19	Total required stable funding	**46,828**	46,828	46,354	46,109	46,181	47,287
20	NSFR ratio (%)	**129.4%**	129.4%	129.7%	126.8%	128.0%	127.2%

(1) Including profits € 980 million for the 9M 2023, € 684 million for the 1H 2023 and € 237 million for the 1Q 2023.
(2) Average figures based on previous monthly data points.
(3) Pro-forma CET1 and Total Capital Adequacy ratios as at 30 September 2023 with the completion of Project "Solar" and the disposal of Eurobank Direktna a.d. would be 16.4% and 19.1%, respectively.

Capital Management

2.2 Regulatory capital

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 and adopted by the European Union and the SSM in supervising the Bank.

The table below shows the composition of the Group's regulatory capital as at 30 September and 30 June 2023 which is calculated according to CRD IV as amended.

Table 3: EU CC2 - Reconciliation of regulatory own funds to balance sheet in the audited financial statements

	Ref.	30 September 2023 [1] € million	30 September 2023 € million	30 June 2023 [1] € million
Total equity	*f*	7,643	7,643	7,452
Regulatory adjustments				
Interim or year-end profit not eligible [2]		-	(446)	-
Minority interest not allowed in CET1		(29)	(29)	(29)
Cash flow hedge reserves	*d*	15	15	14
Adjustments due to IFRS 9 transitional arrangements		-	-	-
Temporary treatment of unrealised losses measured at FVTOCI in accordance with Article 468 of the CRR		-	-	-
Intangible assets	*a*	(236)	(236)	(222)
of which Goodwill		(44)	(44)	(44)
IRB shortfall of credit risk adjustments to expected losses		-	-	-
Deferred tax assets that rely on future profitability (unused tax losses)	*b*	-	-	(2)
Deferred tax assets arising from temporary differences (amount above 10% threshold)	*c*	(35)	(75)	(49)
Prudent Valuation Adjustments [3]		(5)	(5)	(6)
Other regulatory adjustments		(141)	(141)	(139)
Amount exceeding the 17.65% threshold	*c*	(165)	(199)	(148)
Common Equity Tier I capital		**7,047**	**6,527**	6,871
Regulatory adjustments		-	-	-
Total Tier I capital		**7,047**	**6,527**	6,871
Tier II capital - subordinated debt	*e*	1,122	1,122	1,149
IRB Excess of impairment allowances over expected losses eligible		-	-	-
Total Regulatory Capital		**8,169**	**7,649**	8,020
Risk Weighted Assets		**44,225**	**44,059**	43,976
Ratios				
Common Equity Tier I		**15.9%**	**14.8%**	15.6%
Tier I		**15.9%**	**14.8%**	15.6%
Total Capital Adequacy Ratio		**18.5%**	**17.4%**	18.2%

[1] Including profits € 980 million for the 9M 2023 and € 684 million for the 1H 2023.

[2] Excludes 3Q 2023 interim profits and 1H 2023 maximum dividend according to the dividend policy, approved by the Board of Directors, based on requirements of Decision ECB/2015/6561 for permission of profits inclusion in regulatory capital.

[3] The Additional Value Adjustments (AVA) calculation is based on the simplified approach according to Commission Delegated Regulation (EU) No 101/2016. The total AVAs are deducted from CET1 capital, in accordance with Article 34 of the CRR.

[4] CET1 ratio was increased mainly due to the quarterly profitability, partly offset by the inclusion of HFSF shares buyback.

[5] The pro-forma CET1 and Total Capital Adequacy ratios as at 30 September 2023 with the completion of Project "Solar" and the disposal of Eurobank Direktna a.d. would be 16.4% and 19.1%, respectively.

Capital Management

The CET1 ratio is defined as CET1 capital divided by RWAs, the Tier 1 ratio is defined as Tier 1 capital divided by RWAs and Total Capital Adequacy ratio is defined as Total Regulatory Capital divided by RWAs.

