COOPERATIVE BANK OF CHANIA
Cooperative of Limited Liabilities

Financial Statements in Accordance with IFRS

For the period

From 1st January

to

31st December 2022

CONTENTS

Any differences in totals are due to rounding off.

Credit Institution Name	**COOPERATIVE BANK OF CHANIA Cooperative of Limited Liabilities** **(distinctive title: COOPERATIVE BANK OF CHANIA)** **English: COOPERATIVE BANK OF CHANIA Cooperative of Limited Liabilities** **(distinctive title: COOPERATIVE BANK OF CHANIA)**
Legal Framework	Law 1667/1986, Law 4261/2014, EU Directive 575/2013
Operating License as a Credit Institution	Meeting resolution 560/18-09-1995 (Item 14) of the Bank of Greece's Monetary and Credit Affairs Committee
Number of Branches	23 Branches
Award Contract No.	123088758000
Website	www.chaniabank.gr
E-mail address	info@chaniabank.gr
Board of Directors' Composition	
Chairman	Michael Marakakis son of Emmanuel
Deputy Chairman	Georgios Androulakis son of Charalambos
Secretary	Alexandros Perivolakis son of Vasilios
Treasurer	Georgios Farantakis Georgios son of Iosif
Executive Member	Emmanuel Apostolakis son of Apostolos
Executive Member	Apostolakis Spyridon son of Nikolaos
Executive Member	Anastasios Vamvoukas son of Dimitrios
Non-Executive Member	Koulierakis Ioannis son of Efstratios
Independent Non-Executive Member	Ioannis Malandrakis son of Ioannis
Independent Non-Executive Member	George Baourakis son of Michael
Executive Member	Dimitrios Dokakis son of Vasilios
Independent Non-Executive Member	Maria Sperelaki daughter of Theodoros
Independent Non-Executive Member	Iosif Hiotakis son of Iosif
VAT REG. NO. - TAX OFFICE	096149662 - TAX OFFICE OF CHANIA
Year of Incorporation	1993
Address	28-32 Eleftheriou Venizelou Street
Phone	28210-25500

This Annual Financial Report includes the following sections:

- The Board of Directors Members’ Statement
- The Audit Report by the Independent Certified Public Auditor/Accountant
- The Board of Directors’ Annual Report
- The Annual Financial Statements for the Bank and the Group for the 2022 fiscal period
- Notes to the Financial Statements

Board of Directors Members' Statement

We certify that to the best or our knowledge:

- The annual financial statements, which have been prepared in accordance with the applicable accounting standards. give a true and fair view of the assets and liabilities, the equity and the results of the "Cooperative Bank of Chania Cooperative of Limited Liabilities", as well as the companies included in the consolidation taken as a whole and
- The Board of Directors' Annual Report fairly reflects the evolution, performance and position of the Bank as well as the companies included in the consolidation as a whole, including a description of the main risks and uncertainties that they face.

Chania, 6 June 2023

Chairman of the BoD	Deputy Chairman of the BoD	Treasurer of the BoD
Michael Marakakis	**Georgios Androulakis**	**Georgios Farantakis**

Audit Report by the Independent Certified Public Auditor/Accountant

To the Partners of the

“Cooperative Bank of Chania Cooperative of Limited Liabilities”

Audit Report on the Corporate and Consolidated Financial Statements

Opinion

We have audited the accompanying corporate and consolidated financial statements for **“Cooperative Bank of Chania”** (the "Bank"), which comprise the corporate and consolidated statement of financial position as at 31st December 2022, the corporate and consolidated statements of comprehensive and other income, changes in equity and cash flows for the year ended on this date and a summary of significant accounting policies and methods and other explanatory information.

In our opinion, the accompanying corporate and consolidated financial statements fairly present, in all material respects, the financial position of the Bank and its subsidiaries as at 31st December 2022, their financial performance and their cash flows for the year then ended on this date in accordance with the International Financial Reporting Standards as adopted by the European Union.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as incorporated in Greek Law. Our responsibilities, according to these standards, are further described in our report under the paragraph "Auditor's responsibilities for the audit of corporate and consolidated financial statements". Throughout the term of our appointment, we have remained independent from the Bank and its consolidated subsidiaries, pursuant to the Code of Ethics for Professional Auditors of the International Ethics Standards Board of Accountants (IESBA Code) that has been adopted by Greek Law and the ethical requirements that are related to the audit of corporate and consolidated financial statements in Greece and we have fulfilled our ethical obligations pursuant to current law and the requirements of the IESBA Code. We believe that the auditing evidence that we have acquired suffices and is appropriate to base our audit opinion.

Material uncertainty related to going concern

We draw your attention to Note 2.2 of the corporate and consolidated financial statements, which refers to the management of non-performing loans (NPLs) and the necessary actions to be taken, starting from 2023, to strengthen the capital adequacy ratio in accordance with the plan submitted to the Bank of Greece.

As mentioned in the above note, these facts, together with the subject described in Note 22a, indicate the existence of material uncertainty which could potentially adversely affect the Bank’s and the Group’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Emphasis of subject

We draw your attention to Note 22a of the corporate and consolidated financial statements which analyzes contingent liabilities of the Bank arising out of the lawsuits of certain partners against the Bank in respect of the Contracts of the Special Account "Return". In our opinion there is no reservation on this matter.

Key audit issues

The key audit issues are those matters which, in our professional judgment, were of paramount importance in our audit of the corporate and consolidated financial statements of the audited fiscal period. These issues were addressed in the context of the audit of the corporate and consolidated financial statements as a whole in order to formulate our opinion on these and we do not express a separate opinion on these issues. In addition to the issue described in section "Material uncertainty related to going concern" of our report, we have found that the issues described below are the most important audit issues to be reported in our report.

<table>
<tr><th>Key audit issues</th><th>How it was handled</th></tr>
<tr><td colspan="2">1. Provisions for impairment of loans and receivables against customers in accordance with IFRS 9</td></tr>
<tr><td>Due to the importance of the size of loans in the financial statements, the complexity of calculating the impairment of loans and the significant degree of judgment on them as well as the assumptions-estimates of management required for this purpose, and under IFRS 9 applied by the Bank, we considered that impairment of loans by customers is a important audit issue for the Bank and the Group in the current fiscal year.

Loans and other amounts due to customers of the Bank and the Group amounted to EUR 381.4 million and EUR 343.3 million, respectively as at 31 December 2022 compared to EUR 386,7 million and EUR 352.3 million for the Bank and the Group as at 31 December 2021, after accumulated impairment losses of EUR 101.6 million for the Bank and the Group as at 31 December 2022, compared to EUR 100 million as at 31 December 2021.

The Bank and the Group establish a provision for loan impairment in accordance with IFRS 9 for incurred losses on both an individual and collective basis.

The key judgments are:
▪ The application of IFRS 9 requires significant assessments and judgments on the proper</td><td>Based on the audit risk assessment, we assessed the methodologies, policies and judgments/assumptions adopted by Management to determine expected future credit losses in respect of loan and receivable impairment.
For this important audit issue, we performed, among other things, the following audit procedures:

We evaluated the reasonableness of the assumptions and decisions made by Management in the classification and measurement of financial instruments, the business model and the appropriateness of the classification of financial assets at amortized cost, as well as the consistency of its exposure classification methodology to the stages laid down in the standard.

We evaluated the following items:
<u>Individually rated loans</u>
▪ We assessed the design and implementation of the audit's internal controls which are related to our audit, including internal controls that are related to the significant estimates, data, calculation and methodologies used.
▪ We assessed the appropriateness of the methodology and the provision calculation policy used by Management.
▪ We have audited and evaluated, on a sample of loans serviced basis, the completeness of the qualification</td></tr>
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classification of loans and how they are measured, to determine the increase in credit risk, the macroeconomic criteria, and the correct design of the mathematical formulas and data to be used in calculating the expected credit loss.
▪ The methodologies and policies selected by management, collateral valuation, assumptions/parameters, macroeconomic criteria, current conditions and environment resulting from the pandemic crisis (COVID-19) and the range of multiple financial scenarios performed to determine discounted cash flows used for loans evaluated on an individual basis.
▪ The methodologies and policies adopted by management, models for measuring credit risk through credit risk factors, such as loss in default, probability of default and exposure to default, and macroeconomic criteria in combination with the range of multiple economic scenarios used to calculate the amount of impairment carried out on a collective basis, taking into account the grouping of similar populations, including the probability of default, loss in the breach and the time period between the occurrence of a particular loss-making event and the date on which it becomes known.

Management has provided further information on the accounting principles and policies used to determine the provision for loan impairment, credit risk management and the impairment review in Notes 2.7, 4.3, 4.4 and 10 of the corporate and consolidated financial statements.
</td>
<td>
of loans with signs of impairment by evaluating them in accordance with the provisions of IFRS 9, while examining the uncertainties, suitability of the assumptions used against the value of collateral, the estimated future cash flows and the period of recovery.
▪ We recalculated the discounted cash flows by comparing the results as determined by Management and we looked into any differences.
▪ We assessed the completeness and accuracy of disclosures based on the relevant accounting standards.

<u>Loans that are assessed on a collective basis:</u>
▪ We assessed the design and implementation of the audit's internal controls which are related to our audit, including internal controls that are related to the significant estimates, data, calculation and methodologies used by examining the completeness and accuracy of the data used in the impairment models, reconciling these data with the systems from which they originated.
▪ We evaluated the policy, provisions calculation methodology and the reasonableness of the impairment model methodology as well as the key judgments adopted and applied by management to the models to determine the credit risk parameters for calculating the expected credit loss.
▪ We checked on a sampling basis the main parameters used to calculate the probability of default, the loss in case of default and the exposure in default in order to calculate the expected credit risk losses at the end of the fiscal year.
▪ We assessed the reasonableness of the impairment model methodology applied by Management and the main crises adopted in the models to determine the credit risk parameters for calculating the expected credit loss.
</td>
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2. Recoverability of Deferred Tax Assets (DTAs)	
The Bank's and Group's "DTAs" amounted to EUR 20.1 million and EUR 20.2 million, respectively as at 31 December 2022, compared to EUR 23.2 million and EUR 23.3 million, respectively as at 31 December 2021.	In order to assess the recoverability of the Bank's and the Group's "DTAs" and based on our assessment of the audit risks, we examined the assumptions and methods used by the Bank and the Group to

For the Bank (and at Group level), temporary differences relate, for the most part (approximately € 27 million), to losses arising from credit risk impairment provisions as well as an amount of approximately € 1.9 million of "DTAs" related to the amortisable debt difference referred to in par. 3 of Article 27 of Law 4172/2013 (from loan write-offs). These "DTAs" are not necessarily based on future profitability since part of them of approximately €18.2 million is related to the special tax framework of Article 27^{A} of Law 4172/2013 where the Bank may convert the "DTAs" on these temporary differences into final and settled claims against the Greek State (see Note 18). Thus, the measurement of the recoverability of deferred tax receivables is considered a key audit issue as it depends on Management's judgment and estimates of the Bank and the Group's ability to generate future taxable profits, the assessment of the historical tax losses and the specific tax framework of the Articles 27 and 27^{A} of Law 4172/2013 which may not be appropriate under the circumstances, while the Bank and the Group's business plan may be affected by the risks of the macroeconomic and banking environment as well as the uncertainty of the Bank continuing under the principle of going concern as we report in our Report. Management has provided further information on its assumptions and significant accounting estimates for deferred tax assets in notes 4.13.3 and 18 of the corporate and consolidated financial statements.	determine the recoverability of the "DTAs" and its assumptions about the existence of future tax profits. The assessment procedures primarily included: • The review of the Bank's business and financing plan, the strategy for the divestment of part of its subsidiaries and Management's reasonable assumptions and expectations regarding future taxable profits of the Bank and their impact on the "DTAs" balance by assessing the historical nature of the Bank and Group's tax profits, the budget data and calculations that accompany the Bank and Group's business and financing plan provisions • We evaluated the above assumptions and expectations of the Bank and the Group based on our own assessments and knowledge about the Bank, the Group and the industry, in general • Assessment of Management's estimates of recent changes in tax Law and the assumptions used to calculate the amount of "DTAs" in accordance with the provisions of articles 27 and 27^{A} of Law 4172/2013 • Assessment of the adequacy and appropriateness of the relevant disclosures for concerning the "DTAs" in the corporate and consolidated Financial Statements Based on the above procedures, we considered that Management's judgments and assumptions regarding the deferred tax assets were reasonable.

Other information

Management is responsible for other information. Other information is included in the Board of Directors' Annual Report, for which special reference is made in "Report on Other Legal and Regulatory Requirements", the Board of Directors Members' Statements but do not include the financial statements and the audit report thereon.

Our opinion on the corporate and consolidated financial statements does not cover other information and we do not express any form of assurance on them in our opinion.

In relation to our audit of the corporate and consolidated financial statements, it is our responsibility to read the other information and thus to consider whether the other information is materially inconsistent with the corporate and consolidated financial statements or knowledge we obtained during the audit or otherwise appear to be materially incorrect. If, on the basis of the work we have performed, we come to the conclusion that there is a material error in the other information, we are obliged to report this fact. We have nothing to report on this issue.

Responsibilities of management and those charged with governance for the corporate and consolidated financial statements

Management is responsible for the preparation and fair presentation of the corporate and consolidated financial statements in accordance with IFRS as these have been adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of corporate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the corporate and consolidated financial statements, Management is responsible for assessing the Bank and Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless Management either intends to liquidate the Bank and Group or to cease operations, or has no realistic alternative but to do so.

The Bank's Audit Committee (art. 44 4449/2017) is responsible for overseeing the financial reporting process of the Bank and the Group.

Auditor's responsibilities for the audit of corporate and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the corporate and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs, as these have been incorporated in Greek law, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these corporate and consolidated financial statements.

As part of an audit in accordance with ISAs, as these have been incorporated in Greek law, we exercise professional judgment and maintain professional skepticism throughout the audit. Also:

- We identify and evaluate the risks of material misstatement of the corporate and consolidated financial statements, whether due to fraud or error, by designing and conducting audit procedures that respond to those risks and obtain audit evidence that is sufficient and appropriate to provide us with a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank and Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank and the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the corporate and consolidated financial statements, including the disclosures, and whether the corporate and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the corporate and consolidated financial statements. We are responsible for the direction, supervision and performance of the Bank and its subsidiaries' audit.

We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the corporate and consolidated financial statements of the current period and are therefore the key audit matters.

Report on Other Legal and Regulatory Requirements

1. Board of Directors' Management Report

Having regard that Management is responsible for the preparation of the Board of Directors' Report pursuant to the provisions of article 2(5) of the Law 4336/2015 (part B), we note that:

a) In our opinion, the Board of Directors' Report has been prepared in accordance with the applicable legal requirements of articles 150 and 153 of Law 4548/2018 and its content corresponds to the attached corporate and consolidated financial statements for the year ended 31/12/2022.

b) Based on the information that has been made available to us during our audit, about the Bank and the Group and its environment, we have not identified material inaccuracies in the Board of Directors' Management Report.

2. Supplementary Report to the Audit Committee

Our opinion on the accompanying corporate and consolidated financial statements is consistent with our Supplementary Report to the Bank's Audit Committee provided for in Article 11 of Regulation (EU) No. 537/2014.

3. Provision of Non-Auditing Services

We did not provide the Bank and its subsidiaries with the non-auditing services that are prohibited in accordance with Article 5 of Regulation (EU) No. 537/2014.

The permitted non-auditing services we have provided to the Bank and its subsidiaries during the period that ended on 31 December 2022 are disclosed in Note 28 of the attached corporate and consolidated Financial Statements.

4. Appointment of an Auditor

We were appointed as the Bank's Certified Public Auditor/Accountants for the first time further to a decision taken 18/06/2006 by the annual ordinary general assembly of partners. The fiscal year that ended on 31/12/2022 is the fourth consecutive fiscal year for which I act as a regular auditor based on the annual decisions of the regular general meeting of the Bank's partners.

Athens, 19.06.2023

THE CERTIFIED AUDITOR-ACCOUNTANT

STAVROS NIKIFORAKIS

SOEL REG. NO. 11501

APEX CERTIFIED AUDITORS SA

SOEL REG. NO. 202

203 Syngrou Avenue, PC 17121

Athens

BOARD OF DIRECTORS' ANNUAL MANAGEMENT REPORT

On the Consolidated Financial Statements of the Cooperative Bank of Chania Cooperative of Limited Liabilities for the fiscal year 2022.

The following annual report by the Board of Directors concerns the fiscal year 2022 (01.01.2022 to 31.12.2022). The Report is harmonized with the relevant provisions of articles 150 to 153 of Law 4548/18. This report presents in a true manner all the relevant and legally necessary information about the Cooperative Bank of Chania Cooperative of Limited Liabilities (hereinafter the "Bank") and the Group.

The Report is included in the Annual Financial Report for the 2022 fiscal period, together with the financial statements of the Bank and the Group and the other statements and declarations that are required by the law.

Developments in the International and European Environment

Russia's invasion of Ukraine has caused serious economic consequences worldwide, mainly through an unprecedented rise in energy prices and high uncertainty about the duration of this crisis. Nevertheless, international economic activity continued to show resilience.

Global economy, after the strong recovery recorded in 2021, slowed down significantly in 2022. According to IMF forecasts (January 2023), global GDP growth is estimated to reach 3.4% in 2022 from 6.2% in 2021.

