EUROBANK
Cyprus

PILLAR 3 REPORT

FOR THE YEAR ENDED
31 DECEMBER 2024

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1. Introduction – General Information

Eurobank Cyprus Ltd ("the Bank") is a credit institution based in Cyprus and supervised by the Central Bank of Cyprus ("CBC") and the European Central Bank ("ECB"). The Bank's principal activity is the provision of banking and financial services and is a wholly owned subsidiary of Eurobank S.A[1] ("Parent Entity"). Although its strategic focus remains concentrated to its main pillars of Wealth Management, Corporate and Commercial Banking, International Business Banking, Global Markets and Affluent Banking, the Bank is also targeting to grow in new business areas that fit its successful business model and its commitment to providing services of the highest standard.

Review of position and performance of the Bank's business

The main financial highlights for 2024 and 2023 are as follows:

	31 December 2024	31 December 2023
Key Financial results	**€ thousands**	€ thousands
Net interest income	274.359	276.279
Operating income	320.184	313.919
Operating expenses	(53.810)	(55.694)
Operating expenses including impairment allowance	(61.527)	(74.689)
Profit from operations before impairment losses and provisions	**266.374**	258.225
Impairment losses and provisions	(7.717)	(18.995)
Profit before tax and government levies	**258.657**	239.230
Profit for the year	**214.006**	199.438
Balance sheet Highlights	**€ thousands**	€ thousands
Customer deposits	7.882.421	7.098.945
Loans and advances to customers	2.972.956	2.844.345
Total assets	9.300.766	8.272.143
Equity	1.078.964	854.211
Invested assets under Management	4.692.130	2.952.173
NPEs	69.120	4.033.711
Financial Ratios*	**%**	%
Cost to income	16,8	17,7
Return on equity	22,1	26,8
Loans to deposits	37,7	40,1
Cost of risk	0,2	0,6
NPE provisions coverage	90,3	80,3
Credit-impaired loans/gross loans	2,3	2,4
Capital adequacy ratio (all CET1)*	37,4	34,1
MREL Ratio	37,4	35,3
Leverage Ratio	11,6	10,6

* Definitions of the selected financial ratios and the source of the financial data are provided in Appendix II.

** The capital adequacy ratio of the Bank is maintained with CET1 capital.

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[1] *Eurobank S.A is a banking organization incorporated in Greece. 100% of the Eurobank S.A. shares are owned by the Eurobank Ergasias Services and Holdings S.A., a holding company listed in the Athens Stock Exchange.*

- The Bank's profit for the year amounted to €214,0 million compared to €199,4 million in 2023. The liquidity position of the Bank is satisfactory, maintaining high liquid ratios on all regulatory and internal liquidity measures.
- Cost discipline was sustained in line with expectations supported by the low Cost/income ratio of 16,8% for 2024 recording a further improvement vs last year's respective ratio of 17,7%.
- The quality of the loan portfolio remained strong in 2024 as depicted by the credit-impaired loans/gross loans ratio of 2,3%. In addition, the NPE provisions coverage remained at high levels of 90,3% in 2024.
- Customer deposits for 2024 amounted to €7,9 billion, an increase of ca. 11,0% vs 2023 of €0,8 billion.
- Loans & advances to customers reported an increase of €129 million vs 2023 with the Bank continuing to implement a selective credit expansion policy as demonstrated by the low ratio on credit-impaired loans.
- Total Capital Adequacy ratio reached 37,4% [all Common Equity Tier 1 ("CET1")] and MREL ratio at 37,4% well above the total minimum requirements.

Financial risk management

The Bank is exposed to risks, the most significant of which is credit risk. Other risks which the Bank is exposed include operational risk, liquidity risk and market risk including interest rate risk in the banking book. The Bank monitors, manages and mitigates these risks through various control mechanisms. Detailed information relating to the Bank's risk management is set out in Sections 3-8 of the Report.

1.1 Basis of preparation

The Bank prepares the Pillar 3 report ("the Report") in accordance with Part Eight of the Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No 575/2013 ("CRR" or "Capital Requirements Regulation"), as well as any relevant implementing Regulations and guidelines from the European Banking Authority ("EBA").

Regulation (EU) No 876/2019 was published in June 2019, where revisions were provided included, amongst others the reporting and disclosure framework, which 2 rules follow a phased implementation with significant elements entering into force in 2021.

Moreover, in April 2021 the European Commission published Commission Implementing Regulation (EU) 2021/637 ("Disclosure ITS") laying down implementing technical standards with regard to the disclosures to be made by banks of the information referred to in Titles II and III of Part Eight of the CRR.

1.2 Regulatory framework

1.2.1 Regulatory Framework

The general Basel 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 the Capital Requirements Regulation.
- Pillar 2 addresses the internal processes for assessing overall capital and liquid asset holdings are adequate in relation to the risk profile of credit institutions, as performed through the Internal Capital Adequacy Assessment Process ("ICAAP") and the Internal Liquidity Adequacy Assessment Process ("ILAAP"). Moreover, Pillar 2 introduces the Supervisory Review and Evaluation Process ("SREP") which assesses the risks that credit institutions face and checks that they 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 provisions of the CRR, the following minimum required thresholds apply:

- CET1 ratio: 4,5%;
- Tier 1 ratio: 6%;
- Total Capital Adequacy ratio: 8%

Tier 1 capital comprises of CET1 capital plus Additional Tier 1 ("AT1") capital, while the Total Capital comprises of Tier 1 capital plus Tier 2 ("T2") capital. To calculate each ratio we divide the required capital with the Risk Weighted Assets ("RWAs"). The Bank doesn't employ AT1 nor T2 capital, thus all ratios are to be met with CET1 capital.

Furthermore, Directive (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending Directive 2013/36/EU ("CRD" or "Capital Requirements Directive") requires banks to maintain a Capital Conservation Buffer ("CCB") equal to 2,5% of their total risk exposure amount calculated. The CCB must be met with CET1 capital.

Additional capital buffers that are introduced by the CRD through the CBC's Macroprudential Oversight of Institutions Law of 2015 are the following:

a) **Countercyclical Capital 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 aforementioned Law to build up an additional buffer of 0% – 2,5% of CET1 during periods of excess credit growth, according to national circumstances. According to the CBC, the countercyclical buffer was calibrated at 0,99% for 2024 (2023: 0,62%).

   The institution-specific CCyB is calibrated periodically by the Bank; calculated as the weighted average of the CCyBs that apply in the jurisdictions where the relevant credit exposures of the Bank are located[2]. The reason for the increase year-on-year is that, following communication received from the CBC during June 2023, from 02 June 2024, a rate of 1% was applied to exposures in Cyprus compared to the 0,5% that was applied in 2023. Furthermore, during January 2025, the CBC communicated that from 14 January 2026, all banks in Cyprus should apply a rate of 1,5% to exposures in Cyprus.

b) **Global Systemically Important Institutions ("G-SIIs") buffer**: The CBC's Macroprudential Oversight of Institutions Law of 2015 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 Cypriot banks.

c) **Other Systemically Important Institutions ("O-SIIs") buffer**: The CBC maintains in its website a list of O-SIIs in Cyprus accompanied by the O-SII buffer rate applicable to each. O-SIIs are those institutions which are deemed systematically important in addition to G-SIIs already identified. The CBC may require each O-SII to maintain an O-SII capital buffer of up to 3% of its total risk exposure. The O-SII buffer rates applied to Cyprus banks as of 4 March 2024 ranges from 0,25% to 2,00% and are gradually phased-in within a period from 2024 - 2026.

   The Bank maintained its designation as an O-SII in Cyprus and should meet an additional requirement of 1,00% of CET1 by 1 January 2026, transitionally phased in, in two equal annual increments of 0,125%, starting from 0,75% by 1 January 2024. This entails that the Bank's transitional O-SII requirements is 0,75% by 1 January 2024 and 0,875% by 1 January 2025. Based on the 2023 assessment, the Bank should have maintained a buffer of 0,75% of CET1 by 1 January 2023.

[2] In order to calculate the weighted average, the Bank applies to each applicable countercyclical buffer rate its total own funds requirements for credit risk that relates to the relevant credit exposures in the territory in question, divided by its total own funds requirements for credit risk that relates to all of its relevant credit exposures.

d) **Systemic Risk buffer ("SyRB")**: According to 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. As prescribed by the aforementioned Law, the CBC, in cooperation and communication with other competent authorities, may decide to introduce a Systemic Risk buffer of Common Equity Tier 1 capital for the Cyprus financial sector or for one or more subsets of that sector, in order to prevent and mitigate long term non-cyclical systemic or macroprudential risks not covered by the CRR, in the sense of a risk of disruption in the financial system with the potential to have serious negative consequences to the financial system and the real economy of Cyprus.

   During 2024, and similar to 2023, no Systemic Risk buffer was imposed to Cypriot banks by the CBC.

e) **Pillar 2 Requirement ("P2R")**: During the conclusion of Supervisory Review and Evaluation Process performed by supervisory authorities, the communication received by the Bank was that, effective on 1 January 2020, a capital requirement of 2,25% should be maintained by the Bank in the form of CET1 capital. This is a capital requirement set on an individual basis in order to cover risks which are underestimated or not covered by the minimum regulatory requirement. Future SREP reviews have not resulted in a different P2R, thus the 2,25% remains the same.

f) **Pillar 2 Guidance ("P2G")**: Part of the same evaluation process mentioned in e) above, again on an individual basis, supervisory authorities recommended a Pillar 2 Guidance which they expect the Bank to adhere to, which was set at 1,25% (2023: 1,5%). If adhered to, it should be maintained in the form of CET1 capital. This is a recommendation for the Bank's management towards the minimum requirements however it's not binding to the Bank. The Bank's management opted to adhere to the P2G from 2020 onwards. Based on the SREP decision in October 2023 determined that the Bank may meet a P2G of 1,25% from 1 January 2024 onwards.

The Bank underwent further evaluation processes (as mentioned in e) above, with the capital requirements of P2R and P2G remaining at the same levels. The result of the latest evaluation comes into effect on 1 January 2024.

1.2.2 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 took place within Q2 2021, while gradually and until Q2 2024 the application of the Guidelines was 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 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 disclose information on ESG risks from 28 June 2022 semi-annually. An overview of the qualitative and quantitative information is depicted below:

- Three sections for qualitative information on ESG risks with a focus on business strategy and processes, governance, and risk management.
- Ten templates for quantitative disclosures on ESG risks, specifically:
  a. four templates on climate change transition risk;
  b. one template on climate change physical risks;
  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 applies from 31.12.2023, the additional and separate information on the BTAR applies from 31.12.2024, however the population of the BTAR template is optional.

On 14 December 2023, the Single Resolution Board ("SRB") launched a public consultation on the review of its MREL (Minimum Requirement for own funds and Eligible Liabilities) Policy, covering, among others, the calibration of the Market Confidence Charge (component of the MREL target) and the process for monitoring the eligibility of MREL instruments. On 14 May 2024, the SRB published the updated MREL Policy which introduces a revised approach on internal and external Market Confidence Charge calibration and on the monitoring of MREL eligibility

On 20 December 2023, the EBA published its final draft ITS on amendments to disclosure and reporting of the minimum requirement for MREL and TLAC. These amendments reflect the new requirement to deduct investments in eligible liabilities instruments of entities belonging to the same resolution group, the so called 'daisy chain' framework, and other changes to the prudential framework. The amendments apply for the reference date as of end-June 2024 for banks subject to the obligation to meet the final MREL target as of December 2023, which is not the case for the Group that has an extended transitional period to meet the final MREL target by end-2025.

On 14 December 2023, EBA published two draft ITS amending Pillar 3 disclosures and supervisory reporting requirements. These consultation papers are a first step in the implementation of the Banking Package (CRR3 and CRD6). In particular, these draft ITS seek to implement the changes related to the output floor, credit risk, including immovable property (IP) losses, capital valuation adjustment ("CVA"), market risk and leverage ratio.

In line with the Roadmap, the EBA will follow a two-step sequential approach to amend both the Pillar 3 disclosures and supervisory reporting ITS, prioritizing, in phase 1, those changes necessary to implement and monitor Basel III requirements in the EU. Later in 2024, as part of phase 2, the EBA developed those reporting and disclosure requirements that are not directly linked to Basel III implementation, together with those requirements with an extended implementation timeline.

On 20 February 2024 EBA launched a public consultation on two drafts ITS amending Pillar 3 disclosures and supervisory reporting requirements for operational risk. These consultations complement two additional consultation papers on Pillar 3 and supervisory reporting published on 14 December 2023, in line with the roadmap for the implementation of the EU Banking Package. These amending ITS implement the new CRR3 reporting and disclosure requirements linked to the introduction of the revised framework for the calculation of own funds requirements for operational risk. The consultations are part of phase 1 in the implementation of the EU Banking Package.

On 20 February 2024, EBA launched a consultation on two set of draft Regulatory Technical Standards (RTS) and one ITS aiming to clarify the composition of the new business indicator (BI) at the heart of the operational risk capital requirements calculation, mapping the business indicator items to financial reporting (FINREP) items and highlighting possible adjustments to the BI in case of specific operations. The draft ITS map, where possible, the typical items of the business indicator to their corresponding reporting cells in FINREP. Finally, the draft RTS on BI adjustments requires institutions to use the actual three-year historical data or a limited number of alternative methodologies following an operation. In the context of disposals, the draft RTS specifies the conditions under which permission to exclude business indicator items related to disposed entities or activities may be granted.

On 9 April 2024, EBA published its final Guidelines on the resubmission of historical data under the EBA reporting framework. The Guidelines provide a common approach to the resubmission of historical data by the financial institutions to the competent and resolution authorities in case of errors, inaccuracies or other changes in the data reported, in accordance with the supervisory and resolution reporting framework developed by the EBA.

The Guidelines set out a general approach for the resubmission of historical data with the aim of limiting the number of historical periods. Under this general approach, financial institutions are expected to resubmit the corrected data for the current reporting date, and historical data for past reference dates, going back at least one calendar year (except for the data with monthly reporting frequency). The Guidelines also clarify the general circumstances under which the resubmission may not be required. The new precision requirement is applicable from 1 April 2025.

On 19 June 2024, Regulation 2024/1623/EU and Directive 2024/1619/EU of the European Parliament and of the Council of 31 May 2024, amending Regulation 575/2013/EU and Directive 2013/36/EU, respectively, were published in the Official Journal of the European Union. The revised CRR (CRR3), in general, became applicable from 1 January 2025, with a transitional period envisaged for certain rules set out therein. EU member states will need to transpose the revised CRDIV (CRD6) into national law, to be applied from 11 January 2026. In addition, following its publication in the Official Journal of the European Union, the Commission Implementing Regulation (EU) 2024/1872 of 1 July 2024, amended the implementing technical standards laid down in Implementing Regulation (EU) 2016/1799 as regards the mapping tables specifying the correspondence between the credit risk assessments of external credit assessment institutions and the credit quality steps set out in Regulation (EU) No 575/2013 of the European Parliament and of the Council.

Member States will have 18 months to transpose CRD 4 into national legislation, whilst CRR 3 will apply from 1 January 2025.

On 21 June 2024, EBA published a final draft ITS on public disclosures by institutions that implement the changes in the Pillar 3 disclosure framework introduced by the amending Regulation (EU) 2024/1623 (CRR 3). These ITS will ensure that market participants have sufficient comparable information to assess the risk profiles of institutions and understand compliance with CRR 3 requirements, further promoting market discipline.

CRR 3 introduced new and amended disclosure requirements stemming from the latest Basel III Pillar 3 reforms, and a mandate for the EBA to develop IT solutions, including templates and instructions, for the disclosure requirements laid down in the banking regulation. The new ITS implement the CRR 3 prudential disclosures by including new requirements on output floor, credit risk, market risk, CVA risk, operational risk and a transitional disclosure on exposures to crypto-assets. In addition, they aim to provide institutions with a comprehensive integrated set of uniform disclosure formats while promoting market discipline.

On 9 July 2024, EBA published its final draft ITS on supervisory reporting requirements implementing the changes necessary to keep the supervisory reporting framework relevant and meaningful and aligned with the amending CRR 3, which implements the latest Basel III reforms. These ITS update the EBA supervisory reporting framework by including new or amended CRR3 requirements on output floor, credit risk, market risk, CVA risk, leverage ratio and on the transitional treatment of exposures to crypto-assets. On operational risk, these ITS include some minimum reporting requirements based on the consultation launched in February 2024, while the more extensive reporting requirements on this topic was finalised by the end of this year, together with the new framework for the BI for operational risk.

On 13 August 2024, EBA published final amendments to its RTS on the fundamental review of the trading book. The revisions mostly aim to align these RTS with the CRR3 and ensure stability in the applicable regulatory framework. The RTS are part of the roadmap on the Banking Package.

The EBA has been mandated to review the RTS on the treatment of foreign-exchange and commodity risk in the banking book, the RTS on profit and loss attribution test and the RTS on risk factor model lability assessment.

On 14 November 2024, EBA published an Opinion on the amendments proposed by the European Commission to the EBA final draft ITS on public disclosures by institutions and supervisory reporting under the revised CRR3. The EBA acknowledges that the Commission's proposal provides some flexibility compared to the current version of the ITS and accepts it as an intermediate step. The Commission and the EBA will continue to work together to better articulate and further operationalise these ITS.

On 8 January 2025, EBA published the final guidelines on the management of environmental, social and governance (ESG) risks. These guidelines aim at enhancing the identification, measurement, management and monitoring of ESG risks by institutions and at supporting their safety and soundness as they are confronted with the short-, medium- and long-term impact of ESG factors.

The Guidelines specify requirements regarding the internal processes and ESG risk management arrangements that institutions should have in place in accordance with the Capital Requirements Directive (CRD6). The Guidelines will apply from 11 January 2026

On 12 February 2025, EBA published its final draft ITS on the Pillar 3 data hub for large and other institutions, which will centralise prudential disclosures by institutions through a single electronic access point on the EBA website. This project is part of the Banking Package laid down in the CRR3 and CRD6.

The ITS detail the IT solutions and processes to be followed by large and other institutions when submitting their respective Pillar 3 disclosures. This includes the IT solutions to be used, the data exchange formats to be considered and the technical validations to be performed by the EBA. The EBA will provide additional detailed information to the submitters of Pillar 3 information in the onboarding communication plan it expects to publish by the end of the first quarter of 2025.

To submit the information to the EBA, institutions will benefit from a transition period for the information with disclosure reference dates from June to December 2025. This will give them enough time to prepare for the new publication process.

1.2.3 Supervisory Review and Evaluation Process

Based on Council Regulation 1024/2013, the ECB conducts annually a SREP, in order to define the prudential requirements of the institutions under its supervision, by defining a total SREP capital requirement. The key purpose of SREP is to ensure that institutions have adequate arrangements, strategies, processes and mechanisms as well as capital and liquidity to ensure a sound management and coverage of their risks, to which they are or might be exposed, including those revealed by stress testing and risks the institution may pose to the financial system.

The common SREP framework introduced is built around:

- a business model and profitability assessment;
- an internal governance and risk management assessment;
- an assessment of risks to capital on a risk-specific basis (i.e. credit risk, market risk, operational risk, Interest Rate Risk in the Banking Book ("IRRBB")), of the institution's ICAAP and of capital adequacy; and
- an assessment of risks to liquidity and funding on a risk-specific basis (i.e. short-term funding, long-term funding and the institution's internally identified risks in normal scenarios and under stressed conditions), of the institution's ILAAP and of the adequacy of liquidity.

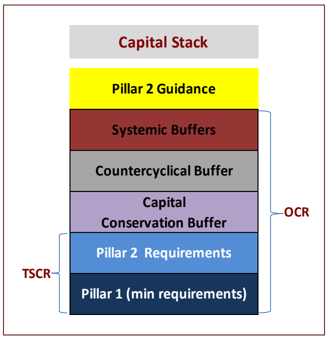
On the basis of the ECB's assessment of the institution's risk profile (through SREP), the following capital adequacy requirements apply:

- The minimum required CET1 ratio and the minimum required Total capital adequacy ratio ("TSCR" or "Total SREP Capital Requirements") that the Bank must meet at all times;
- The Overall Capital Requirements ("OCR"), which include, in addition to the TSCR, the Combined Buffer Requirement ("CBR")[3], which in case of breach, leads to the trigger of the Maximum Distributable Amount ("MDA");
- The P2G, which is an additional capital buffer recommended by the ECB to be kept over and above the OCR.

1.2.4 Pillar 2 Requirement

The P2R is a capital requirement, determined via the SREP, which applies in addition to the Pillar 1 minimum capital requirement and covers risks which are underestimated or not covered by the Pillar 1 minimum capital requirements. The P2R is binding and its breach can have direct legal consequences for an institution.

In addition to the P2R, the P2G is also determined via the SREP. Unlike the P2R, the P2G is not legally binding.



It is noted that as per the latest SREP communication received by the Bank, in 2023 the TSCR of the Bank has been set at 10,25%. In addition, the Bank is subject to a Pillar 2 Guidance capital requirement of 1,25%.

The P2R must be maintained at all times, in accordance with Article 16(2)(a) of Regulation (EU) No 1024/2013. The P2R must be held in the form of CET1 capital (at 1,27%), T1 capital (at 1,69%) and Total Capital at 2,25%.

The Bank is required to obtain the ECB's approval prior to making any distributions to its shareholders, where non-payment does not constitute an event of default. In case of banks' capital falling below the Combined Buffer Requirement, they can make distributions only within the limits of the MDA as defined by the EU law.

[3] The CBR is the sum of the CCB, CCyB and O-SII buffer

1.3 Scope of Pillar 3

The present Report is issued in response to the provisions set out in Part Eight of the CRR requiring credit institutions to publicly disclose information on their risk management practices, processes, policies and procedures, as well as their risk governance structure, accompanied by numerical information on their capital adequacy year-end calculations.

The Bank prepares the Report on a **solo basis** which consists of both qualitative and quantitative information. Considering that the **Parent Entity prepares consolidated** Pillar 3 disclosures (of the Parent Entity and its subsidiaries (together called "the Group")), the Bank draws on Article 13 of the Capital Requirements Regulation allowing limited disclosure of information, given that the Bank is a large subsidiary (as defined in the CRR) of the consolidating group entity.

Pillar 3 disclosures consist of both qualitative and quantitative information. They have been prepared according to the specific CRR Articles 437, 438, 440, 442, 450, 451, 451a and 453 of Part Eight of the Regulation (EU) No 575/2013, as in force. Consequently, it is subject to the limited disclosure requirement on annual basis. 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.

The Bank includes in its Report, all the information which it deems necessary, to provide to users with a clear, complete and accurate view of the Bank's risk profile for the purposes of the aforementioned scope, taking into consideration the applicable waivers regarding non-material, proprietary or confidential information.

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 NPE ratio of 5% or above, as is the case for the Bank. Considering that the Bank's NPE ratio stands at 2,3% for year ended 31 December 2024 (2024: 2m,4%), no disclosures are made in regard to the aforementioned information.

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.

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 (International Financial Reporting Standards) 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.

1.4 Location, timing and frequency of disclosures

The Bank publishes its Pillar 3 disclosures on an annual basis, in a designated location on its website (https://www.eurobank.com.cy/en-us/news?type=7&year). Regarding the timing of disclosures, the guidelines clarify that the requirement set in CRR on publishing information in conjunction with the date of publication of the financial statements, does not mean that the publication has to take place on the same date and the publication can occur within reasonable delay. Such a delay cannot exceed any national deadline for Pillar 3 disclosures publication.

The information contained in the Pillar 3 Disclosures has been reviewed by the Audit Committee and was approved by the Board of Directors on 21 April 2023.

1.5 Compliance with Pillar 3 disclosures

The Bank has in place an internal "Pillar 3 Disclosure Policy" in order to ensure consistent and continuous compliance with the Pillar 3 disclosure requirements, as these have been specified in the CRR, as well as in relevant EBA guidelines and standards. Within this framework, the following is applicable to the Bank's disclosures:

- Pillar 3 disclosures are provided on a solo basis;
- The Bank includes in its disclosures all information deemed necessary to provide users with a clear, complete and accurate view of the Bank's structure, capital management, risk management system, unencumbered assets and remuneration policy. During this procedure the Bank also identifies information that is material, confidential and proprietary;
- The Bank has opted to present the full set of Pillar 3 disclosures (considering the limited scope of disclosures referenced in Section 1.1. above) in a separate document "Pillar 3 Report", which is published at least annually on the Bank's website, in conjunction with the date of publication of its financial statements (as clarified above);
- The Bank re-examines the extent and type of information provided at each disclosure date and revises its Pillar 3 Disclosure Policy as necessary;
- The Audit Committee of the Bank is responsible to review the Report, while the Board of Directors ("BoD" or "the Board") of the Bank is responsible to approve it.

1.6 Minimum Requirements for Eligible Own Funds and Eligible Liabilities

Under the Directive 2014/59 ("BRRD" or "Bank Recovery and Resolution Directive"), as amended by Directive 2019/879 ("BRRD2"), European banks are required to meet the minimum requirement for own funds and eligible liabilities ("MREL"). The Single Resolution Board has determined Eurobank S.A. as the Group's resolution entity and a Single Point of Entry ("SPE") strategy for resolution purposes. The Bank is assessed by the SRB as a Material Legal Entity of the resolution Group.

Based on the latest official SRB's decision in November 2023, the Bank needs to comply with MREL on an individual basis at the level of 23,17% plus the fully loaded CBR from 1 January 2024 onwards. The updated binding MREL target is higher than the previous target communicated to the Bank of 22,73%. The final MREL target is updated by the SRB on an annual basis. During March 2025, the Bank was notified that SRB revised the MREL requirement to be met from Q1 2025 onwards. The updated MREL requirement (excluding CBR) is set at 22,55%. The MREL target must be met at all times.

Due to the phasing in of the MREL target, in an effort to be pro-active, the Bank's management has decided (for internal monitoring purposes) to meet the MREL target 1-day forward. So as at 31/12/2024 the Bank assessed actual MREL against the target to be met as of 1 January 2025, which stood at 27,53% (inclusive of CBR of 4,36%) (2023: 27,04% with a CBR of 3,87%).

The MREL Ratio is calculated as (Own Funds + Eligible Liabilities) / Risk Weighted Assets ("RWAs"). In May 2022, the Bank issued MREL Eligible Liabilities (which count in the numerator of the MREL ratio) to the Parent Entity, which is the Group's Resolution Entity, for an amount of €30m with a 3NC2Y maturity. The MREL ratio stood at 37,4% as at 31/12/2023 (2023: 35,3%), which is above the regulatory minimum of 27,53%.

The Bank exercised its right to call for an early redemption in full of its MREL liabilities on 31 May 2024 of €30 million following the approval from the Single Resolution Board for an early redemption without replacement nor the issuance of a new MREL eligible instrument.

1.7 Implementation of Capital Adequacy framework

1.7.1 Credit risk

The Bank is using the Standardised approach for the calculation of the capital requirements for credit risk. The Bank's policy regarding credit risk is to enter into transactions with an acceptable level of credit risk, which has to be fully commensurate to the corresponding pricing policy and market conditions. The Bank's lending decisions are based on the adequacy of the repayment ability of the client, through sufficient and steady cash flows.

1.7.2 Market risk

The Bank's management and monitoring of market risk is achieved through the use of the 'Value at Risk' ("VaR") methodology. VaR is a methodology used in measuring financial risk based upon a 99% confidence level and a holding period of 10 days. For the measurement of market risk exposure and the calculation of capital requirements, the Bank applies the Standardised Approach.

1.7.3 Operational risk

Based on the provisions of the CRR, the Bank uses the Basic Indicator Approach to calculate its Pillar 1 regulatory capital requirements for operational risk.

1.8 Environmental sustainability, social responsibility and governance

A. Our approach towards Sustainability

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

A. 1. Guiding Principles

The Bank is committed to actively contributing to the achievement of the United Nations Sustainable Development Goals (SDGs) and the 2030 Agenda goals as well as playing an active role in the implementation of the Paris Agreement on Climate Change.

Eurobank Cyprus Ltd also acknowledges and applies international standards related to Sustainability. The Bank is certified according to ISO 14001 (International Standard for Environmental Management), and it is listed in the European Eco-Management and Audit Scheme (EMAS) Register for Environmental Management, underscoring its commitment to environmental protection and sustainable practices. The Bank also follows ISO 14064 for measuring and validating its Greenhouse Gas (GHG) emissions (Scope 1 and Scope 2).

The adopted list of standards and framework evolves dynamically, in line with industry practice and sustainability-related emerging developments.

A.2. Net Zero Commitment

Eurobank Cyprus Ltd aims to align its operations, portfolio, and investments with the ultimate objective of reaching Net Zero by 2050. In this context, the Bank as a member of Eurobank Group, which is a signatory of the UN-convened Net Zero Banking Alliance, aligns its commitments to transitioning all GHG emissions from its lending and investing portfolio with pathways to net-zero by 2050 at the latest, with interim targets.

A.3. Bank's Sustainability Strategy

The Bank expresses the Environmental, Social, Governance (ESG) aspect of its business through the lens of Impact generation. To this end, the Bank is in close communication with Eurobank Group for the development of its Sustainability Strategy in a holistic approach across two pillars of impact: The **Operational Impact Strategy** and the **Financed Impact Strategy**. The strategy will be informed by the material sustainability matters identified through the Double Materiality assessment performed by the Group, and which are adopted by the Bank.

The **Operational Impact Strategy** will focus on minimising the Bank's operational environmental footprint, ensuring that its own activities are sustainable, and aligning its operations with climate and sustainability goals.

The **Financed Impact Strategy** will focus on fostering favorable economic, social and environmental outcomes across all aspects of its financing activities, with a commitment to sustainability and responsible stewardship.