As at 30 September 2023, pursuant to the Law 4172/2013, as in force, the Bank's eligible Deferred Tax Assets/Deferred Tax Credits (DTCs) against the Greek State amounted to € 3,260 million (30 June 2023 € 3,307 million). DTCs are accounted for on: (a) the unamortised losses from the Private Sector Involvement and the Greek State Debt Buyback Program, which are subject to amortization over a thirty-year period and (b) on the sum of (i) the unamortised part of the DTC eligible crystallized tax losses arising from write-offs and disposals of loans, which are subject to amortization over a twenty-year period, (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. 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.

For further details, please refer to Interim Consolidated Financial Statements, Note 12.

According to Regulation (EU) No. 575/2013, article 39, deferred tax assets that can be replaced with a tax credit, shall not be deducted from CET1, but instead be risk weighted by 100%.

2.3 IFRS 9 and temporary measures capital impact

According to the CRR 'quick fix' relief package, the IFRS 9 transitional arrangements have been extended by two years and a new calculation has been introduced where 100% relief is applied in 2020 and 2021 for increases in stage 1 and stage 2 provisions from 1 January 2020. Accordingly, the relief which is applicable for 2023 and for 2024 is 50% and 25% respectively. The full impact is expected as of 1 January 2025.

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

Capital Management

Table 4: EU IFRS - FL - Template on the comparison of Institutions' own funds and capital and leverage ratios with and without the application of transitional arrangements for IFRS 9 or analogous ECLs

		30 September 2023 [1]	30 September 2023	30 June 2023 [1]	31 March 2023 [1]	31 December 2022	30 September 2022
	Available capital	**€ million**	**€ million**	€ million	€ million	€ million	€ million
1	CET1 capital	**7,047**	6,527	6,871	6,568	6,715	6,302
2	CET1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	**7,047**	6,527	6,871	6,568	6,495	6,122
2a	CET1 capital as if the temporary treatment of unrealised gains and losses measured at fair value through OCI (other comprehensive income) in accordance with Article 468 of the CRR had not been applied					6,606	6,184
	Fully Loaded CET1 capital	**7,043**	6,519	6,866	6,562	6,362	5,964
3	Tier 1 capital	**7,047**	6,527	6,871	6,568	6,715	6,302
4	Tier 1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	**7,047**	6,527	6,871	6,568	6,495	6,122
4a	Tier 1 capital as if the temporary treatment of unrealised gains and losses measured at fair value through OCI in accordance with Article 468 of the CRR had not been applied					6,606	6,184
	Fully Loaded Tier 1 capital	**7,043**	6,519	6,866	6,562	6,362	5,964
5	Total capital	**8,169**	7,649	8,020	7,785	8,026	7,345
6	Total capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	**8,169**	7,649	8,020	7,785	7,835	7,167
6a	Total capital as if the temporary treatment of unrealised gains and losses measured at fair value through OCI in accordance with Article 468 of the CRR had not been applied					7,917	7,227
	Fully Loaded Total capital	**8,165**	7,641	8,014	7,779	7,702	7,009
	Risk weighted assets						
7	Total risk-weighted assets	**44,225**	44,059	43,976	43,234	41,899	42,183
8	Total risk-weighted assets as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	**44,225**	44,059	43,976	43,234	41,899	42,091
	Fully Loaded Total risk-weighted assets	**44,225**	44,059	43,976	43,234	41,801	42,091
	Capital ratios						
9	CET1 (as a percentage of risk exposure amount)	**15.9%**	14.8%	15.6%	15.2%	16.0%	14.9%
10	CET1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	**15.9%**	14.8%	15.6%	15.2%	15.5%	14.5%
10a	CET1 (as a percentage of risk exposure amount) as if the temporary treatment of unrealised gains and losses measured at fair value through OCI in accordance with Article 468 of the CRR had not been applied					15.8%	14.7%
	Fully Loaded CET1 (as a percentage of risk exposure amount)	**15.9%**	14.8%	15.6%	15.2%	15.2%	14.2%
11	Tier 1 (as a percentage of risk exposure amount)	**15.9%**	14.8%	15.6%	15.2%	16.0%	14.9%
12	Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	**15.9%**	14.8%	15.6%	15.2%	15.5%	14.5%
12a	Tier 1 (as a percentage of risk exposure amount) as if the temporary treatment of unrealised gains and losses measured at fair value through OCI in accordance with Article 468 of the CRR had not been applied					15.8%	14.7%
	Fully Loaded Tier 1 (as a percentage of risk exposure amount)	**15.9%**	14.8%	15.6%	15.2%	15.2%	14.2%
13	Total capital (as a percentage of risk exposure amount)	**18.5%**	17.4%	18.2%	18.0%	19.2%	17.4%
14	Total capital (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	**18.5%**	17.4%	18.2%	18.0%	18.7%	17.0%
14a	Total capital (as a percentage of risk exposure amount) as if the temporary treatment of unrealised gains and losses measured at fair value through OCI in accordance with Article 468 of the CRR had not been applied					18.9%	17.1%
	Fully Loaded Total capital (as a percentage of risk exposure amount)	**18.5%**	17.3%	18.2%	18.0%	18.4%	16.7%