International commodity prices, especially for natural gas, soared to historically high levels, primarily because of the effects of the war and secondarily because of ongoing problems in global value chains. Geopolitical uncertainty, declining Russian hydrocarbon exports to Europe, EU and US sanctions on oil imports from Russia, and strong demand for natural gas have led to a sharp increase in energy prices.

International trade slowed down significantly during 2022. In particular, international commodity flows were hit by: a) the rise in global commodity prices; b) the sharp slowdown in China's economy, which disrupted manufacturing and exports and compounded problems in global value chains; and c) the deterioration of terms of trade in many economies due to the appreciation of the US dollar.

International inflation recorded an impressive increase in 2022 and turned out to be higher and more protracted than initially forecast. According to the IMF, global inflation is estimated to have risen sharply to 8.8% in 2022 from 4.7% in 2021, while in advanced economies it reached its highest levels in 40 years.

Monetary policy in 2022 recorded one of the sharpest rounds of tightening in many economies worldwide in order to deal with very high, persistent and widespread (in goods and services) inflation. The rate and magnitude of the increase in key interest rates, as well as the decisions to limit quantitative easing measures, varied between economies depending on the prevailing supply and demand conditions. The interest rate increases by the central banks of major economies in 2022 were strong, aimed at containing inflationary pressures.

At the same time, fiscal policy faced significant challenges in 2022, aiming to reduce deficits and safeguard the sustainability of public debt after the pandemic on the one hand, and to address the impact of the energy crisis on the other. Governments adopted temporary fiscal measures with significant fiscal costs to mitigate the impact of the inflationary shock on household and business incomes. Global public debt is estimated to have fallen significantly to 91% of global GDP in 2022, driven by deficit reduction, economic recovery and inflation, but is still 7.5 percentage points higher than pre-pandemic levels.

The current outlook for the global economy is surrounded by high uncertainty and risks remain elevated:

- A possible escalation of geopolitical tensions or war in Ukraine could cause inflation and international energy prices to remain high for longer. By extension, the risk of stagflation is particularly high in Europe, which is a large net importer of energy and has been severely hit by the adverse change in terms of trade.
- A worsening of geopolitical fragmentation trends observed in international trade will lead to a regression of economic globalisation, a deterioration of economic growth rates and an increase in prices.

- Further disruptions in international supply chains and energy sufficiency will create the need for regional solutions, raising questions of strategic autonomy and exacerbating uncertainty about the dynamics of international trade.
- A sharp or generalised reassessment of financial risks could trigger a resurgence of fiscal sustainability risks and a new debt crisis, particularly in developing economies.

In the euro area, economic activity in 2022 proved more resilient than initially expected, despite the impact of the war. The prospects for the euro area economy deteriorated during the year, amid heightened geopolitical uncertainty, problems in supply chains and historically high global energy prices, which weakened economic sentiment and pushed up inflation.

The contraction in real incomes had a negative impact on the outlook for private consumption and investment. However, Member States have taken exceptional budgetary measures to support households and businesses against rising energy costs. The financial support package, combined with the recovery in the services sector as well as the dynamics of the labour market, have limited the economic impact of the inflationary shock.

At the same time, the adoption of energy-saving measures by Member States and the mild winter at the end of the year reduced the risk of significant shortages in the energy sector and thus of a recession. Furthermore, fiscal policy measures and the NGEU funds have supported economic activity and employment prospects in the euro area.

Thus, GDP growth in the euro area in 2022 slowed to 3.5%, compared to 5.4% in 2021.

Despite the sharp rise in price levels during 2022 and the fall in consumer confidence to, historically, low levels in September 2022, inflationary pressures and rising borrowing rates gradually slowed consumer spending. Private consumption has started to recover, albeit at a slower pace, based on the resilience of the labour market and policy measures.

During 2022, inflation accelerated sharply in the euro area and reached historically high levels. At mid-year, inflation in the euro area was 8.4% in 2022, compared to 2.6% in 2021.

The intensifying inflationary pressures in the euro area have changed the direction of the ECB's monetary policy. Initially, inflation was expected to de-escalate during 2022, as it was considered that the upward trend in prices was due to the impact of transient factors associated with the exit from the pandemic. As the increases in energy prices were large and unexpected, it had become clear that the war would have a substantial impact on economic activity and inflation. From July 2022 onwards, the ECB made successive increases in key interest rates, ending an eight-year period of negative interest rates and marking the sharpest shift in the direction of monetary policy ever recorded. Cumulatively, the ECB raised key interest rates by 250 basis points in 2022 (at successive meetings in July, September, October and December 2022) and by a further 100 basis points in early 2023 (at meetings in February and March 2023). At the end of March 2023, the interest rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility were 3.50%, 3.75% and 3.00% respectively.

In addition to interest rate increases, the ECB has adopted other measures to further normalise monetary policy, limit excess liquidity and reduce the money supply, as well as to address any new market fragmentation and ensure the smooth transmission of monetary policy across euro area countries.

The labour market in the euro area remained resilient in 2022, reflecting the trend of maintaining surplus staff amid labour shortages. Total employment increased by 2.2% in 2022, compared to 1.4% in 2021. At the same time, unemployment as a percentage of the workforce fell to 6.7% for the full year (from 7.7% in 2021). The unemployment rate in individual member states ranged from 3.0% in Germany to 13.0% in Spain and 11.6% in Greece (December 2022).

Risks to the outlook for the euro area economy remain significant and continue to depend mainly on geopolitical developments and volatility in international energy prices:

- The risk of disruption to Europe's energy supply remains elevated if the Russia-Ukraine war is prolonged or escalated, and if it is combined with greater energy demand from China.
- The risk of severe turbulence in financial markets with possible spillover effects on economic growth intensified in March 2023 amid the collapse of Silicon Valley Bank in the US and the bailout of Credit Suisse in Switzerland.

A sharper-than-expected deterioration in financial conditions could have adverse effects on corporate viability, financial stability, but also on public debt dynamics in many Member States.

- A possible sharp price correction in real estate markets, amid rising lending rates, would further constrain domestic demand.
- Finally, the persistence of inflationary pressures for longer than expected, due to possible spillovers on wages or new increases in energy prices, would reinforce the risk of higher inflation expectations and more persistent increases in core inflation.

On the other hand, the accelerated de-escalation of inflation due to effective monetary policy and the greater resilience of private consumption and investment, thanks to the use of the European NextGenerationEU recovery instrument, could lead to lower inflation and higher growth.

Developments in Greece

In 2022 the Greek economy, despite the adverse international environment, continued to grow at a high rate. Real GDP grew by 5.9% and surpassed pre-pandemic levels compared to 8.4% in 2021, thanks mainly to an increase in private consumption and investment, as well as a strong rise in tourism. Fiscal support measures to curb the impact of the pandemic and the energy crisis on households and businesses also contributed to the positive performance of the economy.

Private consumption was the main component of growth, recording a strong growth rate in 2022 (+7.8%), despite the decline in real disposable household income due to strong inflationary pressures. Factors that supported consumption were deferred demand, the use of household savings accumulated during the pandemic and the fiscal measures taken to deal with the energy crisis.

A positive contribution to growth was also made by an increase in services exports, thanks to the performance of the tourism sector, which recovered faster in Greece than in other countries. In particular, travel revenues in 2022 almost reached the level of 2019, thus supporting income and consumption. The investments also contributed positively to growth, supported by improved business profitability, the utilisation of NGEU resources and the positive performance of foreign direct investment. On the contrary, the rise in imports, largely due to a significant increase in the prices of imported energy products, as well as an increase in industrial production, private consumption and investment, contributed negatively to the change in GDP.

General inflation accelerated sharply in 2022 due to the high rise in international energy prices, reducing real household income and undermining the outlook for the economy. The Harmonized Index of Consumer Prices (HICP) increased by 9.3% in 2022 (from 0.6% in 2021), recording consistently higher annual rates until September, exceeding all previous historical peaks since its inception. The increase in this index reflects very high energy and food prices.

Labour market improved further during 2022, despite the slowdown in overall employment recorded in the second half of the year, due to the slowdown in the pace of economic activity. In particular, the number of employees increased by 5.4% in 2022, compared to 1.4% in 2021. Respectively, the unemployment rate fell to 11.6% from 14.7% in 2021, while there was a significant reduction in the long-term unemployment rate and the unemployment rate of young people aged 20-29.

The international competitiveness of the Greek economy continued to improve in 2022, in an international environment of very high rates of price and nominal labour cost increases. In particular, it is estimated that competitiveness continued to improve mainly in terms of labour costs per unit of product, as the average salary increase in Greece was comparatively lower than in the main trading partners of the country, reflecting the recent developments in the minimum wage.

Greece achieved one of the largest fiscal adjustments in Europe and recorded the largest cumulative reduction in public debt, which returned to below pre-pandemic levels. For 2022 it is estimated that the contraction of the primary deficit will be higher than originally planned, due to the under-execution of the primary expenditure versus the annual target and better performance of tax revenue. According to the Bank of Greece's forecast, in 2022 the general government's primary deficit is estimated to fall to 1% of GDP compared to 5% in 2021 and 6.9% in 2020 and the debt to 171.4% of GDP compared to 194.5% in 2021.

Greek economy, although facing several significant challenges, has managed to make significant progress since the great debt crisis of the previous decade and is on a positive trajectory, showing high resilience, while the credibility of economic policy has been strengthened. In the coming years, the implementation of the National Recovery and

Resilience Plan is expected to contribute to the further strengthening of investments and the maintenance and creation of new and better paid jobs. At the same time, the sustainability of Greek public debt is not undermined by increased financing costs in the medium term. However, the necessary conditions are that the targeted fiscal support measures remain in place, that fiscal credibility and stability are preserved and that European resources are used. Sound economic policy will contribute to the recovery of the investment grade this year, with multiplier positive effects across all sectors of the economy.

Thus, Greece has the historic opportunity to complete the transformation of its economy, making it more resilient against future crises and bringing it closer to the European average.

Despite progress in many areas, the Greek economy still has long-standing structural problems, making it more vulnerable to potential new disruptions than other countries. Examples of such inherent weaknesses include:

- Delays in administering justice.
- Bureaucracy and inefficiency that persist in some areas of public administration.
- The shortfall in certain key infrastructure.
- Delays in the completion of the national cadastre.
- Inadequate control of tax evasion.
- Some gaps in the so-called "knowledge triangle" (education - research - innovation).
- Quasi-oligopolistic conditions in specific markets for goods and services.
- The unemployment rate, which remains higher than the euro area average (particularly among the most vulnerable groups, such as young people and women).

The mismatch between demand and supply of jobs remains an important problem, with some firms finding it difficult to find suitable workers because they either lack the required qualifications or have moved to other sectors with better employment prospects.

Finally, the country's GDP remains below 2008 levels, while public debt as a percentage of GDP remains the highest in the euro area.

The greatest risk for the prospects of the Greek economy, in a period of successive crises and increased uncertainty, would be the loss of the credibility of economic policy, which has been so difficult to regain, and a return to bad practices of the past such as the interruption and/or reversal of reform efforts.

Maintaining a satisfactory growth rate over the next period is the main challenge the Greek economy currently faces. In particular, risks to the growth rate of the Greek economy are:

- Deterioration of the external environment due to adverse geopolitical developments.
- Higher and more persistent inflation.
- Lower than expected absorption rate of NGEU funds.
- Interruption of the implementation of reforms or the reversal of past reform changes, with negative effects on enhancing the productivity of the economy and the competitiveness of enterprises.
- The emergence of a new generation of non-performing loans, due to rising interest rates and the energy crisis, following the phasing out of state support measures.

On the contrary, a possible faster decline in inflation and a better-than-expected performance of tourism could have an upward impact on growth.

Greek Banking System

An extensive restructuring of the banking sector has taken place in recent years. Banks have largely cleaned up their balance sheets, addressing the problem of non-performing loans mainly through the Hercules programme. Liquidity conditions have improved with increasing deposits and stable access to capital markets. At the same time, capital adequacy ratios are maintained at a satisfactory level, above the minimum supervisory threshold. Moreover, the return of banks to profitability in 2022 is a noteworthy development because, among other things, it strengthens the chances of starting a cycle of strengthening the banks' capital base and financing sound business plans. Overall, the figures show that the Greek banking sector is now in a better position than in the past to absorb the recent shocks in international markets, coupled with the support it is receiving from the European Central Bank (ECB).

Bank financing to the private sector recorded a notable acceleration in 2022, remaining at a higher level than in previous years. The significant increase in economic activity and the rise in inflation, which inflated the financing needs of companies due to the increased cost of raw materials and energy, fuelled the demand for bank loans. At the same

time, the withdrawal of measures to deal with the initial phases of the pandemic, in particular the refundable advance and the suspension of bank loan repayments, led to additional demand for bank financing by businesses. As far as bank credit supply is concerned, the provision of liquidity by the Eurosystem, the continued increase in bank deposits and the significant reduction in the non-performing loan (NPL) ratio were positive factors.
The strong recovery in new bank loans in 2022 came mainly from financing to large corporations, while consumer loans also increased.

The prospects for the development of credit expansion to the private sector in 2023 are adversely affected by the tightening of monetary policy and the slowdown in economic activity, despite the support provided by European financial instruments.

Deposits in the domestic private sector continued to strengthen in 2022, although their annual growth rate slowed down due to the decline in the real deposit rate. In particular, private bank deposits recorded a cumulative increase of EUR 8.6 billion (or 5%) in 2022, which corresponds to about half of the increase in deposits recorded in 2021. The growth rate of household and corporate deposits was negatively affected by the increase in inflation, which, combined with the maintenance of low nominal deposit rates, led to a decline in the real interest rate.

The increase in the ECB's key interest rates has progressively affected domestic bank interest rates, with compound effects on domestic credit expansion and the development of deposits in Greek banks, which due to time lags will continue to manifest themselves for some time to come. Deposit rates were maintained at very low levels in 2022, despite increases in key interest rates. On the other hand, the cost of bank lending increased in 2022 for all types of credit.

The improvement in the quality of the balance sheet and the increase in interest rates favoured the profitability of Greek banks. In 2022, Greek banking groups recorded profits, mainly due to the significant reduction in provisions for credit risk and the increase in operating income from non-interest-bearing operations (mainly commissions, income from financial transactions, etc.), while operating expenses decreased. At the same time, interest income strengthened in 2022 as a whole, mainly due to the increase in interest rates on loans in the second half of the year.

Capital adequacy ratios in December 2022 improved compared to December 2021.

The quality of the loan portfolio of Greek banking groups improved further, but the share of non-performing loans (NPLs) in total loans remains significantly higher than the European average. According to the latest available data, NPLs recorded a further decline to 8.7% of the total loan portfolio in December 2022 (from 12.8% in December 2021), compared to 2.3% at the euro area level (September 2022 data), while all systemic banks have already achieved their operational target of a single-digit NPL ratio. The stock of Greek banks' NPLs amounted to EUR 13.2 billion in December 2022, down by EUR 5.2 billion compared to December 2021 and by around EUR 95.5 billion compared to March 2016, when the highest level of NPLs was recorded. This significant improvement is mainly due to loan sales through the utilisation of the "Hercules" programme and, secondarily, to collections through active management and support measures by the government and banks to facilitate borrowers in terms of loan repayment conditions.

The exposure of Greek banks' balance sheets to interest rate risk is limited. In particular, Greek government bonds held in banks' portfolios and valued at their current value are negatively affected by the decline in prices in an environment of rising key interest rates. However, the largest share (around 80%) of this portfolio consists of securities held to maturity and therefore not affected by price movements, while at the same time it is noted that banks also apply interest rate risk hedging policies. Nevertheless, the interest rate risk could become significant if banks are forced to sell these securities to raise liquidity. This is why it is important to maintain liquidity conditions in the banking sector, with the support of monetary authorities, in order to ensure financial stability.

Finally, improving the capital base of Greek banks remains a major challenge for the sector, especially in the current environment of changing global financial conditions. The quality of banks' capital remains relatively low, as the bulk of total regulatory capital relates to final and settled deferred tax assets. At the same time, the rise in interest rates implies an increase in interest costs at a time when banks will have to make progress towards meeting Minimum Requirement for Equity and Eligible Liabilities (MREL) through new bond issuance. A qualitative and quantitative strengthening of the capital base and an improvement in organic profitability are therefore required. A possible upgrade of the credit rating of the Greek State in the investment category will be particularly important for the banks, as, through their subsequent upgrading, it will entail retention of their borrowing costs. Furthermore, addressing the consequences of climate change risk and the adoption of new, digital technologies are additional challenges for the domestic banking sector.

Cooperative Bank of Chania

The basic guiding principle of the Bank of Chania's action is to contribute to local development and support the economy with a sense of responsibility. Operating in order to build a relationship of trust with its customers, but also to promote innovation, our Bank has effectively addressed all the complex challenges it has been called upon to face, while remaining a pillar of the domestic financial system. The coronavirus pandemic, which followedf a decade-long economic crisis, caused major disruption not only nationally but also globally. However, the Bank of Chania managed to address all the difficulties it encountered along the way, continuing to grow.

Our main goal remains the continuous improvement of profitability and the expansion of our figures by expanding our cooperation with households and businesses. Our Bank is well aware of the needs of the local community, having, in fact, set up a vast portfolio of products and services, which fully meets the requirements of the modern digital age, with an eye on the green economy.