These two pillars of impact aim to capture the essence of the Bank's business effect on the climate, the protection of the natural environment, its contribution to addressing societal challenges, the prosperity of its own people, its contribution to raising business capacity in the markets where the Bank operates, and the internal processes that build and secure the confidence of its stakeholders.

B. Our 2024 Implementation Program

In 2024, the Bank continued its efforts on a number of activities on environmental impact (operational net zero, paperless banking, circular economy), on societal impact (diversity and inclusion, wellbeing, inclusive entrepreneurship, socio-economic), and governance and business impact (Ethics & transparency, ESG capacity) as well as on the Financed Impact, aiming to support customers and society in their transition efforts towards a more ESG-friendly economic environment.

B.1.Operational Impact Actions

Environmental Impact

Eurobank Cyprus Ltd is committed to minimising its environmental footprint and to promoting a sustainable economy.

In this context, the Bank adopted and promoted environmentally friendly practices in 2024, focusing on energy consumption, renewable energy sources, greenhouse gas emissions, and paper and water consumption. Indicatively, the Bank has proceeded with the following actions in 2024:

- Successful completion of the annual inspection and verification of ISO 14001:2015 - Environmental Management Systems and Eco-Management and Audit Scheme (EMAS).
- Measuring and validating of the operational Greenhouse Gas (GHG) emissions by ISO14064 and drafting a roadmap with specific actions to reduce its emissions by 2030, with the assistance of external certified professionals.
- Installation of Photovoltaic and other Energy Saving Systems and practices such as the use of energy-saving LED lamps and panels, application of new sunscreens on the windows, using motion and lighting management sensors, replacement of existing air conditions Systems with higher energy efficiency systems, upgrade and replacement of existing electronic devices (printers, PCs, laptops and screens).
- Recycling Papers, PMD, inks/toner cartridges and e-waste.
- Implementation of the Water Management Policy.
- Dissemination of informative material to staff about recycling, efficiency, energy, water saving, rational use of energy, electrical, etc. to improve the Bank’s environmental culture and operational footprint.
- Assessment of the Group e-learning module on ESG ‘ESG and Me’ which was launched to all members of staff in February 2025.

Societal Impact

The Bank recognises the significance and the impact of its activities for its members of staff, customers, and society.

Human capital constitutes the Bank's most valuable asset. Starting from the recruitment process, the Bank aims to establish a long-term and mutually beneficial relationship with every member of staff. To ensure equal and fair opportunities to all employees, the Bank follows several guidelines surrounding Recruitment, People & Talent Development, Compensation, Performance Management, Learning, Engagement & Communication, and Health & Safety.

Eurobank Cyprus Ltd is committed to maintain a work environment where its staff members' dignity, privacy and human rights are protected and personal respect for all employees is safeguarded.

The Bank acknowledges the seriousness of harassment in the workplace and confirms through the existence of its Anti-Harassment Policy that such conduct, is a punishable offence, is considered unacceptable and totally unjustified. In 2024, a digital learning program on Anti-Harassment Policy was provided to all members of staff.

Eurobank Cyprus Ltd is committed to fostering a culture of Diversity, Equity & Inclusion (DE&I) whereby the DE&I principles are integrated throughout the everyday working practices of the Bank, its governance model, and related commitments. The DE&I Policy outlines the Bank's corporate values, scope, related regulatory documents, commitments and approach to incorporating applicable regulatory requirements, initiatives as well as adopted international best practices in the formation of a diverse, equitable and inclusive working environment, responsive to different cultures and groups, where everyone can have the opportunity to flourish.

With the aim of creating a more human-centric work environment, the Bank emphasises also on the health and well-being of its members of staff. The Bank applies all measures required under national legislation to ensure the health and safety of its employees. Since 2023 the Bank has been implementing numerous initiatives included in a holistic well-being action plan to support employees facing daily challenges in their personal, family, and professional environment. During 2024, the Bank received a distinction by the Ministry of Labor and Social Insurance, for implementing good practices for the Health and Safety at the workplace based on its Holistic Wellbeing Action Plan.

Furthermore, Eurobank Cyprus Ltd is committed to addressing societal challenges and fostering innovation. During 2024, the Bank launched several CSR initiatives supporting society through charity and mobilisation of employee volunteer teams and actively supported entrepreneurship, research and innovation. A distinction awarded to the Bank by the Pan Cyprian Volunteerism Coordinative Council for its volunteerism initiatives organised in 2024 and the second half of 2023, recognizing the Bank's efforts to make a meaningful impact to the community.

Governance & Business Impact

Sustainability at Eurobank Cyprus Ltd is deployed across an ESG governance structure that addresses both regulatory requirements and voluntary commitments. Board oversight with respect to Sustainability Strategy is addressed through the inclusion of ESG/sustainability items on the Board Meetings agenda as per international best practice. The Three Lines of Defence model enhances risk management and control by clarifying roles and responsibilities within the organisation. Eurobank Cyprus' governance structure also ensures that the management of relevant CR&E risks is integrated into the Bank's three lines of defence, as well as aims to further enhance the effective oversight of ESG and CR&E matters at management/Board level.

The established Environmental, Social & Governance Management Committee (ESGMC) is a Management Committee whose main purpose is to provide strategic direction on ESG/sustainability initiatives.

In order to develop, promote and evaluate corporate culture, the Bank established mechanisms for identifying, reporting and investigating concerns about behavior in contradiction of Code of Conduct.

A Policy for Reporting Illegal or Unethical Conduct is in place and a respective Policy Statement to facilitate its staff members and concerned third parties to submit reports – through recommended internal or external reporting channels – on any actual, attempted or suspected fraud or other unethical conduct, while eliminating any concerns that their report may result in adverse consequences for themselves. Furthermore, the Bank has developed policies on Anti-bribery and Corruption and implements adequate arrangements for the protection of whistleblowers.

The Bank is placing great emphasis on building capacity among its members of staff in order to be able to support its clients on their sustainability journey and their green transition. Eurobank Cyprus' internal awareness sessions regarding ESG and CR&E matters during 2024, covered both members of the management body and other stakeholders across the Bank (e.g. Business Units).

B.2. Financed Impact Actions

The EU Taxonomy Regulation (EU) 2020/852 of the European Parliament and of the Council was adopted in 2020 by the European Parliament and represents an important step for the EU to achieve the Paris Agreement's climate neutrality goals. It sets out the criteria to establish a common classification system for sustainable economic activities.

The EU Taxonomy Regulation determines whether an economic activity is environmentally sustainable and requires financial and non-financial undertakings subject to the Non-Financial Reporting Directive (NFRD) to disclose the alignment of their activities. Separate disclosure requirements and extensive criteria are established for financial and non-financial undertakings under Article 8 of EU Taxonomy Regulation Delegated Act (Commission Delegated Regulation (EU) 2021/2178).

In line with best established practices, the Bank has integrated the requirements of the EU Taxonomy Regulation in the context of its processes and procedures including the Sustainable Finance Assessment and the ESG Risk Assessment.

Eurobank Cyprus Ltd has approved and implemented its Sustainable Finance Framework, which encompasses a wide range of sustainable lending activities and supports the identification and classification of sustainable financing, covering the portfolios of the Bank.

To adequately embed sustainable financing aspects into its practices, the Bank has developed governance structures as well as an assessment tool that facilitates the day-to-day implementation of the Sustainable Finance Framework. The assessment tool supports the process of assessing the financings/transactions against the criteria defined in the Sustainable Finance Framework and the EU Taxonomy.

Transitioning to a low-carbon and more circular economy entails both risks and opportunities for the economy and financial institutions. Taking into account the significant impact of climate-related and environmental (CR&E) risks both on financial institutions and on the global economy and in full alignment with applicable supervisory expectations, the adoption of a strategic approach for the management of risks and the identification of opportunities in relation to sustainability and climate change is of great importance to the Bank.

In relation to identifying and managing sustainability-risk related risks, including CR&E risks, the Bank implemented various actions. More specifically,

- The Bank developed and approved its CR&E Risks Management Policy aiming at fostering a holistic understanding of the effects of CR&E risks on its business model, as well as support decision-making and provide a robust governance under its Risk Management Framework.
- The Risk Identification and Materiality Assessment (RIMA) process is performed at least on an annual basis, or ad-hoc if necessary.
- The Bank has an established climate risk reporting dashboard with appropriate climate risk KRIs that are submitted to the management body on a regular basis, to effectively oversee CR&E risks across the Bank. Furthermore, the Bank performs sensitivity analysis on CR&E risks, as a risk driver to credit risk, that are included in its annual ICAAP exercise.

- Deployment of a unified ESG Questionnaire, which has been developed at interbank level with the coordination of the Association of Cyprus Banks. This questionnaire aims to standardise the assessment of ESG factors across Cyprus banks, ensuring compliance with regulatory expectations and international guidelines.
- The Bank developed and approved the ESG Risk Assessment Process for its corporate borrowers by combining its Climate Risk Scorecard with the Interbank ESG Questionnaire. The process will be operational within Q1-2025 following the relevant implementation in the Bank's systems.
- The Bank recognises the importance of relevant and reliable data for the provision of meaningful insights, suitable for decision-making purposes. Having already performed an assessment of sustainability data availability in its internal systems against regulatory requirements/expectations, the Bank continues to enhance its sustainability risk data aggregation capabilities and IT infrastructure accordingly.

The Bank aims to implement a set of tools for the identification, measurement, and management of ESG risks, including CR&E, in the credit granting and monitoring processes. These will be utilised by the units involved across both the 1st and 2nd Line of Defense.

C. Corporate Reporting

Eurobank Cyprus Ltd as a member of Eurobank Group ensures alignment with existing and upcoming regulations/standards applicable to the Group. In this regard, the Bank provides the Group with the required data for the following ESG related disclosures:

- The Group's Annual Report - Business and Sustainability,
- The Group's Sustainability Statement as per the requirements of the Common Sustainability Reporting Directive (CSRD)4 and the European Sustainability Reporting Standards (ESRS),
- The Group's Report on Pillar III ESG information as per CRR requirements,
- The Group's Report on Green Asset Ratios in alignment with EU Taxonomy requirements.

Furthermore, the Bank's environmental and energy management performance, with respect to the improvement of its operational footprint, is monitored through specific indicators and associated targets disclosed also in the Environmental Report (EMAS). This constitutes an environment and energy monitoring and self-improvement tool, in line with commitments, regulated by applicable standards, audited & verified by independent third party. Within the EMAS Report framework, the Bank discloses the Green House Gas emissions record in line with the ISO14064 standard.

The Group's ESG related reports are accessible to all interested parties through the Group's corporate website.

[4] According to the European Commission's deadlines, Eurobank Cyprus Ltd should have applied CSRD for the financial year starting FY2025 with reporting in FY2026. The Group will adopt the consolidated reporting approach i.e. it will report for all its subsidiaries under the Group CSRD report, including Eurobank Cyprus Ltd as of 2025. Eurobank Cyprus Ltd will provide the required information (quantitative/qualitative) for consolidation and reporting by the Group during the reporting periods and timeframes specified by the Group.

2. Capital Management

The amount and quality of the capital held by the Bank is subject to certain rules and guidelines. The composition of the Bank's available regulatory capital under Pillar 1 is as follows:

2.1 Regulatory capital – definition

The Pillar 1 regulatory capital of the Bank is calculated on the basis of IFRS figures and in accordance with the rules set by the CRR. According to the CRR, the available regulatory capital is classified under two main categories: Tier 1 and Tier 2 capital. Tier 1 consists of CET1 and AT1 capital.

The Bank's Own Funds as at 31 December 2024 were composed entirely out of CET1 capital, and more specifically of ordinary shareholders' equity, share premium, retained earnings, year-end 2024 profits and accumulated other comprehensive income, from the sum of which the following items were deducted:

- Intangible assets;
- Additional Valuation Adjustments; adjustments relating to all on balance sheet items measured at fair value; and
- Other regulatory adjustments such as NPE Backstop

2.2 Key Metrics

The table below provides an overview of the Bank's prudential regulatory metrics

Table 1: Template EU KM1 - Key metrics template

	31 December 2024	31 December 2023
	€ thousands	€ thousands
Available own funds (amounts)		
Common Equity Tier 1 (CET1) capital	1.061.957	846.781
Tier 1 capital	1.061.957	846.781
Total capital	1.061.957	846.781
Risk-weighted exposure amounts		
Total risk exposure amount	2.842.932	2.485.254
Capital ratios (as a percentage of risk-weighted exposure amount)		
Common Equity Tier 1 ratio (%)	37,4%	34,1%
Tier 1 ratio (%)	37,4%	34,1%
Total capital ratio (%)	37,4%	34,1%
Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)		
Additional own funds requirements to address risks other than the risk of excessive leverage (%) (3)	2,25%	2,25%
of which: to be made up of CET1 capital (percentage points)	1,27%	1,27%
of which: to be made up of Tier 1 capital (percentage points)	1,69%	1,69%
Total SREP own funds requirements (%) (2)	10,25%	10,25%
Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)		
Capital conservation buffer (%)	2,50%	2,50%
Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	0,00%	0,00%
Institution specific countercyclical capital buffer (%)	0,99%	0,62%
Systemic risk buffer (%)	0,00%	0,00%
Global Systemically Important Institution buffer (%)	0,00%	0,00%
Other Systemically Important Institution buffer (%)	0,75%	0,75%
Combined buffer requirement (%) (4)	4,24%	3,87%
Overall capital requirements (%)	14,49%	14,12%
CET1 available after meeting the total SREP own funds requirements (%) (1)	27,10%	23,82%
Leverage ratio		
Total exposure measure	9.271.365	7.981.340
Leverage ratio (%)	11,5%	10,6%
Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)		
Additional own funds requirements to address the risk of excessive leverage (%)	0,0%	0,0%
of which: to be made up of CET1 capital (percentage points)	0,0%	0,0%
Total SREP leverage ratio requirements (%)	3,0%	3,0%
Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)		
Leverage ratio buffer requirement (%)	0,0%	0,0%
Overall leverage ratio requirement (%)	3,0%	3,0%
Liquidity Coverage Ratio (5)		
Total high-quality liquid assets (HQLA) (Weighted value)	4.320.865	3.891.922
Cash outflows - Total weighted value	2.145.640	1.802.756
Cash inflows - Total weighted value	237.029	152.378
Total net cash outflows (adjusted value)	1.908.611	1.650.378
Liquidity coverage ratio (%)	226,39%	235,82%
Net Stable Funding Ratio		
Total available stable funding	6.026.506	5.714.113
Total required stable funding	3.263.182	2.484.891
NSFR ratio (%)	184,68%	229,95%

(1) CET1 capital available after meeting the 10,25% Total SREP own funds requirements, calculated as a % of RWA

(2) Total SREP is the TSCR which is the minimum Total Capital Adequacy Ratio plus the P2R

(3) Refers to the P2R, 56,25% of which is required to be maintained by CET1 capital and 75% required to be maintained by T1 capital

(4) The CBR for the Bank is the total of the Capital Conservation buffer, the O-SII buffer Countercyclical buffer

(5) Liquidity Coverage Ratio presents year-end values

2.3 Reconciliation of Balance Sheets - financial accounting to regulatory scope

The tables below present how items in the Bank's Balance Sheet as per the published financial statements are broken down into different risk types for the purposes of regulatory treatment. The table shows how the value, as stated in the Balance Sheet is treated under the regulatory framework; the value consider under the regulatory framework however may differ.

As the Bank complies with the CRR on an individual basis thus there is no scope for prudential consolidation, meaning that methods for presenting the Balance Sheet is the same under the accounting and the prudential frameworks.

Table 2: Template EU LI1 - Differences between the accounting scope and the scope of prudential consolidation and mapping of financial statement categories with regulatory risk categories [(1)]

		31 December 2024				
		Balance sheet as in published financial statements	Carrying value of items under the regulatory scope [(2)]			
			Subject to the credit risk framework	Subject to the CCR framework	Subject to the securitisation framework	Not subject to capital requirements or subejct to deduction from capital
	Ref.	€ thousands	€ thousands	€ thousands	€ thousands	€ thousands
Assets						
Cash and balances with central banks		2.954.379	2.954.379	-	-	-
Due from credit institutions		1.291.114	213.529	1.077.585	-	-
Derivative financial instruments		23.023	-	23.023	-	-
Loans and advances to customers	g	2.972.956	2.972.956	-	-	-
Investment securities		1.968.903	1.821.042	-	147.861	-
Investments in subsidiaries		17.555	17.555	-	-	-
Property, plant and equipment		20.887	20.887	-	-	-
Intangible assets	f	36.048	19.411	-	-	16.637
Deferred tax assets		1.586	1.586	-	-	-
Other assets		14.315	14.315	-	-	-
Total assets		**9.300.766**	**8.035.660**	**1.100.608**	**147.861**	**16.637**
Liabilities						
Due to central banks		-	-	-	-	-
Due to credit institutions		208.163	-	-	-	208.163
Derivative financial instruments		1.844	-	1.844	-	-
Due to customers		7.882.421	-	-	-	7.882.421
Current tax liabilities		6.754	-	-	-	6.754
Deferred tax liabilities		2.963	-	-	-	2.963
Other liabilities		119.657	-	-	-	119.657
Total liabilities		**8.221.802**	**-**	**1.844**	**-**	**8.219.958**
Equity						
Share capital	a	12.010	-	-	-	12.010
Share premium	b	245.384	-	-	-	245.384
Other reserves	c	(415)	-	-	-	(415)
Retained earnings	d	821.985	-	-	-	821.985
Total equity	e	**1.078.964**	**-**	**-**	**-**	**1.078.964**
Total equity and liabilities		**9.300.766**	**-**	**1.844**	**-**	**9.298.922**

	Ref.	31 December 2023				
		Balance sheet as in published financial statements	Carrying value of items under the regulatory scope [(2)]			
			Subject to the credit risk framework	Subject to the CCR framework	Subject to the securitisation framework	Not subject to capital requirements or subejct to deduction from capital
		€ thousands	€ thousands	€ thousands	€ thousands	€ thousands
Assets						
Cash and balances with central banks		2.728.283	2.728.283	-	-	-
Due from credit institutions		1.184.606	86.284	1.098.322	-	-
Derivative financial instruments		11.938	-	11.938	-	-
Loans and advances to customers	*g*	2.844.345	2.844.345	-	-	-
Investment securities		1.424.253	1.227.362	-	196.891	-
Investments in subsidiaries		15.011	15.011	-	-	-
Property, plant and equipment		23.899	23.899	-	-	-
Intangible assets	*f*	33.464	26.526	-	-	6.938
Deferred tax assets		2.152	2.152	-	-	-
Other assets		4.192	4.192	-	-	-
Total assets		8.272.143	6.958.054	1.110.260	196.891	6.938
Liabilities						
Due to central banks		-	-	-	-	-
Due to credit institutions		184.222	-	-	-	184.222
Derivative financial instruments		10.108	-	10.108	-	-
Due to customers		7.098.945	-	-	-	7.098.945
Current tax liabilities		7.084	-	-	-	7.084
Deferred tax liabilities		3.058	-	-	-	3.058
Other liabilities		114.515	-	-	-	114.515
Total liabilities		7.417.932	-	10.108	-	7.407.824
Equity						
Share capital	*a*	12.010	-	-	-	12.010
Share premium	*b*	245.384	-	-	-	245.384
Other reserves	*c*	(11.162)	-	-	-	(11.162)
Retained earnings	*d*	607.979	-	-	-	607.979
Total equity	*e*	854.211	-	-	-	854.211
Total equity and liabilities		8.272.143	-	10.108	-	8.262.035

[(1)] References are cross-references with Tables 4 & 5 below ((templates EU CC2 & EU CC1) as required by Regulations (EU) 2021/673.

[(2)] Total assets that are subject to the CRR under the regulatory scope equal to €9,284 million (2023: €8,265 million) while total liabilities equal to €1,8 million (2023: €10,15 million)

The columns under "Carrying value of items under the regulatory scope" in table above present the regulatory framework of the values as presented in the Bank's Financial Statement are assessed. The exposure value used in the respective framework differs however, as it is based on the provisions prescribed in the CRR under the relevant framework.

The tables below provide a reconciliation of the regulatory Balance Sheet to the Exposure at Default ("EAD") allocated to different risk frameworks.

Table 3: Template EU LI2 - Main sources of differences between regulatory exposure amounts and carrying values in financial statements

	31 December 2024			
	Balance sheet as in published financial statements	Carrying value of items under the regulatory scope		
		Subject to the credit risk framework	Subject to the CCR framework	Subject to the securitisation framework
	€ thousands	€ thousands	€ thousands	€ thousands
Assets carrying value amount under the regulatory scope *(as per template EU LI1)*	9.284.129	8.035.660	1.100.608	147.861
Liabilities carrying value amount under the regulatory scope *(as per template EU LI1)*	1.844	-	1.844	-
Total carrying value amount under the regulatory scope	**9.282.285**	**8.035.660**	**1.098.764**	**147.861**
Off-balance sheet amount [(1)]	933.289	933.289	-	-
Differences in valuations [(3)]	25.840	6.811	19.029	-
Differences due to different netting rules	4.373	4.373	-	-
Differences due to consideration of provisions	-	-	-	-
Differences due to the use of credit risk mitigation techniques (CRM) [(4)]	(1.778.646)	(678.610)	(1.071.429)	(28.607)
Differences due to credit conversion factors	(634.080)	(634.080)	-	-
Differences due to Securitisation risk transfer	-	-	-	-
Other differences [(2)]	373.772	-	373.772	-
Exposure amounts considered for regulatory purposes	**8.206.833**	**7.667.443**	**420.136**	**119.254**

	31 December 2023			
	Balance sheet as in published financial statements	Carrying value of items under the regulatory scope		
		Subject to the credit risk framework	Subject to the CCR framework	Subject to the securitisation framework
	€ thousands	€ thousands	€ thousands	€ thousands
Assets carrying value amount under the regulatory scope *(as per template EU LI1)*	8.265.205	6.958.054	1.110.260	196.891
Liabilities carrying value amount under the regulatory scope *(as per template EU LI1)*	10.108	-	10.108	-
Total carrying value amount under the regulatory scope	8.255.097	6.958.054	1.100.152	196.891
Off-balance sheet amount	820.377	820.377	-	-
Differences in valuations	25.196	14	25.182	-
Differences due to different netting rules	4.400	4.400	-	-
Differences due to consideration of provisions	-	-	-	-
Differences due to the use of credit risk mitigation techniques (CRM)	(1.857.572)	(727.491)	(1.089.109)	(40.972)
Differences due to credit conversion factors	(550.144)	(550.144)	-	-
Differences due to Securitisation risk transfer	-	-	-	-
Other differences	262.134	-	262.134	-
Exposure amounts considered for regulatory purposes	6.959.488	6.505.210	298.359	155.919

(1) Off-Balance sheet amounts relate to undrawn facilities as well as Trade Finance products. The value is presented pre-credit conversion factor ("CCF") which is the factor used to convert the respective exposure to Exposure at Default.

(2) Other differences include the Security Lending transactions which are not presented in the Bank's Balance Sheet.
(3) The difference in valuations is mainly attributable to the derivative exposures, as the value of derivative transactions for CRR purposes is based on the notional amount and the current replacement cost. For CRR purposes, both derivative assets and derivative liability positions are considered. Also, the value of derivative assets, with the Parent Entity is measured following the netting methodology as described in section 4.7
(4) Includes the collateral under Repurchase and Reverse Repurchase Agreements.
(5) Total assets of €9,284 million (2023: 8,265 million) under the regulatory scope are total assets less intangible, referenced in EU LI1 above. Total liabilities of €1,8 million (2023: 10,1 million), referenced in EU LI1 are mainly repurchase agreements and derivatives, which are subject to the CCR framework

The table below shows the composition of the Bank's regulatory capital as at 31 December 2024 and at 31 December 2023:

Table 4: Template EU CC2 - reconciliation of regulatory own funds to balance sheet in the audited financial statements

	Ref.	31 December 2024 € thousands	31 December 2023 € thousands
Total Equity per Financial Statements	*e*	1.078.964	854.211
Regulatory adjustments			
Intangible assets	*f*	(16.637)	(6.938)
Additional value adjustments		(367)	(489)
Other regulatory adjusments	*g*	(3)	(3)
Total Common Equity Tier 1		**1.061.957**	846.781
Additional Tier 1		-	-
Total Tier 1		**1.061.957**	846.781
Tier 2 Capital		-	-
Total Own funds		**1.061.957**	846.781
Total risk exposure amount		**2.842.932**	2.485.254
Ratios			
Commone Equity Tier 1		**37,4%**	34,1%
Tier 1		**37,4%**	34,1%
Total Capital Adequacy Ratio		**37,4%**	34,1%

The table below shows the composition of the Bank's regulatory capital as at 31 December 2024, with references to items in the Balance Sheet as per Template EU CC2 above. In addition, Appendix 1 provides information on the main features of the Bank’s capital instruments as at 31 December 2024.

Table 5: Template EU CC1 - Composition of regulatory own funds

	Ref.	31 December 2024 € thousands	31 December 2023 € thousands
Common Equity Tier 1 (CET1) capital: instruments and reserves			
Capital instruments and the related share premium accounts		257.394	257.394
of which: Ordinary shares	*a*	12.010	12.010
of which: Share premium	*b*	245.384	245.384
Retained earnings	*d*	607.979	408.541
Accumulated other comprehensive income (and other reserves)	*c*	(415)	(11.162)
Independently reviewed interim profits net of any foreseeable charge or dividend	*d*	214.006	199.438
Common Equity Tier 1 (CET1) capital before regulatory adjustments		**1.078.964**	854.211
Common Equity Tier 1 capital: regulatory adjustments			
Additional value adjustments		(367)	(489)
Intangible assets (net of related tax liability)	*f*	(16.637)	(6.938)
Other regulatory adjusments		(3)	(3)
Total regulatory adjustments to Common Equity Tier 1 (CET1)		**(17.007)**	(7.430)
Common Equity Tier 1 (CET1) capital		**1.061.957**	846.781
Additional Tier 1 (AT1) capital: instruments			
Additional Tier 1 (AT1) capital before regulatory adjustments		-	-
Additional Tier 1 (AT1) capital: regulatory adjustments			
Total regulatory adjustments to Additional Tier 1 (AT1) capital		**-**	-
Additional Tier 1 (AT1) capital		**-**	-
Tier 1 capital (T1 = CET1 + AT1)		**1.061.957**	846.781
Tier 2 (T2) capital: instruments			
Tier 2 (T2) capital before regulatory adjustments		-	-
Tier 2 (T2) capital:regulatory adjustments			
Total regulatory adjustments to Tier 2 (T2) capital		**-**	-
Tier 2 (T2) capital		**-**	-
Total capital (TC = T1 + T2)		**1.061.957**	846.781
Total Risk exposure amount		**2.842.932**	2.485.254
Capital ratios and requirements including buffers			
Common Equity Tier 1 capital		**37,35%**	34,07%
Tier 1 capital		**37,35%**	34,07%
Total capital		**37,35%**	34,07%
Institution CET1 overall capital requirements [(1)]		10,01%	9,64%
of which: capital conservation buffer requirement		2,50%	2,50%
of which: countercyclical capital buffer requirement		0,99%	0,62%
of which: systemic risk buffer requirement		0,00%	0,00%
of which: Other Systemically Important Institution (O-SII) buffer requirement		0,75%	0,750%
of which: additional own funds requirements to address the risks other than the risk of exc		1,27%	1,27%
Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements		**27,10%**	23,82%

[(1)] The CET1 OCR equals to the minimum CET1 ratio plus the buffer which are required to be maintained with CET1 capital, meaning 56,25% of the P2R plus the CBR. The amount of additional own funds required to be met with CET1 capital (for P2R = 1,27%) is ca. €36,1 million (2023: 31,6 million)

The ratios are defined as follows:

- CET1 ratio = CET1 capital divided by total RWAs;
- Tier 1 ratio = T1 capital divided by total RWAs;
- Total Capital Adequacy ratio = Total Regulatory Capital (“Own Funds”) divided by total RWAs.

The Bank has sought to maintain an actively managed capital base to cover risks inherent in its business. The adequacy of the Bank'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 and the Group.

2.4 Countercyclical Capital buffer

The Countercyclical Capital buffer will be applied when the authorities deem that lending growth is giving rise to an unacceptable accumulation of systemic risks. This buffer is specifically calculated for each bank or group and consists of the weighted average of percentages of countercyclical buffers applied for regions in which the bank's credit exposures are located.

The table below shows the geographical distribution of the Bank's credit exposures relevant for the calculation of its Countercyclical Capital buffer and the amount of its Institution-specific Countercyclical Capital buffer.