Capital Management

		30 September 2023 (1) € million	30 September 2023 € million	30 June 2023 (1) € million	31 March 2023 (1) € million	31 December 2022 € million	30 September 2022 € million
	Leverage ratio						
15	Leverage ratio total exposure measure	**84,942**	84,868	84,994	85,407	84,686	84,745
16	Leverage ratio	**8.3%**	7.7%	8.1%	7.7%	7.9%	7.4%
17	Leverage ratio as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	**8.3%**	7.7%	8.1%	7.7%	7.7%	7.2%
17a	Leverage ratio as if the temporary treatment of unrealised gains and losses measured at fair value through OCI in accordance with Article 468 of the CRR had not been applied					7.8%	7.3%
	Fully Loaded Leverage ratio	**8.3%**	7.7%	8.1%	7.7%	7.5%	7.0%

(1) Including profits € 980 million for the 9M 2023, € 684 million for the 1H 2023 and € 237 million for the 1Q 2023.
(2) Pro-forma CET1 and Total Capital Adequacy ratios as at 30 September 2023 with the completion of Project "Solar" and the disposal of Eurobank Direktna a.d. would be 16.4% and 19.1%, respectively.

2.5 Supervisory Review and Evaluation Process (SREP) capital requirements

Following the 2022 SREP decision communicated by the ECB, in 3Q 2023 Eurobank Holdings was required to meet on a consolidated basis a CET1 ratio of at least 9.82% and a Total Capital Adequacy Ratio of at least 14.52% (Overall Capital Requirements (OCR) including the CCB of 2.50%, the Other Systemically Important Institution buffer of 1.00% and the applicable Countercyclical Capital Buffer of 0.27% for the third quarter of 2023 stemming mainly from the exposures in Bulgaria and Luxemburg).

The table below shows the capital requirements of the Group for 30 September 2023.

Table 5: Pillar 2 Requirements

	30 September 2023	
	CET1 Capital Requirements	**Total Capital Requirements**
Minimum regulatory requirement	4.50%	8.00%
Pillar 2 Requirement (P2R)	1.55%	2.75%
Total SREP Capital Requirement (TSCR)	**6.05%**	**10.75%**
Combined Buffer Requirement (CBR)		
Capital conservation buffer (CCB)	2.50%	2.50%
Countercyclical capital buffer (CCyB)	0.27%	0.27%
Other systemic institutions buffer (O-SII)	1.00%	1.00%
Overall Capital Requirement (OCR)	**9.82%**	**14.52%**

At consolidated level, the Pillar 2 Requirement was set at 2.75% for 2023 and part of that (1.55%) must be held in the form of CET1 capital while the Group may use Additional Tier 1 (AT1) and Tier 2 capital, where available, for the remaining part. The amount of additional own funds required on a consolidated basis to be met with CET1 capital was € 685 million (based on RWAs of € 44,225 million). The ECB's decision for the reduction of the Pillar 2 Requirement (P2R) to 2.75% (from 3.00% in 2022) reflects the improved Group's financial position particularly in terms of asset quality.