In 2022, our Bank continued to invest in digital transformation projects. In particular, it has completed the upgrade of the electronic document management and archiving system and is constantly improving its e-banking platform (e-banking, mobile banking), incorporating systems that offer maximum security of user data. It is worth noting that in the last three years, our Bank has been awarded four times for its digital infrastructure and services. Following the award for e-banking and the double award for the mobile application, the Bank won the Gold Award in the Fraud Prevention category at the Cyber Security Awards 2023

The Bank's Network

In total, the Bank's network currently consists of twenty-three branches in Crete and Attica. In particular, the branch network in Crete consists of fifteen branches and eight in Attica. In Crete, there are eight branches in the Prefecture of Chania, one branch in the Prefecture of Rethymnon, four branches in the Prefecture of Heraklion and two branches in the Prefecture of Lassithi. In Attica there are branches at the following locations: Syngrou Avenue, Peristeri, Agia Paraskevi, Dragatsani Street (Klafthmonos Square area), Kallithea, Pagrati, Marousi and Glyfada.

Liquidity

The liquidity of the Bank during 2022 as well as in 2021, remained at high levels, keeping available to central and other banks € 190 million and € 173 million on 31.12.2022 and 31.12.2021 respectively.
The liquidity regulatory indicators remain high, exceeding the minimum 100% regulatory limits. Specifically, on December 31, 2022 the Liquidity Coverage Ratio (LCR) reached 521% and 566% for the Group and the Bank respectively, while the Net Stable Funding Ratio (NSFR) amounted to 143% and 149% for the Group and the Bank respectively.

Capital Adequacy

On 31.12.2022, on a consolidated basis, the Capital Adequacy Ratio stood at 15.64% (2021: 14.50%) and on an individual basis at 16.24% (2021: 14.56%).

According to the new provisions (Law 4261/2014 and EU Regulation 575/2013), the following capital buffers have entered into force since 01/01/2016:

Capital Conservation Buffer: It is expressed as a percentage of the total amount of exposures at risk and amounts to 2.50% as from 01/01/2019. According to decision 428/28.06.2022 by the CIC (Credit and Insurance Committee), the Bank will not have maintain a 2.50% for the year 2022.

Countercyclical capital buffer: Expressed as a percentage of the total risk exposure amount and ranges between 0% and 2.50%, while it is also possible to increase to more than 2.50% if justified under the provisions of Article 127 (3) of Law 4261/2014. For 2022 and 2021, the Bank of Greece set the countercyclical capital buffer ratio at 0%.

Based on decision 428/28.06.2022 by the Credit and Insurance Committee and as part of the Supervisory Review and Evaluation Process (SREP), additional capital requirements of 3.36% were set for the Bank for the year 2022.

Based on all of the above, the minimum capital adequacy ratio that is required by the Bank for 2022 is 11.36%.

Year	Capital Adequacy Ratio	Buffer under Law 4261/2014	Additional SREP Requirements	Total Capital Adequacy Ratio
2021	8.00%	2.50%	2.68%	13.18%
2022	8.00%	0.00%	3.36%	11.36%

In addition, it should be noted that due to the significant contribution of deferred taxation to regulatory capital, the risk associated with the recognition of deferred tax assets (DTA & DTC, Article 27 and 27ª of Law 4172/2013) is significant and associated with future tax rates and any adverse changes in the legal and regulatory framework governing the handling of deferred tax assets in regulatory capital.

Handling of non-performing exposures (NPEs)

The Bank's main priority is the limitation of Non-Performing Exposures (NPEs). In this regard, the Bank's NPEs Strategy is regularly reviewed and adjusted in the context of the current global and local economic conditions.

During the previous years, a review of the management infrastructure and NPEs Strategy was carried out, in line with the Executive Committee Acts and other directives of the Bank of Greece and the European Banking Authority.

In particular, the Bank has implemented the following:

Organizational restructuring: Significant redesign with the creation of independent administrative structures and the implementation of thoroughly documented practices and policies on its arrears portfolio.

• Development of flexible products for final arrangements and procedures.

• Management of human resources and utilisation of knowledge and experience of executives in the management of NPEs.

• Key investments in Information Systems equipment, combined with the operation of platforms for inclusion in beneficial debt settlement laws.

In the previous years, compliance with the set operational objectives for Non-Performing Exposures was achieved in the context of the implementation of the ESIA, despite the unfavourable macroeconomic environment and difficulties in their management.

In September 2022, the Bank submitted to the Bank of Greece its strategic objectives for the NPEs/NPLs, which illustrate the Bank's targeting for the management and reduction of the NPEs by the end of 2025, foreseeing a reduction of them through the reformed Strategic Management of the NPEs of the Bank, despite the interim deterioration of their size provided for in the short term due to the current economic situation and the adoption of an even more stringent supervisory framework for default.

Specifically, the Bank's objective was to significantly reduce NPEs and to achieve an NPE ratio of 21% by 2024 and 16% by 2025.

In Q3 2022, the settlement of a denounced claim of €18 million was successfully completed, which reduced the amount of the NPEs. However, due to the general macroeconomic conditions and especially the increased inflation and the rise in interest rates, already from the fourth quarter of the year there is a risk of the creation of new NPEs, a trend that is expected to continue in 2023 if conditions do not normalise.

In 2022, there was a relative decrease of about 1% in both NPEs and NPLs compared to the previous year.

The following Table shows the most important ratios for monitoring and managing the Bank's Loans.

Account/Ratio	2022	2021
€ / %		
Loans	483,048,362	486,763,043
Accumulated provisions	101,623,909	100,047,315
Loan Coverage Value	499,488,099	487,509,825
Non-performing exposures (NPEs)	226,745,989	233,758,340
of which: Non-performing loans (NPLs)	204,866,819	208,772,774
of which: Definitive delays	179,983,603	166,966,494
Non-performing exposures (NPEs)/Loans	46.94%	48.02%
Non-performing loans (NPLs)/Loans	42.41%	42.89%
Definitive arrears/loans	37.26%	34.30%
Provisions/ Loans	21.04%	20.55%
Coverage of NPLs	42.31%	39,39%
Coverage of NPEs	42.52%	39.28%
Collateral / Loans	103.40%	100.15%
Collateral and provisions / Loans	124.44%	120.71%
Average loan interest rate	6.34%	5.77%

In view of implementing the operational objectives set for the management of the NPEs for 2023, the following were taken into account:

- Increased energy costs and its impact on inflation, due to the ongoing Russia-Ukraine war, as well as rising interest rates. Personal incomes, as well as costs of producing consumer goods, have been significantly affected by inflationary pressures.
- The local economic environment, favoured by the upward trend of the tourist season, the upward trend of real estate prices and the construction activity on the island.
- Increase in the use of electronic auctions, which has made the debt collection procedure more flexible in favour of creditors, with delays caused by the lack of certified notaries.
- Impact of the current legal framework and in particular the completion of the pending cases of Law 3869, the implementation of the new Law 4738 "Debt Settlement and provision of a second chance", along with the operation of special electronic platforms to facilitate the achievement of settlements. However, while the number of applications via the online platform is significant, very few cases are finally implemented.
- Other factors such as internal infrastructures (information systems, personnel, organizational structure), as well as the experience so far from the management of the specific portfolio of the Bank's Non-Performing Loans.

The main focus of the Bank's loan portfolio consolidation remains the reduction of NPEs through the de-recognition of loans through securitisation and/or the sale of part of the NPEs at the end of 2024.

Conversion of a deferred tax asset into a definitive and settled claim against the Greek State (Article of Law 4172/2013)

The Bank, pursuant to the decision of the Extraordinary General Meeting of November 24, 2015, has been subject to the provisions of article 27[A] of Law 4172/2013 on the voluntary conversion of deferred tax claims, on temporary differences, into final and settled claims against the Greek State.

This guarantees the provisional tax claim (DTA) by converting it into a definitive claim (DTC), with a corresponding benefit in the calculation of regulatory capital. The maximum amount of deferred tax assets that can be converted into a final and outstanding claim on the Greek State amounts to approximately **EUR 18.2** million.

Risk Management

The purpose of the Risk Management Unit is to design and implement risk management policies in accordance with the guidelines of the BoD of the Bank and the applicable instructions of the Supervisory Authorities (Bank of Greece, European Central Bank, European Banking Authority).

The main risks to which the Bank is exposed, according to the nature of its activities, are credit and operating risks.

- For credit risk, the Standardized Approach is followed, as provided for in Regulation (EU) No 575/2013 (Articles 111-133).
- For operational risk, the Key Indicator approach is followed, in accordance with Articles 315 - 316 of Regulation (EU) No 575/2013.

In addition to the above, the Bank is exposed to the following risks:

- Interest rate risk, which relates to the possibility of unexpected changes in interest income and / or expense as a result of changes in interest rates (due to the time mismatch in the adjustment of asset and liability interest rates). It is analysed in two sub-risks:
  - The position risk: It is the risk associated with the change in the value of the assets due to a change in interest rates.
  - The income risk: It is the risk that refers to the likelihood that the bank's income will be reduced to an unforeseen or undesirable rate of interest.

  The Bank’s exposure to this risk is relatively small, as almost all of the interest bearing assets and liabilities are at a floating rate.
- Liquidity risk, which is related to the Bank’s potential inability to find sufficient cash to meet its liabilities. In order to manage this risk, the principles of liquidity risk management, as reflected in the Management’s decisions, are applied in conjunction with the Liquidity Risk Appetite Strategy and the current framework setting out liquidity limits.
- Technological risk, which involves insufficiency of technology and information systems and failure of either one of these systems. Because of this, it is pointed out that there is a need to protect systems both from external factors and from intrinsic difficulties. The technological risk also includes the possibility that any of the Bank’s investments in an information system or technological equipment fails to deliver the expected results.
- The legal risk is due to changes in the legal framework governing the operation of a credit institution, as well as the imposition of penalties and/or fines by supervisory and/or judicial authorities that, as a consequence, affect the profitability and alter the institution’s position. For example, a court ruling on a particular bank may have broader

implications in resolving important banking issues throughout the banking system. Particular attention should also be paid to the thorough understanding of the international supervisory framework, as it may be interpreted in various ways and a misunderstanding could lead to substantial fines. Finally, legal risk is also linked to the institution's reputation risk.

- Reputation risk, which is considered to be of particular importance and is associated with the risk of damage to the credit institution's reputation due to negative publicity. It is mainly caused by past failures of the institution's activities, management or products. This type of risk is considered to be crucial, because the damages it may cause cannot be accurately predicted and it is therefore necessary to monitor it continuously.
- Compliance risk which means the risk of legal or supervisory penalties, financial loss or impact on the reputation of the credit institution as a result of its failure to comply with laws, regulations and/or codes of conduct. Compliance risked faced by the Bank was limited as the Bank took all measures necessary to restrain it.
- Market risk, which consists of foreign exchange risk and trading risk. With respect to this type of risk, the following apply:

(a) With respect to the currency risk, in accordance with Rule 351 of Regulation (EU) No 575/2013, as long as the sum of the Bank's equity in foreign currency and gold does not exceed 2% of its total equity, the Bank does not create a capital requirement.

(b) With respect to the trading book risk, since the volume of its activities is extremely low and never exceeds 6% of its total assets, as set out in Article 94 of Regulation (EU) No 575/2013, the capital requirements for this risk are covered by the capital requirements created for credit risk.

Group - Developments

The following are the consolidated companies of the group and their respective voting rights:

	Group Voting percentage	
Subsidiary Name	**31.12.2022**	**31.12.2021**
CRETAN REAL ESTATE SA	74.46%	74.46%
CRETAN HOLDINGS SA	100.00%	100.00%
BIOCHEM SA	79.88%	79.88%
ABEA	71.69%	71.69%
PRIME ENERGY GROUP SA	100.00%	100.00%

There were no significant changes in the Group structure in **2022**.

Prospects for the Future

The main objectives of the Group for the year 2023 are:

- The increase of internal capital and economic growth, seeking to increase the price of the cooperative share, as well as the overall capital strengthening of the Group.
- Strengthen the Bank's competitive position through the implementation of significant partnerships and synergies.
- Reduce the non-performing loan ratio through the effective management of this portfolio and the broader improvement of the quality of the Bank's portfolio.
- Implement the prerequisite actions for the transformation of the Bank into a Société Anonyme, which will lead to its entry into a regulated market in the medium term.
- Handle and utilise the Group's properties in an efficient and beneficial manner.
- Further strengthen the capital adequacy ratio both individually and on a consolidated basis.
- Maintain and further strengthen a risk management framework to shield the Bank from external threats.
- Maintain the liquidity reserve and related ratios at high levels.
- Introduce new and flexible financial products and tools to meet customer requirements.
- Promote the Bank's digital transformation, modernise the products and services provided, as well as expand digital transactions, in order to provide exemplary customer service at all levels.
- Increase of Bank's profitability on the basis of limiting its operating expenses and optimising its net interest margin.
- Materially support both households and businesses and the Bank's business customers, in order to develop their activities and enhance their competitiveness in a wide range of actions.

- Further upgrade the Bank's corporate social responsibility programme, in support of the local community and creating value for all stakeholders.
- Highlight the dimension of sustainability, both in financing and risk management, but also in the daily operation of the Bank.

Evolution of financial figures and profit and loss for 2022

Assets

The Bank's total assets as at 31.12.2022 increased by approximately €5.6 million compared to 31.12.2021, which is mainly due to the increase in cash and cash equivalents by approximately €16.9 million. There was also a €5.3 million reduction in loans after provisions and a €6 million reduction in other assets and deferred tax.

Amounts in EUR	GROUP		BANK	
ASSETS	**2022**	**2021**	**2022**	**2021**
Cash and Cash with Central Banks	178,889,583	153,257,398	178,717,669	153,035,827
Due from banks	11,718,650	20,510,608	11,718,650	20,510,608
Loans (balance after provisions)	343,364,408	352,257,536	381,424,454	386,715,729
Deferred tax assets	20,180,926	23,261,813	20,139,421	23,198,152
Other assets	133,758,301	130,699,412	82,090,874	85,049,774
TOTAL ASSETS	**687,911,869**	**679,986,767**	**674,091,068**	**685,510,090**

Loans

The total loans (before provisions) of the Bank on 31.12.2022 amount to €483m (€ 444.9m for the Group), compared to €486.7m (€452.3m for the Group) in 2021, showing an increase of 0.8%. The Bank's cumulative provisions for 31.12.2022 amount to €102m compared to €100m in 2021. The coverage ratio of total loans to provisions of the Bank for 2022 reached 21% compared to 20,6% in the previous year.

Amounts in EUR	GROUP		BANK	
GRANTS	**2022**	**2021**	**2022**	**2021**
Loans and amounts due to customers (total) less:	444,986,173	452,302,969	483,048,362	486,763,043
Credit risk provisions	(101.621.765)	(100,045,433)	(101,623,909)	(100,047,314)
Loans (balance after provisions)	**343,364,408**	**352,257,536**	**381,424,453**	**386,715,729**

Liabilities

The Bank's deposits on 31.12.2022 amount to €599.3m compared to €601.2m in 2021, marking a decrease of €2m (a percentage change of 0.3%). The balance of the bond loans amounts to € 17.3m.

Amounts in EUR	GROUP		BANK	
LIABILITIES	**2022**	**2021**	**2022**	**2021**
Deposits	599,686,228	601,990,506	599,258,944	601,244,042
Debt securities and other loans in issue	17,273,152	17,275,267	17,273,152	17,275,267
Other liabilities	14,535,397	12,832,716	4,313,788	5.307.110
TOTAL LIABILITIES	**631,494,777**	**632,098,489**	**620,845,884**	**623,826,419**

Equity

The number of Bank members at the end of 2022 amounted to 27,214 compared to 27,121 in 2021, while Equity stood at € 53.2m compared to € 44.7m in 2021, marking an increase of approximately 19%. At Group level, Equity amounts to € 56.4m compared to € 47.9m in 2021. Note that the Bank's Capital Adequacy Ratio for 2022 is **16.24%**, while for the Group it is **15,64%**, compared to the minimum regulatory ratio of 11.36%.

Amounts in EUR	GROUP		BANK	
EQUITY	**2022**	**2021**	**2022**	**2021**
Cooperative capital	19,808,811	19,789,647	19,808,811	19,789,647
Premium	85,178,221	85,100,926	85,178,221	85,100,926
Own cooperative capital	(303,890)	(303,890)	-	-
Reserves	4,660,072	4,578,402	4,408,759	4,349,262
Retained earnings	(56,397,895)	(64,783,415)	(56,150,608)	(64,556,165)
Non-controlling interests	3,471,773	3,506,608	-	-
TOTAL EQUITY	**56,417,092**	**47,888,278**	**53,245,184**	**44,683,671**
Capital Adequacy Ratio	**15.64%**	**14.50%**	**16.24%**	**14.56%**

%	GROUP		BANK	
OTHER INDICATORS	**2022**	**2021**	**2022**	**2021**
Average deposit interest rate	-	-	**0.29%**	0.40%
Loans/Deposits	-	-	**80.6%**	80.9%
Personnel expenses / Total operating expenses	**46.9%**	46.9%	**50,4%**	52.3%
Cost / Income	**52.7%**	52.7%	**48.7%**	53.6%

Financial results

Net interest income for the Bank stood at **€ 28.9**m compared to € 24.4m in 2021 and at group level at **€ 26.2**m from € 21.5m in 2021. Profit before tax amounted to **€ 11.6m** compared to € 0.6m in 2021 for the Bank, while at Group level, pre-tax profit amounted to **€ 12.3**m compared to € 2.9m in 2021. Net profit after tax amounts to **€ 8.4**m compared to € 0.2m in 2021 for the Bank and € 8.4 m at Group level compared to € 0.9m in 2021. Provisions to cover credit risk from loans and other receivables amount to approximately **€ 5.3**m in 2022 compared to € 14.7m in 2021 for the Bank and the Group respectively.