Table 6: Template EU CCyB1 - Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer [(1)]

Geographical distribution of credit exposures relevant for the calculation of the countercyclical capital buffer	31 December 2024												
	General Credit Exposures		Relevant credit exposures – Market risk		Securitisation exposures	Total exposure value	Own Funds Requirements				Risk-weighted exposure amounts	Own Funds Requirements Weights	Countercyclical Buffer Rate
	Exposure Value for Standardised Approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models	Exposure value for non-trading book		General Credit Risk Exposures	Trading Book Exposures	Securitisation Exposures	Total			
	€ thousands	€ thousands	€ thousands	€ thousands	€ thousands	€ thousands	€ thousands	€ thousands	€ thousands	€ thousands	€ thousands	%	%
Cyprus	1.751.539	-	-	-	-	1.751.539	101.974	-	-	101.974	1.274.675	62,44%	1%
Other European Countries [(2)]	208.854	-	-	-	117.613	326.467	14.102	-	2.698	16.800	210.000	10,29%	0% - 2,5%
Other countries	733.409	-	-	-	30.248	763.657	43.994	-	536	44.530	556.628	27,27%	0% - 2%
Total	**2.693.802**	**-**	**-**	**-**	**147.861**	**2.841.663**	**160.070**	**-**	**3.234**	**163.304**	**2.041.303**	**100,00%**	

Geographical distribution of credit exposures relevant for the calculation of the countercyclical capital buffer	31 December 2023												
	General Credit Exposures		Relevant credit exposures – Market risk		Securitisation exposures	Total exposure value [3]	Own Funds Requirements				Risk-weighted exposure amounts	Own Funds Requirements Weights	Countercyclical Buffer Rate
	Exposure Value for Standardised Approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models	Exposure value for non-trading book		General Credit Risk Exposures	Trading Book Exposures	Securitisation Exposures	Total			
	€ thousands	€ thousands	€ thousands	€ thousands	€ thousands	€ thousands	€ thousands	€ thousands	€ thousands	€ thousands	€ thousands		
Cyprus	1.654.038	-	-	-	-	1.654.038	95.939	-	-	95.939	1.199.242	62,9%	0,50%
Other European Countries	205.621	-	-	-	160.838	366.459	14.055	-	3.880	17.935	224.186	11,8%	0% - 2,5%
Other countries	618.736	-	-	-	36.053	654.789	37.972	-	636	38.608	482.599	25,3%	0% - 2%
Total	2.478.395	-	-	-	196.891	2.675.286	147.966	-	4.516	152.482	1.906.027	100,0%	

(1) The tables above do not cover exposures on central governments or central banks, multilateral development banks and institutions asset classes. The Own Funds Requirements are calculated as 8% of the RWA corresponding to said exposures.

(2) The exposure value is calculated on post credit risk mitigation ("CRM"), post-CCF but before the application of any substitution effect

(3) Other European Countries include the countries which are members of the EU.

Table 7: Template EU CCyB2 - Amount of institution-specific countercyclical capital buffer

Amount of Institution-specific Countercyclical Capital buffer	31 December 2024	31 December 2023
Total Risk Exposure Amount (€ thousands)	2.842.932	2.485.254
Institution-specific Countercyclical Capital buffer rate	0,99%	0,62%
Institution-specific Countercyclical Capital buffer requirement (€ thousands)	28.094	15.406

(1) The CCyB rate of 0,99% (2023: 0,62%) is mainly due to the CCyB rate on CY (1,0% (2023: 0,55%) and UK (2% (2023: 1%)) related exposures. The CCyB requirement is the CCyB rate multiplied by the RWAs.

2.5 Capital requirements under Pillar 1

The table below shows the Banks's RWAs and capital requirements as at 31 December 2024 and 31 December 2023. The total own funds requirements under Pillar 1 are calculated as 8% of RWAs.

Table 8: Template EU OV1 - Overview of total risk exposure amounts [(1)]

	31 December 2024	31 December 2023	**31 December 2024**
	Total risk exposure amounts	Total risk exposure amounts	**Total own funds requirements**
	€ thousands	€ thousands	**€ thousands**
Credit risk (excluding CCR)	**2.189.395**	1.980.027	**175.152**
Of which the standardised approach	2.189.395	1.980.027	175.152
Of which amounts below the thresholds for deduction (subject to 250% risk weight) [(3)]	3.965	5.379	317
Counterparty credit risk - CCR	**114.247**	80.325	**9.140**
Of which the standardised approach	-	-	-
Of which credit valuation adjustment - CVA	122	159	10
Of which other CCR [(2)]	114.125	80.166	9.130
Settlement risk	**-**	-	**-**
Securitisation exposures in the non-trading book (after the cap)	**40.426**	56.452	**3.234**
Of which SEC-ERBA (including IAA)	23.026	29.196	1.842
Of which SEC-SA approach	17.400	27.256	1.392
Of which 1250% / deduction	-	-	**-**
Position, foreign exchange and commodities risks (Market risk)	-	-	-
Of which the standardised approach	-	-	-
Large exposures	-	-	-
Operational risk	**498.864**	368.450	**39.909**
Of which basic indicator approach	498.864	368.450	39.909
Total	**2.842.932**	2.485.254	**227.435**

[(1)] The main drivers of the increase of RWAs compared to 31 December 2023 is the increase in Operational risk RWAs and the increase in Credit risk RWAs. The increase in "Credit risk (including CCR)" RWAs is mainly due to the increase in the Bank's loan portfolio.

[(2)] This net increase is a combination of (i) increase in RWAs from derivatives, (ii) increase in RWAs in the Bank's lending portfolio, (iii) increase in RWA from securities financing transactions (mainly relating to securities lending transactions) and (iv) decrease in RWAs from the Bank's investment in Securitisation exposure. The RWA arising from derivatives with the Parent Entity are subject to the application of netting methodologies as described in section 4.7.

[(3)] Refers to Deferred Tax Asset as per the Bank's Balance Sheet which are below the thresholds for deductions from CET1 capital and are risk weighted at 250% based on the provisions of the CRR

[(4)] The increase in Operational Risk RWAs is due to the increase in Net Interest Income by 117,1% compared to 2023. The high levels of Net Interest Income were maintained during 2024, contributing to an increase in the 3-year average of the Relevant Indicator compared to 2024.

As seen in table EU CC1, certain items are deducted from CET1 capital, which amount to €17,0 million (2023: €7,4 million). Should those items have not been deducted but instead were risk weighted (as per the provisions of the Regulation), then own funds would increase by 1,58% (2023: 0,87%) and Total Risk Exposure Amount would increase by €16,6 million (2023: €6,9 million).

2.6 Supervisory Review and Evaluation Process capital requirements

According to the 2023 SREP performed by the ECB, the Bank is required to hold a Total Capital Ratio of at least 15,740% (2023: 15,620%). This includes a P2R of 2,25% (which is to be met at 1,27% by CET1 capital and 1,69% by T1 capital), a P2G of 1,25% (2023: 1,5%) and the CBR of 4,24% (2023: 3,87%).

The Bank was required in 2024 to meet a CET1 ratio of at least 11,26% (2023: 11,14%) and a Total Capital Adequacy Ratio of at least 15,740% (2023: 15,6295) including the CBR and P2G of 1,25%.

The CBC designated the Bank as an O-SII. Each year the CBC informs the Bank on the O-SII buffer required to be met and whether transitional provisions apply. In October 2023 the CBC informed the Bank that it maintained its O-SII status and that the O-SII to be maintained from 1 January 2024 remains unchanged at 0,75 from the 2023 requirement. In April 2024, the CBC informed the Bank that the O-SII increases to 1,00%, to be met by 1 January 2026, with two incremental phase-ins of 0,125% p.a. (starting at 0,75% by 1 January 2024).

The 2023 SREP performed by the ECB will supersede the 2022 SREP from 1 January 2024, with P2R remaining at 2,25% and P2G decreasing to 1,25% from 1,5%. Regarding CCyB, the Bank projected the requirement by applying 2025 CCyB rates on 2024 figures, with the projected CCyB for 31/12/2025 being 1,00%. Considering the 2023 SREP as well as applicable buffers, the Total Capital Ratio requirement for 31/12/2024 is estimated to be 15,74%.

The table below shows the capital requirements of the Bank for 31 December 2024:

Table 9: SREP Capital Requirements

	31 December 2024		31 December 2023	
	CET 1 Capital Requirements	Total Capital Requirements	CET 1 Capital Requirements	Total Capital Requirements
Pillar 1 CET1	4,50%	4,50%	4,50%	4,50%
Pillar 1 AT1	-	1,50%	-	1,50%
Pillar 1 T2	-	2,00%	-	2,00%
Minumum regulatory Requirements	4,50%	8,00%	4,50%	8,00%
Pillar 2 Requirement (P2R)	1,27%	2,25%	1,27%	2,25%
Total SREP Capital Requirements (TSCR)	**5,77%**	**10,25%**	5,77%	10,25%
Combined Buffer Requirement (CBR)				
Capital Conservation Buffer (CCoB)	2,50%	2,50%	2,50%	2,50%
Other Systemically Important Institutions Buffer (O-SII)	0,75%	0,75%	0,750%	0,750%
Countercyclical Capital Buffer (CCyB)	0,990%	0,990%	0,620%	0,620%
Overall Capital Requirement (OCR)	**10,01%**	**14,490%**	9,64%	14,120%
Pillar 2 Guidance (P2G)	1,25%	1,25%	1,50%	1,50%
Overall Capital Requirements (OCR) including P2G	**11,260%**	**15,740%**	11,140%	15,620%

As at 31 December 2023 the Bank's CET1 ratio, as well as its CET1 and Total Capital ratios were 37,4% (2023: 34,1%), well above the minimum capital requirements.

2.7 Internal Capital Adequacy Assessment Process

The ICAAP aims to identify and assess risks that are inherent in the Bank's business model, determine their materiality and allocation at an entity level, evaluate risk monitoring and risk mitigation processes and quantify the relevant internal capital charge where appropriate so as to ensure the ongoing capital adequacy of the Bank versus its risk profile.

To accomplish these objectives, the ICAAP leverages upon and integrates the Bank's well-established activities on risk, capital and performance management, including in particular planning and monitoring, while also continuously refining its approach to ensure high standards of capital assessment and management.

Oversight and ultimate responsibility for the ICAAP lies with the BoD, which has assumed a leading role in developing a risk conscious organisation and maintaining the Bank's risk management at high levels of sophistication. The BoD's vision and guidance are distilled in the Bank's risk appetite framework, which describes the risk boundaries within which the Bank is willing to operate. Prior to its approval, the BoD and the senior management discuss and challenge the ICAAP in an effective way.

Moreover, acting as an evaluation mechanism of the Bank's entire risk management framework, an integral component of the ICAAP is the identification, assessment and quantification of current and emerging risks in terms of their materiality at solo level, thus allowing the organisation to focus its resources and management attention to those risks that could potentially threaten its business or capital standing and ensuring that all material risks are properly managed and monitored.

Material risks are evaluated qualitatively and quantitatively, as appropriate. The aggregation of the individual capital charges comprises the Bank's total internal capital requirement, meaning the amount of capital the Bank needs to hold for the purpose of absorbing unexpected losses deriving from its risk profile.

All categories of material risks are appropriately managed and the relevant frameworks are regularly evaluated in order to identify ways of strengthening the risk management structure, enhance existing policies, establish new mitigation techniques and improve the internal calculation of capital requirements. Risk and capital management responsibility, including compliance with regulatory requirements and corporate policies, lies with the Bank's senior management.

The Bank uses the regulatory capital requirements (i.e. Pillar 1 required capital) as a starting point for the internal determination of its capital requirements, adjusting for additional capital where appropriate. "Internal capital" better represents the Bank's risk profile, compared to regulatory capital, since it takes into account a wider range of risks and utilises more sophisticated calculation approaches. This approach allows the Bank to leverage its advanced risk measurement infrastructure.

The Bank assesses the adequacy of internal capital to support current and future activities by applying a normative and an economic approach for internal capital adequacy purposes. Under the normative approach the Bank assesses capital adequacy through the use of a base and an adverse scenario, while under the economic approach the Bank assesses capital adequacy irrespective of any accounting or regulatory consideration.

Regular scenario-based simulations and stress tests are also used in order to assess specific risks as well as the overall risk profile. Stress tests can be classified as follows:

- Risk specific stress tests, where particular risk factors, exposures or portfolios are stressed at a range of severities in order to assess individual risk impacts and threshold effects;
- Integrated stress tests across risks, which evaluate the resilience of the Bank's capital position to adverse economic conditions, in case of a systemic deterioration of the business environment in a macroeconomic downturn;
- Reverse stress tests, which assess the resilience of the Bank's capital position to specific adverse circumstances starting from the identification of the pre-defined outcome (e.g. points at which an institution business model becomes unviable, or at which the institution can be considered as failing or likely to fail in the meaning of Article 32 of Directive 2014/59/EU) and then exploring scenarios and circumstances that might cause this outcome to occur.

The Bank has implemented a robust stress testing process which is a fundamental part of its ICAAP. Stress test assumptions include increased Probability of Defaults ("PDs") and Loss Given Defaults ("LGDs") that take under consideration worst historical data as well as current macroeconomic conditions.

The Bank maintains adequate pre-provision earnings in the medium term and robust risk management practices which along with the capital actions already executed or underway, allow the Bank to meet both regulatory and internal capital requirements. As a result, the Bank will be able to support the risk profile of its balance sheet and its business operations going forward, even under further adverse conditions, should they materialise.

2.8 Internal Liquidity Adequacy Assessment Process

The ILAAP is the internal process for the identification, measurement, management and monitoring of liquidity as implemented by the institution according to Article 86 of Directive 2013/36/EU.

The Bank's ILAAP covers the following areas:

- Liquidity and funding risk management framework: Identification of the functions/units and management committees responsible for the policy making, management, control, monitoring and reporting of liquidity and funding risk;
- Description of the liquidity and funding risks: Comprehensive description of the liquidity and funding risks that the Bank faces, taking into account the current macro-economic environment as long as country-specific and idiosyncratic factors;
- Liquidity risk monitoring process and stress testing: Detailed description of the processes, tools and reports that the Bank uses for the monitoring and the control of liquidity risk, with particular emphasis on stress test analysis, liquidity buffer analysis, liquidity and funding risk indicators;
- Contingency funding plan and liquidity and funding strategy: Description of the contingency funding plan and the liquidity and funding strategy;
- Information on strategy regarding liquidity buffers and collateral management;
- Information of cost benefit allocation mechanism;
- Information on intraday liquidity risk management.

3. Risk management overview

3.1 Risk management objectives and policies

The Bank acknowledges that taking risks is an integral part of its operations in order to achieve its business objectives. Therefore, the Bank's management sets adequate mechanisms to identify those risks at an early stage and assesses their potential impact on the achievement of these objectives.

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

The Bank's management considers effective risk management as a top priority, as well as a major competitive advantage, for the organisation. As such, the Bank has allocated significant resources for upgrading its policies, methods and infrastructure, in order to ensure compliance with the regulatory requirements, as set out in the EU and Cyprus legislative acts, the legal acts of the ECB and the European Commission, the guidelines of the EBA and of the Basel Committee for Banking Supervision and the best international banking practices. The Bank implements a well- structured credit approval process, independent credit reviews and effective risk management policies for credit, market, liquidity and operational risk. The risk management policies implemented by the Bank are reviewed annually.

The Bank's "Risk Management Policy", which has been formally documented, outlines the Bank's overall direction regarding risk and capital management issues, the risk management mission and objectives, risk definitions, risk management principles, risk appetite framework, risk governance framework, strategic objectives and key initiatives for the improvement of the risk management framework in place.

The BoD has delegated to the Board Risk Committee ("BRC") the duties and responsibilities to approve all strategic risk management decisions. As such, the BRC plays a key role in the oversight of the risk management function of the Bank. The BRC assesses the Bank's risk profile, monitors compliance with the approved risk appetite and risk tolerance levels and ensures that the Bank has developed an appropriate risk management framework with appropriate methodologies, modeling tools, data sources and sufficient and competent staff to identify, assess, monitor and mitigate risks.

Furthermore, the BRC updates the BoD on risk management issues and recommends the future risk management strategy. It consists of five non-executive directors, four of which are independent, and reports to the BoD on a regular basis, at least quarterly basis. During 2024 the Committee directors convened 10 times (vs 7 times in 2023) and considered all significant matters within its remit, receiving adequate information from the Risk Management Unit and Executive Management. In accordance with the record of attendance, the BRC maintained a high Committee member attendance level (of 100% for both regular and ad-hoc meetings).

The BoD through the BRC and the Executive Committee ("ExCo") of the Bank maintains an active role in overseeing current and evolving risks and makes sure that appropriate and timely mitigating action is undertaken. The BRC, through its effective oversight, guides the Bank into improving further the risk control environment and assists fundamentally the BoD into taking proper and sound strategic decisions.

The Risk Executive is the Head of the Risk Management Unit and is responsible for overseeing and coordinating the development and implementation of adequate risk measurement and risk management policies regarding market & liquidity, credit risk and operational risk as well as other non-financial / emerging risks.

The Risk Executive is appointed by the BoD, following recommendation by the BRC and reports directly to the BoD through the BRC, to the Group's Risk Executive and for administrative purposes to the Bank's CEO.

The main duties and responsibilities of the Risk Executive are to:

- Actively participate in committees as required;
- Provide strategic directions and approve related planning in his area of responsibility;
- Provide comprehensive and understandable information on risks enabling the BoD/BRC to understand the Bank's overall risk profile;
- Challenge decisions taken by the Bank's management and management body and document the grounds for any objection;
- Ensure that the Bank has adequate control mechanisms and risk management tools in order to manage risk efficiently and effectively;
- Propose to the BRC major developments/acquisitions of systems to deliver risk management information;
- Oversee the communication of adequate risk management information to the BRC and the ExCo;
- Review major risk issues and make recommendations on how to address them;
- Lead specific risk related projects;
- Monitor and facilitate the implementation of recruitment and staff development plans for all the Risk Management Unit ("RMU");
- Submit to the BoD through the BRC an annual report, addressing all major issues that fall under his/her responsibility;
- Acts as the Bank's Outsourcing Officer;
- Participate in the 'Procedure for Regulatory Revision and Evaluation' carried out by the CBC
- Participate in the Supervisory Review and Evaluation Process carried out by the regulatory authorities;
- Participate in the development of new products, services and markets when needed or the modification of existing ones through the preparation of a risk assessment with regard to the new products, services and markets;
- Oversee the ICAAP / ILAAP exercises and present the relevant reports to the BoD for approval;
- Receive and act upon, if needed, on any report, information or communication distributed by the regulator to the Bank and which contains findings and comments relevant to the responsibilities of RMU, as described in the relevant directive;
- Participate in the preparation of the recovery plan of the Bank according to the relevant regulatory requirements.

3.2 Risk Appetite Framework and Risk Appetite Statements

The Bank's Risk Appetite Framework ("RAF") describes in detail the process as well as the governance arrangements put in place for the development, implementation, monitoring and review of the risk appetite of the Bank, including the relevant escalation process to be followed in case the Bank exceeds its risk appetite. Through RAF the Bank defines the process with which it develops its Risk Appetite Statements, including the governance and the methodologies for their selection, calibration, monitoring and escalation in case of a breach. Additionally, through RAF, the Bank strengthens risk governance and supports the formulation of the Bank's business strategy and objectives under both normal and adverse economic conditions.

The maximum amount of risk which the Bank is willing to assume in the pursuit of its strategic objectives is articulated via a set of quantitative and qualitative statements for specific risk types, including specific tolerance levels as described in the Bank's Risk Appetite Statements ("RAS"). The objectives are to support the Bank's business growth, balance a strong capital position with higher returns on equity and to ensure the Bank's adherence to regulatory requirements.

The RAS is a key part of the Bank's efforts to achieve its business and strategic objectives without undertaking risks that the Bank does not wish to bear. The RAS has been designed with the following principles:

- **It is measurable:** The statements are used to define the outer boundaries of risk that the Bank is comfortable to assume are all quantitative in nature. In this regard, RAS is devoid of ambiguity while monitoring becomes more simple and accurate
- **It is dynamic:** The RAS has a horizon of approximately 12 to 18 months after the reference date. As such, it is not destined to remain unchanged through time but to be adjusted according to the current and projected strategic and business conditions, the evolving business plan of the Bank and opportunities/ threats that may arise in the operational environment.
- **It is integrated in the management process:** The RAS constitutes the foundation upon which the supervisory and management bodies of the Bank base their decision-making and the overall risks are evaluated

The Bank has adopted the following definitions:

A. Risk Profile = is defined as a point-in time assessment of the Bank's net exposures to risks, monitored through quantitative Key Risk Indicators ("KRIs").

B. Risk Appetite = reflects the maximum level of risk the Bank is willing to assume (seek, accept or tolerate) in order to achieve its strategic and business objectives.

C. Risk Capacity = the maximum amount of risk the Bank can assume given its current level of resources before breaching any regulatory, operating, capital base, or liquidity constraints and other obligations.

Maintenance Principles

Risk Appetite is approved by the BoD and the BRC with the goal of driving strategic objectives, capital and liquidity planning while ExCo is responsible to designate it explicitly through a series of RAS.

Key maintenance principles include:

- Regular update of the Risk Appetite Framework, annually or on ad-hoc basis, if deemed necessary, in order to promote the Bank's strategic objectives, as well as regulatory changes and expectations.
- The introduction of new risk appetite indicators or changes to existing ones is based on recommendations of the RMU, ExCo and Monitoring Managers.
- The on-going maintenance of the selected risk appetite indicators (in terms of changes to internal definition, systems and data sources, refinements to calculation methodologies etc.) lies with the responsibility of the Monitoring Managers under the oversight of RMU.
- Any additions or changes to the existing risk appetite indicators, including thresholds or limits should be escalated to the ExCo, BRC and BoD for approval.
- All risk appetite indicators are revisited at least annually or more frequently if RMU or the BRC or BoD considers that is required.
- Risk Appetite is aligned with the capital, liquidity and recovery planning processes. In particular in relation to the ICAAP, Risk Appetite takes into account both the economic and normative perspectives.
- Risk Appetite Indicators ("RAS Indicators") are set considering the Bank's business planning and strategic objectives, regulatory requirements and market developments.
- Limits are set following documented methodology and rationale.

Monitoring Principles

- Each risk appetite indicator is allocated to a responsible Monitoring Manager.
- Monitoring Managers are responsible for the calculation of the risk appetite indicators allocated to them. Each Monitoring Manager must track the status of the indicators with varying frequency, depending on the indicator, and provide the information to the Escalation Manager.
- Monitoring Managers take all reasonable steps to ensure the integrity of the data used for the calculation of the value of an indicator, i.e. in respect of completeness, accuracy and timeliness.
- Monitoring Managers monitor and report compliance with Risk Appetite Statements and escalate any breaches to the Escalation Manager.
- Monitoring Managers identify and verify any breaches of early warning, risk appetite and risk capacity thresholds.
- Monitoring Managers interpret and identify patterns in order to investigate the root causes of any breach event.
- Monitoring Managers remain aware of the escalation process of RAS under their responsibility.
- RMU has the responsibility for the compilation of an aggregated Risk Appetite Dashboard.
- ExCo should monitor the Bank's risk profile vis-à-vis its declared risk appetite.
- The Risk Executive is designated as the Escalation Manager and follows the escalation process.

Reporting Principles

- The reporting of the RAS to the Bank's BoD/BRC is conducted on a quarterly basis or an ad-hoc basis if deemed necessary through a Risk Appetite dashboard. The dashboard facilitates the BoD/BRC to review and monitor the risk profile of the Bank against its risk appetite and enables the BoD/BRC to take proactive actions in case needed.
- RMU is responsible for the compilation and reporting of the aggregated Risk Appetite dashboard, based on the information it receives from the responsible Monitoring Managers.
- The dashboard is submitted to the ExCo, the BRC and the BoD on a quarterly basis and on an ad-hoc basis if deemed necessary.
- The monitoring and reporting frequency is defined in the RAS document.
- The Monitoring Managers are accountable for the timely and accurate calculations of the levels of RAS Indicators allocated to them.

As at 31/12/2024, the Bank's risk profile was broadly within the risk appetite limits. A number of indicators that exceeded the set thresholds have either reverted back within limit or are closely monitored to ensure adherence with the framework. No monetary loss has materialized from these events.

3.3 Types of risk

The Bank is exposed to various types of risk that are managed at various levels of the organisation. The most important types of risk are:

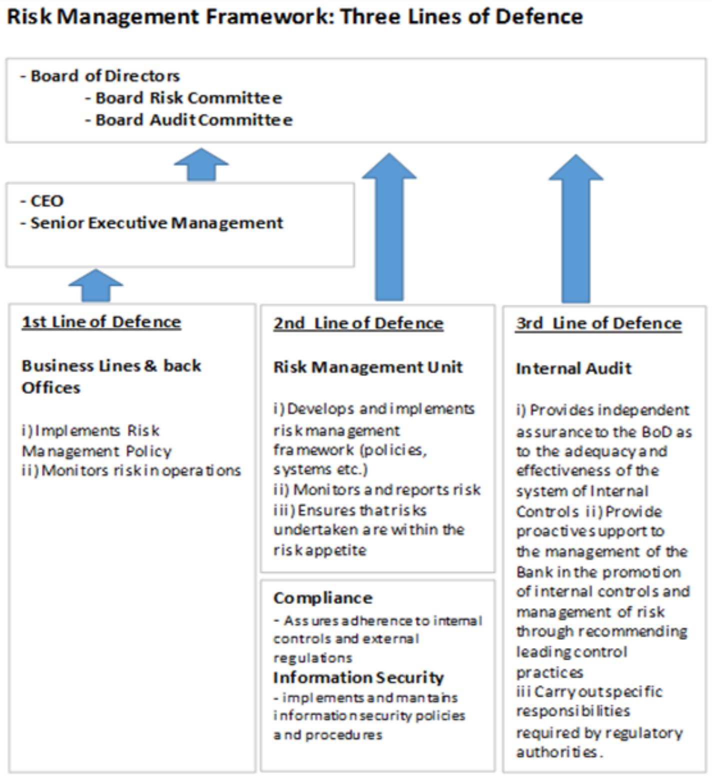
- Credit risk;
- Market, Counterparty and Liquidity risk;
- Operational risk;
- Business and Strategy Risk;

With regard to climate risk, the Bank recognises the emerging relevance of this risk type which is currently managed through the application of strict underwriting standards that also take under consideration ESG related risks. The Bank is closely monitoring developments in this area (including regulatory expectations) and has undertaken various initiatives and developed an action plan so as to comply in full with supervisory requirements and international standards.

3.4 Organisation

The BoD through the BRC and the ExCo maintain an active role in overseeing current and evolving risks and make sure that appropriate and timely mitigating action is undertaken.

The following graph presents the Bank's risk management framework:



3.5 Risk Management Unit

To address this risk, the Bank has established an organisational structure allocating responsibility for administration, approval and control of credit activities to various specialist divisions and committees, in line with the applicable legislation. Credit operations are governed by a comprehensive set of written policies and procedures to ensure that all aspects of credit risk are adequately covered. The below diagram depicts the RMU organisation chart:

Among others, the functions of the RMU include the following:

- The utilisation of suitable methods employed for the identification, measurement and management of risks;
- The fine-tuning of limits based on specific parameters, by type of risk, counterparty, business sector, country, currency, facility, security, derivative etc.;
- The setting-up of an early warning system for individual and connected portfolios;
- The carrying out, on an annual basis, of stress tests for all types of risks;
- Submission of various reports, at least on a quarterly basis to the BRC/ BoD and the executive management;
- Implementation of provisioning policy;
- Set up of risk policies & procedures.

3.6 Declaration on adequacy of risk management arrangements

The Bank's BoD asserts that the risk management arrangements, systems and processes established by the Bank are adequate and appropriate to the nature, scope and complexity of its operations, and also reflective of the Bank's risk and business profile and strategy.

Moreover, the BoD further declares that the liquidity risk management arrangements, systems and processes put in place by the Bank, are also adequate, appropriate and in line with the Bank's risk and business profile and strategy.

3.7 Nomination policy in relation to the selection of Members of the BoD

Nomination criteria

The Board, supported by the Nominations & Internal Governance Committee ("NomCo"), shall nominate candidates for the BoD who meet the fit and proper requirements. The suitability of nominees is assessed against the following criteria:

(a) reputation, honesty, integrity and trust;

(b) knowledge, skills, experience and other general suitability requirements;

(c) conflicts of interest and independence of mind;

(d) time commitment; and

(e) collective suitability.

Members of the Bank's BoD hold university degrees in economics, finance, accounting business administration and mathematics, with a number of them also holding professional qualifications. The Members of the BoD have collective international and local expertise and experience in investment, corporate retail banking arrears management, as well as in Information Technology and project management. They also share skills related to risk management, compliance, internal audit, finance, strategy, crisis management, legal, regulatory and governance understanding, leadership, human resource management and planning, policy development, change management and technology

3.8 Diversity

The Bank recognises the benefits of having a diverse Board and sees diversity at Board level as an important element in maintaining a competitive advantage. Diversity within the Board leads to a broader range of experience, knowledge, skills and values, and is one of the factors that enhance the functioning of the Board, reduces the phenomenon of 'group-think' and facilitates independent opinions and constructive challenging in the process of decision-making through a broader range of views and experiences as well as values and backgrounds.

The Board's diversity is one of the factors which, according to the Bank's Nomination Policy, the NomCo shall consider when examining composition and structure of the Board. A diverse Board includes and makes good use of variety in the skills, educational and professional background, geographical provenance (nationality), gender, age and other qualities of Directors.

The NomCo's priority is to ensure that the Board continues to have strong leadership and the right mix of skills to deliver the business strategy.

Within this context and concerning the less represented gender at the Board, the NomCo's aim is that the percentage of the female gender representation at Bank's Board shall be at least 25% calculated on the total Board size (rounded to the nearest integer) with the aim the actual percentage to be maintained above the said minimum target at all times, also considering industry trends and best practices which was met. As of 31 December 2024, female representation at the Board amounts to 44% (2024: 44%) with a total of 4 members (2023: 4).

4. Credit Risk

4.1 Definition of credit risk

Credit risk is the risk that a counterparty will be unable to fulfill its payment obligations in full when due. Taking into account that credit risk is the primary risk the Bank is exposed to, it is very closely managed and monitored according to the Bank's risk management framework. Credit risk also includes country risk and settlement risk.

Country risk is the risk of losses arising from economic difficulties or political unrest in a country, including the risk of losses following nationalisation, expropriation and debt restructuring.

Foreign exchange lending risk refers to the risk of loss due to exchange rate movements which in the case of loans denominated in a foreign currency, can strongly influence a borrower's debt-servicing capacity, thus impacting credit risk.

Settlement risk is the risk arising when payments are settled, for example for trades in financial instruments, including derivatives and currency transactions. The risk arises when the Bank remits payments before it can ascertain that the counterparties' payments have been received.