Capital Management

As at 30 September 2023, Eurobank's transitional CET1 ratio and Total Capital ratio, including 9M 2023 profit € 980 million, were 15.9% and 18.5% respectively, which exceeded the 2023 minimum requirements of 9.82% and 14.52%.

For the fourth quarter of 2023, the Group's OCR is expected to increase to 14.64% in terms of total capital (or at 9.94% in terms of CET1 capital). The countercyclical capital buffer is calculated on a quarterly basis in accordance with the countercyclical capital buffer rates applicable in each country to which the Group has exposures.

From 1 January 2024, the O-SII buffer for the Group will increase to 1.25% (from 1.00% in 2023), in accordance with the Executive Committee Act 221/1/17.10.2023 of the Bank of Greece, following a change in the methodology applied for the determination of the O-SII buffer rate.

Capital Management

2.6 Capital requirements under Pillar 1

The table below shows the Group's RWAs and capital requirements as at 30 September and 30 June 2023. The minimum capital requirements under Pillar 1 are calculated as 8% of RWAs.

Table 6: EU OV1 - Overview of risk weighted exposure amounts

		Risk weighted exposure amounts (RWEAs)				Total own funds requirements
		30 September 2023 (1)	**30 September 2023**	31 June 2023(1)	30 June 2023	**30 September 2023**
		€ million	**€ million**	€ million	€ million	**€ million**
1	**Credit risk (excluding CCR)**	**34,956**	**34,956**	34,696	34,696	**2,796**
2	Of which the standardised approach	34,956	34,956	34,696	34,696	2,796
3	Of which the foundation IRB (FIRB) approach	-	-	-	-	-
4	Of which: slotting approach	-	-	-	-	-
EU 4a	Of which: equities under the simple riskweighted approach	-	-	-	-	-
5	Of which the advanced IRB (AIRB) approach	-	-	-	-	-
6	**Counterparty credit risk - CCR**	**529**	**529**	520	520	**42**
7	Of which the standardised approach	190	190	209	209	15
8	Of which internal model method (IMM)	-	-	-	-	-
EU 8a	Of which exposures to a CCP	6	6	9	9	-
EU 8b	Of which credit valuation adjustment - CVA	156	156	178	178	12
9	Of which other CCR	177	177	124	124	14
15	**Settlement risk**	-	-	-	-	-
16	**Securitisation exposures in the non-trading-book (after the cap)**	**1,956**	**1,956**	1,944	1,944	**156**
17	Of which SEC-IRBA approach	-	-	-	-	-
18	Of which SEC-ERBA (including IAA)	316	316	318	318	25
19	Of which SEC-SA approach	1,640	1,640	1,626	1,626	131
EU 19a	Of which 1250%	-	-	-	-	-
20	**Position, foreign exchange and commodities risks (Market risk)**	**810**	**810**	879	879	**65**
21	Of which the standardised approach	184	184	193	193	15
22	Of which IMA	626	626	686	686	50
EU 22a	Large exposures	-	-	-	-	-
23	**Operational risk**	**3,323**	**3,323**	3,323	3,323	**266**
EU 23a	Of which basic indicator approach	-	-	-	-	-
EU 23b	Of which standardised approach	3,323	3,323	3,323	3,323	266
EU 23c	Of which advanced measurement approach	-	-	-	-	-
24	**Amounts below the thresholds for deduction (subject to 250% risk weight)**	**2,651**	**2,485**	2,614	2,504	**199**
29	**Total**	**44,225**	**44,059**	43,976	43,866	**3,525**

(1) Including profits € 980 million for the 9M 2023 and € 684 million for the 1H 2023.
(2) The increase of the RWAs compared to 30 June 2023 is mainly due to the increase of loans and investments securities

3. Market Risk

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

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

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

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

Table 7: EU MR2-B - RWA flow of market risk exposures under Internal Model Approach (IMA)