Amounts in EUR	GROUP		BANK	
FINANCIAL RESULTS	**2022**	**2021**	**2022**	**2021**
Interest income	29,154,880	25,434,160	31,544,076	27,903,698
Net interest income	26,245,104	21,584,003	28,925,651	24,345,834
Net commission income	1,918,626	1,506,101	1,929,201	1,512,744
Operating expenses	(20.121.981)	(19,625,182)	(16,528,047)	(15,284,068)
Operating income	38,155,642	37,188,328	33,892,574	28,513,331
Provisions for credit risk	(5,374,610)	(14,702,590)	(5,338,216)	(14,702,351)
Impairment of other fixed assets	(283,721)	27,438	(4,568)	-
Share of profits/(losses) from holdings in subsidiary companies	(33,489)	-	(455,756)	2,082,775
Results before taxes	**12,341,841**	**2,887,994**	**11,655,987**	**609,687**
Income tax	(3,971,840)	(1,972,739)	(3,160,430)	(424,410)
RESULTS AFTER TAXES	**8,370,002**	**915,255**	**8,405,557**	**185,278**

Social contribution

Faithful to the vision of its founders, the Bank of Chania has been operating with an anthropocentric approach, planning and implementing consistently and continuously actions and programs that contribute to the well-being of society. Having its roots in Chania, it remains true to its place and offers its assistance to the local community, culture, environment and people. The Bank creates value for all stakeholders, actively supports the local community and supports its fellow citizens who are in need.

In light of the above, the Bank has been planning a targeted corporate social responsibility program for the past decade, which includes actions on three main pillars: Society, Culture, Environment.

Society

In 2022, the Cooperative Bank of Chania allocated a total of EUR 54 thousand to support actions of a social nature and for the sponsorship of sports and charitable associations, cultural clubs and educational institutions.

Culture

The Bank, being particularly sensitive to cultural issues, supports cultural, ethnographic and philological associations, sports teams, educational institutions and local government initiatives. At the same time, it has undertaken the permanent maintenance of the archaeological site, which is located in the administration building and central store.

In addition, the Bank keeps alive the historical memory of its Group companies, through rich archival material, consisting of photographs, videos, documents and commemorative items.

Finally, it provides for free a meeting room in the administration building for the conduct of non-profit events, organized by various agencies.

Environment

Having as its main concern to protect the environment and to reduce its environmental footprint, the Bank implements environmentally friendly practices and technologies and ensures the reduction of the consumption of electricity, heating oil and water so that both the central administration building and its branches comply with the requirements of the energy efficiency regulations. In addition, the Bank is also active in the recycling of materials such as paper, plastic and batteries.

Labor issues

Beyond the three pillars, labor relations are of special importance for the Group.
The Group places great emphasis on the development of skills and professional progress of its human resources, and supports the employees in their lifelong training and education. It offers wages based on the national labor market, ensuring the observance of the respective labor laws. Finally, the Group ensures a healthy and safe working environment for its employees, and applies a non-discriminatory policy and respects the diversity of its employees.

INFORMATION ON A CONSOLIDATED BASIS FOR 2022 IN ACCORDANCE WITH THE PROVISIONS OF ARTICLE 6 OF LAW 4374/2016.

PAYMENTS FOR ADVERTISING-MARETINGK-PROMOTION ARTICLE 6 PAR. 1 OF LAW 4374/2016	
NAME OF THE LEGAL PERSON	**TOTAL**
BANKINGNEWS S.A.	8,400,00
CRETAPOST IKE	2,400.00
GREAT TRADE EXHIBITION PC	2,909.77
ONMEDIA DIGITAL SINGLE MEMBER S.A.	6,000.00

POWERGAME MEDIA IKE	3,000.00
PRESS CENTER SINGLE-MEMBER IKE	15,840.04
Q MEDIA L.T.D.	6,300.00
THE GREAT TRADE IKE	2,995.00
THE MEDIA WORKSHOP SINGLE MEMBER L.T.D	2,000.00
THE YELLOW TOOLBOX SA INVESTOR RELATIONS & CORPORATE COMMUNICATIONS	33,600.00
ZOFRANK HOLDINGS CO LIMITED (NAFTEMPORIKI)	5,000.00
ANGELAKIS N. & I. CRETAN MEDIA L.T.D.	350.00
AGGELAKIS N. & I.	250.00
AGRO-FOOD JOINT VENTURE OF CRETE REGION	50.00
AGONAS KRITIS IKE	10,790.00
ALTER EGO MEDIA SA	5,000.00
ANASTASAKIS ANTONIOS	5,700.00
ANEZAKIS EPAMINONDAS	3,600.00
APOSTOLIDIS PUBLISHING & CO. OE	399.00
VAVOULAS G. AND CO OE	574.19
GIATSIS PANTELIS	4,800.00
GRAPHOTECHNIKI KRITIS SA	1,800.00
GRAPHOTECHNIKI KRITIS COMMERCIAL COMPANY SA	1,200.00
ELEFTHERIA TOU TYPOU PUBLISHING SINGLE MEMBER S.A.	5,000.00
HELLENIC RADIO TELEVISION SA	297.44
HELLENIC RADIO TELEVISION SA	102.97
ENIMEROSI KRITIS IKE	100.00
EPIKOINONIAKI KRITIS AE KRITIKI TILEORASI ENA	50.00
ZOUGLA GR S.A. MESON ILEKTRONIKON MAZIKIS EPIKOINONIAS	3,600.72
IKAROS RADIO TELEVISION ENTERPRISES SA	16,200.00
KALAITZAKIS PUBLISHING ENTERPRISES SA	1,430.00
KALLIOPI ILIA KOZYRI - MICHALIS ILIA KOZYRIS GEN. PARTNERSHIP	1,338.00
KAPITAL.GR S.A.	3,500.00
KARAGIANNAKI CHATZIDAKI GEORGIA	3,000.00
KARTSONAKIS EMMANOUIL STEFANOS	525.00
KOUFAKIS EMMANOUIL GEORGIOS	1,200.00
KYKLOS SA	3,600.00
LIAKAKIS KONSTANTINOS GRIGORIOS	250.00
MATHIOUDAKIS MEDIA PUBLISHING-ADVERTISING-COMMERCIAL-REAL ESTATE ENTERPRISES-SA	6,735.96
MARIS CHARALAMPOS	1,485.00
MAVRIDAKI ATHINA	1,800.00
METRON ARISTON PRESENTATION AND COMMUNICATION SERVICES SINGLE-MEMBER L.T.D.	8,650.00
MICHELARAKI ARGYRO	3,000.00
MOUNTAKIS ANTONIOS	1,968.00
A. MYKONIATIS PUBLICATIONS S.A.	3,000.00
MYRONAKI MARIA	42.00
DAOUDAKIS EMMANOUIL	2,530.00
OIKONOMAKOS VASILEIOS	100.00
PANCRETAN CULTURAL COMPANY	480.00
PANCRETAN RADIO TELEVISION S.A. TELEVISION AND RADIO PROGRAMS	25,960.00
PAPADAKIS MICHAIL	2,000.00
PAPADOGIANNAKI MARIA	2,100.00
PAPAKONSTANTI VASILIKI	2,200.00
PAPPAS DIMITRIOS	3,500.00
PARAENA SINGLE-PERSON LTD.	17,160.26
PATERAKIS GEORGIOS	1,572.00

PATTAKOS GEORGIOS	5,250.00
PAVLIDAKIS MARKOS	2,400.00
PITSONIS VASILEIOS	1,050.00
RADIO TELEVISION SINGLE MEMBER LTD	3,500.00
SAMIOTI ELENI	3,300.00
SEGREDAKIS NIKOLAOS	3,900.00
SKOUTARAS B. SA	11.002,02
STAVRIDI ELENI	9,600.00
PANCRETAN NEWS - CRETAN FESTIVALS ASSOCIATION OF CRETAN TRADITION	640.00
TZILIVAKIS ILIAS	500.00
TELEOPTIKI RETHYMNOU SA	18,549.40
TRIPODAKIS GEORGIOS	3,000.00
CHANIA LIVE TV OE	8,700.00
CHANIOTIKA NEA PUBLISHING PRINTING S.A.	7,750.00
CHANIOTIKA NEA PUBLISHING PRINTING S.A.	6,000.00
CHNARIS EMMANOUIL AND CO. OE	6,000.00
PSAROUDAKIS IOANNIS MANOUSOS	403,23
Grand Total	**338,980.01**

NOTE: The above amounts do not include charges to the Greek State (VAT, Special Television Tax) and in favour of third parties (ad tax) with a total value of € 79,938.06

DONATION-SPONSORSHIP-GRANT PAYMENTS Under ARTICLE 6 PAR. 2 OF LAW 4374/2016	
NAME OF THE LEGAL PERSON	**TOTAL**
15th SCIENTIFIC AND PROFESSIONAL NURSING CONFERENCE	1,428.79
1st EXPERIMENTAL HIGH SCHOOL OF CHANIA	300.00
EUROPEAN FEDERATION OF ETHICAL AND ALTERNATIVE BANKS AND FINANCIERS (FEBEA)	1,500.00
THE AMERICAN HELLENIC EDUCATIONAL PROGRESSIVE ASSOCIATION	200.00
WE DO BUSINESS-WOMEN'S ENTERPRISE	375.00
VONIS SPORTS CLUB	500.00
CHANIA SPORTS CLUB "O KYDON"	500.00
ARSIS SOCIAL ORGANIZATION FOR THE SUPPORT OF YOUNG PEOPLE	870.00
GENERAL SECRETARIAT FOR VOCATIONAL EDUCATION, TRAINING AND LIFELONG LEARNING	595.15
GYMNASTICS ASSOCIATION ELEFTHERIOS VENIZELOS	1,750.00
MUNICIPAL SCHOOL OF VAMVAKOPOULOS	497.38
NATIONAL FOUNDATION FOR RESEARCH AND STUDIES ELEFTHERIOS K VENIZELOS	5,000.00
HELLENIC SOCIETY FOR THE PROTECTION AND REHABILITATION OF DISABLED PERSONS (ELEPAP)	2,100.00
EDEM ASSOCIATION OF BENEFICIARIES	1,000.00
ASSOCIATION OF CRETANS OF AMAROUSIO	339.00
ASSOCIATION OF CULTURAL ASSOCIATIONS OF KISSAMOS	100.00
CHURCH OF AG. ANARGYROI	2,000.00
HOLY CHURCHOF METAMORPHOSI TOU SOTIROS PERIVOLION KYDONIAS	1,000.00
CHANIA SAILING CLUB	3,000.00
KYRITSAKIS AP. KONSTANTINOS BOOK PUBLICATIONS SPONSORSHIP	3,000.00
CHANIA SPORTS CLUB	2,000.00
FINANCIAL SUPPORT FOR THE ORGANISATION OF A TOURNAMENT	200.00
ORTHODOX ACADEMY OF CRETE	5,000.00
PANHELLENIC FEDERATION OF CULTURAL CRETAN UNIONS - PANCRETAN GREECE	1,000.00
PERIFERIAKI ANAPTIKSIAKI ETAIREIA KRITIS S.A.	2,000.00
CULTURAL COMPANY OF CRETE	5,000.00
CULTURAL ASSOCIATION OF GAVDOS	1,220.00
CHESS ACADEMY OF CHANIA	2,000.00

"ILIACHTIDA" ASSOCIATION	20.00
ASSOCIATION OF PELOPONNESIANS OF CHANIA	6.00
ASSOCIATION OF RETIRED SECURITY FORCES OF CHANIA PREFECTURE	64.50
CHANIA HEALTH RUNNERS ASSOCIATION	1,000.00
ASSOCIATION OF FRIENDS OF THE MUSEUM OF SCHOOL LIFE OF THE PREFECTURE OF CHANIA	300.00
ASSOCIATION FOR THE DIFFUSION OF FINE ARTS IN CRETE (VENIZELEIO CONSERVATORY OF CHANIA)	1,500.00
ASSOCIATION OF CRETAN RESIDENTS OF HERAKLION, ATTICA	300.00
ASSOCIATION OF FRIENDS OF THE OLD MOTORCYCLES IN CHANIA	300.00
THE SMILE OF THE CHILD	200.00
CHARITABLE FOUNDATION OF CHANIA AGIOS NEKTARIOS	1,000.00
Grand Total	**49.165.82**

TOTAL PAYMENTS TO NATURAL PERSONS	**NET VALUE IN EUR**
NATURAL PERSONS (1056 BENEFICIARIES)	**19,712.67**

Related Party Transactions

All transactions with related parties have been effected within the normal course of business of the Bank and under market terms and conditions. Further analysis is provided in Note **25** to the financial statements.

Annex: Alternative Performance Measurement Indicators

In accordance with the guidelines of the European Securities and Markets Authority (ESMA), in relation to the Alternative Performance Measurement Indicators (APMI), the following table provides detailed definitions and calculation of the relevant APMI which are included in the Annual Report of the Board of Directors for 2022.

Ratio	Definition
Loans	Loans and amounts due to customers at the end of the year
Loans	Loans and amounts due to customers at the end of the year
Deposits	Liabilities to customers at the end of the year
Accumulated provisions for credit risk	Accumulated provisions for impairment of loans and amounts due to customers at the end of the year
Non-performing loans (NPLs)	Loans and advances to customers in arrears > 90 days at the end of the year
Non-performing exposures (NPEs)	According to the definitions of the European Banking Authority (IBA, ITS Technical Standards), exposures that meet one or both of the following conditions are defined as non-performing: a. Material exposures which are more than 90 days past-due b. Exposures whose full collection is uncertain without realizing a collateral, whether there is any overdue amount or overdue days
Interest-bearing assets	Average cash and cash equivalents at the beginning and end of the year in central banks, claims on financial institutions and loans and advances to customers
Basic own funds (CET1)	Basic own funds at the end of year, as defined by Regulation (EU) No 575/2013, with gradual application of the provisions to risk-weighted Assets
Capital adequacy (total capital +ratio)	Total own funds at the end of year, as defined by Regulation (EU) No 575/2013, with gradual application of the provisions to risk-weighted Assets
Operating expenses	Staff salaries and expenses plus general administrative and other operating expenses plus depreciation of tangible fixed and intangible assets
Operating income	Net interest income plus net commission income for the year
Loans/Deposits	Loans and amounts due to customers before accumulated provisions for credit risk to liabilities to customers at the end of the year
Non-performing exposures (NPEs)	Non-performing exposures (NPEs) to loans and advances to customers with accumulated provisions for end-of-year credit risk
Coverage of non-performing loans (in delay > 90 days)	Accumulated provisions for credit risk on loans and advances to customers over 90 days overdue at the end of the year
Coverage of non-performing exposures (NPEs)	Accumulated provisions for credit risk to end-of-year non-performing exposures (NPEs)
Definitive arrears/loans	Loans for which the Bank considers almost certain that they will not be services to loans and advances to customers with accumulated provisions for end-of-year credit risk
Provisions/ Loans	Accumulated credit risk provisions for loans and advances to customers before cumulated provisions for end-of-year credit risk
Covers / Loans	Loan to Loan Coverage Value and Customer Receivables before accumulated provisions for end-of-year credit risk

Collateral and provisions / Loans	Loan value and accumulated credit risk provisions for loans and advances to customers before cumulated provisions for end-of-year credit risk
Average loan interest rate	Interest and equity income of period loans, for period-to-average loan basis. The average of non-performing loans of the period is calculated at the net amount of provisions
Average deposit interest rate	Interest and equity for period-to-average deposit basis
Interest margin	Average loan interest rate less average deposit rate for the period
Net interest margin	Net interest income on interest-bearing assets
Margin effectiveness	Interest-bearing assets by interest rate margin for the period
Margin effectiveness / Net interest income	Interest-bearing assets to net interest income for the period
Cost / Income	Operating Expenses to operating income for the period
Operating income before provisions	Operating income less operating expenses for the period

Chania, 6 June 2023

The Chairman of the BoD

Michael Marakakis

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2022

		Group		Bank	
Amounts in EUR	**Note**	**31.12.2022**	**31.12.2021**	**31.12.2022**	**31.12.2021**
ASSETS					
Cash and Cash with Central Banks	11	178,889,583	153,257,398	178,717,669	153,035,827
Due from banks	11	11,718,650	20,510,608	11,718,650	20,510,608
Financial assets at fair value through profit or loss	12	-	1,365,779	-	1,365,779
Financial assets at amortized cost		1,044,865	1,044,865	1,044,865	1,044,865
Loans and advances to customers (after provisions)	4	343,364,408	352,257,536	381,424,454	386,715,729
Investments in subsidiaries	25	-	-	10,203,696	10,659,452
Holdings in associates	26	14,045	47,534	-	-
Investment portfolio	13	12,225,269	10,693,574	3,689,604	3,187,078
Property and equipment	15	22,821,462	23,404,398	11,868,491	12,598,249
Investment properties	16	49,568,028	46,977,925	29,820,000	27,630,897
Intangible assets	14	2,941,219	2,877,976	2,365,396	2,203,639
Deferred tax assets	17	20,180,926	23,261,813	20,139,421	23,198,152
Other assets	18	45,143,413	44,287,363	23,098,823	26,359,817
Total assets		**687,911,869**	**679,986,767**	**674,091,068**	**668,510,090**
LIABILITIES					
Liabilities to Central Banks	19	-	-	-	-
Due to other banks	19	2,635,199	2,683,768	1,564,063	1,566,381
Due to customers	19	597,051,029	599,306,738	597,694,881	599,677,662
Debt securities and other loans in issue	23	17,273,152	17,275,267	17,273,152	17,275,267