Credit concentration risk is defined as the current or prospective risk to earnings and capital arising from excessive exposure placed with one counterparty or group of related counterparties whose likelihood of default is driven by common underlying factors e.g. geographical location, economic sector and industry

Credit risk arises principally from the wholesale and retail lending activities of the Bank, including from credit enhancement provided, such as financial guarantees and letters of credit. The Bank is also exposed to credit risk arising from other activities such as investments in debt securities, trading activities, capital markets and settlement activities.

4.2 Credit Risk organisation and processes

4.2.1 Credit Risk organisation

To address this risk, the Bank has established an organisational structure (as per section 3.4 above) allocating responsibility for administration, approval and control of credit activities to various specialist divisions and committees, in line with the applicable legislation. Credit operations are governed by a comprehensive set of written policies and procedures to ensure that all aspects of credit risk are adequately covered.

4.2.2 Credit Risk Department

The Credit Risk department: (i) reviews all proposals that require approval from the appropriate Credit Committee (ii) assesses credit risk through the submission of independent credit risk opinions (iii) maintains records of all approved borrowers' limits & credit exposures.

The Bank limits the credit risk exposure through the establishment and periodical review of maximum limits allowed to authority levels of the Bank which have approval authority depending on the amount and credit conditions, type of credit facility (credit limits, credit use, release/replacement of collaterals or restructuring of existing credit) and on the specific client for:

- approval of new credit facilities,
- restructuring of granted credits,
- release / replacement of corresponding collaterals and
- changes in due dates and pricing (fees, interest) associated with the credit facilities.

4.2.3 Credit Control Department

The Credit Control department monitors and evaluates on an ongoing basis the quality of the credit portfolio, allocates provision charges per specific borrower or portfolios of borrowers and verifies adherence to the Bank's Credit Policy Manual. Furthermore, it is responsible for the regulatory and management reporting for all credit related matters.

4.3 Presentation of the Bank's exposures

The following sections, more specifically Tables 11, 12, 14 – 17 & 19, present various breakdowns of the exposures of the Bank into various granular forms in order to provide a more granular picture. The data are presented at either gross or net exposure and are depicted in various breakdown within. The figures reconcile with information from the Bank's Balance Sheet and relevant notes of the Financial Statements in accordance with the below definitions.

The exposures included within the Report are in accordance with the definitions prescribed by the EBA Taxonomy and the EBA mapping tool which are mapped to the FINREP report of the Bank.

Information presented under the following definitions as follows:

- Gross exposures are presented before provisions and after any write-offs;
- Net exposures equals to gross amounts less provisions;
- Loans and advances are debt instruments held by the Bank that are not securities. Loans and advances include (i) credit card balances, (ii) term loans, (iii) reverse repurchase transactions and (iv) accounts which are considered on demand such as current accounts, overnight loans, debit balances on overdrafts, balances with Central Bank but it excludes cash in hand.

  The exposures may be reconciled with the (i) "Balances with central banks", (ii) "Due from credit institutions" and (iii) "Loans and advances to customers" from the Bank's Balance Sheet and relevant notes to the Financial Statements. Cash in hand are not included under "Loans and advances".
- Debt securities include investment securities held at FVOCI or at amortised cost, as presented in the Bank's Financial Statements. Investment securities at FVTPL do not constitute debt securities are they relate to equity investments

The table below shows and reconciliation between the Bank's Financial Statements (as per above definitions) and the figures presented in the Pillar 3 Report for 2024 and 2023:

Table 10: Reconciliation between Financial Statement Lines and respective tables in the following sections of the Report[5]

31 December 2024										
Bank's Financial Statements				**Pillar III Report**						**Difference**
Relevant exposure	**Gross Amount**	**Impairment**	**Carrying Amount**	**Relevant exposure**	**Performing Exposures**	**Non-Performing Exposures**	**Total Gross Amount**	**Impairment**	**Net book value**	
	€ thousands	**€ thousands**	**€ thousands**		**€ thousands**	**€ thousands**	**€ thousands**	**€ thousands**	**€ thousands**	**€ thousands**
Cash and balances with central banks	**2.954.379**	**-**	**2.954.379**	**Cash balances at central banks and other demand deposits**	**3.157.230**	**-**	**3.157.230**	**(98)**	**3.157.132**	**(202.753)**
Cash in hand	10.651	-	10.651	Cash in hand [1]	-	-	-	-	-	10.651
Balances with Central Banks	2.943.728	-	2.943.728	Balances with Central Banks [3]	3.157.230	-	3.157.230	(98)	3.157.132	(213.404)
Loans and advances	**4.321.153**	**(57.083)**	**4.264.070**	**Loans and advances**	**4.038.530**	**69.120**	**4.107.650**	**(56.985)**	**4.050.665**	**213.405**
Due from credit institutions	1.291.212	(98)	1.291.114	Credit institutions [3]	1.077.656	-	1.077.656	-	1.077.656	213.458
Loans and advances to customers	3.029.941	(56.985)	2.972.956	All other classes [4]	2.960.874	69.120	3.029.994	(56.985)	2.973.009	(53)
Investment Securities	**1.970.109**	**(1.206)**	**1.968.903**	**Debt Securities**	**1.967.906**	**-**	**1.967.906**	**(1.206)**	**1.966.700**	**2.203**
Investment securities at FVOCI	326.414	-	326.414	Investment securities at FVOCI	326.414	-	326.414	-	326.414	-
Investment securities at amortised cost	1.641.492	(1.206)	1.640.286	Investment securities at amortised cost	1.641.492	-	1.641.492	(1.206)	1.640.286	-
Investment securities mandatorily at FVTPL	2.203	-	2.203	Investment securities mandatorily at FVTPL [2]	-	-	-	-	-	2.203
Off-Balance Sheet Items	**938.747**	**(5.458)**	**933.289**	**Off-balance-sheet exposures**	**929.888**	**8.859**	**938.747**	**(5.458)**	**933.289**	**-**
Total	**10.184.388**	**(63.747)**	**10.120.641**	**Total**	**10.093.554**	**77.979**	**10.171.533**	**(63.747)**	**10.107.786**	**12.855**

31 December 2023										
Bank's Financial Statements				Pillar III Report						Difference
Relevant exposure	Gross Amount	Impairment	Carrying Amount	Relevant exposure	Performing Exposures	Non-Performing Exposures	Total Gross Amount	Impairment	Net book value	
	€ thousands	€ thousands	€ thousands		€ thousands	€ thousands	€ thousands	€ thousands	€ thousands	€ thousands
Cash and balances with central banks	2.728.283	-	2.728.283	Cash balances at central banks and other demand deposits	2.804.950	-	2.804.950	(1)	2.804.949	(76.666)
Cash in hand	9.515	-	9.515	Cash in hand	-	-	-	-	-	9.515
Balances with Central Banks	2.718.768	-	2.718.768	Balances with Central Banks	2.804.950	-	2.804.950	(1)	2.804.949	(86.181)
Loans and advances	4.080.166	(51.215)	4.028.951	Loans and advances	3.925.395	68.580	3.993.975	(51.214)	3.942.761	86.190
Due from credit institutions	1.184.607	(1)	1.184.606	Due from credit institutions	1.098.370	-	1.098.370	-	1.098.370	86.236
Loans and advances to customers	2.895.559	(51.214)	2.844.345	Loans and advances to customers	2.827.025	68.580	2.895.605	(51.214)	2.844.391	(46)
Investment Securities	1.424.877	(624)	1.424.253	Investment Securities	1.422.835	-	1.422.835	(624)	1.422.211	2.042
Investment securities at FVOCI	458.252	-	458.252	Investment securities at FVOCI	458.252	-	458.252	-	458.252	-
Investment securities at amortised cost	964.583	(624)	963.959	Investment securities at amortised cost	964.583	-	964.583	(624)	963.959	-
Investment securities mandatorily at FVTPL	2.042	-	2.042	Investment securities mandatorily at FVTPL	-	-	-	-	-	2.042
Off-Balance Sheet Items	824.262	(3.885)	820.377	Off-Balance Sheet Items	818.016	6.246	824.262	(3.885)	820.377	-
Total	9.057.588	(55.724)	9.001.864	Total	8.971.196	74.826	9.046.022	(55.724)	8.990.298	11.566

[1] Cash in hand are not included in the Report.

[2] Relates to investment in equities not meeting the definition of debt securities and are thus not included in the Report

[3] Relates to "Settlement balances with credit institutions" which is represented differently between the Financial Statements and the Report

[4] Difference relates to interest receivable from security lending, presented under "Settlement balances with credit institutions" in the Financial Statements, but are not classified as due from Credit Institutions in the Report

[5] The figures in this table show a reconciliation between the financial statements and the following tables in the Report: EU CR1-A, EU CQ3, EU CR1, EU CQ4 and EU CR3

4.4 Credit exposures

The following table presents a breakdown of net credit exposures value by residual maturity for loans and advances and debt securities as at 31 December 2024 and 2023:

Table 11: Template EU CR1-A: Maturity of exposures [(1)]

	31 December 2024					
	Net exposure value					
	On Demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	Total
	€ thousands	€ thousands	€ thousands	€ thousands	€ thousands	€ thousands
Loans and advances	-	725.329	1.981.898	1.582.595	694.132	**4.983.954**
Debt securities	-	347.285	798.450	820.965	-	**1.966.700**
Total	**-**	**1.072.614**	**2.780.348**	**2.403.560**	**694.132**	**6.950.654**

	31 December 2023					
	Net exposure value					
	On Demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	Total
	€ thousands	€ thousands	€ thousands	€ thousands	€ thousands	€ thousands
Loans and advances	-	1.631.651	1.014.361	1.512.538	604.595	4.763.145
Debt securities	-	292.314	702.006	427.891	-	1.422.211
Total	-	1.923.965	1.716.367	1.940.429	604.595	6.185.356

[(1)] The table above includes year-end exposures of all on and off- balance sheet assets after provisions and write- offs. Exposure amounts relate to gross exposures less provisions. The table above excludes cash balances at central banks and other demand deposits

[(2)] The increase in debt securities relates mainly to increased position in bonds with General Government, which increased 48% from last year.

[(3)] The net decrease in Loans and Advances relates to an increase in Loans to Customers by 6,6% and a decrease in Reverse Repurchase Agreements by 2%.

4.5 Credit quality of financial assets

The Bank recognises allowance for expected credit losses ("ECL") that reflect changes in credit quality since initial recognition to financial assets that are measured at Amortised Cost ("AC") and Fair Value through Other Comprehensive Income ("FVOCI"), including loans, lease receivables, debt securities, financial guarantee contracts and loan commitments.

a. Definitions

Loans for which a "12-month ECL allowance" is recognised as they exhibit no significant increase in credit risk since initial recognition and loans for which a "Lifetime ECL allowance" is recognised as they exhibit a significant increase in credit risk since initial recognition but are not considered to be in default.

The credit impaired loans category includes loans that are considered to be in default, for which a loss allowance equal to 'Lifetime ECL' is recognised and loans classified as 'Purchased or Originated Credit Impaired' ("POCI") which are always measured on the basis of ECL.

'Default exposures', in line with the regulatory definition of default as adopted by the Bank, include material exposures that are past due more than 90 days (counting of days past due commences when materiality thresholds are breached), exposures that are assessed by Bank as unlikely to pay, as well as those that are assessed for impairment individually and carry an individual impairment allowance.

'Non-performing exposures' as currently monitored and reported by the Bank, in line with the guidelines set by the EBA Implementing Technical Standards, include material exposures that are in arrears for more than 90 days or assessed as unlikely to pay, impaired exposures under individual or collective impairment assessment, exposures categorised as defaulted for regulatory purposes, as well as forborne non-performing exposures. The Bank adopts the same definition for defaulted and non-performing exposures.

The 'unlikely to pay' category refers to exposures where a borrower's ability to repay his credit obligations in full without realisation of collateral is assessed as unlikely, regardless of the existence of any past due amounts or of the number of days past due.

The Bank's definition for distressed restructurings is fully aligned with Article 178(3) CRR and the definition of restructuring is aligned with Article 47b CRR.

b. Impairment indicators

To determine the risk of default, the Bank applies a default definition for accounting purposes, which is consistent with the EBA definition for non-performing exposure and regulatory definition of default as applied by the Bank on 1 January 2021. The accounting definition of default is also consistent with the one used for internal credit risk management purposes, as such all past due exposures are also considered to be impaired.

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

- The borrower faces a significant difficulty in meeting his financial obligations.
- There has been a breach of contract, such as a default or unpaid amounts, above specified materiality thresholds, for more than 90 consecutive days.
- The Bank, for economic or contractual reasons relating to the borrower's financial difficulty, has granted to the borrower a concession(s) that the Bank would not otherwise consider.
- There is a probability that the borrower will enter bankruptcy or other financial re-organisation;

- For POCI financial assets, a purchase or origination at a deep discount that reflects incurred credit losses is considered a detrimental event. The Bank assesses the deep discount criterion following a principle-based approach with the aim to incorporate all reasonable and supportable information which reflects market conditions that exist at the time of the assessment.

For debt securities, the Bank determines the risk of default using an internal credit rating scale. The Bank considers debt securities as credit-impaired if the internal rating of the issuer/counterparty corresponds to a rating equivalent to "C" (Moody's rating scale) or the external rating of the issuer/counterparty at the reporting date is equivalent to “C” (Moody’s rating scale) and the internal rating is not available.

c. Impairment assessment

Determining whether a loss allowance should be based on 12-month expected credit losses or lifetime expected credit losses depends on whether there has been a Significant Increase in the Credit Risk (“SICR”) of the financial assets, issued loan commitments and financial guarantee contracts, since initial recognition.

The assessment of loss allowance is performed either on an individual basis or on a collective basis for groups of similar items with homogeneous credit risk characteristics. The Bank applies the same principles for assessing SICR since initial recognition when estimating ECLs on a collective or on an individual basis.

The Bank segments its lending exposures on the basis of shared credit risk characteristics for the purposes of both assessing significant increase in credit risk and measuring loan loss allowance on a collective basis. The different segments aim to capture differences in PDs and in the rates of recovery in the event of default.

The shared credit risk characteristics used for the segmentation of exposures include several elements such as: portfolio type, asset class, industry, credit risk rating, geographical location of the borrower, forbearance status and days in arrears.

Exposures allocated in Stage 3 are individually assessed and ECL measurement is performed on borrower specific information. This measurement is performed at a borrower level, hence the criteria are defined at this level, while both qualitative and quantitative factors are taken into consideration including forward looking information.

For exposures allocated in Stage 1 and Stage 2, ECL are measured on a collective basis. This incorporates borrower specific information, collective historical experience of losses and forward-looking information. For debt securities, the measurement of impairment losses is performed on an individual basis.

d. Impairment measurement

The measurement of ECL is an unbiased probability-weighted average estimate of credit losses that reflects the time value of money, determined by evaluating a range of possible outcomes. A credit loss is the difference between the cash flows that are due to the Bank in accordance with the contractual terms of the instrument and the cash flows that the Bank expects to receive (i.e. cash shortfalls) discounted at the original Effective Interest Rate (“EIR”) of the same instrument, or the credit-adjusted EIR in case of POCI. In measuring ECL, information about past events, current conditions and reasonable and supportable forecasts of future conditions are considered. For undrawn commitments ECL are calculated as the present value of the difference between the contractual cash flows due if the commitment was drawn and the cash flows expected to be received, while for financial guarantees ECL are measured as the expected payments to reimburse the holder less any amounts that the Bank expects to receive.

The Bank estimates expected cash shortfalls, which reflect the cash flows expected from all possible sources, including collateral, guarantees and other credit enhancements that are part of the contractual terms and are not recognised separately. In case of a collateralised financial instrument, the estimated expected cash flows related to the collateral reflect the amount and timing of cash flows that are expected from liquidation less the discounted costs of obtaining and selling the collateral, irrespective of whether liquidation is probable.

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

Receivables from customers arising from the Bank's activities other than lending, are presented under Other Assets and are typically short term. Therefore, considering that usually there is no significant financing component, the loss allowance for such financial assets is measured at an amount equal to the lifetime expected credit losses under the simplified approach.

ECL key inputs

The ECL calculations are based on the term structures of the Probability of Default ("PD"), the Loss Given Default ("LGD"), the Exposure at default ("EAD") and other input parameters such as the Credit Conversion Factor ("CCF"). Generally, the Bank derives these parameters from internally developed statistical models and observed point-in-time and historical data, leveraging the existing infrastructure development for the regulatory framework and risk management practices.

The PD, LGD and EAD used for accounting purposes may differ from those used for regulatory purposes. For the purposes of impairment measurement, PD is a point-in-time estimate whereas for regulatory purposes PD is a 'through-the-cycle' estimate. In addition, LGD and EAD for regulatory purposes are based on loss severity experienced during economic downturn conditions, while for impairment purposes, LGD and EAD reflect an unbiased and probability-weighted estimates.

The PD represents the likelihood of default assessed on the prevailing economic conditions at the reporting date, adjusted to take into account estimates of future economic conditions that are likely to impact the risk of default, over a given time horizon.

The Bank uses Point-in-Time ("PiT") PDs in order to remove any bias towards historical data thus aiming to reflect management's view of the future as at the reporting date, incorporating relevant forward-looking information including macroeconomic scenarios.

Two types of PD are used for calculating ECL:

- 12-month PD, which is the estimated probability of default occurring within the next 12 months (or over the remaining life of the financial asset if this is less than 12 months). It is used to calculate 12-month ECL for Stage 1 exposures.
- Lifetime PD, which is the estimated probability of a default occurring over the remaining life of the financial asset. It is used to calculate lifetime ECLs for Stage 2, Stage 3 and POCI exposures.

For debt securities, PDs are obtained by an international rating agency using risk methodologies that maximise the use of objective non-judgmental variables and market data. The Bank assigns internal credit ratings to each issuer/counterparty based on these PDs. In case of counterparties for which no information is available, the Bank assigns PDs which are derived from internal models.

The EAD is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest and expected drawdowns on committed facilities. The EAD includes both on and off-balance sheet exposures. The on-balance sheet exposure corresponds to the total amount that has been withdrawn and is due to be paid, which includes the outstanding principal, accrued interest and any past due amounts. The off-balance sheet exposure represents the credit that is available to be withdrawn, in excess of the on-balance sheet exposure.

Furthermore, the CCF factor is used to convert the amount of a credit facility and other off-balance sheet amounts to an EAD amount. It is a modelled assumption which represents a proportion of any undrawn exposure that is expected to be drawn prior to a default event occurring.

LGD represents the Bank's expectation of the extent of loss on a defaulted exposure and it is the difference between the contractual cash flows due and those that the Bank expects to receive including any amounts from collateral liquidation. LGD varies by type of counterparty, type and seniority of claim, availability of collateral or other credit support, and is usually expressed as a percentage of EAD. The Bank distinguishes its loan portfolios into two broad categories i.e. secured and unsecured. The Bank estimates the LGD component using cure rates that reflect cash recoveries, estimated proceeds from collateral liquidation, estimates for timing realisation, realisation costs etc.

Where the LGD's component values are dependent on macro – economic data, such types of dependencies are reflected by incorporating forward looking information, such as forecasted price indices into the respective models. The estimation of the aforementioned component values within LGD reflects available historical data which cover a reasonable period, i.e. a full economic cycle.

For debt securities, the LGD is typically based on historical data derived mainly from rating agencies' studies but may also be determined considering the existing and expected liabilities structure of the obligor and macroeconomic environment.

Furthermore, the seniority of the debt security, any potential collaterals by the obligor or any other type of coverage is taken into account for the calculation.

The following templates provide an overview of credit quality of performing and non-performing exposures as at 31 December 2024 and 31 December 2023. The Bank's NPE ratio, as presented in Section 1 of the Report, for 2024 is 2,3% (2023: 2,4%). Requirements EU CR2a, EU CQ2, Eu CQ6 and Eu CQ8 of the Disclosure ITS are not published because the NPE ratio of the Bank does not exceed 5%. The table provides information of gross balances before deduction of provisions:

Table 12: Template EU CQ3: Credit quality of performing and non-performing exposures by past due days [(1)]

	31 December 2024											
	Gross carrying amount/nominal amount											
	Performing exposures			Non-performing exposures								
		Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days		Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaulted
	€ thousands	€ thousands	€ thousands	€ thousands	€ thousands	€ thousands	€ thousands	€ thousands	€ thousands	€ thousands	€ thousands	€ thousands
Cash balances at central banks and other demand deposits [(2)]	3.157.230	3.157.230	-	-	-	-	-	-	-	-	-	-
Loans and advances	**4.038.530**	**4.038.117**	**413**	**69.120**	**42.713**	**263**	**8.079**	**15.789**	**285**	**1.138**	**853**	**69.120**
Central banks	-	-	-	-	-	-	-	-	-	-	-	-
General governments	8	8	-	-	-	-	-	-	-	-	-	-
Credit institutions	1.077.656	1.077.656	-	-	-	-	-	-	-	-	-	-
Other financial corporations	535.165	534.900	265	16.035	7.637	3	27	8.365	3	-	-	16.035
Non-financial corporations	2.064.828	2.064.817	11	41.438	31.115	-	994	7.338	-	1.138	853	41.438
Of which SMEs	1.670.684	1.670.673	11	40.555	30.574	-	994	7.218	-	1.138	631	40.555
Households	360.873	360.736	137	11.647	3.961	260	7.058	86	282	-	-	11.647
Debt securities	**1.967.906**	**1.967.906**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Central banks	-	-	-	-	-	-	-	-	-	-	-	-
General governments	1.464.546	1.464.546	-	-	-	-	-	-	-	-	-	-
Credit institutions	347.515	347.515	-	-	-	-	-	-	-	-	-	-
Other financial corporations	155.845	155.845	-	-	-	-	-	-	-	-	-	-
Non-financial corporations	-	-	-	-	-	-	-	-	-	-	-	-
Off-balance-sheet exposures	**929.888**			**8.859**								**8.859**
Central banks	-			-								-
General governments	32			-								-
Credit institutions	1.498			-								-
Other financial corporations	155.633			730								730
Non-financial corporations	709.724			7.311								7.311
Households	63.001			818								818
Total	**10.093.554**	**9.163.253**	**413**	**77.979**	**42.713**	**263**	**8.079**	**15.789**	**285**	**1.138**	**853**	**77.979**

	31 December 2023											
	Gross carrying amount/nominal amount											
	Performing exposures			Non-performing exposures								
		Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days		Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaulted
	€ thousands	€ thousands	€ thousands	€ thousands	€ thousands	€ thousands	€ thousands	€ thousands	€ thousands	€ thousands	€ thousands	€ thousands
Cash balances at central banks and other demand deposits	2.804.950	2.804.950	-	-	-	-	-	-	-	-	-	-
Loans and advances	3.925.402	3.924.419	983	68.580	45.621	11.662	6.782	849	1.341	423	1.902	68.580
Central banks	-	-	-	-	-	-	-	-	-	-	-	-
General governments	7	7	-	-	-	-	-	-	-	-	-	-
Credit institutions	1.098.370	1.098.370	-	-	-	-	-	-	-	-	-	-
Other financial corporations	682.789	682.770	19	18.373	10.408	6.849	1.113	3	-	-	-	18.373
Non-financial corporations	1.826.274	1.825.537	737	43.987	31.044	4.746	5.663	506	1.229	-	799	43.987
Of which SMEs	1.370.155	1.369.418	737	43.654	30.927	4.746	5.663	506	1.229	-	583	43.654
Households	317.962	317.735	227	6.220	4.169	67	6	340	112	423	1.103	6.220
Debt securities	1.422.835	1.422.835	-	-	-	-	-	-	-	-	-	-
Central banks	-	-	-	-	-	-	-	-	-	-	-	-
General governments	988.102	988.102	-	-	-	-	-	-	-	-	-	-
Credit institutions	210.226	210.226	-	-	-	-	-	-	-	-	-	-
Other financial corporations	224.507	224.507	-	-	-	-	-	-	-	-	-	-
Non-financial corporations	-	-	-	-	-	-	-	-	-	-	-	-
Off-balance-sheet exposures	818.016			6.246								6.246
Central banks	-			-								-
General governments	33			-								-
Credit institutions	286			-								-
Other financial corporations	99.850			473								473
Non-financial corporations	647.999			5.599								5.599
Households	69.848			174								174
Total	8.971.203	8.152.204	983	74.826	45.621	11.662	6.782	849	1.341	423	1.902	74.826

(1) The table above covers performing and non-performing exposures on loans and advances including balances with central banks and credit institutions, debt securities and off-balance sheet items (excluding the off-balance sheet securities lending).

(2) «Settlement balances with credit institutions", not related to interest receivable from Security Lending is included under "Cash balances at central banks and other demand deposits" for the purposes of the Report. The remaining are included under "Loans and Advances". Cash balances at central banks is inclusive of the Mandatory Reserve Requirement ("MRR")

(3) The increase in debt securities relates mainly to increased position in bonds with General Government, which increased 48% from last year.

(3) The net decrease in Loans and Advances relates to an increase in Loans to Customers by 6,6% and a decrease in Reverse Repurchase Agreements by 2%.

The tables below show the changes in the movement, in gross amount before deduction of provisions, in the stock of defaulted and impaired loans and debt securities from 1 January 2024 to 31 December 2024 and from 1 January 2023 to 31 December 2023:

Table 13: Template EU CR2: Changes in the stock of non-performing loans and advances

	31 December 2024
	Gross carrying amount
	€ thousands
Initial stock of non-performing loans and advances	**68.580**
Inflows to non-performing portfolios	19.820
Outflows from non-performing portfolios	(19.280)
Outflows due to write-offs	(1.777)
Outflow due to other situations [(1)]	(17.503)
Final stock of non-performing loans and advances	**69.120**

	31 December 2023
	Gross carrying amount
	€ thousands
Initial stock of non-performing loans and advances	69.999
Inflows to non-performing portfolios	65.420
Outflows from non-performing portfolios	(66.839)
Outflows due to write-offs	(16.871)
Outflow due to other situations	(49.968)
Final stock of non-performing loans and advances	68.580

[(1)] *The "Outflow due to other situations" consist of 33% (2023: 48%) of decrease due to repayments (either full or partial) of the total value while another 33% relates to curing to the performing status, a notable difference relating to the 2023 figure which was 9% of the balance. Although the Bank has Debt for Asset solutions, no such solutions were effected in 2024.*

[(2)] *No debt securities were classified as defaulted or impaired as at 31 December 2024 nor 31 December 2023.*

The below templates provide an overview of the credit quality of non-performing exposures and related impairments, provisions and valuation adjustments by portfolio and exposure class as at 31 December 2024 and 31 December 2023. The table provides information on the gross amount before provisions as well as the provision amount:

Table 14: Template EU CR1: Performing and non-performing exposures and related provisions [(1)]

	31 December 2024												
	Gross carrying amount/nominal amount					Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions					Accumulated partial write-off	Collateral and financial guarantees received	
	Performing exposures			Non-performing exposures		Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			On performing exposures	On non-performing exposures
		Of which stage 1	Of which stage 2		Of which stage 3		Of which stage 1	Of which stage 2		Of which stage 3			
	€ thousands	€ thousands	€ thousands	€ thousands	€ thousands	€ thousands	€ thousands	€ thousands	€ thousands	€ thousands	€ thousands	€ thousands	€ thousands
Cash balances at central banks and other demand deposits [(2)]	3.157.230	3.157.230	-	-	-	(98)	(98)	-	-	-	-	-	-
Loans and advances	**4.038.530**	**3.853.950**	**184.580**	**69.120**	**69.120**	**(5.216)**	**(2.572)**	**(2.644)**	**(51.769)**	**(51.769)**	**(2.549)**	**3.522.655**	**17.123**
Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-
General governments	8	8	-	-	-	-	-	-	-	-	-	-	-
Credit institutions	1.077.656	1.077.656	-	-	-	-	-	-	-	-	-	1.077.585	-
Other financial corporations	535.165	524.399	10.766	16.035	16.035	(444)	(244)	(200)	(9.275)	(9.275)	-	434.922	6.686
Non-financial corporations	2.064.828	1.900.937	163.891	41.438	41.438	(4.050)	(1.955)	(2.095)	(33.132)	(33.132)	(2.135)	1.677.897	8.157
Of which SMEs	1.670.684	1.516.755	153.929	40.555	40.555	(3.519)	(1.617)	(1.902)	(32.248)	(32.248)	(1.385)	1.404.803	8.157
Households	360.873	350.950	9.923	11.647	11.647	(722)	(373)	(349)	(9.362)	(9.362)	(414)	332.251	2.280
Debt securities	**1.967.906**	**1.967.906**	**-**	**-**	**-**	**(1.206)**	**(1.206)**	**-**	**-**	**-**	**-**	**198.063**	**-**
Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-
General governments	1.464.546	1.464.546	-	-	-	(979)	(979)	-	-	-	-	-	-
Credit institutions	347.515	347.515	-	-	-	(210)	(210)	-	-	-	-	169.456	-
Other financial corporations	155.845	155.845	-	-	-	(17)	(17)	-	-	-	-	28.607	-
Non-financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-
Off-balance-sheet exposures	**929.888**	**870.737**	**59.151**	**8.859**	**8.859**	**(5.198)**	**(1.774)**	**(3.424)**	**(260)**	**(260)**		**302.561**	**7.496**
Central banks	-	-	-	-	-	-	-	-	-	-		-	-
General governments	32	32	-	-	-	(1)	(1)	-	-	-		-	-
Credit institutions	1.498	1.498	-	-	-	-	-	-	-	-		1.498	-
Other financial corporations	155.633	145.441	10.192	730	730	(502)	(58)	(444)	(1)	(1)		72.457	660
Non-financial corporations	709.724	662.914	46.810	7.311	7.311	(4.532)	(1.660)	(2.872)	(259)	(259)		209.521	6.226
Households	63.001	60.852	2.149	818	818	(163)	(55)	(108)	-	-		19.085	610
Total	**10.093.554**	**9.849.823**	**243.731**	**77.979**	**77.979**	**(11.718)**	**(5.650)**	**(6.068)**	**(52.029)**	**(52.029)**	**(2.549)**	**4.023.279**	**24.619**

	31 December 2023												
	Gross carrying amount/nominal amount					Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions					Accumulated partial write-off	Collateral and financial guarantees received	
	Performing exposures			Non-performing exposures		Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to			On performing exposures	On non-performing exposures
		Of which stage 1	Of which stage 2		Of which stage 3		Of which stage 1	Of which stage 2		Of which stage 3			
	€ thousands	€ thousands	€ thousands	€ thousands	€ thousands	€ thousands	€ thousands	€ thousands	€ thousands	€ thousands	€ thousands	€ thousands	€ thousands
Cash balances at central banks and other demand deposits [2]	2.804.950	2.804.950	-	-	-	(1)	(1)	-	-	-	-	6.329	-
Loans and advances	3.925.402	3.688.353	237.049	68.580	68.580	(11.176)	(5.909)	(5.267)	(40.038)	(40.038)	(3.880)	3.504.068	27.966
Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-
General governments	7	7	-	-	-	-	-	-	-	-	-	-	-
Credit institutions	1.098.370	1.098.370	-	-	-	-	-	-	-	-	-	1.098.322	-
Other financial corporations	682.789	669.180	13.609	18.373	18.373	(674)	(444)	(230)	(8.115)	(8.115)	-	627.409	9.969
Non-financial corporations	1.826.274	1.611.891	214.383	43.987	43.987	(9.345)	(4.858)	(4.487)	(26.726)	(26.726)	(2.921)	1.489.786	17.002
Of which SMEs	1.370.155	1.212.830	157.325	43.654	43.654	(7.712)	(4.165)	(3.547)	(26.071)	(26.071)	(1.932)	1.156.062	17.002
Households	317.962	308.905	9.057	6.220	6.220	(1.157)	(607)	(550)	(5.197)	(5.197)	(959)	288.551	995
Debt securities	1.422.835	1.422.835	-	-	-	(624)	(624)	-	-	-	-	114.764	-
Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-
General governments	988.102	988.102	-	-	-	(434)	(434)	-	-	-	-	-	-
Credit institutions	210.226	210.226	-	-	-	(145)	(145)	-	-	-	-	73.792	-
Other financial corporations	224.507	224.507	-	-	-	(45)	(45)	-	-	-	-	40.972	-
Non-financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-
Off-balance-sheet exposures	818.016	758.923	59.093	6.246	6.246	(3.666)	(1.153)	(2.513)	(219)	(219)		293.889	5.006
Central banks	-	-	-	-	-	-	-	-	-	-		-	-
General governments	33	33	-	-	-	(1)	(1)	-	-	-		-	-
Credit institutions	286	286	-	-	-	-	-	-	-	-		285	-
Other financial corporations	99.850	91.395	8.455	473	473	(306)	(89)	(217)	-	-		40.110	448
Non-financial corporations	647.999	597.807	50.192	5.599	5.599	(3.193)	(910)	(2.283)	(219)	(219)		229.473	4.516
Households	69.848	69.402	446	174	174	(166)	(153)	(13)	-	-		24.021	42
Total	8.971.203	8.675.061	296.142	74.826	74.826	(15.466)	(7.686)	(7.780)	(40.257)	(40.257)	(3.880)	3.919.050	32.972

[1] The table above covers performing and non-performing exposures on loans and advances including balances with central banks and credit institutions, debt securities and off-balance sheet items (excluding the off-balance sheet securities lending).