	30 September 2023						
	VaR	SVaR	IRC	Comprehensive risk measure	Other	Total RWAs	Total own funds requirements
	€ million	€ million	€ million	€ million	€ million	€ million	€ million
1 RWAs at 1 July 2023[1]	176	340	170	-	-	686	55
1a Regulatory adjustment[2]	(144)	(251)	-	-	-	(395)	(32)
1b RWAs at the previous quarter-end (end of the day)[3]	33	89	170	-	-	291	23
2 Movement in risk levels	(27)	(84)	51	-	-	(60)	(5)
3 Model updates/changes	-	-	-	-	-	-	-
4 Methodology and policy	-	-	-	-	-	-	-
5 Acquisitions and disposals	-	-	-	-	-	-	-
6 Foreign exchange movements	-	-	-	-	-	-	-
7 Other	-	-	-	-	-	-	-
8a RWAs at the end of the reporting period (end of the day)[3]	28	81	171	-	-	280	22
8b Regulatory adjustment[2]	121	175	49	-	-	346	28
8 RWAs at 30 September 2023[1]	**149**	**256**	**221**	**-**	**-**	**626**	**50**

(1) RWA at previous and current reporting period (quarter end).
(2) Regulatory Adjustment indicates the difference between RWA and RWA (end of day) at previous and current reporting period.
(3) RWA that would be estimated on the basis of the previous or current quarter end figure (instead of the max of it and the 60-day average).

4. Counterparty Credit Risk

4.1 Definition

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

4.2 Mitigation of counterparty credit risk

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

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

4.3 Credit derivatives

As of 30 of September 2023, the Group held a small number of positions on CDS Indices (protection bought € 200 million).

As of 30 June 2023, the Group had a small number of positions on CDS Indices (protection bought € 275 million).

The Bank does not have any brokerage activity in this market. Furthermore, the Bank does not hedge its loan portfolio with CDSs as this market in Greece is not developed.

Table 8: EU CCR7 - RWEA flow statements of CCR exposures under the IMM is not included as the Bank does not use an internal model for the calculation of the RWAs of CCR exposures.

5. Leverage Ratio

The regulatory framework has introduced the leverage ratio as a non-risk based measure which is intended to restrict the build-up of excessive leverage from on and off balance sheet items in the banking sector.

The leverage ratio is defined as Tier 1 capital divided by the total exposure measure.

The Bank submits to the regulatory authorities the leverage ratio on quarterly basis and monitors the level of the ratio and the factors that affect it.

The level of the leverage ratio with reference date 30 September 2023, including profits, was at 8.3% (30 June 2023: 8.1%), according to the transitional definition of Tier 1 capital, significantly over the proposed minimum threshold of 3%.

The below table includes the summary of the Group's leverage ratio with reference dates 30 September 2023 and 30 June 2023.

Table 9: EU LR – Leverage Ratio

	30 September 2023 [1]	**30 September 2023**	30 June 2023 [1]	30 June 2023
	€ million	**€ million**	€ million	€ million
Tier 1 capital - transitional definition	**7,047**	**6,527**	6,871	6,580
Total Leverage Ratio exposure measure - using a transitional definition of Tier 1 capital	**84,942**	**84,868**	84,994	84,952
Leverage Ratio - using a transitional definition of Tier 1 capital	**8.3%**	**7.7%**	8.1%	7.8%

[1] *Including profits € 980 million for the 9M 2023 and € 684 million for the 1H 2023.*

6. Liquidity Risk

The Group is exposed to daily calls on its available cash resources due to deposits withdrawals, maturity of medium or long-term notes and maturity of secured or unsecured funding (interbank repos and money market takings), loan drawdowns and forfeiture of guarantees. Furthermore, margin calls on secured funding transactions (with ECB and the market) and on risk mitigation contracts (Credit Support Annex - CSAs, GMRAs) and on centrally cleared transactions with Central Counterparties (CCP) result in liquidity exposure. The Group maintains cash resources to meet all of these needs. The Board Risk Committee (BRC) sets liquidity limits to ensure that sufficient funds are available to meet such contingencies.

Past experience shows that liquidity requirements to support calls under guarantees and standby letters of credit are considerably less than the amount of the commitment. This is also the case with credit commitments where the outstanding contractual amount to extend credit does not necessarily represent future cash requirements, as many of these commitments will expire or terminate without being funded.