Deferred tax liabilities	17	2,852,998	2,393,448	-	-
Other liabilities	20	11,682,399	10,439,268	4,313,789	5.307.110
Total Liabilities		**631,494,777**	**632,098,489**	**620,845,885**	**623,826,419**
EQUITY					
Cooperative capital	22	19,808,811	19,789,647	19,808,811	19,789,647
Cooperative capital premium	22	85,178,221	85,100,927	85,178,221	85,100,926
Less: Own cooperative capital	22	(303,890)	(303,890)	-	-
Other Reserves	28	4,660,072	4,578,402	4,408,759	4,349,262
Retained earnings		(56,397,895)	(64,783,415)	(56,150,608)	(64,556,165)
Shareholders' equity of the Bank		**52,945,319**	**44,381,670**	**53,245,184**	**44,683,671**
Non-controlling interests		3,471,773	3,506,608		
Total Equity		**56,417,092**	**47,888,278**	**53,245,184**	**44,683,671**
Total liabilities and equity		**687,911,869**	**679,986,767**	**674,091,068**	**668,510,090**

Chania, 6 June 2023

The notes on pages 40 to 135 constitute an integral part of the financial statements

PROFIT AND LOSS STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2022

Amounts in EUR	Note	Group		Bank	
		31.12.2022	31.12.2021	31.12.2022	31.12.2021
Interest and similar income		29,154,880	25,434,160	31,544,076	27,903,698
Interest and similar expenses		(2,909,776)	(3,850,157)	(2,618,424)	(3,557,863)
Net interest income	5	**26,245,104**	**21,584,003**	**28,925,651**	**24,345,834**
Fee and commission income		2,578,636	2,476,243	2,589,211	2,482,886
Fee and commission expenses		(660,010)	(970,142)	(660,010)	(970,142)
Net commission income	6	**1,918,626**	**1,506,101**	**1,929,201**	**1,512,744**
Net income from non-banking operations	29	6,120,965	4,842,317	609,628	345,673
Dividend income		100,990	92,955	94,614	84,860
Net trading income/(loss) from investment securities		1,689,451	6,092,886	662,281	566,353
Other net income	16	2,080,506	3,070,067	1,671,199	1,657,867
Total Income		**38,155,642**	**37,188,328**	**33,892,574**	**28,513,331**
Personnel expenses	7	(9,619,925)	(9,205,650)	(8,353,385)	(7,996,546)
Depreciation of fixed and intangible assets	14,15	(2,308,721)	(2,392,710)	(1,499,305)	(1,463,942)
General administrative and other operating expenses	9	(8,193,335)	(8,026,822)	(6,675,357)	(5,823,580)
Total Expenses		**(20.121.981)**	**(19,625,182)**	**(16,528,047)**	**(15,284,068)**
Credit impairment provision	10	(5,374,610)	(14,702,590)	(5,338,216)	(14,702,351)
Impairment of fixed and other assets		(283,721)	27,438	(4,568)	-
Share of profits / (losses) from holdings in associated companies	26		-	-	-
Share of profits/(losses) from holdings in subsidiary companies		(33,489)	-	(455,756)	2,082,775
Profit (loss) before tax		**12,341,841**	**2,887,994**	**11,565,987**	**609,687**
Income tax	30	(3,971,840)	(1,972,739)	(3,160,430)	(424,410)
Profit/(loss) after tax		**8,370,002**	**915,255**	**8,405,557**	**185,278**
Attributable to:					
Non-controlling interests		(35,576)	687,258	-	-
Bank Partners		8,405,578	227,997	8,405,557	185,278

Chania, 6 June 2023

The notes on pages 40 to 135 constitute an integral part of the financial statements

Amounts in EUR	Group 31.12.2022	Group 31.12.2021	Bank 31.12.2022	Bank 31.12.2021
Profit (loss) for the period	8,370,002	915,255	8,405,557	185,278
Other comprehensive income/(expenses) for the period after tax	59,497	(21,114)	59,497	(19,139)
Investment portfolio available for sale after tax	-	-	-	-
Actuarial income/expense in the statement of comprehensive income after taxes	-	-	-	-
Total comprehensive income / (expenses) for the period	**8,429,498**	**894,142**	**8,465,054**	**166,138**
Attributable to:				
Non-controlling interests	(35,576)	686,700	-	-
Bank Shareholders	**8,465,075**	**207,442**	**8,465,054**	**166,138**

PROFIT AND LOSS STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2022

Chania, 6 June 2023

The notes on pages 40 to 135 constitute an integral part of the financial statements

STATEMENT OF CHANGES IN EQUITY - GROUP FOR THE PERIOD ENDING 31 DECEMBER 2022

Amounts in EUR	Cooperative capital	Cooperative capital premium	Own cooperative shares	Reserve of available-for-sale securities	Defined benefit plans	Other Reserves	Retained earnings	Total	Non-controlling interests	Total
Balance as of 31 December 2020 and 1 January 2021	**19,739,325**	**84,897,961**	**(303,890)**	**-**	**(19,480)**	**4,385,383**	**(64,724,684)**	**43,974,614**	**2,819,907**	**46,794,521**
Other comprehensive income / (expenses) for the period	-	-	-	-	(20,557)	-		**(20,557)**	(557)	**(21,114)**
Profit (loss) for the period	-	-	-	-	-	-	227,997	**227,997**	687,258	**915,255**
Total comprehensive income / (expenses) for the period	**-**	**-**	**-**	**-**	**(20,557)**	**-**	**227,997**	**207,441**	**686,701**	**894,141**
Increase (decrease) of cooperative capital	50,322	202,965		-	-	-	-	**253,287**	-	**253,287**
Other movements from absorption of subsidiaries	-	-	-	-	-	**233,056**	**(233,056)**	**-**	-	**-**
Other transactions	-	-	-	-	-	-	**(53,672)**	**(53,672)**	-	**(53,672)**
Balance as of 31 December 2021 and 1 January 2022	**19,789,647**	**85,100,926**	**(303,890)**	**-**	**(40,037)**	**4,618,439**	**(64,783,415)**	**44,381,670**	**3,506,608**	**47,888,278**
Other comprehensive income / (expenses) for the period	-	-	-	-	59,497	-	-	**59,497**	-	**59,497**
Profit (loss) for the period	-	-	-	-	-	-	8,405,578	**8,405,578**	(35,576)	**8,370,002**
Total comprehensive income / (expenses) for the period	**-**	**-**	**-**	**-**	**59,497**	**-**	**-**	**8,465,075**	**(35,576)**	**8,429,498**
Increase (decrease) of cooperative capital	19,164	77,295	-	-	-	-	-	**96,459**	-	**96,459**
Other transactions	-	-	-	-	-	**22,173**	**(20,058)**	**2,115**	**742**	**2,857**
Balance as at 31 December 2022	**19,808,811**	**85,178,221**	**(303,890)**	**-**	**19,460**	**4,640,612**	**(56,397,895)**	**52,945,319**	**3,471,773**	**56,417,092**

Chania, 6 June 2023

The notes on pages 40 to 135 constitute an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY - BANK FOR THE PERIOD ENDING 31 DECEMBER 2022

Amounts in EUR	Cooperative capital	Cooperative capital premium	Reserve of available-for-sale securities	Defined benefit plans	Other Reserves	Retained earnings	Total
Balance on the 31st of December 2020 and 1st of January 2021	**19,739,325**	**84,897,961**	**-**	**(16,981)**	**4,385,383**	**(64,741,905)**	**44,263,783**
Other comprehensive income / (expenses) for the period	-	-	-	**(19,139)**	-	-	**(19,139)**
Profit (loss) for the period	-	-	-	-	-	**185,278**	**185,278**
Total comprehensive income / (expenses) for the period	**-**	**-**	**-**	**(19,139)**	**-**	**185,278**	**166,138**
Increase (decrease) of cooperative capital	50,322	202,965	-	-	-	-	**253,287**
Other movements from absorption of subsidiaries	-	-	-	-	-	-	-
Other transactions	-	-	-	-	-	**463**	**463**
Balance as of 31 December 2021 and 1 January 2022	**19,789,647**	**85,100,926**	**-**	**(36,121)**	**4,385,383**	**(64,556,165)**	**44,683,671**
Other comprehensive income / (expenses) for the period	-	-	-	59,497	-	-	**59,497**
Profit (loss) for the period	-	-	-	-	-	**8,405,557**	**8,405,557**
Total comprehensive income / (expenses) for the period	**-**	**-**	**-**	**59,497**	**-**	**8,405,557**	**8,465,054**
Increase (decrease) of cooperative capital	19,164	77,295	-	-	-	-	**96,459**
Other movements from absorption of subsidiaries	-	-	-	-	-	-	-
Other transactions	-	-	-	-	-	-	-
Balance as at 31 December 2022	**19,808,811**	**85,178,221**	**-**	**23,376**	**4,385,383**	**(56,150,608)**	**53,245,184**

Chania, 6 June 2023

The notes on pages 40 to 135 constitute an integral part of the financial statements.

COOPERATIVE
BANK OF CHANIA

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2022

	Group		
Amounts in EUR	**31.12.2022**	**31.12.2021**	**31.12.2022**
Profit / (loss) before tax	**12,341,841**	**2,887,994**	**11,565,987**
Adjustments for:			
Non-cash income statement items and other adjustments:			
Depreciation of real estate property, tangible and intangible assets	2,306,349	2,392,710	1,449,304
Other operating results	(2,007,453)	(2,681,144)	(1,606,453)
Credit impairment and other provisions	5,374,610	14,702,351	5,338,216
Provisions for staff benefits	135,287	65,929	135,287
Valuation adjustments of financial assets at fair value through profit or loss	(1,521,117)	(6,122,535)	(493,947)
Dividend income	(100,990)	(92,955)	(94,614)
Equity method (earnings) / losses	33,489	-	455,756
Negative goodwill	283,721	-	4,568
Net (increase)/decrease in accrued interest on operating activities	(2,115)	-	(2,115)
Other adjustments	(11,122)	(20,137)	(33,295)
Net (increase)/decrease in operating receivables:			
Financial assets at amortized cost	-	(43,219)	-
Due from banks	8,791,957	(11,589,091)	8,791,957
Financial assets at fair value through profit or loss	1,365,779	-	1,365,779
Loans and amounts due to customers	5,827,883	(10,142,775)	2,262,426
Other assets	(4,359,405)	(5,233,123)	845,363
Net (increase)/decrease in operating liabilities:			
Due to banks	(48,569)	(23,587,288)	(2,317)
Due to customers	(2,255,710)	17,158,566	(1,982,782)
Liabilities from Personnel Benefits	-	(14,148)	-
Income tax paid	(37,956)	-	-
Other liabilities	1,664,846	627,560	(1,069,112)
Net cash flow from operating activities	**27,781,328**	**(56,008,438)**	**26,980,006**
Cash flow from investment activity			
Participation in (increase)/decrease in equity of associated companies / subsidiaries	-	(29,000)	-
Dividends received from portfolio of equity method investments	100,990	92,955	94,614
Acquisition of real estate property, tangible and intangible assets	(2,686,760)	(2,159,911)	(1,855,797)
Proceeds from the disposal of property, plant and equipment	317,452		341,845
Acquisition of investment portfolio	(10,579)	(1,000)	(8,579)
Net cash flows from investing activities	**(2,278,897)**	**(2,096,956)**	**(1,427,917)**
Cash flow from financing activity			
Increase in cooperative capital	96,459	253,287	96,459
Proceeds from the issue of debt securities	-	3,150,000	-
Termination of credit instruments	-	(2,500,000)	-
Net cash flow from financing activities	**96,459**	**(903,287)**	**96,459**
Effect of foreign exchange rate changes in cash and cash equivalents	33,295	(7,299)	33,295
Net increase / (decrease) of cash and cash equivalents	**25,632,185**	**(57,209,406)**	**25,681,842**
Cash and cash equivalents at the beginning of the fiscal year	153,257,398	210,466,804	153,035,827
Cash and cash equivalents at the end of the fiscal year	**178,889,583**	**153,257,398**	**178,717,669**

Chania, 6 June 2023

The notes on pages 40 to 135 constitute an integral part of the financial statements.

NOTES TO THE CONSOLIDATED AND INDIVIDUAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 01.01.2022 - 31.12.2022

NOTE 1: GENERAL INFORMATION

The Cooperative Bank of Chania Cooperative of Limited Liabilities (with the distinctive title COOPERATIVE BANK OF CHANIA, hereinafter "the Bank") was established during the founding meeting of August 18, 1993 purely as a cooperative of limited liabilities. The Cooperative was authorized as a credit institution by Decision No 560 / 18-9-1995 (issue 14) of the Bank of Greece's Committee on Monetary and Credit Affairs, and since then the Cooperative has been operating as a Credit Institution, pursuant to the provisions originally of Law 2076/1992, subsequently of Law 3601/2007 and currently of Law 4261/2014, in conjunction with the provisions of Presidential Decree 2258/1993 and the provisions of the decisions of the relevant committees of the Bank of Greece. In order to become a member of the Cooperative, one has to buy at least one cooperative share, the fair value of which is determined by its nominal value plus a surplus value determined by the Bank's financial position. Based on its Articles of Association, the seat of the Cooperative is the Municipality of Chania, and since 2007 it is located in privately owned buildings at 28-32, Eleftheriou Venizelou Street, in the center of the city of Chania (GEMI No 123088758000, tel. (+30) 28210 25500), www.chaniabank.gr).

Pursuant to Clauses 2 and 3 of its Articles of Association and by decision of the Board of Directors, the Bank may establish branches, agencies, offices or other premises anywhere, as well as appoint or revoke representatives in any city of Greece or abroad, as long as it meets the requirements of law. During its twenty years of operation, the Bank has developed a number of attractive banking products that meet the requirements of its members/customers, while in line with its subsidiaries (hereinafter referred to as the "Group"), it seeks to consolidate its position in the banking market, but also to enhance the local economy.

The Group's business operations consist of flexible (adjusted to the needs of its customers) business and retail lending and deposit products, other banking operations (foreign exchange operations and remittances), brokerage services and real estate management. The Group operates throughout Crete but also in Attica, with the prospect of expanding its network to the rest of Greece.

The composition of the Board of Directors at the date of approval of the Financial Statements is as follows:

- Michael Marakakis son of Emmanuel, Chairman of the BoD
- Georgios Androulakis son of Charalambos, Vice-Chairman of the BoD
- Alexandros Perivolakis son of Vasilios
- Georgios Farantakis son of Iosif, Treasurer
- Emmanuel Apostolakis son of Apostolos, Executive Member
- Apostolakis Spyridon son of Nikolaos, Executive Member
- Anastasios Vamvoukas son of Dimitrios, Executive Member
- Koulirakis Ioannis son of Efstratios, Non-Executive Member
- Ioannis Malandrakis son of Ioannis, Independent Non-Executive Member
- Georgios Baourakis son of Michael, Independent Non-Executive Member
- Dimitrios Dokakis son of Vasilios, Executive Member
- Maria Sperelaki daughter of Theodoros, Independent Non-Executive Member
- Chiotakis Joseph son of Joseph, Independent Non-Executive Member

The financial statements are subject to the approval of the Annual General Meeting of the Bank's partners. These financial statements have been approved by the Bank's Board of Directors on June 6, 2023.

NOTE 2: SUMMARY OF KEY ACCOUNTING POLICIES

2.1 Basis of presentation

The Group's consolidated financial statements and the Bank's separate financial statements for the year ended 31 December 2022 (the 'financial statements') have been prepared in accordance with the International Financial Reporting Standards ("IFRS"), as adopted by the European Union (the "EU").

Amounts are rounded to Euro (unless otherwise stated). The comparative figures, where necessary, were adjusted to match the presentation of the current year.

The financial statements have been prepared under the historical cost principle, except for investment portfolio, financial assets at fair value through profit and loss and investment properties, which are measured at fair value.

The preparation of the financial statements in accordance with the IFRS requires the conduct of estimates and assumptions that may affect both the accounting balances of assets and liabilities and the required disclosures for contingent receivables and payables, as well as the amounts of income and expenses recognized during the reporting period. The above estimates and assumptions apply mainly to the following areas: impairment provisions for loans and other receivables, equity investments and financial assets at fair value through profit or loss, investment property valuation, impairment testing goodwill and intangible assets from business combinations, control of the ability to recover deferred tax assets receivables, assessment of post-employment employee benefit liabilities and liabilities pending litigation and open tax years. Future results may differ from those published.

Areas with a higher degree of estimation and assumption or complexity, or areas where assumptions and estimates have a significant effect on the consolidated financial statements, are set out in Note 3.

2.2 Going concern

The financial statements of the Bank and the Group as of 31.12.2022 were prepared on the basis of the going concern principle. The adoption of this principle was deemed appropriate by the Bank's Management, taking into account the following:

Macroeconomic environment:

Global economy, after the strong recovery recorded in 2021, slowed down significantly in 2022. According to IMF forecasts (January 2023), global GDP growth is estimated to reach 3.4% in 2022 from 6.2% in 2021.

International commodity prices, especially for natural gas, soared to historically high levels, primarily because of the effects of the war and secondarily because of ongoing problems in global value chains. Geopolitical uncertainty, declining Russian hydrocarbon exports to Europe, EU and US sanctions on oil imports from Russia, and strong demand for natural gas have led to a sharp increase in energy prices.