[2] «Settlement balances with credit institutions", not related to interest receivable from Security Lending is included under "Cash balances at central banks and other demand deposits" for the purposes of the Report. The remaining are included under "Loans and Advances".

[3] The increase to Debt Securities compared to 2023 is due to increased position in General Government by ca. 48%.

[4] *The net decrease in Loans and Advances relates to an increase in Loans to Customers by 6,6% and a decrease in Reverse Repurchase Agreements by 2%.*

The following tables present an overview of the quality of forborne exposures as at 31 December 2024 and 31 December 2023:

Table 15: Template EU CQ1: Credit quality of forborne exposures [(1)]

	31 December 2024							
	Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
	Performing forborne	Non-performing forborne	Of which defaulted	Of which impaired	On performing forborne exposures	On non-performing forborne exposures		Of which collateral and financial guarantees received on non-performing exposures with forbearance measures
	€ thousands	€ thousands	€ thousands	€ thousands	€ thousands	€ thousands	€ thousands	€ thousands
Cash balances at central banks and other demand deposits	-	-	-	-	-	-	-	-
Loans and advances	**68.508**	**37.025**	**37.025**	**37.025**	**- 391**	**- 27.542**	**71.691**	**9.478**
Central banks	-	-	-	-	-	-	-	-
General governments	-	-	-	-	-	-	-	-
Credit institutions	-	-	-	-	-	-	-	-
Other financial corporations	6.191	8.640	8.640	8.640	(3)	(3.989)	10.838	4.650
Non-financial corporations	57.978	23.884	23.884	23.884	(352)	(19.679)	56.449	4.205
Households	4.339	4.501	4.501	4.501	(36)	(3.874)	4.404	623
Debt Securities	-	-	-	-	-	-	-	-
Loan commitments given	**714**	**369**	**369**	**369**	**1**	**-**	**1.009**	**311**
Total	**69.222**	**37.394**	**37.394**	**37.394**	**(392)**	**(27.542)**	**72.700**	**9.789**

	31 December 2023							
	Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
	Performing forborne	Non-performing forborne	Of which defaulted	Of which impaired	On performing forborne exposures	On non-performing forborne exposures		Of which collateral and financial guarantees received on non-performing exposures with forbearance measures
	€ thousands	€ thousands	€ thousands	€ thousands	€ thousands	€ thousands	€ thousands	€ thousands
Cash balances at central banks and other demand deposits	-	-	-	-	-	-	-	-
Loans and advances	101.180	46.376	46.376	46.376	(1.701)	(27.819)	110.125	18.143
Central banks	-	-	-	-	-	-	-	-
General governments	-	-	-	-	-	-	-	-
Credit institutions	-	-	-	-	-	-	-	-
Other financial corporations	6.966	11.742	11.742	11.742	(17)	(6.315)	12.335	5.386
Non-financial corporations	87.322	30.785	30.785	30.785	(1.154)	(18.598)	91.209	11.844
Households	6.892	3.849	3.849	3.849	(530)	(2.906)	6.581	913
Debt Securities	-	-	-	-	-	-	-	-
Loan commitments given	123	318	318	318	9	-	280	208
Total	101.303	46.694	46.694	46.694	(1.692)	(27.819)	110.405	18.351

[(1)] The table above includes forborne exposures on loans and advances, debt securities and loan commitments.

Currently the Bank doesn't have on its balance sheet any collateral obtained by taking possession and execution processes.

4.6 Geographical and industry analysis

The following table presents the geographical breakdown of the non-performing exposures as at 31 December 2024 and 2023:

Table 16: Template EU CQ4: Quality of non-performing exposures by geography

	31 December 2024				
	Gross carrying/nominal amount		Accumulated impairment	Provisions on off-balance-sheet commitments and financial guarantees given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
		Of which defaulted			
	€ thousands	€ thousands	€ thousands	€ thousands	€ thousands
On balance sheet exposures [(2)]	**6.075.556**	**69.120**	**(58.191)**		**-**
Cyprus	2.225.517	66.703	(55.906)		-
Other European Countries [(1)]	2.201.762	2	(644)		-
Other countries	1.648.277	2.415	(1.641)		-
Off-balance-sheet exposures	**938.747**	**8.859**		**(5.458)**	
Cyprus	775.063	8.749		(4.785)	
Other European Countries [(1)]	27.090	1		(129)	
Other countries	136.594	109		(544)	
Total	**7.014.303**	**77.979**	**(58.191)**	**(5.458)**	**-**

	31 December 2023				
	Gross carrying/nominal amount		Accumulated impairment	Provisions on off-balance-sheet commitments and financial guarantees given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
		Of which defaulted			
	€ thousands	€ thousands	€ thousands	€ thousands	€ thousands
On balance sheet exposures	5.416.817	68.580	(51.838)		-
Cyprus	2.027.562	67.441	(49.496)		-
Other European Countries	1.904.192	3	(978)		-
Other countries	1.485.063	1.136	(1.364)		-
Off-balance-sheet exposures	824.262	6.246		(3.885)	
Cyprus	708.898	6.187		(3.535)	
Other European Countries	20.686	8		(107)	
Other countries	94.678	51		(243)	
Total	6.241.079	74.826	(51.838)	(3.885)	-

[(1)] Other European Countries include the countries which are members of the EU.

[(2)] On balance sheet exposures include Loans and advances, Debt securities but exclude Cash balances at central banks and other demand deposits

Table 17: Template EU CQ5: Credit quality of loans and advances to non-financial corporations by industry [1]

	31 December 2024				
	Gross carrying/nominal amount			Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
		Of which defaulted			
	€ thousands	€ thousands		€ thousands	€ thousands
Agriculture, forestry and fishing	8.815	-	-	13	-
Mining and quarrying	322	-		-	-
Manufacturing	147.695	2.223	-	2.120	-
Electricity, gas, steam and air conditioning supp	72.969	6	-	75	-
Water supply	4.884	-	-	13	-
Construction	92.055	1.223	-	1.460	-
Wholesale and retail trade	246.975	10.577	-	9.244	-
Transport and storage	292.419	-	-	73	-
Accommodation and food service activities	355.072	8.543	-	8.361	-
Information and communication	12.702	9.097	-	8.014	-
Financial and insurance actvities	-	-		-	-
Real estate activities	699.875	6.822	-	5.211	-
Professional, scientific and technical activities	44.159	1.551	-	1.147	-
Administrative and support service activities	11.836	856	-	882	-
Public administration and defense, compulsory	-	-		-	-
Education	9.307	540	-	233	-
Human health services and social work activitie	38.295	-	-	280	-
Arts, entertainment and recreation	66.980	-	-	38	-
Other services	1.906	-	-	18	-
Total	**2.106.266**	**41.438**	-	**37.182**	**-**

	31 December 2023				
	Gross carrying/nominal amount				
		Of which defaulted		Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
	€ thousands	€ thousands		€ thousands	€ thousands
Agriculture, forestry and fishing	7.532	-	-	20	-
Mining and quarrying	389	-		-	-
Manufacturing	115.236	2.426	-	2.803	-
Electricity, gas, steam and air conditioning supp	52.557	-	-	175	-
Water supply	10.512	-	-	24	-
Construction	78.284	1.901	-	1.752	-
Wholesale and retail trade	248.757	9.656	-	8.610	-
Transport and storage	271.234	-	-	74	-
Accommodation and food service activities	364.910	9.284	-	8.533	-
Information and communication	14.187	10.116	-	5.933	-
Financial and insurance actvities	-	-		-	-
Real estate activities	569.716	1.075	-	1.174	-
Professional, scientific and technical activities	40.220	6.350	-	4.146	-
Administrative and support service activities	20.805	1.067	-	889	-
Public administration and defense, compulsory	-	-		-	-
Education	10.499	577	-	257	-
Human health services and social work activitie	34.512	-	-	406	-
Arts, entertainment and recreation	29.333	-	-	41	-
Other services	1.578	1.535	-	1.234	-
Total	1.870.261	43.987	-	36.071	-

(1) The table provides information on Gross loans and advances to exposures (before provisions) classified as non-financial corporations includes Loans and advances but does not include information on off-balance sheet amounts or debt securities. The industries are categorised based on the NACE codes based on the guidelines issues by the CBC on the statistical classification of loans based on "NACE REV. 2" of the European Union
(2) The increase in total exposures compared to 31 December 2023 is due to the increase in the lending volumes, as can be seen from the general increase in loans and advances to customers form the Bank's Financial Statements

4.7 Standardised Approach

The Bank applies the Standardised Approach for calculating the capital requirements on all its credit risk exposures. Credit ratings are retrieved from External Credit Assessment Institutions ("ECAIs"), such as Moody's, Standard & Poor's or Fitch. In the cases where more than one rating is available, the second better rating is used.

ECAIs are not used for loans' portfolios directly, but only in cases when they are guaranteed by central governments or institutions (risk substitution). In such a case the ECAIs used are the same as the ones described above.

In the case of corporate bond issues, the corresponding issue rating by these agencies is used. In case that an issue rating is not available, rating for other issues by the same issuer can be used, if: (a) the corporate bond under review has equal or better seniority with these rated bonds or (b) the resulting risk weight is lower than the applicable risk weight of unrated bonds.

The tables below present Standardised exposures on two different bases (before CCF and CRM and after CCF and CRM) as at 31 December 2024 and 31 December 2023:

Table 18: EU CR4 – Standardised approach – Credit risk exposure and CRM effects [(1)]

	Exposure before CCF and CRM		Exposure post CCF and CRM		RWA and RWA density	
	On-balance-sheet amount	Off-balance-sheet amount	On-balance-sheet amount	Off-balance-sheet amount	RWAs	RWA Density [(2)]
	€ thousands	€ thousands	€ thousands	€ thousands	€ thousands	%
Central governments or central banks	4.415.680	-	4.475.921	-	36.807	0,8%
Regional governments or local authorities	-	-	-	-	-	0,0%
Public sector entities	140.029	30	140.029	4	2	0,0%
Multilateral development banks	65.486	-	66.226	-	-	0,0%
International organisations	-	-	-	-	-	0,0%
Institutions	343.823	2.714	303.270	589	156.949	51,7%
Corporates	2.131.873	667.513	1.550.813	159.352	1.435.543	83,9%
Retail	118.320	126.930	73.228	19.192	59.947	64,9%
Secured by mortgages on immovable property	647.495	79.255	647.495	26.267	250.057	37,1%
Exposures in default	16.383	8.601	15.923	2.485	19.958	108,4%
Items associated with particularly high risk	86.422	48.246	83.089	22.227	157.974	150,0%
Covered bonds	-	-	-	-	-	0,0%
Claims on institutions and corporates with a short-term credit assessment	-	-	-	-	-	0,0%
Collective investments undertakings	2.203	-	2.203	-	712	32,3%
Equity exposures	-	-	-	-	-	0,0%
Other exposures	79.130	-	79.130	-	71.446	90,3%
Total	**8.046.844**	**933.289**	**7.437.327**	**230.116**	**2.189.395**	**28,6%**

	31 December 2023					
	Exposure before CCF and CRM		Exposure post CCF and CRM		RWA and RWA density	
	On-balance-sheet amount	Off-balance-sheet amount	On-balance-sheet amount [3]	Off-balance-sheet amount	RWAs	RWA Density [2]
	€ thousands	€ thousands	€ thousands	€ thousands	€ thousands	%
Central governments or central banks	3.708.593	32	3.826.147	4	36.996	1,0%
Regional governments or local authorities	-	-	-	-	-	0,0%
Public sector entities	50.624	-	-	-	-	0,0%
Multilateral development banks	24.514	-	25.377	-	-	0,0%
International organisations	-	-	-	-	-	0,0%
Institutions	209.834	999	183.053	193	94.749	51,7%
Corporates	2.111.645	580.822	1.464.301	147.809	1.353.598	84,0%
Retail	115.084	127.839	72.134	14.036	56.787	65,9%
Secured by mortgages on immovable property	557.341	71.292	557.341	22.206	211.832	36,6%
Exposures in default	28.782	5.985	27.580	1.114	29.961	104,4%
Items associated with particularly high risk	77.881	33.408	74.587	11.158	128.618	150,0%
Covered bonds	-	-	-	-	-	0,0%
Claims on institutions and corporates with a short-term credit assessment	-	-	-	-	-	0,0%
Collective investments undertakings	2.042	-	2.042	-	874	42,8%
Equity exposures	11.995	-	11.995	-	11.995	100,0%
Other exposures	64.133	-	64.133	-	54.617	85,2%
Total	6.962.468	820.377	6.308.690	196.520	1.980.027	30,4%

[1] The table above does not cover derivatives, repurchase agreements and securities lending as per Regulation (EU) 2021/637, nor any investment in debt securities relating to securitisation exposures. It relates to the exposures that provide the total RWA under Credit Risk (excluding CCR) as per table (template EU OV1)).Exposures are presented net of provisions.

[2] RWA Density %: RWAs divided by sum of on and off- balance sheet exposures post CCF and CRM.

- *RWA Density is increase compared to 31 December 2023 mainly as a result of increased exposures with Central Governments/Central Banks/MDBs that enjoy 0% and have a positive effect on the RWA density.*
- *Another factor for the decreases RWA Density is that due to better collateral quality obtained, the RWA density in Loans and Advances to customers has dropped despite the increase in the balance.*

Derivatives with the Parent Entity meet the requirements to be considered as a single netting set instead of individual transactions, since collateral is exchanged bilaterally with the Parent Entity. Exposures and RWAs for derivative exposures with the Parent Entity are computed using the netting methodology as per the provisions of the CRR. for the calculation of RWAs arising from derivatives which are with the Parent Entity. Without applying netting, RWA from derivatives would be ca. €26,5 million higher (2023: €16,8 million).

4.8 Credit risk mitigation

A key component of the Bank's business strategy is to reduce risk by utilising various risk mitigating techniques. The most important risk mitigating means are collaterals' pledges, guarantees and netting agreements.

4.8.1 Types of collateral commonly accepted by the Bank

The types of collaterals commonly accepted by the Bank are:

- Residential real estate, commercial real estate, industrial buildings and land;
- Receivables (trade debtors);
- Securities, including listed shares and bonds;
- Deposits;
- Guarantees and letters of support;
- Insurance policies;
- Equipment, mainly vessels.

A specific coverage ratio is pre-requisite, upon the credit relationship's approval and on ongoing basis, for each collateral type. For exposures other than loans to customers (i.e. reverse repos, derivatives), the Bank accepts as collateral only cash or liquid bonds.

4.8.2 Valuation principles of collateral

In defining the maximum collateral ratio for loans, the Bank considers all relevant information available, including the collaterals' specific characteristics, if market participants would take those into account when pricing the relevant assets.

The valuation and hence eligibility is based on the following factors:

- The collateral's fair value, i.e. the exit price that would be received to sell the asset in an orderly transaction under current market conditions;
- The fair value reflects market participants' ability to generate economic benefits by using the asset in its highest and best use or by selling it;
- A reduction in the collateral's value is considered if the type, location or condition (such as deterioration and obsolescence) of the asset indicate so; and,
- No collateral value is assigned if a pledge is not legally enforceable.

The Bank performs collaterals' valuation in accordance with its processes and policies. For real estate collaterals, the Bank employs external qualified appraisers based on predefined criteria (qualifications and expertise) and also utilises appropriate indices such as the index published by the CBC. All appraisals take into account factors such as the region, age and marketability of the property.

4.8.3 Collateral policy and documentation

Regarding collaterals, the Bank's policy emphasises the need that collaterals and relevant processes are timely and prudently executed, in order to ensure that collaterals and relevant documentation are legally enforceable at any time. The Bank holds the right to liquidate collateral in the event of the obligor's financial distress and can claim and control cash proceeds from the liquidation process.

4.8.4 Guarantees and credit derivatives

The guarantees used as credit risk mitigation by the Bank are largely issued by central governments in the countries in which it operates, and by institutions. Only eligible providers of guarantees can be recognised under the Standardised Approach for credit risk. All central governments, regional governments and institutions are eligible. Guarantees issued by corporate entities can only be taken into account if such corporates are rated.

4.8.5 Netting agreements

The Bank mitigates counterparty risk arising from treasury activities by entering into master netting arrangements and similar agreements, as well as collateral agreements with counterparties with which it undertakes a significant volume of transactions. In the case of derivatives, the Bank makes use of International Swaps and Derivatives Association ("ISDA") contracts, which limit the exposure via the application of netting, and Credit Support Annex ("CSAs"), which further reduce the total exposure with the counterparty. Under these agreements, the total exposure with the counterparty is calculated on a daily basis taking into account any netting arrangements and collaterals.

The same process is applied in the case of repo transactions where standard Global Master Repurchase Agreements ("GMRAs") are used. The exposure (the net difference between repo cash and the market value of the securities) is calculated on a daily basis and collateral is transferred between the counterparties thus minimising the exposure.

4.8.6 Concentration risk on collaterals

For credit exposures, the most commonly accepted collaterals for credit risk mitigation purposes are real estate assets. Property collateral obtained for such purposes is not concentrated to a single geographical area or to a single type of property. Consumer loans are not collateralised, except for car loans where the Bank retains ownership until full loan repayment. Mortgage loans are fully collateralised with residential real estate properties.

The Bank does not undertake significant market or credit risk on collaterals of Treasury transactions. In case of cash collateral in foreign currency transactions, the Bank manages the respective foreign exchange exposure accordingly by setting margin calls.

Furthermore, since the Bank uses GMRAs for the risk mitigation of repos and reverse repos, the market risk exposure is minimal. In case of reverse repo transactions the Bank generally accepts high quality government issues as collaterals diversified across various issuers. The collateral amount on corporate bonds is immaterial.

4.8.7 Analysis of collaterals

The following tables show the volume of unsecured and secured exposures including all collateral, financial guarantees and credit derivatives used as credit risk mitigants as at 31 December 2024 and 31 December 2023:

Table 19: Template EU CR3 - CRM techniques overview: Disclosure of the use of credit risk mitigation techniques [(1)]

	31 December 2024				
	Exposures unsecured – Carrying amount € thousands	Exposures secured – Carrying amount [(2)] € thousands	Exposures secured by collateral € thousands	Exposures secured by financial guarantees[(3)] € thousands	Exposures secured by credit derivatives € thousands
Total loans	3.668.019	3.539.778	3.532.356	7.422	-
Total debt securities	1.768.637	198.063	-	198.063	-
Total exposures	**5.436.656**	**3.737.841**	**3.532.356**	**205.485**	**-**
Of which non-performing exposures	228	17.123	17.123	-	-
Of which defaulted	228	17.123	17.123	-	-

	31 December 2023				
	Exposures unsecured – Carrying amount € thousands	Exposures secured – Carrying amount (2) € thousands	Exposures secured by collateral € thousands	Exposures secured by financial guarantees (3) € thousands	Exposures secured by credit derivatives € thousands
Total loans	3.215.683	3.532.034	3.516.726	15.308	-
Total debt securities	1.307.446	114.765	-	114.765	-
Total exposures	4.523.129	3.646.799	3.516.726	130.073	-
Of which non-performing exposures	576	27.966	27.966	-	-
Of which defaulted	576	27.966	27.966	-	-

(1) The table above covers loans to customers, balances due from credit institutions, balances with Central Banks and debt securities exposures but does not include off-balance sheet exposures. The table covers CRM techniques regardless of whether these techniques are recognised under the CRR. The main differences between the increase in unsecured exposures compared to 2023 is due to increase in cash balances at central banks, while the increase in unsecrued exposures to debt securities is to due increased positions in debt securities issued by Credit Institutions as well as General Government.

(2) Exposures secured-carrying amount include exposures secured by collaterals and exposures secured by financial guarantees. There are no exposures secured by credit derivatives for 31 December 2024 and 31 December 2023.

(3) Financial gurantees as per table above include bank guarantees, government guarantees and guarantees provided by the EIF.

(4) Values for collateral and financial guarantees shown above are the allocated values, capped to the net exposure at an account level.

(5) For real estate properties the lower between the market value and the pledged amount is considered.

5. Counterparty credit risk

5.1 Definition, Governance and Policies

Counterparty credit risk ("CCR") is the risk that a counterparty in an off-balance sheet transaction (e.g. derivative transaction or repurchase/reverse repurchase agreements) defaults prior to maturity and the Bank has a claim over the counterparty (the market value of the contract is positive for the Bank).

5.2 Mitigation of counterparty credit risk

The Bank mitigates counterparty credit risk arising from treasury activities by entering into master netting arrangements, ISDA contracts, CSAs and similar arrangements, as well as collateral agreements with counterparties with which it undertakes a significant volume of transactions. Master netting arrangements do not generally result in the offset of balance sheet assets and liabilities, as the transactions are usually settled on a gross basis. However, the respective credit risk is reduced through a master netting agreement to the extent that if an event of default occurs, all amounts with the counterparty are terminated and settled on a net basis.

5.3 Wrong way risk

The Bank prevents the initiation of derivative transactions in cases that the value of the underlying instrument is highly correlated with the credit quality of the counterparty.

5.4 Implications under rating downgrade

The Bank's financial collateral agreements (CSAs covering derivative transactions) with other banks contain in some cases rating triggers. For these agreements, the minimum exposure level (threshold amount) for further posting of collateral will be lowered in case of a downgrading. Given the Bank's current rating, the additional effect is immaterial.

6. Market Risk

6.1 Definition and monitoring

Market risk is the risk of loss arising from adverse movements in interest rates, exchange rates, equity prices or commodity prices or their derivatives. Market Risk is monitored on a daily basis by the Market, Counterparty & Liquidity Risk Unit.

Market Risk can be subdivided into the following risk types:

1. FX Risk
2. Interest Rate Risk (IRR)
3. Liquidity Risk
4. Counterparty Risk

The Bank measures the market risk of the FVOCI portfolio using a 'Value at Risk' model. The VaR model is used to measure the amount of potential negative change in the market value of the FVOCI portfolio over a specified period of time and at a given confidence level. The Bank uses a VaR model based on 99% confidence level and a holding period of 10-days. The methodology used for the calculation is Monte Carlo simulation (full re-pricing of the positions is performed).

The VaR model is designed to measure market risk in a normal market environment. It is assumed that any changes occurring in the risk factors affecting the normal market environment will follow a normal distribution. While the model is maintained by the ERB Group, the VaR model and modeling assumptions are modeled on a stand-alone basis for the Bank, based on the Bank's own data.

Since VaR constitutes an integral part of the Bank's market risk control framework, VaR limits have been established and actual exposure is reviewed on a regular basis. However, the use of this approach does not prevent losses outside of these limits in the event of extraordinary market movements.

6.2 Foreign exchange risk

Foreign exchange risk ("FX" or "Currency") is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. FX risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Bank's reporting currency. The Bank takes on exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial positions and cash flows. The Bank primarily hedges against currency risk by placing foreign currency deposits into placements with matching currency or through other hedging instruments. The Bank's RMU monitors the established FX limits on a daily basis. During 2024 the Bank's overall net exposure to FX risk remained limited (net position below 1% of the capital base), thus not producing any capital requirements.

6.3 Interest rate risk in the Banking Book

The Bank takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on its financial positions and cash flows. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is further split into "General" and "Specific". The former refers to changes in the fair value of positions due to the movements of benchmark interest rates, while the latter refers to changes in the fair value of position due to the movements of specific issuer yields and credit spreads.

The Bank is monitoring the interest rate risk in the banking book affecting both its earnings and economic value using gap analysis. The Bank uses internal reports for the monitoring of IRRBB taking into account FVOCI and AC portfolios (loans, deposits, debt securities and derivatives), including sensitivity of Net Interest Income ("NII") and sensitivity of Bank's Economic Value of Equity ("EVE") on multiple scenarios of interest rates. For the calculation of these sensitivities, the Bank is applying behavioural modelling for its Non-Maturity Deposits ("NMDs"). The Bank takes all appropriate measures to limit the IR risk associated with these financial instruments either by matching interest-bearing financial assets with interest bearing financial liabilities of the same re-pricing maturity or entering into interest rate swaps to hedge interest rate risk. Additionally, the Bank is monitoring Credit Spread Risk in the Banking Book ("CSRBB").

The Bank has established specific IRRBB limits, which are monitored by the RMU, and are re-examined frequently. The Bank's overall exposure to IRBBB remained within the set limits throughout the year.

6.4 Equity exposures not included in the trading book

The Bank may make an irrevocable election to designate an equity instrument at fair value through other comprehensive income (FVOCI). This designation, if elected, is made at initial recognition and on an instrument-by-instrument basis. Gains and losses on these instruments, including when derecognised, are recorded in other comprehensive income (OCI) and are not subsequently reclassified to the income statement. Dividends received are recorded in the income statement.

Equity instruments measured at fair value through profit or loss are initially recorded at fair value and any unrealised gains or losses arising due to changes in fair value are included in the income statement.

The Bank has limited exposure in equities and does not have a risk appetite to increase this exposure currently.

7. Operational Risk

The Operational Risk department assists the business units in: i) identifying, assessing, capturing, reporting, monitoring, preventing and mitigating all Operational Risk events of their ownership ii) implementing an effective operational risk management program, providing reliable information on the most significant risks, measuring and monitoring the operational risk exposure undertaken by the Bank, thus adding value through increased efficiency in risk management, acknowledgement and accountability of risks.

7.1 Definition and monitoring

Operational risk is the risk of either a loss or negative impact to the Bank arising from inadequate or failed internal processes, people and systems or from external events. It also includes third party risk, information security risk (including cybercrime), fraud risk and conduct risk.

The management of operational risk is performed through the implementation, with appropriate adjustments where necessary, of the Group's policies and procedures with which the Bank seeks to identify all relevant operational risks to which is exposed, manage these exposures in accordance to its business objectives and monitor on an ongoing basis the residual exposure to each operational risk category. The core procedures implemented by the Bank aiming at the identification and assessment of operational risk are:

(a) the collection of operational risk events data;

(b) the monitoring of predefined key risk indicators;

(c) the operational risk assessment through the execution of Risk and Control Self – Assessments ("RCSA");

(d) the scenario assessment for the identification of material or significant operational risk exposures; and

(e) the annual risk assessment of the Bank's outsourcing agreements.

7.2 Operational Risk Events Data Collection

The subject process refers to the identification and management of operational risk events and focuses on the approach and methodology used to collect information on various forms of risk events aiming at their analysis and the implementation of corrective actions where necessary.