The matching and controlled mismatching of the maturities and interest rates of assets and liabilities is fundamental to the management of the Group. It is unusual for banks to be completely matched, as transacted business is often of uncertain term and of different types. An unmatched position potentially enhances profitability, but also increases the risk of losses.

The maturities of assets and liabilities and the ability to replace, at an acceptable cost, interest bearing liabilities as they mature, are important factors in assessing the liquidity of the Group.

6.1 Liquidity Coverage Ratio (LCR) calculations

LCR as of 30 September 2023 is equal to 170.6% (30 June 2023: 174.0%). The corresponding High Quality Liquid Assets (HQLA) as of 30 September 2023 as defined by the regulation for the calculation of LCR are € 17,825 million.

The next table presents the key components of group's LCR, as per the respective guidelines on LCR disclosure (EBA/GL/2017/01). According to the guideline, 12 monthly data points are used in the calculations below.

The table below shows the level and components of the Liquidity Coverage Ratio.

Liquidity Risk

Table 10: LIQ1 - Quantitative information of LCR

		Total unweighted value					Total weighted value				
	Quarter ending on	**30 September 2023**	30 June 2023	31 March 2023	31 December 2022	30 September 2022	**30 September 2023**	30 June 2023	31 March 2023	31 December 2022	30 September 2022
		€ million	€ million	€ million	€ million	€ million	**€ million**	€ million	€ million	€ million	€ million
	Number of data points used in the calculation of averages	**12**	12	12	12	12	**12**	12	12	12	12
	HIGH-QUALITY LIQUID ASSETS										
1	**Total high-quality liquid assets (HQLA)**						**16,850**	16,074	15,118	14,012	13,051
	CASH-OUTFLOWS										
2	**Retail deposits and deposits from small business customers, of which:**	**33,672**	33,390	32,841	32,235	31,545	**2,286**	2,207	2,111	2,041	1,985
3	Stable deposits	**23,006**	23,890	24,599	24,647	24,323	**1,150**	1,195	1,230	1,232	1,216
4	Less stable deposits	**10,666**	9,500	8,241	7,587	7,221	**1,136**	1,012	881	807	768
5	**Unsecured wholesale funding**	**15,178**	14,825	14,419	14,119	13,573	**6,837**	6,483	6,161	6,032	5,796
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	**1,691**	1,857	1,933	1,931	1,919	**414**	455	474	474	471
7	Non-operational deposits (all counterparties)	**13,488**	12,968	12,487	12,187	11,654	**6,423**	6,028	5,687	5,558	5,325
8	Unsecured debt	-	-	-	-	-	-	-	-	-	-
9	**Secured wholesale funding**						**101**	113	120	120	117
10	Additional requirements	**5,076**	4,467	3,873	3,186	2,821	**1,275**	1,264	1,234	1,088	960
11	Outflows related to derivative exposures and other collateral requirements	**878**	930	960	874	771	**878**	930	960	874	771
12	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-	-	-
13	Credit and liquidity facilities	**4,198**	3,538	2,913	2,313	2,050	**397**	334	273	214	189
14	**Other contractual funding obligations**	**97**	117	113	115	121	**86**	106	102	104	110
15	**Other contingent funding obligations**	**3,538**	3,487	3,462	3,435	3,362	**242**	240	241	241	237
16	TOTAL CASH OUTFLOWS						**10,828**	10,413	9,970	9,626	9,205
	CASH-INFLOWS										
17	Secured lending (eg reverse repos)	**120**	78	105	224	342	**11**	9	14	20	27
18	Inflows from fully performing exposures	**903**	866	835	874	867	**747**	714	693	736	737
19	Other cash inflows	**1,475**	1,544	1,591	1,589	1,533	**313**	326	363	362	348
20	TOTAL CASH INFLOWS	**2,498**	2,488	2,531	2,688	2,742	**1,071**	1,049	1,071	1,118	1,112
EU-20a	*Fully exempt inflows*	-	-	-	-	-	-	-	-	-	-
EU-20b	*Inflows Subject to 90% Cap*	-	-	-	-	-	-	-	-	-	-
EU-20c	*Inflows Subject to 75% Cap*	***2,498***	*2,488*	*2,531*	*2,688*	*2,742*	***1,071***	*1,049*	*1,071*	*1,118*	*1,112*
							TOTAL ADJUSTED VALUE				
21	LIQUIDITY BUFFER						**16,850**	16,074	15,118	14,012	13,051
22	TOTAL NET CASH OUTFLOWS						**9,757**	9,364	8,899	8,508	8,093
23	LIQUIDITY COVERAGE RATIO (%)						**172.8%**	171.5%	169.7%	164.4%	161.3%