International trade slowed down significantly during 2022. In particular, international commodity flows were hit by: a) the rise in global commodity prices; b) the sharp slowdown in China's economy, which disrupted manufacturing and exports and compounded problems in global value chains; and c) the deterioration of terms of trade in many economies due to the appreciation of the US dollar.

International inflation recorded an impressive increase in 2022 and turned out to be higher and more protracted than initially forecast. According to the IMF, global inflation is estimated to have risen sharply to 8.8% in 2022 from 4.7% in 2021, while in advanced economies it reached its highest levels in 40 years.

In the euro area, economic activity in 2022 proved more resilient than initially expected, despite the impact of the war. The prospects for the euro area economy deteriorated during the year, amid heightened geopolitical uncertainty, problems in supply chains and historically high global energy prices, which weakened economic sentiment and pushed up inflation.

The contraction in real incomes had a negative impact on the outlook for private consumption and investment. However, Member States have taken exceptional budgetary measures to support households and businesses against rising energy costs. The financial support package, combined with the recovery in the services sector as well as the dynamics of the labour market, have limited the economic impact of the inflationary shock.

At the same time, the adoption of energy-saving measures by Member States and the mild winter at the end of the year reduced the risk of significant shortages in the energy sector and thus of a recession. Furthermore, fiscal policy measures and the NGEU funds have supported economic activity and employment prospects in the euro area.

Thus, GDP growth in the euro area in 2022 slowed to 3.5%, compared to 5.4% in 2021.

In 2022 the Greek economy, despite the adverse international environment, continued to grow at a high rate. Real GDP grew by 5.9% and surpassed pre-pandemic levels compared to 8.4% in 2021, thanks mainly to an increase in private consumption and investment, as well as a strong rise in tourism. Fiscal support measures to curb the impact of the pandemic and the energy crisis on households and businesses also contributed to the positive performance of the economy.

A positive contribution to growth was also made by an increase in services exports, thanks to the performance of the tourism sector, which recovered faster in Greece than in rest of the world. In particular, travel revenues in 2022 almost reached the level of 2019, thus supporting income and consumption. The investments also contributed positively to growth, supported by improved business profitability, the utilisation of NGEU resources and the positive performance of foreign direct investment. On the contrary, the rise in imports, largely due to a significant increase in the prices of imported energy products, as well as an increase in industrial production, private consumption and investment, contributed negatively to the change in GDP.
General inflation accelerated sharply in 2022 due to the high rise in international energy prices, reducing real household income and undermining the outlook for the economy. The Harmonized Consumer Price Index increased by 9.3% in 2022 (from 0.6% in 2021).

Capital adequacy:

On 31.12.2022, on a consolidated basis, the Capital Adequacy Ratio stood at **15.64**% (2021: 14,50%) and on an individual basis at **16.24**% (2021: 14.56%).

According to the new provisions (Law 4261/2014 and EU Regulation 575/2013), the following capital buffers have entered into force since 01/01/2016:

Capital Conservation Buffer: It is expressed as a percentage of the total amount of exposures at risk and amounts to 2.50% as from 01/01/2019. According to decision 428/28.06.2022 by the CIC (Credit and Insurance Committee), the Bank will not have maintain a 2.50% for the year 2022.

Countercyclical capital buffer: Expressed as a percentage of the total risk exposure amount and ranges between 0% and 2.50%, while it is also possible to increase to more than 2.50% if justified under the provisions of Article 127 (3) of Law 4261/2014. For 2022 and 2021, the Bank of Greece set the countercyclical capital buffer ratio at 0%.

Based on decision 428/28.06.2022 by the Credit and Insurance Committee and as part of the Supervisory Review and Evaluation Process (SREP), additional capital requirements of 3.36% were set for the Bank for the year 2022.

Based on all of the above, the minimum capital adequacy ratio that is required by the Bank

for 2022 is 11.36%.

Year	Capital Adequacy Ratio	Buffer under Law 4261/2014	Additional SREP Requirements	Total Capital Adequacy Ratio
2021	8.00%	2.50%	2.68%	13.18%
2022	8.00%	0.00%	3.36%	11.36%

In addition, it should be noted that due to the significant contribution of deferred taxation to regulatory capital, the uncertainty associated with the recognition of deferred tax assets (DTA & DTC, Article 27 and 27ª of Law 4172/2013) is significant and associated with future tax rates and any adverse changes in the legal and regulatory framework governing the handling of deferred tax assets in regulatory capital.

For 2023 the minimum capital requirements are as follows:

Year	Capital Adequacy Ratio	Buffer under Law 4261/2014	Additional SREP Requirements	Additional Capital Requirements due to P2G	Total Capital Adequacy Ratio
2023	8.00%	2.50%	3.36%	1.25%	15.11%

Capital Aid Plan:

In May 2023, the Bank submitted to the Bank of Greece a plan to strengthen capital adequacy, which provides for a series of actions to further strengthen the capital adequacy ratio, the main of which are: Increase of cooperative capital, issuance of reduced collateral bond and creation of internal capital through profit making.

Liquidity:

The liquidity of the Bank during 2022 as well as in 2021, remained at high levels, keeping available to central and other banks € 190 million and € 173 million on 31.12.2022 and 31.12.2021 respectively.
The liquidity regulatory indicators remained high, exceeding the minimum 100% regulatory limits throughout 2022. Specifically, on December 31, 2022 the Liquidity Coverage Ratio (LCR) **reached 521% and 566%** for the Group and the Bank respectively, while the Net Stable Funding Ratio (NSFR) amounted **to 143% and 149%** for the Group and the Bank respectively.

Handling of non-performing exposures (NPEs):

The Bank's main priority is the limitation of Non-Performing Exposures (NPEs). In this regard, the Bank's NPEs Strategy is regularly reviewed and adjusted in the context of the current global and local economic conditions. During the previous years, a review of the management infrastructure and NPEs Strategy was carried out, in line with the Executive Committee Acts and other directives of the Bank of Greece and the European Banking Authority.
In particular, the Bank has implemented the following:

Organizational restructuring: Significant redesign with the creation of independent administrative structures and the implementation of thoroughly documented practices and policies on its arrears portfolio.

- Development of flexible products for final arrangements and procedures.
- Management of human resources and utilisation of knowledge and experience of executives in the management of NPEs.
- Key investments in Information Systems equipment, combined with the operation of platforms for inclusion in beneficial debt settlement laws.

In the previous years, compliance with the set operational objectives for Non-Performing Exposures was achieved in the context of the implementation of the ESIA, despite the unfavourable macroeconomic environment and difficulties in their management.

In September 2022, the Bank submitted to the Bank of Greece its strategic objectives for the NPEs/NPLs, which illustrate the Bank's targeting for the management and reduction of the NPEs by the end of 2025, foreseeing a reduction of them through the reformed Strategic Management of the NPEs of the Bank, despite the interim deterioration of their size provided for in the short term due to the current economic situation and the adoption of an even more stringent supervisory framework for default.

Specifically, the Bank's objective was to significantly reduce NPEs and to achieve an NPE ratio of 21% by 2024 and 16% by 2025.

In Q3 2022, the settlement of a denounced claim of €18 million was successfully completed, which reduced the amount of the NPEs. However, due to the general macroeconomic conditions and especially the increased inflation and the rise in interest rates, already from the 4th quarter of the year there is a risk of the creation of new NPEs, a trend that is expected to continue in 2023 if conditions do not normalise.

In 2022, there was a relative decrease of about 1% in both NPEs and NPLs compared to the previous year.

Contingent Liabilities from Legal Cases:

There are legal disputes - actions that have been made by partners against the Bank claiming compensation for the plaintiffs due to the alleged damage suffered by the preparation of the Special Account "Return".

The Bank's legal advisors are of the opinion that the lawsuits in question will be rejected for specific reasons relating to the completeness of the documents presented by the Bank that prove their legality and compliance with the laws and regulations imposed on credit institutions and consequently on the Bank's transactions with its customers.

Therefore, the Management of the Bank considers, taking into account all the above as well as the complexity of the cases and their duration, that the final settlement, until their irreversibility, will have a positive outcome for the Bank.

Assessment of going concern:

Based on the above risk and uncertainty factors regarding legal matters and the management of non-performing exposures and taking into account the planned actions to strengthen the Bank's capital adequacy from 2023 onwards, the Bank's Management believes that the conditions for the application of the going concern principle for the preparation of its financial statements are met.

2.3 Adoption of IFRSs

New IFRS, amendments and interpretations that entered into force on 1 January 2022

Amendment to International Financial Reporting Standard 3 "Business Combinations", International Accounting Standard 16 "Property, Plant and Equipment", International Accounting Standard 37 "Provisions, Contingent Liabilities and Contingent Assets" and "Annual Improvements 2018 - 2020" (effective for financial years beginning on or after 1 January 2022)
In May 2020, the International Accounting Standards Board amended IFRS 3, IFRS 16, IAS 37, providing clarifications regarding the wording of the Standards or correcting minor consequences, omissions or conflicts between the requirements of the Standards.

Amendment of IFRS 3 "Business Combinations"
The amendment updates a reference in IFRS 3 on the Conceptual Framework for Financial Reporting without changing the accounting requirements relating to business combinations. The adoption of this amendment is does not affect the Group's financial statements.

Amendment of IFRS 16 relating to COVID-19 leases
The amendment extends the practical expedient granted for rent concessions by one year to cover rent reductions due on or before June 30, 2022. The adoption of the amendment did not have a significant effect on the consolidated and individual financial statements of the Group and the Bank.

Amendment to International Accounting Standard 16 "Own tangible fixed assets": Income before the anticipated fiscal year
The amendment to IAS 16 prohibits the deduction from the acquisition cost of the disposable fixed assets of the proceeds from the sale of assets produced at the stage when the asset is prepared to arrive at the location and in the condition required for the use specified by the management. On the contrary, the proceeds from the sale of these assets and their costs should be recognized in profit and loss. The adoption of this amendment is not expected to have a material impact on the Group's financial statements.

Amendment to International Accounting Standard 37 "Provisions, Contingent Liabilities and Contingent Assets": Onerous contracts - Cost of fulfilling the obligations of a contract
The amendment to IAS 37 specifies the costs of fulfilling the obligations of a contract including the costs directly related to the contract. These costs consist both of the direct costs incurred and the proportion of other costs directly related to the fulfillment of obligations arising from a contract. The adoption of this amendment is not expected to have a material impact on the Group's financial statements.

Improvements of International Accounting Standards - Turnover 2018-2020
As part of the programme of annual improvements to International Accounting Standards, the Council adopted, on 14.5.2020, non-urgent but necessary amendments to IFRS 1 "First-time Adoption of International Financial Reporting Standards", IFRS. 9 "Financial Instruments", IFRS 16 "Leases" and IAS 41 "Agriculture". The above amendments have no impact on the Group's financial statements.

New IFRS, amendments and interpretations that will enter into force at a later date

IFRS 17 "Insurance Contracts" (effective for fiscal years beginning on or after 01/01/2023)

In May 2017, the IASB issued a new Standard, IFRS 17, and amendments in June 2020, which replace the intermediate IFRS Standard 4. The purpose of the IASB's work was to develop a single principle-based standard for accounting for all types of insurance contracts, including reinsurance contracts held by an insurance company. The new single Standard will enhance the comparability of financial reporting between entities, jurisdictions and capital markets as it requires all insurance policies to be accounted for consistently. The IFRS 17 sets out the requirements that an entity should apply when reporting financial information related to the insurance contracts it issues and the reinsurance contracts it holds. The standard has not been adopted by the EU. The adoption of this amendment is not expected to have an impact on the Group's financial statements.

Amendments to IAS 1 - Classification of liabilities as short-term or long-term (Applicable to fiscal years starting from 1.1.2024 onwards)

In January 2020, the IASB issued amendments to IAS 1 affecting the requirements for the presentation of liabilities. In particular, the amendments clarify one of the criteria for classifying a liability as long-term, the requirement for an entity to have the right to defer the settlement of the liability for at least 12 months after the reporting period. The amendments include: (a) clarification that an entity's right to defer settlement should exist at the reporting date; (b) clarification that the liability classification is not affected by management's intentions or expectations regarding the exercise of the deferral; (c) explain how lending conditions affect the classification; and (d) clarify the requirements for the classification of liabilities of an entity that it settles or is likely to settle through the issue of own equity instruments. In addition, in July 2020, the IASB issued an amendment to defer by one year the effective date of the originally issued amendment to IAS 1. However, in October 2022, the IASB issued an additional amendment aimed at improving the information that companies provide on long-term debt obligations. IAS 1 requires an entity to classify a loan as non-current only if the entity can avoid settlement of the loan within 12 months after the reporting date. However, a company's ability to do so often depends on compliance with its commitments. The amendments to IAS 1 specify that the commitments to be met after the reporting date do not affect the classification of a loan as current or non-current at the reporting date. Instead, the amendments to the standard require an entity to disclose information about those commitments in the notes to the financial statements. The aforementioned adoption of this amendment is not expected to have an impact on the Group's financial statements.

Amendment to International Accounting Standard 1 "Presentation of Financial Statements": Disclosure of accounting policies (Applicable to fiscal years starting on 1.1.2023)

The amendments replace the requirement to disclose "significant" accounting policies with the requirement to disclose "material" accounting policies. Includes examples and explanations of when an accounting policy is likely to be "material". The Board has developed guidelines to support the implementation of the four-step method. The Group is considering the impact that the above amendment will have on its financial statements although it is not expected to be material.

Amendment to International Accounting Standard 8 "Accounting Policies, Changes in Accounting Estimates and Errors": Definition of Accounting Estimates (Applicable to fiscal years starting on 1.1.2023)

The amendment to IAS 8 defined the accounting estimates as monetary amounts in financial statements that are subject to measurement uncertainty. It clarified that an accounting policy may require the financial statements to be valued in such a way as to create uncertainty. In this case the entity develops an accounting estimate. The development of accounting estimates involves the use of judgments and assumptions. In the development of accounting estimates the entity uses valuation techniques and data. An entity may be required to change its accounting estimates. This fact is not related by its nature to previous fiscal years nor is it a correction of an error. The Group is considering the impact that the above amendment will have on its financial statements although it is not expected to be material.

Amendment of IFRS 17 Initial application of IFRS 17 AND IFRS 9- Comparative information (in force for uses beginning on January 1st, 2023)

The amendment is a transitional option, relating to comparative information on financial assets presented during the initial application of IFRS 17. The amendment is intended to help entities to avoid temporary accounting mismatches between financial assets and insurance contractual obligations and thus to improve the usefulness of comparative information for users of financial statements. The aforementioned adoption of this amendment is not expected to have an impact on the Group's financial statements.

Amendment of IAS 12 "Deferred tax" relating to assets and liabilities arising from a single transaction (in force for fiscal years beginning on or after January 1st, 2023)

The amendment limits the scope of the recognition exception under which companies in certain circumstances were exempt from recognising deferred tax on initial recognition of assets or liabilities. This exemption is no longer applicable to transactions which, in the initial recognition, result in the creation of equal taxable and deductible temporary differences. The Group is considering the impact that the above amendment will have on its financial statements although it is not expected to be material.

Amendment to IFRS 16 "Lease Obligation on a Sale and Leaseback" (effective for fiscal years beginning on or after the 1st of January 2024)

In September 2022, the IASB issued limited purpose amendments to IFRS 16 Leases. The amendment clarifies how an entity accounts for a sale and leaseback after the date of the transaction. The requirements shall apply retroactively to sale and leaseback transactions entered into after the date of initial application of IFRS 16. The Group is considering the impact that the above amendment will have on its financial statements.

The Bank and the Group do not intend to apply any of the Standards or Interpretations earlier and the effect of their application in the future (when they become mandatory) is not expected to have a significant impact on the Bank's individual and consolidated Financial Statements.

2.4 Consolidated financial statements

2.4.1. Consolidation principles

The consolidated financial statements comprise the financial statements of the Bank and its subsidiaries controlled by the Bank. Control requires all of the following to be met: (a) power over the company; (b) placements or rights to variable returns through its ownership of the company; and (c) ability to use its power over the company to affect the amount of its returns.

The Group's subsidiaries are consolidated by applying the full consolidation method from the date that control is acquired and cease to be consolidated with the loss of control.

Income and expense and other comprehensive income of the subsidiaries acquired or sold during the year are included in the consolidated income statement and in the consolidated statement of comprehensive income from the date of acquisition of the subsidiaries and cease to be incorporated from the date of sale of those subsidiaries. The net earnings and the total comprehensive income of the subsidiaries are distributed among the Bank's shareholders and the non-controlling interests even if, with this distribution, the balance of the non-controlling interests becomes negative.

If the subsidiaries apply different accounting policies than those of the Group, the necessary adjustments are made to their financial statements in order to be consistent with the Group's accounting policies. Intercompany transactions, intercompany balances as well as gains/losses arising from transactions between Group companies are completely eliminated upon consolidation.

2.4.2. Non-controlling interests

Non-controlling interests are initially recognized in proportion to their net identifiable assets. After the acquisition, the book value of the non-controlling interest is their value at initial recognition plus the share of the non-controlling interest in the subsequent changes in equity. Total comprehensive income is allocated to non-controlling interests even if this results in a non-controlling debt balance.

2.4.3. Changes in the percentage of the Group's interest in subsidiaries that do not result in loss of control

Changes in the percentage of a Subsidiary's interest that does not result in a loss of control are recognized as transactions between the shareholders.