The Bank maintains a specialised database for the recording of all operational risk events data. The relevant information is monitored and analysed by the RMU in terms of frequency and severity so as to identify possible trends/ patterns and/ or critical areas that may be deemed vulnerable to operational risk losses and recommend proper actions.

7.3 Key Risk Indicator

KRIs are metrics, based on historic data relevant to specific and measurable activities indicating operational risk exposures. They are used as a mechanism for managing operational risk as well as a management information tool for decision making aiming at the improvement of operational risk management procedures. The set of KRIs are reviewed and re-evaluated frequently by the Bank and during 2021, the Bank proceeded to expand further its KRIs-library on an ongoing basis.

For the purpose of managing Non-Financial Risks (NFRs) holistically the Bank has adopted the Eurobank Group Non-Financial Risk Management (NFRM) Framework. The Bank is in the process of implementing the Risk Appetite Framework to cover NFRs, which sets out the mechanisms through which the Bank establishes its risk appetite and ensures that its risk profile remains within that appetite to bear risk in relation to internal and external events as well as other constraints.

As part of the Risk Appetite Framework to cover NFRs, the Bank re-evaluated KRIs which cover non-financial risks and conducted workshops with risk theme owners to assess relevance of current KRIs. With the help and supervision of the Group Operational and Non-Financial Risk Unit, the Bank has developed new KRIs to better capture non-financial risks.

The frequency of the monitoring of the newly developed KRI varies from mainly quarterly or yearly depending on the nature.

7.4 Risk and Control Self-Assessment

RCSAs aim to identify, assess and ultimately mitigate operational risk. It is performed and owned by the Business Units at an “assessment entity” level with the co-ordination of the RMU. Its outcome is the creation of a portfolio of the top operational risks per assessment entity, associated with activities and controls.

Through the RCSA procedure, actions which have been decided for the mitigation of the identified operational risks mainly refer to those assessed as critical and high are recorded and monitored by the Operational Risk Unit. The outcome of the RCSAs is reviewed by Senior Management at appropriate intervals within the year so as to raise awareness on operational risks faced by the Business Units as well as to note the progress and suitability of the various mitigating actions which have been selected for implementation.

7.5 Risk assessment of outsourcing agreements

The performance of risk assessments is a critical component of the Bank’s wider outsourcing risk framework governance. Risk assessments are performed both at the onset, for new agreements, as well as on an annual basis, at a minimum, for all outstanding agreements. The risk assessment process is coordinated by the RMU, which reviews and validates the assessment performed by the business units owning the agreements, with the collaboration of other units of the Bank. The risk assessment process results in a comprehensive and documented risk matrix which are collectively used to manage and report on the Bank’s outsourcing risk profile.

7.6 Other Operational Risk Management programs

Further to the above programs for operational risk management, additional controls and initiatives promoting operational risk awareness are implemented in order to enhance the overall framework. Indicatively are noted:

(a) the ongoing enhancement of the role of Operational Risk Partners, senior staff acting as liaison to the RMU;

(b) the Bank’s anti-fraud policies and procedures;

(c) the insurance policies for risk transferring to third parties;

(d) the ongoing initiatives aimed at raising operational risk awareness within the Bank (trainings, dedicated meetings with business units of the Bank etc.);

(e) the resolution of the findings of the Internal Audit;

(f) the further improvement of Bank’s Operational risk policy framework;

(g) the annual “TopTen OpRisks” exercise for the identification of the Top Ten Operational Risks faced by the Bank as voted by the Bank’s senior management and heads of internal control functions, which increases risk awareness and promotes ongoing monitoring of the relevant risks; and

(h) the adoption of the Non-Financial Risk Management Framework.

7.7 Operational Risk Capital Requirements

The Bank applies the Basic Indicator Approach to calculate own funds requirements subject to operational risk, which uses the 3-year average of the Relevant Indicator of the past 3 years. The components of the Relevant Indicator, as prescribed in the CRR, are net interest and commission income as well as non-interest income, excluding operating expenses and they are based on audited figures and are in line with the Bank's Financial Statements.

The own funds requirement in relation to operational risk calculated in accordance with the Basic Indicator Approach ("BIA") for 2024 amounts to €29,5 million (2023: €18,9 million)

Table 20: Template EU OR1 - Operational risk own funds requirements and risk-weighted exposure amounts

	31 December 2024				
	Relevant indicator				
Banking activities	31/12/2022 € thousands	31/12/2023 € thousands	31/12/2024 € thousands	Own funds requirements € thousands	Risk exposure amount € thousands
Banking activities subject to basic indicator approach (BIA)	164.080	313.919	320.184	39.909	498.864

	31 December 2023				
	Relevant indicator				
Banking activities	31/12/2021 € thousands	31/12/2022 € thousands	31/12/2023 € thousands	Own funds requirements € thousands	Risk exposure amount € thousands
Banking activities subject to basic indicator approach (BIA)	111.520	164.080	313.919	29.476	368.450

(1) The increase in the Relevant Indicator for 2023 is due to the increase in Net Interest Income by 117,1% compared to 2023.

21) The high levels of Net Interest Income were maintained during 2024, contributing to an increase in the 3-year average of the Relevant Indicator compared to 2024.

8. Liquidity Risk

8.1 Definition and monitoring

Liquidity of the Bank is monitored by the Market, Liquidity & Counterparty Risk department. Liquidity risk is the risk of the Bank failing to meet its liabilities / obligations when they fall due without incurring severe losses. Liquidity risk arises when the maturity of assets and liabilities does not match and as a result there may be inability to meet cash calls.

The Bank monitors its liquidity position in order to make certain that sufficient funds are available under all circumstances to meet scheduled or extraordinary liabilities. Furthermore, the Bank established a comprehensive liquidity risk management framework and maintains adequate controls to ensure that regulatory liquidity requirements are always preserved. On a monthly basis, the Bank conducts stress tests to ensure that adequate liquidity is available even under stressed market conditions. Overall, during 2024, the Bank's liquidity ratios were maintained well above the minimum regulatory limits and the Bank's own liquidity ratio targets. The Bank monitors the Liquidity Coverage Ratio ("LCR") on a monthly and a weekly basis.

Overall, the Bank follows a conservative approach on liquidity management aiming to:

a) Maintain an adequate liquidity buffer under any conditions.

b) Differentiate funding across a significant number of liquidity providers.

c) Comply with all regulatory and internal liquidity limits.

The Bank is exposed on a daily basis to events that affect the level of its available liquidity resources. The Bank identifies the following set of events which might materially affect its liquidity position:

- deposit outflows;
- significant losses from loans or open positions, fraud etc.;
- liquidity problems of bank-counterparties or in the banking system in general;
- signs of economic and/or political crisis;
- negative publicity with regard to the Bank;
- deterioration of the sovereign credit rating;
- asset market illiquidity and reduction on the value of liquid assets due to asset downgrades or due to market movements or market perceptions or due to the increase on the applicable haircuts by the counterparties;
- the impact of any forthcoming significant regulatory change that may have side effects on secured or unsecured funding;
- decision by foreign Central banks that may affect FX-rates and result to significant market movements.

8.2 Liquidity Risk Management Framework

The Bank Liquidity Risk Management Policy defines the clear allocation of responsibilities among the main bodies involved in the Bank's Liquidity Risk Management Framework and the segregation of duties between the operational and monitoring functions of the Bank, as explained below.

- Board Risk Committee role is to approve the liquidity risk strategy and appetite of the Bank as well as all strategic liquidity risk management decisions and monitor the quantitative and qualitative aspects of liquidity risk;
- Assets & Liabilities Committee ("ALCO") has the mandate to review assets and liabilities and propose actions for managing structural exposures and analyse and endorse Bank's liquidity strategy and alternative financing plans.
- Treasury Unit ("TU") is responsible for the daily management and monitoring of the Bank's liquidity.
- RMU: is responsible for the measuring, monitoring and reporting on the liquidity risk profile of the Bank to the Senior Management, ALCO and BRC. Also it prepares and implements the ILAAP and performs appropriate stress tests with regards to liquidity risk.

The Bank, in line with regulatory requirements and expectations, applies risk management policies, processes and controls regarding Asset Encumbrance / Liquidity Buffers and Collateral Management, Contingency Funding Plan ("CFP"), Intraday Liquidity Risk Management and Liquidity Stress Tests. These policies, processes and controls along with the liquidity governance are described in the Liquidity Risk Policy of the report as well as the annual ILAAP report.

RMU monitors liquidity on a daily, weekly and monthly basis through the use of various internal and regulatory reports. Information is derived from the Bank's core banking system and relevant systems used by the Treasury function. Processing is conducted through the use of various automated systems.

8.3 Funding Sources

Customers' deposits represent the main source of the Bank's funding and stood at ca. €7,88 billion as of 31/12/2024 (excluding cash collateral). In June 2020 and March 2021, the Bank participated in Targeted Longer-Term Refinancing Operations III ("TLTRO III") operations for total amount of ca. €615 million. During 2023 the Bank repaid the outstanding amount of its TLTRO III funding of €550 million expiring in June 2023 and €65 million expiring in March 2024. Additionally, the Bank obtained in the past received funding under the European Investment Bank scheme for support of Small-Medium Entities ("SMEs") and MIDCAPs that was partially repaid by the Bank and the remaining balance stood at €10 million as of 31/12/2024 (€12 million as of 31/12/2023).

8.4 Liquidity Buffer

The Bank holds a liquidity buffer comprising of cash and cash equivalents, as well as liquid assets or securities which the Bank can easily convert to liquidity and use to generate cash inflows in a timely manner. The liquidity buffer consists of the following items (where applicable):

- Cash and cash equivalents;
- Balances with Central Bank, in excess of Mandatory Reserve Requirement;
- Nostros and Interbank placements that mature within the observation period of 30 calendar days.
- Cash value of unencumbered European Central Bank eligible assets available for MRO/LTRO funding;
- Cash value of unencumbered Central Bank eligible bonds;
- Cash value of unencumbered securities that can be used for market repos;
- Bonds under Security Lending are excluded.

The liquidity buffer of the Bank as at 31/12/2024, amounted to €5,54 billion (2023: €4,9 billion). It includes bonds, securities obtained through reverse repo and placements of funds to third parties and the CBC. Approximately €0,4 billion (2023: €0,3 billion) of liquidity coming from bonds is excluded from the liquidity buffer, since the Bank has performed security lending transactions amounting to €370 million (2023: €262 million) with various counterparties.

8.5 Liquidity Metrics

Liquidity Coverage Ratio

The LCR as at 31 December 2024 stood at 226% (2023: 236%), well above the regulatory limit of 100%, highlighting the strong liquidity position of the Bank. The ratio has remained relatively stable during the year.

The Bank monitors closely any potential currency mismatch on the LCR and maintains adequate liquidity buffers so as to meet any obligation arising from any such mismatch.

Net Stable Funding Ratio

The Bank monitors the Net Stable Funding Ratio (“NSFR”) which also stems from the CRR. NSFR has been developed to provide a sustainable maturity structure of assets and liabilities. It calculates the proportion of available stable funding via the liabilities over required stable funding for the assets. The components of stable funding are not equally weighted.

The NSFR is calculated on a quarterly basis, with the minimum regulatory threshold set at 100% NSFR as at 31 December 2024 stood at 185% (2023: 230%), well above the regulatory limit of 100%, highlighting the strong liquidity position of the Bank. The decrease in NSFR is mainly attributed to increased required funding due to switch of additional €540 million of reverse repo to fixed term requiring 100% of stable funding instead of 5%, offset by an increase in available funding due to increase in capital by c. € 100 million as well as increase in deposits as of 31/12/2024 compared to 31/12/2023.

It is noted that further to the LCR and the NSFR, the Bank monitors liquidity on a daily and monthly basis using additional internal indicators and aims to maintain the liquidity ratios within the internally set limits at all times.

The next tables present the key components of LCR and NSFR, as per the respective EBA guidelines on LCR and NSFR.

The tables below present the level and components of the Bank's LCR and NSFR for 2024:

Table 21: Template EU LIQ1 - Quantitative information of LCR

	Total unweighted value (average)				Total weighted value (average)			
Quarter ending on	**31 December 2024**	30 September 2024	30 June 2024	31 March 2024	**31 December 2024**	30 September 2024	30 June 2024	31 March 2024
	€ thousands	€ thousands	€ thousands	€ thousands	**€ thousands**	€ thousands	€ thousands	€ thousands
Number of data points used in the calculation of averages	**13**	13	13	13	**13**	13	13	13
HIGH-QUALITY LIQUID ASSETS								
Total high-quality liquid assets (HQLA)					4.076.935	4.006.629	4.010.339	4.003.445
CASH - OUTFLOWS								
Retail deposits and deposits from small business customers, of which:	**2.964.308**	**2.957.649**	**2.983.213**	**3.013.423**	**193.308**	**197.213**	**205.583**	**215.146**
Stable deposits	791.869	819.919	853.742	891.723	39.593	40.996	42.687	44.586
Less stable deposits	1.244.985	1.271.588	1.329.685	1.394.110	153.715	156.217	162.896	170.560
Unsecured wholesale funding	**3.140.396**	**3.062.353**	**2.966.620**	**2.933.961**	**1.650.736**	**1.629.299**	**1.583.765**	**1.561.828**
Operational deposits (all counterparties) and deposits in networks of cooperative banks	820.512	**827.974**	**845.730**	**848.109**	200.186	202.137	206.410	206.645
Non-operational deposits (all counterparties)	2.319.884	**2.234.379**	**2.120.890**	**2.085.852**	1.450.550	1.427.162	1.377.355	1.355.183
Unsecured debt	**-**	**-**	**-**	**-**	-	-	-	-
Secured wholesale funding					-	-	-	-
Additional requirements	**2.309**	2.885	1.706	1.897	**2.309**	2.885	1.706	1.897
Outflows related to derivative exposures and other collateral requirements	2.309	**2.885**	**1.706**	**1.897**	2.309	2.885	1.706	1.897
Outflows related to loss of funding on debt products	-	**-**	**-**	**-**	-	-	-	-
Credit and liquidity facilities	56.045	**13.185**	**-**	**-**	12.878	2.671	-	-
Other contractual funding obligations	**22.700**	**24.395**	**28.055**	**25.295**	**22.700**	24.395	28.055	25.295
Other contingent funding obligations	**783.497**	**810.468**	**822.528**	**780.487**	**63.522**	66.095	67.211	63.188
TOTAL CASH OUTFLOWS					**1.945.453**	1.922.558	1.886.320	1.867.354
CASH - INFLOWS								
Secured lending (e.g. reverse repos)	**49.176**	**115.264**	**179.071**	**252.543**	16.221	21.247	20.468	25.505
Inflows from fully performing exposures	**143.982**	**118.042**	**98.486**	**85.326**	137.210	111.913	92.262	79.290
Other cash inflows	**210.050**	**207.004**	**211.263**	**221.559**	45.266	43.230	46.512	51.376
TOTAL CASH INFLOWS	**403.208**	440.310	488.820	559.428	**198.697**	176.390	159.242	156.171
Fully exempt inflows	**-**	-	-	-	**-**	-	-	-
Inflows subject to 90% cap	**-**	-	-	-	**-**	-	-	-
Inflows subject to 75% cap	**403.208**	440.310	488.821	559.428	**198.697**	176.390	159.242	156.171
TOTAL ADJUSTED VALUE								
LIQUIDITY BUFFER					4.076.935	4.006.629	4.010.339	4.003.445
TOTAL NET CASH OUTFLOWS					1.746.756	1.746.168	1.727.078	1.711.183
LIQUIDITY COVERAGE RATIO					233,40%	229,45%	232,20%	233,96%

	Total unweighted value (average)				Total weighted value (average)			
Quarter ending on	31 December 2023	30 September 2023	30 June 2023	31 March 2023	31 December 2023	30 September 2023	30 June 2023	31 March 2023
	€ thousands	€ thousands	€ thousands	€ thousands	€ thousands	€ thousands	€ thousands	€ thousands
Number of data points used in the calculation of averages	13	13	13	13	13	13	13	13
HIGH-QUALITY LIQUID ASSETS								
Total high-quality liquid assets (HQLA)					4.007.161	4.048.716	4.010.715	3.872.875
CASH - OUTFLOWS								
Retail deposits and deposits from small business customers, of which:	3.052.683	3.051.781	3.011.032	2.936.892	224.449	233.388	237.816	235.625
Stable deposits	923.167	914.546	898.962	865.285	46.158	45.727	44.948	43.264
Less stable deposits	1.416.365	1.524.309	1.552.744	1.532.187	178.291	187.661	192.868	192.361
Unsecured wholesale funding	2.936.126	3.092.830	3.262.525	3.372.886	1.563.609	1.576.303	1.594.542	1.592.713
Operational deposits (all counterparties) and deposits in networks of cooperative banks	858.966	910.941	966.410	999.279	208.176	220.111	233.501	241.685
Non-operational deposits (all counterparties)	2.077.160	2.181.889	2.296.115	2.373.607	1.355.433	1.356.192	1.361.041	1.351.028
Unsecured debt	-	-	-	-	-	-	-	-
Secured wholesale funding					-	-	-	-
Additional requirements	2.161	3.234	3.211	3.868	2.161	3.234	3.211	3.868
Outflows related to derivative exposures and other collateral requirements	2.161	3.234	3.211	3.868	2.161	3.234	3.211	3.868
Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
Credit and liquidity facilities	-	-	-	-	-	-	-	-
Other contractual funding obligations	22.068	16.549	10.441	6.622	22.068	16.549	10.441	6.622
Other contingent funding obligations	755.428	720.974	696.403	698.720	60.914	58.102	56.702	57.912
TOTAL CASH OUTFLOWS					1.873.201	1.887.576	1.902.712	1.896.740
CASH - INFLOWS								
Secured lending (e.g. reverse repos)	347.041	443.209	567.475	718.715	44.937	74.088	128.097	216.051
Inflows from fully performing exposures	71.205	65.553	65.601	79.514	65.010	58.514	58.531	71.854
Other cash inflows	226.306	232.117	236.403	235.287	52.580	53.752	55.324	56.078
TOTAL CASH INFLOWS	644.552	740.879	869.479	1.033.516	162.527	186.354	241.952	343.983
Fully exempt inflows	-	-	-	-	-	-	-	-
Inflows subject to 90% cap	-	-	-	-	-	-	-	-
Inflows subject to 75% cap	644.552	740.879	869.479	1.033.516	162.527	186.354	241.952	343.983
TOTAL ADJUSTED VALUE								
LIQUIDITY BUFFER					4.007.161	4.048.716	4.010.715	3.872.875
TOTAL NET CASH OUTFLOWS					1.710.674	1.701.222	1.660.760	1.552.757
LIQUIDITY COVERAGE RATIO					234,24%	237,99%	241,50%	249,42%

Table 22: Template EU LIQ2: Net Stable Funding Ratio

	31 December 2024				
	Unweighted value by residual maturity				Weighted value
	No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
Available stable funding (ASF) Items	€ thousands	€ thousands	€ thousands	€ thousands	€ thousands
Capital items and instruments	**1.061.957**	**-**	**-**	**-**	**1.061.957**
Own funds	1.061.957	-	-	-	1.061.957
Other capital instruments		-	-	-	-
Retail deposits		**2.668.097**	**297.542**	**146.956**	**2.871.609**
Stable deposits		934.495	177.085	37.117	1.093.118
Less stable deposits		1.733.602	120.457	109.839	1.778.491
Wholesale funding:		**4.262.057**	**86.622**	**628.366**	**2.092.940**
Operational deposits		740.749	-	-	370.375
Other wholesale funding		3.521.308	86.622	628.366	1.722.565
Interdependent liabilities		-	-	-	-
Other liabilities:	**1.844**	**-**	**-**	**-**	**-**
NSFR derivative liabilities	1.844				
All other liabilities and capital instruments not included in the above categories		-	-	-	-
Total available stable funding (ASF)					**6.026.506**

	31 December 2024				
	Unweighted value by residual maturity				Weighted value
	No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
Required stable funding (RSF) Items	€ thousands	€ thousands	€ thousands	€ thousands	€ thousands
Total high-quality liquid assets (HQLA)					3.571
Assets encumbered for a residual maturity of one year or more in a cover pool		-	-	-	-
Deposits held at other financial institutions for operational purposes		103.555	-	-	51.777
Performing loans and securities:		812.822	177.222	3.175.662	2.966.719
Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		34.408	-	-	-
Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		500.680	-	542.498	567.532
Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		126.823	145.676	1.796.964	1.663.670
With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		-	-	-	-
Performing residential mortgages, of which:		12.249	13.546	303.693	210.298
With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		12.249	13.546	303.693	210.298
Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		138.662	18.000	532.507	525.219
Interdependent assets		-	-	-	-
Other assets:	-	302.855	1.116	11.878	178.180
Physical traded commodities				-	-
Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		-	-	-	-
NSFR derivative assets		22.753	-	-	22.753
NSFR derivative liabilities before deduction of variation margin posted		-	-	-	-
All other assets not included in the above categories		280.102	1.116	11.878	155.427
Off-balance sheet items		456.466	43.957	438.324	62.935
Total RSF					**3.263.182**
Net Stable Funding Ratio (%)					**184,68%**

	30 September 2024				
	Unweighted value by residual maturity				Weighted value
	No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
Available stable funding (ASF) Items	€ thousands	€ thousands	€ thousands	€ thousands	€ thousands
Capital items and instruments	**955.008**	**-**	**-**	**-**	**955.008**
Own funds	955.008	-	-	-	955.008
Other capital instruments		-	-	-	-
Retail deposits		**2.575.355**	**243.032**	**170.625**	**2.762.712**
Stable deposits		979.909	130.881	54.418	1.109.668
Less stable deposits		1.595.446	112.151	116.207	1.653.044
Wholesale funding:		**4.141.999**	**59.506**	**573.731**	**2.018.343**
Operational deposits		818.274	-	-	409.137
Other wholesale funding		3.323.725	59.506	573.731	1.609.206
Interdependent liabilities		-	-	-	-
Other liabilities:	**15.672**	**-**	**-**	**-**	**-**
NSFR derivative liabilities	15.672				
All other liabilities and capital instruments not included in the above categories		-	-	-	-
Total available stable funding (ASF)					**5.736.063**

	30 September 2024				
	Unweighted value by residual maturity				Weighted value
	No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
Required stable funding (RSF) Items	€ thousands	€ thousands	€ thousands	€ thousands	€ thousands
Total high-quality liquid assets (HQLA)					3.331
Assets encumbered for a residual maturity of one year or more in a cover pool		-	-	-	-
Deposits held at other financial institutions for operational purposes		52.001	-	-	26.000
Performing loans and securities:		967.046	148.445	2.933.232	2.742.099
Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		-	-	-	-
Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		710.527	-	342.321	377.847
Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		145.134	124.742	1.709.272	1.587.821
With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		-	-	-	-
Performing residential mortgages, of which:		12.110	11.722	282.330	195.430
With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		12.110	11.722	282.330	195.430
Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		99.275	11.981	599.309	581.001
Interdependent assets		-	-	-	-
Other assets:	-	270.993	1.045	14.296	156.474
Physical traded commodities				-	-
Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		-	-	-	-
NSFR derivative assets		6.173	-	-	6.173
NSFR derivative liabilities before deduction of variation margin posted		-	-	-	-
All other assets not included in the above categories		264.820	1.045	14.296	150.301
Off-balance sheet items		442.053	48.596	356.426	57.029
Total RSF					**2.984.933**
Net Stable Funding Ratio (%)					**192,17%**

	30 June 2024				
	Unweighted value by residual maturity				Weighted value
	No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
Available stable funding (ASF) Items	€ thousands	€ thousands	€ thousands	€ thousands	€ thousands
Capital items and instruments	**951.649**	**-**	**-**	**-**	**951.649**
Own funds	951.649	-	-	-	951.649
Other capital instruments		-	-	-	-
Retail deposits		**2.426.275**	**284.678**	**199.150**	**2.694.202**
Stable deposits		936.928	166.948	76.188	1.124.870
Less stable deposits		1.489.347	117.730	122.962	1.569.332
Wholesale funding:		**4.113.027**	**113.125**	**557.554**	**2.028.928**
Operational deposits		818.856	-	-	409.428
Other wholesale funding		3.294.171	113.125	557.554	1.619.500
Interdependent liabilities		-	-	-	-
Other liabilities:	**1.655**	**-**	**-**	**-**	**-**
NSFR derivative liabilities	1.655				
All other liabilities and capital instruments not included in the above categories		-	-	-	-
Total available stable funding (ASF)					**5.674.779**

	30 June 2024				
	Unweighted value by residual maturity				Weighted value
	No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
Required stable funding (RSF) Items	€ thousands	€ thousands	€ thousands	€ thousands	€ thousands
Total high-quality liquid assets (HQLA)					3.459
Assets encumbered for a residual maturity of one year or more in a cover pool		-	-	-	-
Deposits held at other financial institutions for operational purposes		83.391	-	-	41.695
Performing loans and securities:		1.301.578	161.378	2.599.052	2.420.625
Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		-	-	-	-
Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		1.072.746	-	-	53.637
Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		130.275	124.749	1.687.084	1.561.534
With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		-	-	-	-
Performing residential mortgages, of which:		11.441	12.248	278.704	193.002
With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		11.441	12.248	278.704	193.002
Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		87.116	24.381	633.264	612.452
Interdependent assets		-	-	-	-
Other assets:	-	263.945	966	13.729	156.007
Physical traded commodities				-	-
Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		-	-	-	-
NSFR derivative assets		12.195	-	-	12.195
NSFR derivative liabilities before deduction of variation margin posted		-	-	-	-
All other assets not included in the above categories		251.750	966	13.729	143.812
Off-balance sheet items		406.378	57.940	342.870	53.572
Total RSF					**2.675.358**
Net Stable Funding Ratio (%)					**212,11%**

	31 March 2024				
	Unweighted value by residual maturity				Weighted value
	No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
Available stable funding (ASF) Items	€ thousands	€ thousands	€ thousands	€ thousands	€ thousands
Capital items and instruments	**865.372**	**-**	**-**	**-**	**865.372**
Own funds	865.372	-	-	-	865.372
Other capital instruments		-	-	-	-
Retail deposits		**2.394.884**	**348.877**	**188.709**	**2.713.032**
Stable deposits		893.223	205.555	78.664	1.122.503
Less stable deposits		1.501.661	143.322	110.045	1.590.529
Wholesale funding:		**3.630.503**	**187.691**	**598.879**	**2.059.571**
Operational deposits		845.434	-	-	422.717
Other wholesale funding		2.785.069	187.691	598.879	1.636.854
Interdependent liabilities		**-**	**-**	**-**	**-**
Other liabilities:	**1.362**	**-**	**-**	**-**	**-**
NSFR derivative liabilities	1.362				
All other liabilities and capital instruments not included in the above categories		-	-	-	-
Total available stable funding (ASF)					**5.637.975**

	31 March 2024				
	Unweighted value by residual maturity				Weighted value
	No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
Required stable funding (RSF) Items	€ thousands	€ thousands	€ thousands	€ thousands	€ thousands
Total high-quality liquid assets (HQLA)					3.442
Assets encumbered for a residual maturity of one year or more in a cover pool		-	-	-	-
Deposits held at other financial institutions for operational purposes		93.480	-	-	46.740
Performing loans and securities:		1.161.973	189.611	2.548.272	2.374.685
Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		-	-	-	-
Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		983.953	-	-	49.198
Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		115.754	146.962	1.664.526	1.546.207
With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		-	-	-	-
Performing residential mortgages, of which:		11.259	12.627	274.395	190.299
With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		11.259	12.627	274.395	190.299
Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		51.007	30.022	609.351	588.981
Interdependent assets		-	-	-	-
Other assets:	-	257.821	850	13.285	153.200
Physical traded commodities				-	-
Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		-	-	-	-
NSFR derivative assets		13.767	-	-	13.767
NSFR derivative liabilities before deduction of variation margin posted		-	-	-	-
All other assets not included in the above categories		244.054	850	13.285	139.433
Off-balance sheet items		395.809	47.159	355.871	52.558
Total RSF					**2.630.625**
Net Stable Funding Ratio (%)					**214,32%**

8.6 Derivative Exposures

The Bank engages in SWAP contracts with its parent Bank. Interest rate SWAPs are in place in order to hedge against price variability of its long-term bonds in case of movements in market interest rates FX and cross currency SWAPs which are mainly with underlying currencies EURUSD, EURCHF, EURJPY, EURGBP are in place for liquidity management purposes. Margin calls are posted accordingly and can result either in liquidity inflows or outflows, depending on mark-to market of derivative portfolio. The Bank maintains satisfactory level of high liquid assets to support margin calls, even under stressed conditions.

8.7 Contingency Funding Plan

The Bank has in place a comprehensive Contingency Funding Plan (CFP) in order to address an emergency liquidity situation by ensuring that the Bank always maintains an adequate liquidity buffer that is available in the event of a liquidity crisis. Furthermore, the CFP defines the roles and responsibilities of the various Bank units if such an event does take place. The CFP is reviewed and revised at least annually.

8.8 Stress Testing

Liquidity stress testing enables the Bank to identify and quantify its exposures to possible future liquidity stresses and analyses possible impacts on its liquidity buffer, cash flows and liquidity position. The results of these stress tests are shared and discussed at ExCo and BRC and form the basis of decision making in order to restore the Bank's liquidity position and adjust its liquidity risk profile in line with its risk appetite, where deemed necessary. The liquidity position is stress-tested under various scenarios which include assumptions on key liquidity risk drivers including deposit outflows and market risk shocks impacting the Bank's liquidity buffer. In all cases, the ability of the Bank to maintain satisfactory liquidity even under downturn economic conditions is manifested.