6.2 Net Stable Funding Ratio (NSFR) calculations

NSFR as of 30 September 2023 is equal to 129.4% (30 June 2023: 129.7%). The minimum regulatory threshold for NSFR is set at 100%.

Appendix 1: List of Abbreviations

Abbreviation	Definition
AT1	Additional Tier 1
AVA	Additional Value Adjustments
BoD	Board of Directors
BoG	Bank of Greece
BRC	Board Risk Committee
CBR	Combined Buffer Requirement
CCB	Capital Conservation Buffer
CCyB	Counter Cyclical Buffer
CCP	Central Counterparty
CCR	Counterparty Credit Risk
CET1	Common equity Tier 1
CRD	Capital Requirements Directive
CRM	Credit Risk Mitigation
CRR	Capital Requirements Regulation
CVA	Credit Value Adjustment
DTC	Deferred Tax Credit
EBA	European Banking Authority
EC	European Commission
ECB	European Central Bank
EP	European Parliament
ESG	Enviromental, Social and Governance
EVE	Economic Value of Equity
FL	Fully Loaded
FVOCI	Fair Value through Other Comprehensive Income
GMRA	Global Master Repurchase Agreement
G-SIIs	Global Systemic Institution Buffer
HAPS	Hellenic Asset Protection Scheme
HBA	Hellenic Bank Association
HFS	Held For Sale
HQLA	High Quality Liquid Assets.
ICAAP	Internal Capital Adequacy Assessment Process
ILAAP	Internal Liquidity Adequacy Assessment Process
IMA	Internal Model Approach
ITS	Implementing Technical Standards
LCR	Liquidity Coverage Ratio
MREL	Minimum Requirement for own funds and Eligible Liabilities
NPE	Non-Performing exposures
NSFR	Net Stable Funding Ratio
OCR	Overall Capital Requirement
O-SIIs	Other Systemically Important Institution
P2R	Pillar 2 Requirement
RTS	Regulatory Technical Standards
RWAs	Risk Weighted Assets
STD	Standardised Approach
SRB	Single Resolution Board
SREP	Supervisory Review and Evaluation Process
SSM	Single Supervisory Mechanism
SyRB	Systemic Risk Buffer
TSCR	Total SREP Capital Requirement
VAR	Value at Risk

Appendix 2: Guidelines and Regulations mapping on Disclosures Requirements

	EBA/GL/2016/11	
OV1	Overview of risk weighted exposure amounts	*Table 6*
MR2-B	RWA flow of market risk exposures under IMA	*Table 7*
CCR7	RWEA flow statements of CCR exposures under the IMM	*Table 8*
	REVISED PILLAR 3 DISCLOSURES REQUIREMENTS - BCBS	
KM1	Key Metrics template	*Table 2*
	GUIDELINES ON LCR DISCLOSURE - EBA/GL/2017/01	
LIQ1	Quantitative information of LCR	*Table 10*
	LEVERAGE RATIO - COMMISSION IMPLEMENTING REGULATION (EU) 2016/200	
LR	Leverage Ratio	*Table 9*
	GUIDELINES ON UNIFORM DISCLOSURES UNDER ARTICLE 473A OF REGULATION (EU) NO 575/2013 AS REGARDS THE TRANSITIONAL PERIOD FOR MITIGATING THE IMPACT OF THE INTRODUCTION OF IFRS 9 ON OWN FUNDS - EBA/GL/2018/01	
IFRS 9-FL	Comparison of equity, capital ratios and leverage of entities with or with out the application of the transitional arrangements of IFRS 9 or analog ECL	*Table 4*