The balance of the Bank's shareholders' equity accounts and the 'Non-controlling interest' account are adjusted to reflect the change in the interest rate of the above shareholders over the subsidiary. Any difference between the adjustment of non-controlling interests and the fair value of the consideration paid or received is recognized directly in equity attributable to the Bank's shareholders.

2.4.4. Loss of control

If the change results in the loss of control of the subsidiary, the gain or loss on disposal is calculated as the difference between (i) the sum of the fair value of the consideration received and the fair value of the interest held on a subsidiary and (ii) the carrying amount, before sale, of the assets (including goodwill), liabilities and non-controlling interests. Unrealized gains or losses that were recognized in other comprehensive income and arising on the fair value measurement of the subsidiary's assets are accounted for as if the Bank had directly sold those assets (transfer to profit or loss or to retained earnings, in accordance with applicable the IFRS).

The fair value of any interest in the subsidiary that continues to exist after the date of the loss of control is considered to be the fair value at initial recognition of the financial instrument in accordance with IFRS 9 or the acquisition cost adjusted using the equity method in the event that it is recognized as an associate or joint venture by the applicable standards.

2.4.5. Affiliates

Affiliates means companies over which the Group exercises significant influence but has no control over them. If the Group holds, directly or indirectly, 20% or more of the voting rights of the investment, it is considered to have a material influence, unless it can be clearly demonstrated that this is not the case. Investments in associates are incorporated in the financial statements using the method of equity accounting.

Under the method of equity accounting, investments in associates are initially recognized at cost. Goodwill arising on the acquisition of an associate is included in the acquisition cost of the investment (after any accumulated impairment provisions). The value of the investment increases or decreases according to the percentage of the Group's participation in the profit or loss of the associate after the acquisition (recognized in the income statement of the Group) and from the movements in reserves (recognized in the Group's reserves). The amount of dividends received from the associate during the year reduces the carrying amount of the investment. Investments in associates made solely for the purpose of disposing of them within one year of their acquisition date, when the material influence of the Group is considered to be temporary, are recognized in the "Non-current assets held for sale" account. Unrealized profit on transactions between the Group and its associates are eliminated as a percentage of the Group's interest in those companies. Any such losses, which are also eliminated, are an indication of impairment of the value of the transferred asset. Where appropriate, the financial statements of associates used in applying the method of equity accounting have been amended to ensure their consistency with the accounting policies adopted by the Group.

2.4.6. Joint Arrangements

A joint arrangement is an arrangement of which two or more parties have joint control. A joint arrangement has the following characteristics:

(a) the parties are bound by a contractual arrangement, and

(b) the contractual arrangement gives two or more of those parties joint control of the arrangement.

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Joint arrangements are either joint operations or joint ventures.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Those parties are called joint operators.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Those parties are called joint venturers.

The classification of a joint arrangement as a joint operation or a joint venture depends upon the rights and obligations of the parties to the arrangement.

In the event of the Group's participation in a joint venture, the Group recognizes:

(a) its assets, including its share of any assets held jointly

(b) its liabilities, including its share of any liabilities incurred jointly

(c) its revenue from the sale of its share of the output of the joint operation

(d) its share of the revenue from the sale of the output by the joint operation, and

(e) its expenses, including its share of any expenses incurred jointly.

In the case of the Bank's participation in a joint venture, the Bank recognizes its participation as an investment and accounts for that investment using the method of equity accounting (see Note 2.4.7).

2.4.7. Investments in subsidiaries, associates, and joint ventures in the separate financial statements

In the Bank's financial statements, subsidiaries, associates and joint ventures are recognized at acquisition cost and the fair value of the investment is adjusted. The Bank changed its accounting policy for 2018 concerning measurement of its subsidiaries, from the acquisition cost to the equity method, as amended by IAS 27. The aforementioned amendment permits as of 01.01.2016 the use of the equity method of investing in subsidiaries, joint ventures and associates in a company's separate financial statements.

2.4.8. Impairment testing of investments in subsidiaries, associates, and joint ventures in the separate financial statements

The Group and the Bank assess and control (separately from the effect of the equity method on the value of the investment) whether an investment in a subsidiary, associate or joint venture has been impaired only when they believe that there is an indication of impairment (particularly due to external adverse factors). Where there is such an indication, the Group assesses the recoverable amount of the investment and when the carrying amount of the investment exceeds the estimated recoverable amount, then the book value is impaired to its recoverable value.

2.5 Business Combinations

2.5.1. Acquisition method

Acquisitions of companies that fall within the scope of IFRS 3 are recorded using the acquisition method. The consideration paid in a business combination is measured at fair value, calculated as the sum of the fair values of the assets contributed by the Group on the acquisition date, the liabilities assumed by the Group to the previous owners of the acquired business and the equity instruments issued by the Group in exchange for control of the acquired business. Expenses related to the acquisition are recognized in the profit and loss statement.

At the acquisition date, the assets acquired and liabilities are recognized at their fair value at the acquisition date, except for:

- deferred tax assets and liabilities and liabilities or assets related to employee benefits are recognized in accordance with IAS 12 "Income Taxes" and IAS 19 "Employee Benefits" respectively,
- liabilities or equity securities related to the equity-dependent benefit plan of the acquired company or equity-dependent equity benefit plans of the Group, entered into to replace the equity-dependent benefit plan of the acquired company, are recorded in accordance with IFRS 2 "Share-Related Benefits" at the acquisition date and
- assets (or groups of assets) held for sale in accordance with IFRS 5 "Non-current Assets Available for Sale and Discontinued Operations" are recorded in accordance with this standard.

2.5.2. Goodwill

Goodwill is recognized as the excess between (a) the sum of the consideration paid, any uncontrolled interests in the acquired business and the fair value of any prior interest in the acquired business, and (b) the net worth at the date of acquisition of the assets acquired and of the commitments made. If, after a review, the net value at the acquisition date of the acquired assets and liabilities exceeds the sum of the consideration paid, any non-controlling interest in the acquired company and the fair value of any prior interest in the acquired business, the difference is immediately recorded in the income statement.

2.5.3. Contingent consideration

If the consideration agreed at the business combination includes assets or liabilities arising from a contingent consideration, then the contingent consideration is measured at its fair value at the acquisition date and is included in the total consideration at the business combination. Changes in the fair value of the contingent consideration that are included in the adjustments to the redemption period are recognized retrospectively with a corresponding adjustment of goodwill. Adjustments to the redemption period result from new information received during the redemption period (which may not exceed one year from the acquisition date) on data and situations that existed at the acquisition date.

Changes in the fair value of the contingent consideration that are not included in the adjustments to the redemption period are accounted for by the classification of the contingent consideration. When the contingent consideration is classified as an item of equity it is not re-measured in subsequent reporting periods and its subsequent settlement is recognized in equity. If the contingent consideration is classified as a financial asset or a non-financial asset / liability, the fair value result in subsequent reporting periods is recognized in the income statement.

2.5.4. Business combinations achieved in stages

Where a business combination occurs in stages, the Group's interest in the acquired company is measured at fair value at the acquisition date (the date the Group obtains control) and the resulting gain or loss is recognized in the income statement. Amounts recognized in other comprehensive income and derived from the acquired business prior to the transfer of its control are recognized in the income statement if such treatment would have been appropriate in the event of its sale.

2.6 Foreign currency transactions

The consolidated financial statements are presented in Euro (€), which is the Bank's functional currency and the presentation currency of the Group's financial statements.

Transactions denominated in foreign currency are translated into the functional currency using the exchange rates (current rates) prevailing at the dates of the transactions or the revaluation when the items are revalued. Foreign exchange differences (gains or losses) resulting from the settlement of the above transactions as well as from the conversion at the end of the fiscal year of monetary items from the foreign currency to the functional currency are recognized in the income statement and specifically in "Results of financial transactions & investment securities".

Foreign exchange differences resulting from the translation of non-monetary financial assets and liabilities carried at fair value through profit or loss are included in the income statement, in particular in "Results of financial instruments & investment securities". Foreign exchange differences on non-monetary financial assets, such as available-for-sale debt securities, are recognized in "Other comprehensive income". Non-monetary items that are recorded at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

2.7 Financial instruments based on IFRS 9

2.7.1 Classification and measurement of financial assets

The Group classifies its financial assets based on the business model used for their management as well as on the characteristics of their typical cash flows. The classification of financial assets based on the above criteria is divided into the following three categories of financial assets: (a) Amortized Cost, (b) Fair value through other comprehensive income (FVTOCI) and (c) Fair value through profit and loss (FVTPL).

Purchases and sales of financial assets of the Group are recorded at the date of the transaction, with the exception of loans recognized at their disbursement date.

More in accordance with IFRS 9:

- A financial asset held within a business model whose purpose is to hold financial assets for the purpose of collecting Hold-to-Collect and its contractual cash flows consists solely of repayment of capital and interest on the unpaid balance of principal (SPPI) is measured at amortized cost. The exception is if an entity chooses to measure that asset at fair value through profit or loss (FVTPL).
- A financial asset held within a business model whose objective is to achieve both the collection of contractual cash flows and the sale of financial assets, and its contractual cash flows consist solely of repayment of capital and interest on the unpaid balance of principal is measured at fair value through other comprehensive income (FVTOCI). The exception is if an entity chooses to measure that asset at fair value through profit or loss (FVTPL).
- Other debt securities as well as equity instruments are measured at fair value through profit or loss. An exception exists if an entity irrevocably chooses subsequent changes in the fair value of its equity

instruments that are not held for trading, to be reported directly to other comprehensive income, recognizing only dividend income in its income statement.

Business Model Evaluation

The evaluation of the business model determines how the Group manages the cash flows of a group of financial assets. The determination of the business model is carried out by the Management of the Group in accordance with the Group's operating model, taking into account how these elements are managed to generate cash flow, the risks associated with the performance of the business model, and how to evaluate and manage these risks, personnel compensation and frequency, volume and purpose of historical sales with respect to the group in question, and Management's expectations for future sales.

The business model of the Group's Loans and advances to customers and debt securities of the Group is evaluated as compatible with their HTC business model as:

- Loans, other amounts due and debt securities are held to collect their contractual flows.
- The Bank's business model and strategy do not include any future loan sales plans for any of its portfolios, without, however, excluding sporadic sales or sales of non-performing loans due to the deterioration of creditors' ratings which, under IFRS 9 alone, cannot meet the Bank's obligation to change its business model (as a result it will be able to continue to measure its loan portfolio at amortized cost).
- No loans or advances to customers have been sold in the past.
- The repayment of its loan portfolio results from the designated interest rates.
- The associated risks that affect the performance of the business model in the context of holding the loan portfolio are related to credit risk, and the way of managing that risk is primarily through collateral.
- The Bank's executives are not remunerated on the basis of loan sales receipts nor on the basis of the contractual cash flows of the loans.

Evaluation of contractual cash flows

The Group, at initial recognition of a financial asset, examines whether this asset is compliant with the SPPI criterion, evaluating whether its contractual terms are compatible with an underlying loan agreement. As part of the SPPI assessment, it is examined whether the interest on a financial asset (debt securities) includes only consideration for the time value of money, credit risk, other key borrowing risks, liquidity risk, other borrowing costs and a profit margin, thus being compatible with the SPPI criterion. In addition, it is assessed whether the contract of a financial asset contains conditions that could change the amount or timing of the contractual cash flows (early repayments, asset extension rights, leverage terms, convertible equity, the time value of money, terms that relate to other risks and introduce volatility in the flow of the financial asset, etc.) in a way that is incompatible with an underlying loan agreement, then the financial asset is considered to fail the SPPI valuation and therefore is measured at fair value through profit or loss. In the event that a contractual term is of minor importance, the classification of the related financial asset is not affected by that term. The Bank assesses whether the contractual cash flows are Solely Payments of Principal and Interest (SPPI) on its financial assets and the results are as follows:

- Loans and amounts due to customers: These financial assets are measured at amortized cost because of the characteristics of the contractual cash flows (exclusively capital and interest payments) and the business model as described above (Retention of financial assets for the purpose of collecting contractual cash flows, Hold-to-Collect). The Bank carries out an SPPI rating on a loan product because their contracts consist of standardized loan agreements as a whole.
- Bonds: The Group holds two bonds, one classified at fair value through profit and loss (FVTPL) as its contract includes terms that are inconsistent with an underlying loan agreement and another, due to the characteristics of the contractual cash flows (exclusively equity payments) and the aforementioned business model (Hold-to-Collect financial assets), at amortized cost.

Measurement of financial assets

The Group, having assessed the requirements of IFRS 9, distinguished its financial assets in the following categories:

- Cash and Cash with Central Banks
- Due from banks
- Loans and advances to customers at amortized cost
- Financial assets at amortized cost (debt securities)
- Other due included in Other assets
- Financial assets at fair value through profit or loss (debt securities)
- Equity instruments measured at fair value through profit or loss (Investment portfolio)

Financial assets measured at amortized cost

The Bank recognizes in this category its financial assets held under the HTC business model and the assessment of their contractual cash flows is compatible with interest and principal collection (SPPI rating). This category includes the following financial assets:

- Cash and Cash with Central Banks
- Due from banks
- Loans and amounts due to customers
- Financial assets at amortized cost (debt securities)
- Other due included in Other assets

After initial recognition, the aforementioned financial assets are measured at amortized cost using the effective interest rate method. Interest income on financial assets classified in Stages 1 and 2 is calculated on the basis of the book value of the asset before provisions, while for financial assets classified in Stage 3, the interest income is calculated at book value after provisions.

Financial assets measured at fair value

This category includes the following financial assets:

- Financial assets at fair value through profit or loss (debt securities)
- Equity instruments measured at fair value through profit or loss (Investment portfolio)

In more detail, this category has classified a debt instrument whose terms have been rated as non-compliant and are therefore incompatible with the SPPI criterion. In addition to the above heading, this category also includes the Group's equity instruments as they are presented in the "Investment Portfolio" line of the balance sheet.

The above financial assets are measured at fair value. Profits and losses on disposal or acquisition of the above items but also unrealized gains or losses arising from changes in their fair value are included in "Results of financial instruments & investment portfolio securities" of the income statement.

2.7.2 Derecognition of financial assets

The Group derecognizes a financial asset when:

(a) the contractual rights to the cash flows of the financial asset expire;

(b) the Group has transferred the rights to recover the cash flows of a financial asset either by transferring all the risks and benefits of ownership of the financial asset or has neither transferred nor actually retains the resulting risks and benefits from that asset but has transferred control of the asset,

(c) the Group retains the contractual rights to the cash flows of the financial asset but undertakes a contractual obligation to pay the cash flows to one or more recipients

In the event that the risks and benefits are neither transferred nor retained while the control of the financial asset is not transferred, the Group continues to recognize the financial asset to the extent that it continues to be involved therein.

2.7.3 Modification of financial assets

If the change in the contractual cash flows of a financial asset is considered significant enough, the original asset is derecognized and the modified asset is recognized as "new". The Group recognizes the "new" financial asset at fair value and the difference between the value of the existing asset and the fair value of the "new" one is recognized in the income statement as a profit or loss from derecognition. Alternatively, if a change in a financial asset is not considered significant to result in derecognition, the gain or loss recognized by the amendment is calculated as the difference in the present value of the new contractual cash flows ("modified asset") discounted to the real interest rate on the asset and the net book value of the existing financial asset.

2.7.4. Reclassifications of financial assets

The Group reclassifies all financial assets involved if there is a change in the business model applied to manage those financial assets.

Reclassification is effective in the future from the date of reclassification, therefore any prior profit or losses that have been recognized (including impairment losses) or interest are not restated.

No frequent changes to the business models used by the Group are expected.

2.7.5. Expected credit losses

Impairment

IFRS 9 introduces a model for impairment of expected credit losses (ECL), which applies to financial assets that are not measured at fair value through profit or loss, including loans, credit card receivables and other financial guarantee contracts (eg other undrawn loan commitments and documentary credits/letters of guarantee). The impairment provision based on IFRS 9 is based on expected credit losses related to the probability of default within the next twelve months (12 month PD), unless there has been a significant increase in credit risk from initial recognition of the exposure, so the lifetime probability of default (lifetime PD) will be assessed. In addition, if the financial asset falls within the definition of credit-impaired assets at initial recognition (POCI), an impairment provision is recognized equal to the expected credit loss for their entire life.

Portfolio Ranking in Stages

IFRS 9 requires loans to be classified into three stages (Stage 1, Stage 2 and Stage 3). Early recognition and measurement of credit losses prior to the occurrence of catastrophic events and the reflection of the change in the risk of defaulting on a loan/customer introduced the concept of credit risk categorization in stages. Thus, except in the case of exposures that are classified as POCI and remain in this category throughout their life, the remaining exposures are classified into three stages according to their underlying probability of default. The Standard also introduces the new concept of "Significant Increase in Credit Risk" (SICR). To determine whether credit risk has increased significantly in each reporting period, the risk of default is compared over the remaining life of the loan with the expected default risk, as estimated at the date of recognition of the loan.

Stage 1: It includes retained exposures that do not have a significant increase in credit risk compared to the initial recognition of the exposure, while a provision for credit risk losses equal to the expected 12 month loss is recognized. This stage also includes exposures for which the credit risk has improved and this exposure has been reclassified from stages 2 or 3.

Stage 2: In the event that an exposure presents a significant increase in credit risk compared to its initial recognition and is non-performing, provisions for expected losses over its entire life are recognized and transferred from Stage 1 to Stage 2. This stage also includes exposures for which the credit risk has improved and this exposure has been reclassified from stage 3.