8.9 Liquidity Risk statement

The results of the ongoing monitoring of the Bank's liquidity risk profile as well as the various liquidity risk assessments conducted, attest to the Bank's robust liquidity position and buffer that covers all risks associated with liquidity as assessed on the 31 December 2024 while at the same time satisfying minimum regulatory requirements. The Bank as at the above date maintains an LCR ratio of 226% and an NSFR ratio of 185%, satisfying the regulatory thresholds by a wide margin. Taking into account the above as well as the comprehensive liquidity risk management framework that has been established by the Bank, the Management remains confident that the Bank maintains sufficient liquidity even under adverse conditions and that all necessary arrangements and processes are in place to ensure compliance with all internal as well as regulatory requirements.

9. Asset Encumbrance

An encumbered asset is an asset which has been pledged as collateral against an existing liability and as a result is no longer available to the Bank for further collateral or liquidity requirements. An unencumbered asset is an asset which has not been pledged against an existing liability.

Reporting on asset encumbrance is important as it allows market participants to better understand and analyse the liquidity and solvency profiles of institutions. The Bank discloses, when applicable, information regarding the main types and usage of encumbrance.

The Bank's encumbered assets as at 31 December 2024 include €380 million (in face value) encumbered assets from securities lending transactions (2023: €271 million).

10. Leverage Ratio

The CRR regulatory framework has introduced the leverage ratio as a non-risk-based measure which is intended to restrict the build-up of excessive leverage from on- and off-balance sheet items in the banking sector. The leverage ratio is defined as Tier 1 capital divided by the total exposure measure. The Bank submits to the regulatory authorities the leverage ratio on quarterly basis and monitors the level and the factors that affect the ratio.

The risk of excessive leverage is monitored and managed through the leverage ratio indicator for which specific early warning and trigger thresholds have been set both at the Risk Appetite Statements as well as the Recovery Plan of the Bank. The Bank has established appropriate governance arrangements requiring escalation, including at the level of the Bank's BoD / BRC if needed, should a breach of the trigger level take place, in order to take the necessary actions needed to restore the leverage ratio within the set limits.

The level of the leverage ratio with reference date 31 December 2024 was at 11,6% (2023: 10,6%), significantly over the 3% minimum threshold applied by the competent authorities.

In the table below, the detailed disclosures on the Bank's leverage ratio are presented with reference date 31 December 2024 and 31 December 2023.

Table 23: Template EU LR1 - LRSum: Summary reconciliation of accounting assets and leverage ratio exposures [1]

	31 December 2024	31 December 2023
	€ thousands	€ thousands
Total assets as per published financial statements	9.300.766	8.272.143
Adjustment for derivative financial instruments	40.208	27.012
Adjustment for securities financing transactions (SFTs)	(327.570)	(564.841)
Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	304.726	269.759
Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital	(1.281)	(840)
Other adjustments	(45.484)	(21.893)
Total exposure measure	**9.271.365**	7.981.340

[1] The table above shows the difference in value between the accounting value and the exposure value recognised for leverage purposes, as per the provisions of Regulation (EU) 575/2013.

[2] The main difference arises from Securities Financing Transactions, since for reverse repurchase agreements the accounting value recognised in the financial statements considers only the asset side of the transaction, while the value recognised for the leverage ratio is after the recognition of any credit risk mitigation achieved through the collaterals obtained. Additionally, securities lending take an exposure for leverage purposes but do not for accounting purposes.

Thus, for reverse repos the leverage exposure is less than for the accounting value, but for securities lending leverage exposure is higher.

[3] Other adjustments act as a balancing figure. This mainly includes the amounts deducted from Own Funds as per Table EU CC1

[5] Off-balance sheet amounts are presented post-CCF, as per the relevant CCFs applied for the Leverage Exposure

Table 24: Template EU LR2 - LRCom: Leverage ratio common disclosure

	31 December 2024 CRR Leverage ratio exposures € thousands	31 December 2023 CRR Leverage ratio exposures € thousands
On-balance sheet exposures (excluding derivatives and SFTs)		
On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	8.194.705	7.159.359
(Asset amounts deducted in determining Tier 1 capital)	(17.007)	(7.430)
Total on-balance sheet exposures (excluding derivatives and SFTs)	**8.177.698**	7.151.929
Derivative exposures		
Replacement cost associated with SA-CCR derivatives transactions (ie net of eligible cash variation margin)	-	-
Derogation for derivatives: replacement costs contribution under the simplified standardised approach	-	-
Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	-	-
Derogation for derivatives: Potential future exposure contribution under the simplified standardised approach	-	-
Exposure determined under Original Exposure Method	40.208	27.012
(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	-	-
(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)	-	-
(Exempted CCP leg of client-cleared trade exposures) (Original Exposure Method)	-	-
Adjusted effective notional amount of written credit derivatives	-	-
(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-
Total derivative exposures	**40.208**	27.012
Securities financing transaction (SFT) exposures		
Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	1.077.585	1.098.322
(Netted amounts of cash payables and cash receivables of gross SFT assets)	(697.657)	(826.975)
Counterparty credit risk exposure for SFT assets	370.087	262.134
Agent transaction exposures	-	-
Total securities financing transaction exposures	**750.015**	533.481
Other off-balance sheet exposures [(1)]		
Off-balance sheet exposures at gross notional amount	938.747	824.262
(Adjustments for conversion to credit equivalent amounts)	(629.844)	(551.458)
(General provisions deducted in determining Tier 1 capital and specific provisions associated associated with off-balance sheet exposures)	(5.458)	(3.885)
Off-balance sheet exposures	**303.445**	268.919
Capital and total exposure measure		
Tier 1 capital	**1.061.957**	846.781
Total exposure measure	**9.271.365**	7.981.340
Leverage ratio [(2)]		
Leverage ratio (%)	**11,5%**	10,6%
Leverage ratio (excluding the impact of the exemption of public sector investments and promotional loans) (%)	**11,5%**	10,6%
Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) (%)	**11,5%**	10,6%
Regulatory minimum leverage ratio requirement (%)	**3,0%**	3,0%
Additional own funds requirements to address the risk of excessive leverage (%)	**0,0%**	0,0%
of which: to be made up of CET1 capital	**0,0%**	0,0%
Leverage ratio buffer requirement (%)	**0,0%**	0,0%
Overall leverage ratio requirement (%)	**3,0%**	3,0%
Mean value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	375.072	276.988
Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	379.928	271.347
Total exposure measure (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	9.266.509	7.986.981
Total exposure measure (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	9.266.509	7.986.981
Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	11,5%	10,6%
Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	11,5%	10,6%

(1) Total off-balance sheet items exposures presented in accordance with Article 111 (1) of Regulation (EU) No 575/2013 (Standardised Approach).

(2) Leverage ratio: The leverage ratio is calculated as total regulatory capital (Tier 1 capital) divided by total leverage ratio exposure.

Factors that had an impact on the leverage ratio

From the above table we see the components of the leverage ratio. The main increase in the numerator, (i.e. Tier 1 capital) is the profit for the year 2024 as well as the increase in the OCI reserve), while the main changes to the denominator compared to 2023 were:

- increase in the value of on-balance sheet exposures mainly due to increase in the value of Loans & Advances to customers, the value of balances with the CBC as well as an increase in the value of debt securities.

The table below is the applicable categories of EU LR2 – LRCom above, showing the quarterly average of each year

Table 25: Average of Template EU LR2 – LRCom (as per table 24 above)

	31 December 2024 CRR Leverage ratio exposures € thousands	31 December 2023 CRR Leverage ratio exposures € thousands
On-balance sheet exposures (excluding derivatives and SFTs)		
On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	7.906.702	7.325.555
(Asset amounts deducted in determining Tier 1 capital)	(13.414)	(11.217)
Total on-balance sheet exposures (excluding derivatives and SFTs)	**7.893.288**	7.314.338
Derivative exposures		
Replacement cost associated with SA-CCR derivatives transactions (ie net of eligible cash variation margin)	-	-
Derogation for derivatives: replacement costs contribution under the simplified standardised approach	-	-
Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	-	-
Derogation for derivatives: Potential future exposure contribution under the simplified standardised approach	-	-
Exposure determined under Original Exposure Method	37.168	26.783
(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	-	-
(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)	-	-
(Exempted CCP leg of client-cleared trade exposures) (Original Exposure Method)	-	-
Adjusted effective notional amount of written credit derivatives	-	-
(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-
Total derivative exposures	**37.168**	26.783
Securities financing transaction (SFT) exposures		
Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	1.046.783	1.409.516
(Netted amounts of cash payables and cash receivables of gross SFT assets)	(688.696)	(1.088.114)
Counterparty credit risk exposure for SFT assets	346.877	309.454
Agent transaction exposures	-	-
Total securities financing transaction exposures	**704.964**	630.856
Other off-balance sheet exposures [(1)]		
Off-balance sheet exposures at gross notional amount	847.962	784.484
(Adjustments for conversion to credit equivalent amounts)	(571.487)	(521.383)
(General provisions deducted in determining Tier 1 capital and specific provisions associated associated with off-balance sheet exposures)	(3.644)	(6.489)
Off-balance sheet exposures	**272.831**	256.612
Capital and total exposure measure		
Tier 1 capital	**953.694**	741.497
Total exposure measure	**8.908.252**	8.228.589
Leverage ratio [(2)]		
Leverage ratio (%)	**10,7%**	9,0%
Leverage ratio (excluding the impact of the exemption of public sector investments and promotional loans) (%)	**10,7%**	9,0%
Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) (%)	**10,7%**	9,0%
Regulatory minimum leverage ratio requirement (%)	**3,0%**	3,0%
Additional own funds requirements to address the risk of excessive leverage (%)	**0,0%**	0,0%
of which: to be made up of CET1 capital	**0,0%**	0,0%
Leverage ratio buffer requirement (%)	**0,0%**	0,0%
Overall leverage ratio requirement (%)	**3,0%**	3,0%
Mean value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	350.489	334.484
Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	358.087	321.402
Total exposure measure (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	8.900.655	8.241.671
Total exposure measure (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	8.900.655	8.241.671
Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	10,7%	9,0%
Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	10,7%	9,0%

Table 26: Template EU LR3 - LRSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures) [(1)]

	31 December 2024	31 December 2023
	CRR Leverage ratio exposures	CRR Leverage ratio exposures
	€ thousands	€ thousands
Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	**8.194.705**	7.159.359
Trading book exposures	-	-
Banking book exposures, of which:	8.194.704	7.159.359
Covered bonds	-	-
Exposures treated as sovereigns	4.481.166	3.733.107
Exposures to regional governments, MDBs, international organisations and PSEs not treated as sovereigns	140.029	50.624
Institutions	343.823	209.834
Secured by mortgages on immovable properties	647.495	557.341
Retail exposures	118.320	115.084
Corporate	2.131.873	2.111.645
Exposures in default	16.383	28.782
Other exposures	315.616	352.942
	8.194.705	7.159.359

[(1)] *The table above does not cover derivatives, repurchase agreements and securities lending.*

11. Remuneration policy and practices

11.1 Basic principles of the Bank's Remuneration Policy

The Bank has established a Remuneration Policy that is applicable to all Bank employees and covers their total remuneration. The Remuneration Policy forms an integral part of the Bank's corporate governance practice and is developed in accordance with its operational model, business strategy, objectives, long-term interests, and incorporates measures to avoid conflict of interest. The Remuneration Policy is prepared/ updated in cooperation with the Parent Entity in order to ensure that the basic principles and requirements of the Remuneration are aligned with the Parent Entity, so as to promote consistent application on a consolidated basis throughout the Group.

Also, the Remuneration Policy promotes sound and effective risk management and is consistent with the objectives of the Bank's business and risk strategy, corporate culture and values, risk culture including with regard to ESG risk factors, long term interests of the Bank and the measures used to avoid conflicts of interest and should not encourage excessive risk-taking on behalf of the Bank. Changes of such objectives and measures are taken into account when updating the Remuneration Policy. The Bank ensures that remuneration practices are aligned with their overall risk appetite, taking into account all risks, including climate-related & environmental risks, reputational risks as well as risks resulting from the mis-selling of products. The Bank also takes into account the long-term interests of shareholders.

The Bank ensures that remuneration practices are aligned with their overall risk appetite, taking into accounts all risk and long-term interests of shareholders.

Accordingly, the operating standards and mechanisms which have been adopted ensure that the levels of remuneration are directly linked to results and desired behaviours.

The Remuneration Policy has been drafted and is being implemented in accordance with the CBC Directive to Credit Institutions on Governance and Management Arrangements in Credit Institutions ("CBC Directive"), EBA Guidelines (EBA/2021/04) on sound Remuneration Policies under Directive 2013/36/EU, and Commission Delegated Regulation (EU) 2021/923.

Employees falling within the scope of the Remuneration Policy:

- The individuals who have a material impact on the Bank's risk profile ("Identified Staff" / "MRTs"); and
- All other staff (included in payroll)

Furthermore, the general principles of sound remuneration practices apply to the remuneration for persons working on behalf of the institution (e.g. contractors). Should the Bank appoint such persons, the general principles of the remuneration policy will apply, ensuring that the payments made are not providing any incentive for excessive risk taking or the mis-selling of products.

The Bank has established a competitive remuneration framework in order to attract, engage and retain its employees. The Remuneration Policy has been designed in order to (i) be consistent with and to promote sound and effective risk management, (ii) stimulate behavior consistent with climate-related & environmental and sustainability risks approach, as well as (iii) comply with the Bank's voluntary undertakings arising from a business perspective. Its basic principles are to:

- The Remuneration policy is gender neutral and non-discriminatory in any aspect of its implementation;
- Safeguard that remuneration is sufficient to retain and attract executives with appropriate skill and experience;
- Monitor that internal equity between all Units is applied;
- Avoid excessive risk-taking including with respect to direct and indirect sustainability risks;
- Link remuneration with long-term performance.

The continuous monitoring of market trends and best practices in domestic and global level ensures a competitive Remuneration Policy that is governed by transparency and internal equity.

Moreover, the Bank has adopted a remuneration framework the main objective of which is to provide a unified remuneration management approach within the Group and a common framework taking into consideration the need for flexibility in the decision-making process and the diverse operational models of all units. The Bank promotes the integration of climate-related and environmental and sustainability risk related factors into the remuneration policies.

The Bank's remuneration framework is based on a two-dimensional grading structure for each position:

- Career Family, depending on the nature of business (for example IT, Finance);
- Band or grades which are linked to position requirements, range of responsibilities and professional experience.

The Bank's Band structure is set using a specific methodology, which evaluates each position based on 3 parameters:

- Know How
- Problem Solving
- Accountability

Gender Neutrality Analysis

Every year, the Bank performs a gender pay-gap analysis.

At a minimum, the analysis should offer a breakdown of differences between the average pay of male and female staff for each of the following categories:

- Members of the management body in the supervisory function;
- Members of the management body in its management function;
- Identified staff, excluding members of the management body; and,
- Other staff.

For the calculation of average pay, the Bank will use as a unit of measurement the annual gross remuneration of staff calculated on a full-time equivalent basis.

Where material differences between the average pay of male and female staff / of the management body exist, the Bank should document the main reasons and should be able to demonstrate that the differences do not result from a remuneration policy that is not gender neutral.

The result of the analysis is presented to the Remuneration Committee ("RemCo"), where appropriate actions, if needed, are agreed and approved.

The Remuneration Policy was reviewed during 2H'24 and approved on 10/12/2024 by the BoD, mainly in order to align the Bank's Remuneration Policy with the Group. The main change of the updated version includes the amendment of the deferral method of variable remuneration payment requirements in alignment with the Group Remuneration Policy.

11.2 Remuneration Policy Adoption, Overview of Implementation and Revision

1) Management body in its supervisory function (non-executive members of the BoD)

The Non-Executive members of the Bank's BoD:

- approve and periodically review the Remuneration Policy and are responsible for overseeing its implementation;
- approve any material exemptions in accordance with the RemCo Terms of Reference ("ToRs"), made for individual staff members in terms of remuneration;
- has the ultimate responsibility for the identification process and the respective policy.

2) Remuneration Committee:

- assists the non-executive members of the Bank's BoD regarding the drafting, revision and implementation of the Remuneration Policy and makes relevant recommendations. During 2024 the Remuneration committee held 4 meetings.
- is established in such a way as to be able to offer specialised and independent advice regarding the Remuneration Policy and its implementation and the incentives created for managing corporate and risk culture, capital and liquidity so that to contribute to safeguarding a sound capital base and does not lead to shortcomings in the Bank's liquidity.
- It's objective and key responsibilities are determined by its Terms of Reference and are as follows:
  - To provide specialised and independent advice for matters relating to remuneration policy and its implementation and for the incentives created while managing risks, capital and liquidity and to support and advise the BoD regarding the design, update, monitoring of the implementation of the remuneration policy and its compliance;
  - To safeguard the proper exercise of its duties and responsibilities, the efficient alignment of the personnel's remuneration with the risks the Bank undertakes and manages and the required alignment between the Parent Entity and the Bank; and
  - To approve or propose for approval all exposures of Key Management Personnel and their and their close family members, as well as their controlled or jointly controlled entities excluding BoD members exposures which are approved by the BoD.

The Committee, in carrying out its duties, is accountable to the Bank's BoD.

The Committee members should not exceed 40% of total BoD members of the Bank, with a minimum of three (3) members. All Committee members are Non-Executive Directors of the Bank's BoD while the majority of the members, including the Chair, are Independent Non-Executive Directors

3) Board Risk Committee:

Without prejudice to the tasks of the Remuneration Committee, the Board Risk Committee:

- examines whether incentives provided by the remuneration policies and practices take into consideration the Bank's risk, capital, liquidity and the likelihood and timing of earnings;
- is involved in the identification process (MRTs identification).

4) Human Resources:

- oversees the drawing up and annual review of the Remuneration Policy, including the remuneration structure, remuneration levels and incentive schemes, in a way that would not only attract and retain the staff needs but also assures that the remuneration policy is aligned with the Bank's risk profile;

- takes into account the input provided by all competent corporate functions (e.g. Risk Management, Compliance, Strategy, Finance and Legal Units) when performing the annual review of the Remuneration Policy;
- ensures a proper exchange of information among all internal bodies and functions involved in the identification process (MRTs identification).

5) Risk Management:

- assists in and informs on the definition of suitable risk adjusted performance measures (including ex-post adjustments), as well as in assessing how the variable remuneration structure affects the risk profile and culture of the Bank and validates and assesses risk adjustment data
- is constantly involved in the review and definition of the remuneration policy, the incentive system and compensation processes as well as in the identification of objectives and in the performance appraisal. This involvement implies explicit link between the incentive mechanisms, selected metrics of the Risk Appetite Framework, the validation of performance and pay, so that the assumption of risk is properly bound to incentives related to risk management
- when determining the overall pool of variable remuneration (Incentives, Annual bonus and Long-Term Incentive Plan / "LTIP"), that can be awarded for that year and the amount of variable remuneration that will be paid out or will be vesting in that year, Risk Management with the help of Human Resources, performs an analysis considering a sound capital and liquidity base and other risks, associated with the Bank's activities, as further described in the Variable Remuneration Framework Policy
- is invited to attend the meetings of the Remuneration Committee to discuss the above matters
- is involved in the identification process in accordance with their respective role on an ongoing basis
- is responsible for assessing and controlling the process for determining the overall bonus pool at Bank level

6) Compliance Division:

- analyses how the remuneration policy affects the Bank's compliance with legislation, regulations, internal policies and risk culture and reports all identified compliance risks and issues of non-compliance to the BoD;
- its input is taken into account in the annual review of the Remuneration Policy;
- is involved in the identification process in accordance with their respective role on an ongoing basis

7) Internal Audit Division:

- Carries out annually an independent review of the design, implementation and effects of the Bank's remuneration policies on its risk profile and the way these effects are managed in line with the regulatory framework. The identification process and its result is also subject of the independent review.

The Remuneration Policy is accessible to all employees through the Bank's internal communication portal ("TLC").

Individuals with Material Impact on the Bank's Risk Profile

The identified staff according to the EU Regulation 923/2021 are identified with qualitative and quantitative criteria. The qualitative criteria used in identifying the Material Risk Takers are the following:

Criteria No.	Qualitative Criteria
1	Member of the management body in its supervisory function
2	Member of the management body in its management function
3	Member of the senior management

Criteria No.	Qualitative Criteria
4	Employee with managerial responsibility for the activities of the independent risk management function, compliance function or internal audit function[6]
5	Employees with managerial responsibility over the Bank's material business unit or with a significant impact on the risk profile of a material business unit
6	Employees with managerial responsibility for: (i) legal affairs (ii) the soundness of accounting policies and procedures (iii) finance, including taxation and budgeting (iv) performing economic analysis (v) the prevention of money laundering and terrorist financing (vi) human resources (vii) the development and implementation of the remuneration policy (viii) information technology (ix) information security (x) managing outsourcing arrangements of critical or important functions
7	Employees who are responsible for, or are members of Committees responsible for the management of a risk category: (i) Credit and counterparty risk (ii) Residual risk (iii) Concentration risk (iv) Securitisation risk (v) Market risk (vi) Interest risk arising from non-trading book activities (vii) Non-financial risk (i.e. operational risk, conduct risk etc.) (viii) Liquidity risk (ix) Risk of excessive leverage (x) Climate-related and environmental risk (xi) Compliance and AML risk
8	With regard to credit risk exposures of a nominal amount per transaction, representing 0.5% of the institution's Common Equity Tier 1 capital and is at least EUR 5 million, the employee meets one of the following criteria: a) the employee has the authority to take, approve or veto decisions on such credit risk exposures b) the employee is a voting member of a committee which has the authority to take the decisions mentioned in point (a)

[6] *For example: if the CRO is part of the management body he should be identified under criteria #2, although he is the head of an internal control function and he can also be classified under criteria #4.*

Criteria No.	Qualitative Criteria
9	Employees who individually or, as members of Committees, have authority to take, approve or veto a decision on transactions on the trading book which in aggregate meet one of the following thresholds: a) where the standardized approach is used, an own funds requirement for market risks which represents 0.5% or more of the Bank's Common Equity Tier 1 capital; or b) where an internal model-based approach is approved for regulatory purposes, 5% or more of the Bank's internal value-at-risk limit for trading book exposures at a 99%
10	Employees who head a group of employees who have individual authorities to commit the Bank to transactions and either of the following conditions is met: a) the sum of those authorities equals or exceeds the threshold referred to in point (8)(a) or in point (9)(a) above b) where an internal model-based approach is approved for regulatory purposes, those authorities amount to 5 % or more of the Bank's internal value-at-risk limit for trading book exposures at a 99th percentile (one-tailed confidence interval level); where the Bank does not calculate a value-at-risk at the level of that employee, the value-at-risk limits of staff under the management of this employee shall be added up
11	The employee meets either of the following criteria with regard to decisions on approving or vetoing the introduction of new products: a) the employee has authority to take such decisions b) the employee is a voting member of a committee that has authority to take such decisions
12(*)	Senior Managers and above (Grade 8 and above per the Bank's internal grading structure)

(*) This criteria is not provisioned by the European regulatory framework. It is an internally defined criteria.

The **quantitative criteria** used in identifying the identified staff are the following:

Criteria No.	Quantitative Criteria
1	Employees' total remuneration is equal or greater than 500,000 EUR[7]
2	Employees' total remuneration is within the 0.3% of the employees, rounded up to the next higher integer, who have been awarded the highest total remuneration in the preceding financial year (on an individual basis)
3	Employees' total remuneration is equal to or greater than € 500,000 and equal to or greater than the average total remuneration of all members of the BoD and senior management
4	The employee was awarded total remuneration of EUR 1 000 000 or more in or for the preceding financial year

[7] *This criterion has to be applied on an individual level but also consolidated basis.*

Identification Process of the Employees with Material Impact on the Bank's Risk Profile

The identification process of the identified staff is based on the aforementioned qualitative and quantitative criteria as set out in Commission Delegated Regulation (EU) No 923/2021 and, where needed, additional criteria have been set by the Bank that reflect the levels of risk of different activities within the Bank and the impact of employees on the Bank's risk profile.

The identification process of the identified staff is performed on an annual basis at Bank level as well as at Group level.

11.3 Categories of Remuneration

Remuneration plays a significant role in attracting and retaining talent whose contribution in the Bank's results is deemed critical. Remuneration mechanisms incorporate principles that take into account employees' skills and performance while supporting at the same time long-term business objectives. and are consistent with the principle of equal pay for male, female and diverse employees for equal work or work of equal value in line with point 65 of Article 3(1) of Directive 2013/36/EU and Article 157 TFEU. Any form of discrimination, based on gender or otherwise is not tolerated.

The Bank has developed a remuneration framework that is based on total remuneration ranges that differ among hierarchical levels and nature of business and on the basis of a gender neutrality including identified employees. Total remuneration ranges are reviewed annually taking into consideration market trends and current legal requirements. To this end, data from Compensation and Benefits Surveys, where available, provided from external consultants, is used as benchmark.

It should be noted that employees engaged in internal control functions are independent from the business units they oversee and have appropriate authority and are remunerated in accordance with the achievement of the objectives linked to their functions, independent of the performance of the business areas they control.

The remuneration of the employees in the independent control functions is predominantly fixed, to reflect the nature of their responsibilities. The variable remuneration of control functions, i.e. Risk Management Unit, Compliance Division, Internal Audit Division and ICT and Security Risk Management Division, is not based on the financial performance of the Units they monitor. On the other hand, the variable remuneration is based on simple and clear criteria formed on the basis of control objectives and to some extent on the performance of the Bank as a whole.

For the payout amount in relation to the variable remuneration of the members of the control functions, the qualitative and quantitative criteria will be defined according to the KPIs framework (to be established by the Bank). The KPIs will take into account the principles of the requirements of the specific criteria for control functions as set out in Articles 232 and 233 of the EBA Guidelines on sound remuneration policies.

Employees' total remuneration consists of fixed and variable components.

11.4 Fixed Remuneration General Principles

Fixed remuneration is gender neutral, permanent, predetermined, non-discretionary, transparent and non-revocable. (cannot be reduced, suspended or cancelled by the Bank). Fixed remuneration reflects primarily the relevant professional experience of the employee taking into account the educational level, experience, the degree of seniority, the level of expertise, and skills, professional certifications, the constraints (e.g. social, economic, cultural or other relevant factors), including the place of employment and its costs of living), the nature of the employment contract (e.g. temporary or with an indefinite period and the position's functional requirements. In addition, fixed remuneration does not provide incentives for risk assumption and it is not subject to malus and clawback arrangements. Individual increase proposals are based on employee performance but are not limited to market data.

11.5 Benefits and Business-Related Components

The Bank may offer various benefits and allowances to its employees and their families in line with the approved Benefits' Framework. Benefits are the types of compensation provided to employees to ensure market competitiveness in accordance with local market practice (e.g. pensions, medical insurance, life insurance).

The Remuneration Committee reviews the Benefits and Business-Related Components Policy (types of benefits, coverage etc.) on an annual basis, following proposal by the Human Resources. The benefits and allowance offered to employees are assimilated to the fixed component of remuneration as they are linked to the job / role description and not to the performance of the employee.

The benefits / allowances remuneration package for all employees is in line with the approved annual staff costs budget under the responsibility of the Human Resources. Some benefits / allowances are considered expenses for the Bank, not part of the payroll process and therefore, are excluded from the overall calculation of the fixed part of remuneration and also excluded from the calculation of the ratio between fixed and variable remuneration for staff.

11.6 Variable Remuneration General Principles

The Bank may provide variable remuneration in order to reward employee performance in alignment with unit and / or Bank performance taking into consideration the general principles set below.

The amount of variable remuneration awarded appropriately reflects to changes of the performance of the employees, the business unit and the Bank overall. In such variable remuneration schemes, the Bank specifies how the variable remuneration reacts to performance changes and the performance levels. This also includes performance levels where variable remuneration decreases down to zero.

As a result, it is upon Bank's discretion to award variable remuneration to employees as long as financial sustainability is maintained. The Bank has the right to partly or fully revoke the distribution of variable remuneration to its employees.

The total variable remuneration pool, as well as the distribution parameters used for its allocation among different business units, should be determined after taking into consideration the following parameters:

- The Parent entity's, the Bank's and the business units' profitability;
- The cost of tied-up capital, which is associated to risks undertaken spread over a period of time and is calculated based on the existing regulatory framework;
- Key developments in terms of credit risk, liquidity risk and market risk, which further adjust the Bank's total variable remuneration pool;
- Additional criteria for measuring the effectiveness and efficiency of employees, which include qualitative factors (e.g. qualifications, skills, compliance with Bank's policies contribution to the unit's performance, and personal competencies such as continuous improvement, customer orientation, team spirit, change leadership and people management) as well as factors related to the management of risks undertaken.

The variable remuneration pool allocated to each business unit, should be further adjusted through additional unit specific risk parameters (such as provisions from non-performing exposure, Value at Risk, credit, market & liquidity risk, losses incurred by fraud etc.) thus stressing the importance of the prudent management of such risks.

In case that the Bank grants variable remuneration to its employees, the appropriate risk alignment process should be followed as per the respective EBA Guidelines (EBA/2021/04) on sound Remuneration Policies under Directive 2013/36/EU and specifically Article 225 whereby institutions should set and document both quantitative and qualitative criteria for individuals, business units and the institution, encompassing both financial and non-financial criteria. The above are taken into account as part of the KPIs framework to be established by the Bank. The Bank reserves the right to apply malus or clawback arrangements to the variable remuneration awarded to employees.

The remuneration guidelines differentiate between the requirements applicable to all employees and requirements applicable to identified employees. As identified employees have a higher impact on the risk profile it is appropriate that more stringent remuneration policies are applied. Consequently, in cases where variable remuneration is awarded to identified employees according to the EU Regulation 923/2021 additional requirements are applied to the variable remuneration amounts (as described in Section "Variable Remuneration for Identified Staff").

At Bank level, the following types of variable remuneration have been defined:

Variable remuneration components	Timeframe
Incentive Schemes	Short term
Annual bonus	Medium term
Long term incentive plan ("LTIP")	Long term
Non-standard components	Specific conditions

11.8 Non-Standard Variable Remuneration Components

11.8.1 Guaranteed Variable Remuneration and Buyout

In exceptional cases, when hiring new employees, the Bank may provide guaranteed variable remuneration (e.g. 'guaranteed bonus', 'welcome bonus', 'sign-on bonus', 'minimum bonus') or buyout of a previous employment contract. These types of remuneration can occur only and where the Bank has a sound and strong capital base, is limited to the first year of employment and should only be granted once to a single employee (applicable at a consolidated and sub-consolidated level). Guaranteed variable remuneration can be awarded either in cash or in instruments and may not be subject to deferral arrangements . Also, the Bank will not apply the requirements on malus and clawback to guaranteed variable remuneration. Furthermore, the amount of guaranteed variable remuneration will not be included in the calculation of the ratio between the fixed and variable components of the total remuneration (as described in Section "Ratio Between Fixed and Variable Remuneration") for the first performance period, where the guaranteed variable remuneration is awarded when hiring new employee before the first performance period starts.

Remuneration granted as compensation or for the buyout of a previous contract (e.g. where the deferred variable remuneration of the employee was reduced or revoked by the previous employer because of the termination of the contract) all requirements for variable remuneration, including deferral, retention, pay out in instruments and clawback arrangements will be applied.

11.8.2 Separation Agreement Schemes

The Bank may provide separation agreement schemes for employees, relating to the early termination of a contract, taking into consideration current legislation.

Separation agreement schemes are linked to the performance achieved over time and that it does not reward failure or misconduct of the employee.

Severance payments are considered as variable remuneration, unless local regulatory / legal restrictions exist locally, at the level of each subsidiary.

Severance payments awarded to identified staff, will not be taken into account for the purpose of the calculation of that ratio and for the application of deferral and the pay out in instruments if:

- Severance payments are considered mandatory under national labour law or mandatory following a decision of a court
- Severance payments calculated through an appropriate predefined generic formula (e.g. gardening leave); where the Bank is able to demonstrate the reasons and the appropriateness of the amount of the severance payment.

11.8.3 Retention Schemes

The Bank may provide retention schemes to retain employees.

The retention amount complies with the general principles on variable remuneration, including the ex-post risk alignment, payment in instruments, deferral, retention, malus and clawback. Retention amounts are not based on performance, but on other conditions (i.e. the circumstance that the employee stays in the Bank for a predetermined period of time or until a certain event), therefore ex ante risk adjustments are not necessary. However, the retention bonus will not be awarded if material non-compliances or other failures of that staff member happen (e.g. material compliance breaches, misconduct).

When assessing and considering whether the award of a retention bonus to an identified staff is appropriate, the Bank will take into account at least the following:

- the concerns that lead to the risk that certain employee may choose to leave the Bank;
- the reasons why the retention of that employee is crucial for the Bank;
- the consequence if the staff member concerned leaves the Bank; and
- whether the amount of the awarded retention bonus is necessary and proportionate to retain the targeted employee.

The retention amount is not awarded to merely compensate for performance-related remuneration that is not paid due to insufficient performance or the Bank's financial situation.

The Bank sets the retention period as a specific period of time or by defining an event when the retention condition is met, after which the retention amount is awarded. The retention bonuses will only be awarded after the retention conditions have been met. However, if the financial situation of the Bank would not allow for the payment to be performed (e.g. capital restrictions imposed by competent authorities) the Bank reserves the right to reduce the retention bonus, possibly down to zero.

The retention amount is taken into account within the calculation of the ratio between the variable and the fixed remuneration as variable remuneration (as described in Section "Ratio Between Fixed and Variable Remuneration"). The retention amount is taken into account either with an annual amount in each year of the retention period which is calculated on a linear pro rata basis independent of the fact that the full amount is awarded after the end of the retention period, or with the full amount when the retention condition is met. Where the exact length of the retention period is not known upfront, the Bank sets and duly documents a period considering the situation and measures taken that justify the payment of a retention amount. The calculation of the ratio is based on the period set.

As a general principle, the Bank will not award multiple retention bonuses to an employee; in exceptional cases and where duly justified, more than one retention bonus may be paid to an employee, but at different moments in time and under specific conditions.

11.8.4 Discretionary Pension Benefits

As a rule, discretionary pension benefits are not granted and, in any case, if they may be provided, they should constitute a form of variable remuneration. The Bank ensures that where an employee leaves the Bank or retires, discretionary pension benefits are not paid without the consideration of the economic situation of the Bank or risks that have been taken by the employee which can affect the Bank in the long term.

As far as the identified staff is concerned the full amount of discretionary pension benefits is awarded as follows:

- when an identified staff leaves the Bank before retirement, the Bank holds the full amount of any discretionary pension benefits in instruments at least for a period of five years without the application of pro rata vesting;
- when an identified staff reaches retirement, a five-year retention period is applied to the full amount paid in instruments.

The Bank ensures that malus and clawback arrangements are applied in the same way to discretionary pension benefits as to other elements of variable remuneration.

11.8.5. Ratio Between Fixed and Variable Remuneration

Provided that variable remuneration is awarded to identified staff, the following rules should apply:

- The variable component cannot exceed 50% of the fixed component of the total remuneration.
- The Bank's Annual General Meeting may approve a higher maximum level of the ratio between the fixed and variable components of remuneration provided the overall level of the variable component shall not exceed 100% of the fixed component of the total remuneration for each individual and according to the process described as per CBC Directive. Any approval under the clauses of a higher ratio of 50% shall be carried out in accordance with the specific procedure of CBC Directive.

The competent authority will be informed about the increase (higher than 50% level) / reduction of the higher maximum ratio, without delay also considering the necessary documentation needed for submission to the competent authority.

- Currently the Bank uses the same ratio for all categories of employees (50%). If different ratios will be used for different categories of employees (but below the overall ratio approved by shareholders' meeting), the management body in its supervisory function (Non-Executive Directors of the Board) should approve this.
- The effective ratio is calculated as the sum of all variable components of remuneration that have been awarded for the last performance year as set out in this Remuneration Policy, , divided by the sum of fixed elements of remuneration awarded for the same performance year.
- The employee benefits and business-related components, which are considered as fixed remuneration, are not included in the overall ratio calculation, (pursuant to Art. 207 of the EBA Guidelines EBA/GL/2021/04).
- The Bank currently uses a yearly performance accrual period. Should multi-year accrual periods be implemented, the Bank will take into account in each year of the performance period the maximum amount of variable remuneration that is awarded at the end of the performance period divided by the number of years of the performance period.
- The ratio between the variable and fixed remuneration components is set independent of any potential future ex post risk adjustments or fluctuation in the price of instruments.

If the notional discount will be used, the implementation will take into account the local laws provisions, including Art. 212 of the EBA Guidelines EBA/GL/2021/04).

11.9 Performance Management

The Bank has in place a performance management framework aimed at continuous improvement of the employees and aligning with the strategic objectives and values of the Bank. The Bank has two performance management tools as presented below:

- "ΑΞΙΟΠΟΙΩ" applicable to all members of staff up to grade 7 (all members of staff excluding members of senior management)
- Members of senior management directly or indirectly reporting to the CEO are assessed by the CEO and Heads of Control Functions by the respective Board Committee. The assessments are then tabled to the RemCo of the Bank.

11.9.1 Variable Remuneration for "Identified Staff"

For identified staff additional requirements to their variable remuneration awarded are applied according to L.144(I)/2007 as in force which has incorporated the Directive 2013/36/EU as in force.

11.9.2 Deferral, Retention and Method of Payment Requirements

Variable remuneration of identified staff is applied in a manner that is appropriate to the Bank's size, internal organisation and the nature, scope and complexity of their activities.

Instruments awarded, both upfront and deferred, are subject to a retention period (a period of time after the vesting of instruments which have been awarded as variable remuneration during which they cannot be sold or accessed). Where the deferral period is at least five years, a retention period for the deferred part of at least six months may be imposed for employees other than members of the BoD and senior management for whom a minimum retention period of one year should be applied.

For any variable remuneration that exceeds the amount of € 50.000[8] or represents more than one third of the total annual remuneration the following deferral requirements apply for:

(i) Senior Executives[9]:

- for variable remuneration between € 0-€ 149.000 at least 40% deferral is applied;
- for variable remuneration between € 150.000-€ 349.000, at least 50% deferral is applied; and
- for variable remuneration over € 350.000[10], at least 60% deferral is applied.

(ii) the rest of the identified employees:

- for variable remuneration between € 0-€ 349000 a 40% deferral is applied; and
- for variable remuneration over € 350.000, a 60% deferral is applied.

The deferral amount is deferred over a period which is not less than four years, with the exception of the members of the management body and the senior management for which the deferral period is five years.

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[8] *Any variable remuneration awarded that does not exceed the gross amount of € 50.000 or does not represent more than one third of the staff member's total annual remuneration is awarded in cash and is not subject to retention and deferral policies*
[9] *Senior Executives are defined as the CEO, Senior General Managers, General Managers as well as all members of the Executive Committee (ExCo) irrespective of their hierarchical level in the Bank or their job title and regardless of whether they will maintain their ExCo membership in the future.*
[10] *An amount of € 350,000 and above is deemed to be variable remuneration of a "particularly high amount".*

The deferral period starts after the award is made (at the moment the upfront part of the variable remuneration is paid out). Deferred remuneration is spread out over several payments in the course of the deferral period. The payments are equal throughout every year of deferral. The first deferred portion should not vest sooner than 12 months after the start of the deferral period. Vesting takes place on a yearly basis. The deferral period ends when the awarded variable remuneration has vested or where the amount was reduced to zero as malus was applied.

Variable remuneration (deferred and non-deferred) is awarded or vests only if it is sustainable according to the financial situation of the Bank as a whole and justified on the basis of the performance of the Bank, the business unit and the employee concerned. Without prejudice to the general principles of national contract and labour law, the total variable remuneration shall generally be considerably contracted where subdued or negative financial performance of the Bank occurs, taking into account both current remuneration and reductions in payouts of amounts previously earned, including through malus or clawback arrangements.

Additionally, for any variable remuneration awarded that exceeds the amount of € 50.000 or represents more than one third of the total annual remuneration, at least 50% of it should consist of a balance of the following:

- shares or equivalent ownership interests;
- where possible, other instruments within the meaning of Article 52 or 63 of Regulation (EU) No 575/2013 or other instruments which can be fully converted to Common Equity Tier 1 instruments or written down, that in each case adequately reflect the credit quality of the Bank as a going concern and are appropriate to be used for the purposes of variable remuneration in accordance to the relevant clauses of Regulation (EU) No 527/2014; and
- variable remuneration should not be paid through vehicles or methods that facilitate the non-compliance with L. 4261/2014 or the Regulation (EU) No 575/2013.

Identified staff who receives part of their variable remuneration in instruments are required not to use personal hedging strategies or related insurance to undermine the risk alignment effects embedded in their remuneration arrangements.

Identified employees are required not to use personal hedging strategies or remuneration and liability-related insurance to undermine the risk alignment effects embedded in their remuneration arrangements. They are obliged to sign a yearly written commitment, through which they state they self-commit not to engage in hedging activities. The Human Resources will send the declaration to all applicable identified staff, following the completion of the identification process that is done yearly.

The Compliance performs inspections / checks of the compliance with this declaration with regard to the internal custodianship accounts of identified staff that receive payment in instruments. Also, should the Bank use custodial accounts outside the Bank, notification to the Bank (e.g. for any activity on the account) should also be made mandatory.

11.10 Malus and Clawback Arrangements

The Bank is able to apply malus or clawback arrangements up to 100% of the total variable remuneration in accordance with Article 94 (n) of EU Directive 2013/36/ EE regardless of the method used for the payment, including deferral or retention arrangements.

When setting criteria for the application of malus and clawback in accordance with Article 94 (n) of EU Directive 2013/36/ EE, and as a period during which malus or clawback will be applied, is also set. This period at least covers deferral and retention periods. The criteria used are the following:

- evidence of misconduct or serious error by the employee;
- whether the Bank and/or the business unit subsequently suffers a significant downturn in its financial performance;
- whether the Bank and/or the business unit in which the employee works suffers a significant failure of risk management;

- significant increases in the Bank's or business unit's economic or regulatory capital requirement;
- any regulatory sanctions where the conduct of the employees contributed to the sanction.

Where malus can only be applied at the moment of vesting of the deferred payment, clawback on variable remuneration may be applied without prejudice to the general principles of national contract or labour law.

Malus and clawback arrangements lead to a reduction of the variable remuneration where appropriate. Under no circumstances should an explicit ex post risk adjustment lead to an increase of the initially awarded variable remuneration or, where malus or clawback was already applied in the past, to an increase of the reduced variable remuneration.

11.11 Disclosures

In order to ensure adequate transparency to the market of the remuneration structures and the associated risks, the Bank discloses in a designated space in its official website, detailed information on the remuneration policies, practices and, for reasons of confidentiality, aggregated amounts for the BoD Directors and the identified employees, and publishes accordingly all information as per current legislation.

11.12 Aggregate quantitative information on remuneration

The tables that follow present information regarding the employees whose professional activities had a material impact on the risk profile of the Bank.

In addition, for the year 2023, the Bank did not pay any amount for termination of the employment of employees whose professional activities had a material impact on the risk profile of the Bank.

The Bank did not give out any guaranteed variable remuneration.

The table below provides information on the number of identified staff (incl. identified staff who left the Bank before the end of the financial year) and the breakdown of their remuneration for the financial year 2024 and 2023:

Table 27: Template EU REM1 - Remuneration awarded for the financial year

	31 December 2024			
	MB Supervisory function € thousands	MB Management function € thousands	Other senior management € thousands	Other identified staff € thousands
Fixed Remuneration				
Number of identified staff	**7**	**2**	**6**	**9**
Total fixed remuneration	**365**	**1.382**	**1.354**	**985**
Of which: cash-based	365	1.094	1.175	880
Of which: shares or equivalent ownership interests				
Of which: share-linked instruments or equivalent non-cash instruments				
Of which: other instruments				
Of which: other forms	-	288	179	104
Variable remuneration				
Number of identified staff	**-**	**2**	**6**	**6**
Total variable remuneration	**-**	**1.409**	**1.033**	**469**
Of which: cash-based	-	705	517	272
Of which: deferred	-	423	286	79
Of which: shares or equivalent ownership interests	-	705	517	197
Of which: deferred	-	423	286	79
Of which: share-linked instruments or equivalent non-cash instruments	-	-	-	-
Of which: deferred	-	-	-	-
Of which: other instruments				
Of which: deferred				
Of which: other forms				
Of which: deferred				
Total remuneration	**365**	**2.791**	**2.387**	**1.454**

	31 December 2023			
	MB Supervisory function	MB Management function	Other senior management	Other identified staff
	€ thousands	€ thousands	€ thousands	€ thousands
Fixed Remuneration				
Number of identified staff	7	2	7	7
Total fixed remuneration	424	858	1.342	762
Of which: cash-based	424	739	1.174	690
Of which: shares or equivalent ownership interests				
Of which: share-linked instruments or equivalent non-cash instruments				
Of which: other instruments				
Of which: other forms				
Variable remuneration				
Number of identified staff	-	2	7	6
Total variable remuneration	-	625	690	244
Of which: cash-based	-	263	345	155
Of which: deferred	-	24	118	20
Of which: shares or equivalent ownership interests	-	362	345	89
Of which: deferred	-	325	158	54
Of which: share-linked instruments or equivalent non-cash instruments	-	-	-	-
Of which: deferred	-	-	-	-
Of which: other instruments				
Of which: deferred				
Of which: other forms				
Of which: deferred				
Total remuneration	424	1.483	2.032	1.006

The table below provides information on deferred remuneration:

Table 28: Template EU REM3 - Deferred remuneration

	31 December 2024							
	Deferred and retained remuneration							
	Total amount of deferred remuneration awarded for previous performance periods	Of which due to vest in the financial year	Of which vesting in subsequent financial years	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in the financial year	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in future performance years	Total amount of adjustment during the financial year due to ex post implicit adjustments (i.e.changes of value of deferred remuneration due to the changes of prices of instruments)	Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year	Total of amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods
	€ thousands	€ thousands	€ thousands	€ thousands	€ thousands	€ thousands	€ thousands	€ thousands
MB Supervisory function	-	-	-	-	-	-	-	-
Cash-based								
Shares or equivalent ownership interests								
Share-linked instruments or equivalent non-cash instruments								
Other instruments								
Other forms								
MB Management function	**2.353**	**700**	**1.654**	-	-	-	**55**	**534**
Cash-based	529	21	509				21	-
Shares or equivalent ownership interests	1.735	645	1.090				-	534
Share-linked instruments or equivalent non-cash instruments	89	35	55				35	-
Other instruments								
Other forms								
Other senior management	**1.116**	**356**	**760**	-	-	-	**35**	**292**
Cash-based	332	20	312				20	-
Shares or equivalent ownership interests	745	321	425				-	292
Share-linked instruments or equivalent non-cash instruments	38	15	23				15	-
Other instruments								
Other forms								
Other identified staff	**327**	**121**	**205**	-	-	-	**5**	**116**
Cash-based	87	5	82				5	-
Shares or equivalent ownership interests	240	116	123				-	116
Share-linked instruments or equivalent non-cash instruments	-	-	-				-	-
Other instruments								
Other forms								
Total amount	**3.796**	**1.177**	**2.619**	-	-	-	**95**	**943**

	31 December 2023							
	Deferred and retained remuneration							
	Total amount of deferred remuneration awarded for previous performance periods	Of which due to vest in the financial year	Of which vesting in subsequent financial years	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in the financial year	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in future performance years	Total amount of adjustment during the financial year due to ex post implicit adjustments (i.e.changes of value of deferred remuneration due to the changes of prices of instruments)	Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year	Total of amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods
	€ thousands	€ thousands	€ thousands	€ thousands	€ thousands	€ thousands	€ thousands	€ thousands
MB Supervisory function	-	-	-	-	-	-	-	-
Cash-based								
Shares or equivalent ownership interests								
Share-linked instruments or equivalent non-cash instruments								
Other instruments								
Other forms								
MB Management function	599	186	413	-	-	-	112	-
Cash-based	52	12	40				12	-
Shares or equivalent ownership interests	373	74	299				-	-
Share-linked instruments or equivalent non-cash instruments	174	100	74				100	-
Other instruments								
Other forms								
Other senior management	334	88	246	-	-	-	57	-
Cash-based	9	5	4				5	-
Shares or equivalent ownership interests	206	31	175				-	-
Share-linked instruments or equivalent non-cash instruments	119	52	67				52	-
Other instruments								
Other forms								
Other identified staff	18	-	18	-	-	-	-	-
Cash-based								
Shares or equivalent ownership interests								
Share-linked instruments or equivalent non-cash instruments								
Other instruments								
Other forms								
Total amount	951	274	677	-	-	-	169	-

The table below provides information on the number of identified staff that earned €1 million or more in a financial year:

Table 29: Template EU REM4 - Remuneration of 1 million EUR or more per year

EUR	31 December 2024 Identified staff that are high earners as set out in Article 450(i) CRR	31 December 2023 Identified staff that are high earners as set out in Article 450(i) CRR
1 000 000 to below 1 500 000	1	1
1 500 000 to below 2 000 000	-	-
2 000 000 to below 2 500 000	-	-
2 500 000 to below 3 000 000	-	-
3 000 000 to below 3 500 000	-	-
3 500 000 to below 4 000 000	-	-
4 000 000 to below 4 500 000	-	-
4 500 000 to below 5 000 000	-	-
5 000 000 to below 6 000 000	-	-
6 000 000 to below 7 000 000	-	-
Total	**1**	1

The table below provides information on fixed and variable remuneration for identified staff for 2024 and 2023:

Table 30: Template EU REM5 - Information on remuneration of staff whose professional activities have a material impact on institutions' risk profile (identified staff)

	31 December 2024								
	Management body remuneration			Business areas					
	MB Supervisory function	MB Management function	Total MB	Investment banking & Asset management [(1)]	Retail banking	Corporate functions	Independent internal control functions	All other	Total
Total number of identified staff									**24**
Of which: members of the MB	7	2	9						
Of which: other senior management				2	2	2	-	-	
Of which: other identified staff				1	-	3	5	-	
Total remuneration of identified staff (€'000)	**365**	**2.791**	**3.156**	**842**	**1.158**	**1.100**	**741**	**-**	
Of which: variable remuneration (€'000)	-	1.409	1.409	360	563	404	175	-	
Of which: fixed remuneration (€'000)	365	1.382	1.747	482	595	696	566	-	

	31 December 2023								
	Management body remuneration			Business areas					
	MB Supervisory function	MB Management function	Total MB	Investment banking & Asset management [(1)]	Retail banking	Corporate functions	Independent internal control functions	All other	Total
Total number of identified staff									23
Of which: members of the MB	7	2	9						
Of which: other senior management				2	4	1	-	-	
Of which: other identified staff				1	-	2	4	-	
Total remuneration of identified staff (€'000)	424	1.483	1.907	631	1.205	626	576	-	
Of which: variable remuneration (€'000)	-	625	625	202	431	187	114	-	
Of which: fixed remuneration (€'000)	424	858	1.282	429	774	439	462	-	

[(1)] *The Investment banking and Assets management business areas have been combined together into one category.*

The remuneration to the non-executive members of the BoD comprises 11,6% (2023: 22,2)% of the total remuneration to the BoD.

Appendix 1: Template EU CCA: Main features of regulatory own funds instruments and eligible liabilities instruments

		2023/2022
1	Issuer	**Eurobank Cyprus Ltd**
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	N/A
2a	Public or private placement	Private
3	Governing law(s) of the instrument	Cyprus
3a	Contractual recognition of write down and conversion powers of resolution authorities	No
	Regulatory treatment	
4	Current treatment taking into account, where applicable, transitional CRR rules	N/A
5	Post-transitional CRR rules	N/A
6	Eligible at solo/(sub-)consolidated/ solo&(sub-)consolidated	Solo
7	Instrument type (types to be specified by each jurisdiction)	Ordinary Shares
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	€12.010K
9	Nominal amount of instrument	€10K per share
EU-9a	Issue price	100%
EU-9b	Redemption price	100%
10	Accounting classification	Shareholders equity
11	Original date of issuance	21 December 2007
12	Perpetual or dated	Perpetual
13	Original maturity date	N/A
14	Issuer call subject to prior supervisory approval	N/A
15	Optional call date, contingent call dates and redemption amount	N/A
16	Subsequent call dates, if applicable	N/A
	Coupons / dividends	
17	Fixed or floating dividend/coupon	N/A
18	Coupon rate and any related index	N/A
19	Existence of a dividend stopper	N/A
EU-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	N/A
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	N/A
21	Existence of step up or other incentive to redeem	N/A
22	Noncumulative or cumulative	N/A
23	Convertible or non-convertible	N/A
24	If convertible, conversion trigger(s)	N/A
25	If convertible, fully or partially	N/A
26	If convertible, conversion rate	N/A
27	If convertible, mandatory or optional conversion	N/A
28	If convertible, specify instrument type convertible into	N/A
29	If convertible, specify issuer of instrument it converts into	N/A
30	Write-down features	N/A
31	If write-down, write-down trigger(s)	N/A
32	If write-down, full or partial	N/A
33	If write-down, permanent or temporary	N/A
34	If temporary write-down, description of write-up mechanism	N/A
34a	Type of subordination (only for eligible liabilities)	N/A
EU-34b	Ranking of the instrument in normal insolvency proceedings	N/A
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	N/A
36	Non-compliant transitioned features	N/A
37	If yes, specify non-compliant features	N/A
37a	Link to the full term and conditions of the instrument (signposting)	N/A

Appendix 2: Definition of financial ratios included in the Report

- **Cost to income ratio:** Total operating expenses divided by total operating income.
- **Return on equity:** Net profit for the year divided by the average equity (the arithmetic average of equity at the end of the reported year and at the end of the previous year).
- **Loans to deposits:** Loans and advances to customers divided by due to customers at the end of the reported year.
- **Cost of risk:** Impairment allowance on loans and advances charged in the reported year, divided by the average balance of loans and advances to customers (the arithmetic average of loans and advances to customers at the end of the reported year and at the end of the previous year).
- **NPE provisions coverage:** Impairment allowance for loans and advances to customers, including impairment allowance for credit related commitments (off balance sheet items) divided by NPEs at the end of the reported period.
- **Credit-impaired loans/gross loans:** NPEs divided by gross loans and advances to customers (the balance of loans and advances to customers before impairment allowance).
- **Capital adequacy ratio:** Total regulatory capital as defined by the CRR, divided by total Risk Weighted Assets.
- **MREL Ratio:** Total regulatory capital (as above) plus MREL Eligible liabilities as defined by BRRD and BRRD2 divided by Total RWAs.
- **Leverage ratio:** The leverage ratio is calculated as total regulatory capital divided by total exposure measure, as defined by the CRR.

Appendix 3: List of abbreviations

Abbreviation	Definition
AC	Amortised Cost
ALCO	Assets & Liabilities Committee
AT1	Additional Tier 1
BIA	Basic Indicator Approach
BoD or the Board	Board of Directors
BRC	Board Risk Committee
BRRD	Bank Recovery and Resolution Directive
BRRD2	Directive (EU) 2019/879
BTAR	Banking Book Taxonomy Alignment Ratio
CBC	Central Bank of Cyprus
CBC Directive	CBC Directive to Credit Institutions on Governance and Management Arrangements in Credit Institutions
CBR	Combined Buffer Requirement
CCB	Capital Conservation Buffer
CCF	Credit Conversion Factor
CCR	Counterparty Credit Risk
CCyB	Countercyclical buffer
CET1	Common Equity Tier 1
CFP	Contingency Funding Plan
C&E risks	Climate and Environmental risks
CR&E	Climate-Related and Environmental
CMDI	Crisis Management and Deposit Insurance
CRD or Capital Requirements Directive	Directive (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending Directive 2013/36/EU
CRM	Credit Risk Mitigation
CRR or Capital Requirements Regulation	Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No 575/2013
CRR Quick fix	Regulation (EU) 2020/873
CSA	Credit Support Annex
CSRBB	Credit Spread Risk in the Banking Book
CSRD	Corporate Sustainability Reporting Directive
CVA	Capital Valuation Adjustment
DE&I	Diversity, Equity & Inclusion
DGS	Deposit Guarantee Schemes
Disclosure ITS	Commission Implementing Regulation (EU) 2021/637
EAD	Exposure at Default
EBA	European Banking Authority
EC	European Commission
ECAIs	External Credit Assessment Institutions
ECB	European Central Bank

Abbreviation	Definition
ECL	Expected Credit Losses
EIR	Effective Interest Rate
EMAS	Environmental Management Systems and Eco-Management and Audit Scheme
EP	European Parliament
ESG	Environmental, Social and Governance
EU	European Union
EVE	Economic Value of Equity
ExCo	Executive Committee
FAQs	Frequently Asked Questions
FRTB	Fundamental Review of the Trading Book
FVOCI	Fair Value Through Other Comprehensive Income
FX or Currency	Foreign Exchange
GAR	Green Asset Ratio
GMRA	Global Master Repurchase Agreements
G-SII	Globally Systemically Important Institutions
HQLA	High-Quality Liquid assets
ICAAP	Internal Capital Adequacy Assessment Process
identified employees or identified staff or MRTs	individuals who have a material impact on the Bank's risk profile
ILAAP	Internal Liquidity Adequacy Assessment Process
IRRBB	Interest Rate Risk in the Banking Book
ISDA	International Swaps and Derivatives Association
ITS	Implementing Technical Standards
KPIs	Key Performance Indicators
KRIs	Key Risk Indicators
LCR	Liquidity Coverage Ratio
LGD	Loss Given Default
LTIP	Long-Term Incentive Plan
MDA	Maximum Distributable Amount
MREL	Minimum Requirement for Own funds and Eligible Liabilities
MRR	Mandatory Reserve Requirement
NFRD	Non-Financial Reporting Directive
NII	Net Interest Income
NMD	Non-maturity deposits
NomCo	Nominations & Internal Governance Committee
NSFR	Net Stable Funding Ratio
OCR	Overall Capital Requirements
O-SII	Other Systemically Important Institutions
Own Funds	Total Regulatory Capital
P2G	Pillar 2 Guidance
P2R	Pillar 2 Requirement

Abbreviation	Definition
Parent Entity	Eurobank S.A.
PD	Probability of Default
RAS	Risk Appetite Statement
RAS Indicators	Risk Appetite Indicators
RAF	Risk Appetite Framework
RCSA	Risk and Control Self – Assessments
PiT	Point-in-Time
POCI	Purchased or Originated Credit Impaired
RemCo	Remuneration Committee
RMU	Risk Management Unit
RTS	Regulatory Reporting Standards
RWA	Risk Weighted Assets
SFDR	Sustainable Finance Disclosure Regulation
SICR	Significant Increase in the Credit Risk
SMEs	Small-Medium Entities
SPE	Single Point of Entry
SRB	Single Resolution Board
SREP	Supervisory Review and Evaluation Process
SRF	Single Resolution Fund
SRM	Single Resolution Mechanism
SRM Regulation	European Parliament and Council adopted Regulation No 806/2014
SRMR2	Directive (EU) 2019/877
STS	Simple Transparent and Standardised
SyRB	Systemic Risk Buffer
T2	Tier 2
the Bank	Eurobank Cyprus Ltd
the Group	Parent Entity and its subsidiaries
the Report	Pillar 3 report
ToRs	Terms of Reference
TLTRO III	Targeted Longer-Term Refinancing Operations III
TSCR or Total SREP Capital Requirements	Total capital adequacy ratio
TU	Treasury Unit
VaR	Value at Risk