Stage 3: If there is any detrimental effect on the expected cash flows of an exposure, that financial asset is considered a credit-impaired loan and is classified as Stage 3 in accordance with IFRS 9. Provisions of expected losses over the life of the exposure are recognized at this stage.

Default Definition

The Bank applies a default definition for the purpose of preparing its financial statements, in accordance with the definition of Non-Performing Exposures (NPEs) as defined by the European Banking Authority in the Guidelines on the implementation of the definition of infringement under Article 178 of Regulation (EU) No 575/2013 (EBA/GL/2016/07), and in accordance with Annex V to Implementing Regulation (EU) No Commission Regulation (EC) No 680/2014 of 16 April 2014, as amended by Commission Implementing Regulation (EU) No 2015/227. The definition of default is fully harmonized with the definition of credit-impaired loan. The definition of default applies at the borrower level for the business portfolio (borrowers designated by the Basel Committee as a business portfolio), while in the retail credit portfolio it is applied at the individual level (i.e. account level).

In view of the above, the Bank considers that a borrower or loan is in default of its contractual obligations when the following criteria are met:

i. The borrower is late in payment of more than 90 days on any significant credit liability to the Bank.

ii. The Bank considers that the creditor is unable to fully meet their contractual obligations to the Bank (Unlikely to Pay "UTP") unless the Bank seeks to liquidate its collateral.

iii. The loan is classified as Non-Performing Forborne Exposure in accordance with Article 180 of Regulation (EU) No 227/2015.

Given that, as mentioned above, the Bank fully complies with the Guidelines on the application of the definition of default, pursuant to Article 178 of Regulation (EU) No 575/2013 (EBA/GL/2016/07), in 2021, in cooperation with a consulting company, the process of upgrading its information systems and policies has been completed, in order to fully implement the requirements of this Directive.

Estimation of Expected Credit Loss

The Bank calculates Expected Credit Loss (ECL) using the following parameters:

- Exposure at Default (EAD): It represents the estimate of the loss in potential future default. For its calculation, the Bank takes into account expected changes in the exposure amount after the reporting date, including repayments of capital and interest or expected withdrawals from available limits. EAD includes both on and off-balance sheet exposures. The on-balance sheet report corresponds to the total amount committed and payable, which includes the outstanding debt, interest and arrears. The off-balance sheet report represents credit available for withdrawal in addition to the on-balance sheet report. In addition, the credit conversion factor (CCF) is used to convert credit lines and other off-balance sheet exposures to EAD amounts.
- Probability of Default (PD): It expresses the likelihood that a borrower will default on its financial position based on the prevailing financial conditions at the reporting date, adjusted by estimates of future financial conditions for a 12-month time horizon for exposures classified in Stage 1 and for the entire duration of the loan life for exposures classified in Stage 2 or 3. PD is used both for the calculation of Expected Credit Loss (ECLs) and for the Significant Credit Risk Increase (SICR).
- Loss Given Default ("LGD"): expresses the estimate of the damage resulting from a default event. In calculating this parameter, the Bank considers the following components:
    - Loss Given Loss ("LGL"), which is the expected loss on the percentage of loans that are in default and not repaid, for which the collateralization procedure is followed, in the case of covered loans, or cash recovery.
    - The possibility of recovery (Cure Rate - "CR"), that is, the possibility of defaulted accounts being returned, starting to pay their debts regularly.

The Bank calculates loan impairment either on a collective basis or on an individual basis, taking into account the first common grouping characteristics (such as the type of portfolio or loan exposure category), while for the latter the significance of an exposure and whether it is classified as non-performing or whether the customer has been subject to bankruptcy or creditors protection, are taken into account.

In accordance with the requirements of IFRS 9, the Bank develops three macroeconomic scenarios (optimistic, basic and unfavourable) in order to estimate the expected credit losses in a manner that reflects an unbiased and probability-weighted amount. Macroeconomic scenarios are used in addition to calculating expected credit losses and in assessing significant risk increases.

2.8 Fair value of financial instruments

The Group calculates the fair value of financial instruments based on a fair value calculation framework that classifies financial instruments into a three-level hierarchy of data used in valuation, according to their quality as described below:

Level 1: Quoted prices in active markets for identical financial instruments. Active market, is the market in which transactions are of sufficient frequency and volume to provide price information on an ongoing basis. Level 1 includes quoted equity securities.

Level 2: Direct or indirect observable data (other than Level 1 prices), such as quoted prices of similar instruments, quotes from markets that are not active, or other observable data or data that result from observable data for almost the entire duration of the financial instrument. Level 2 includes securities with quoted prices in inactive markets available from third parties (dealers - brokers).

Level 3: Non-observable data backed by few or no active market transactions and significantly affecting fair value. This includes financial instruments that are valued either through the net asset value method or by discounting cash flows or other valuation methods that require management estimates. Level 3 includes unquoted equity securities.

The level in the fair value hierarchy in which a fair value calculation is determined by the lowest level of data used in the fair value calculation and has a significant effect. To this end, the significance of a given item is evaluated in relation to its total fair value.

2.9 Offsetting

The presentation in the financial statements of the net amount that results from the offsetting of financial assets and liabilities is permitted only if there is a contractual right that allows for the offsetting of the amounts recorded and at the same time there is an intention to either settle the total amount of both the financial assets and the liability respectively, or for settlement of the net amount that arises after the offsetting.

2.10 Interest and similar income and expenses

Interest income and expenses relating to all interest bearing financial instruments is recognized in profit or loss using the effective interest method.

Interest income refers to interest on "Loans and advances to customers", "Claims on financial institutions" and debt securities coupons.

Interest expenses relates to interest on "Liabilities to central banks", "Liabilities to other financial institutions", "Liabilities to customers" and "Debt securities and other loans".

2.11 Commissions

Generally, commissions and related income are recognized during the period in which the related services were provided. Commissions and related income arising from trading, transactions or participation in trading on behalf of third parties, such as the purchase of claims on loans, equity or other securities and the purchase or sale of financial units, are recognized at the time of completion of the underlying transaction. It is noted that the accounting treatment of commissions has not changed since the application of the new IFRS 15 standard, the impact of which was assessed as not significant.

2.12 Property and equipment

Property and equipment include land and property, leased property improvements, transportation and equipment, held by the Group for their operational use, but also for administrative purposes. Property and equipment are initially recognized at their acquisition value, which includes all the costs required for a fixed asset to operate.

Subsequent to their initial recognition, property and equipment are measured at cost less accumulated depreciation and any accumulated impairment provisions. Expenditure subsequent to the acquisition of an asset under "Tangible assets" is capitalized only where it is probable that such expenditure will in the future bring additional financial benefits to the Group, beyond what was originally expected at the time of acquisition of the asset. Otherwise, these costs are transferred directly to profit and loss at the time they are incurred.

Depreciation on a fixed asset starts with the commencement of its use and is interrupted only by the sale or transfer of the item. Consequently, depreciation on a tangible asset that ceases to be used is not interrupted, unless fully depreciated, but its useful life is reassessed. Tangible assets are depreciated using the straight line method over their useful lives. The estimated useful lives of property and equipment by category are as follows:

Category of Assets	Useful Life
Fields	Not depreciated
Buildings	50 to 70 years
Improvements to leased real estate	During the remaining term of the lease, not exceeding 12 years
Mechanical Equipment / Technical Installations	From 10 to 25 years
Furniture & other equipment	Up to 12 years
Vehicles	Up to 10 years
Electronic and other equipment	Up to 5 years

The Bank and the Group companies review the residual values and useful lives of property and equipment at each date of drafting the financial statements. The Group examines at each reporting date whether there is any indication that property and equipment have been impaired. If such an indication exists, the Group calculates the recoverable amount of the property and equipment. When the book value of property and equipment exceeds their recoverable value, the Group makes a similar impairment provision in order to reflect the book value of the asset. Profit and losses on disposal of property and equipment are determined based on their book value and are taken into account in determining income before tax.

2.13 Assets from auctions/property inventory

The Bank's assets from auctions and inventory of acquired property of the Group's subsidiaries (property management sector) are recorded in "Other assets".

The Bank's assets from auctions are recognized in "Other assets" at the time of the auction or when collateral is obtained by agreement or court order. Assets from auctions arise when the Bank initiates legal action to collect collateral when it is no longer considered that repayment or settlement of the debt can be achieved. Where debts are secured by assets, legal actions include the initiation of an auction process with the aim of repaying the debts through the realizable value of the collateral.

The Bank's assets from auctions and the Group subsidiaries' property inventory are initially recognized at cost less estimated cost of sale and are accounted for as a provision in accordance with IAS 2. Subsequent to acquisition, they are valued at the lower of cost and net realizable value.

Profits and losses arising from the sale of assets from auctions are included in "Other net income".

2.14 Investment properties

Investment property includes land and buildings held for the purpose of collecting rents and/or capital gains. Investment property is initially recognized at its acquisition value, which includes transaction costs.
Subsequent to initial recognition, investment property is measured at fair value as estimated by appraisers. Fair value is determined by the market value of a property, and if it is not available, other valuation methods are used (e.g. comparative method, residual value of replacement, etc.). The fair value measurement should take into account the ability to derive maximum benefit from the best use or sale of the property.
Investment property is reviewed by appraisers at least annually in order to assess their value. Subsequent expenditure increases the value of the property only when it is probable that the Group will derive future economic benefits. Other maintenance costs are recognized in profit and loss.
The Group has been applying the fair value method for investment property since 2016.
Transfers to and from the category of investment property are effected only in the event of a change in the Group's intention to use the property.

2.15 Goodwill, software and other intangible assets

2.15.1. Goodwill

After initial recognition, goodwill is measured at cost less any accumulated provisions for impairment.
For impairment testing, goodwill is allocated to Cash Flow Generating Units ("CFGUs"). The allocation is made to those of the CFGUs, which are expected to benefit from the business combination resulting in goodwill.
The Group assesses the book value of goodwill on an annual basis, or more frequently, to determine whether there is a possible impairment of its value. In assessing this, it is estimated whether the book value of goodwill remains fully recoverable. The estimate is made by comparing the book value of the CFGU where the goodwill has been allocated to its recoverable amount, which is the greater of its fair value less costs of sale and its value in use. Fair value is measured at market value, if available, either determined by an independent appraiser or derived from a valuation model. If the recoverable amount is less than the book value, an irreversible impairment provision is recognized, and the goodwill is impaired at the excess of the book value of the CFGU over the recoverable amount.

2.15.2. Software

The acquisition cost of software includes expenses that are directly attributable to specific and discrete software products controlled by the Group and which are expected to generate future benefits for more than one year and which will exceed the related acquisition costs. Costs that improve or extend the operation of software programs beyond their original specifications are capitalized and added to their original acquisition value.
Software is depreciated over the straight-line method over its useful life, but over a period of not more than 20 years.
In particular, internally generated software components are initially recognized at a value equal to the sum of the expenses incurred from the date that the component meets the recognition criteria. When an intangible asset cannot be recognized, development costs are recognized in profit or loss in the period incurred.
Research expenses are recognized as an expense when incurred. Internally generated software resulting from development costs incurred on an individual project are recognized only when the Group can demonstrate:

- that it has the technological capability to integrate internally created software to make it available for use,
- its intention to complete and use it,
- its ability to use it,
- how the asset will generate future economic benefits,
- that it has sufficient technological, financial and other resources to complete the development and use of the asset, and
- the ability to reliably measure costs when developing an asset.

Subsequent to their initial recognition, internally generated software items are measured at cost less accumulated depreciation and any accumulated impairment provisions.
Expenses, such as the costs of establishment and first setting up business units or branches, staff training costs, advertising and promotional expenses, and the costs of relocating and reorganizing a section or all of the Group, are recognized as expenses when incurred.
At each reporting date, the management of the Group examines the value of intangible assets in order to determine whether there is any impairment. Where appropriate, the management of the Group performs an analysis to determine whether the carrying amount of the assets in question can be fully recovered. When the carrying amount of an intangible asset exceeds its recoverable amount, a similar provision for impairment is made.

2.16 Leases

2.16.1. The Group as a lessee

The Group recognizes assets with the right of use, which represent the right of use of the underlying assets and respectively lease liabilities, which represent the obligation to pay leases. The Group follows this accounting treatment in all lease agreements with the exception of short-term leases (and low value leases whose rents are recognized in operating expenses.

2.16.2. Assets with right of use

The Group recognizes an asset with the right of use at the starting date of the lease period. The asset is measured at cost, less accumulative depreciation. The amortization of the rights of use is carried out with the straight-line method during the lease. The assets with the right of use are presented in "Property and equipment".

2.16.3. Lease liabilities

The Group recognizes as lease liabilities the obligation to pay rents at the start date of the lease term, which are measured at the present value of the rents at the time of the lease. The rents of the Group consist of fixed rents, while the liability from rents is recalculated in case of change in the rents and the book value of the asset with the right of use is adjusted accordingly. The lease liabilities are presented in "Other liabilities".

2.16.4. The Group as a lessor

Finance lease contracts: Where the tangible assets are leased under finance lease, the present value of the minimum rents paid is presented as a receivable. Proceeds from finance leases are recognized during the lease by the net investment (pre-tax) method, which reflects a fixed rate of return. Due from finance leases is included in the "Loans and receivables to customers" account.

Operating leases: Fixed assets that are leased as operating leases are reflected in the Statement of Financial Position according to their operating nature. Leased tangible assets are depreciated over their useful lives, which should coincide with the useful lives of similar tangible assets. Rental income (less the value of any incentives provided to the lessee) is recognized on a straight-line basis over the term of the lease.

2.17 Cash and cash equivalents

For the purpose of establishing the statement of cash flows, cash and cash equivalents mean the balances of the accounts "Cash and cash equivalents with Central Banks".

2.18 Provisions

The Group makes provisions for contingent liabilities and risks when there is a present legal or constructive obligation because of past events, a high probability of an outflow of resources that has financial benefits for settling the liability and it is possible to estimate the amount of the liability reliably.

2.19 Employee benefits

Group companies pay contributions to employee benefit plans after leaving service in accordance with the conditions and practices applicable in each country. These plans are divided into defined benefit and defined contribution plans.

2.19.1. Pension plans

A. Defined benefit plans

A defined benefit plan is a post-employment employee benefit plan in which benefits are determined on the basis of financial and demographic assumptions. The most significant assumptions include age, years of service, salary, life

expectancy indicators, discount rate, rate of increase in salaries and pensions. The value of the liability in defined benefit plans is equal to the present value of the defined payable benefits at the date of the financial statements, less the fair value of the plan's assets.
The defined benefit obligation and the related expense is estimated annually by independent actuaries using the projected unit credit method unit. The present value of the obligation is determined by discounting the estimated future cash outflows using interest rates of high quality corporate bonds or government bonds in the same currency as the liability with proportional liability duration, or interest rate that takes into account the risk and duration of the obligation, in which case the market depth for such bonds is insufficient. Service costs (current and past service (including deductions) and profit or loss arising from settlements) and the net financial cost of the net liability/(claim) of the defined benefits are recognized in the income statement and are included in Personnel Expenses. The net defined benefit obligation (after deducting the assets) is recognized in the statement of financial position, with changes arising from the revaluation (including actuarial gains and losses and the expected return on assets, if any), recognized directly in Other comprehensive income, without subsequently permitting its transfer to the income statement.

The formation of the provision for the defined benefit program defined by Law 2112/20 was calculated up to and including the year ended on 31/12/2020 in proportion to the service time of each employee towards the estimated time of retirement, i.e. the amount of the provision did not correspond to the amount of the severance pay paid to the employees in the context of their dismissal by the employer. The technique applied by the Bank and the Group for the calculation of the provision was in full compliance with the method described in Opinion ref. 640 dated 6 March 2019 issued by the Scientific Council of SOEL.
The new clarification directive of SOEL, issued in 2021, defined as appropriate method of allocation of benefits for the formation of the provision during the last 16 years of service of employees until the date of their retirement, following the scale of Law 4093/2012. The implementation of the above directive has been treated as a change in accounting policy, applying the change retrospectively from the beginning of the first comparative period, in accordance with paragraphs 19 - 22 of IAS 8.

B. Defined contribution plan

A defined contribution plan is defined as a post-service employee benefit plan, whereby the employer pays specific contributions to a Fund without any other legal or constructive obligation for further contributions if the Fund does not have the required assets in order to pay the benefits of the policyholders in the current and previous fiscal years. The Group's contributions to the defined contribution plans are recognized in the income statement during the period they relate to and are included in "Personnel costs" account.

2.20 Income taxes

The basis for calculating the income tax payable is taxable profit for the year. Taxable profits differ from pre-tax profits in the income statement due to the exclusion of income or expense that will be taxed or deducted in subsequent years. Also excludes taxable income and expenses that are not recognized for tax deduction. The Group's income tax payable is calculated using the tax rates that are effective or substantially effective at the date of preparation of the financial statements. Deferred tax is calculated using the liability method. The tax that is expected to be paid or recovered and is calculated on the difference between the accounting base of the assets and liabilities and their corresponding tax base, is used to calculate taxable profits.
The most significant temporary differences arise from the impairment of loans and advances to customers, the valuation of financial assets, provisions for retirement benefits, the valuation of real estate inventories at the lower of cost and net realizable value and valuation of Investment property. The tax benefits that may arise from unused tax losses that are carried forward to subsequent years to be offset are recognized as assets when it is deemed probable that future taxable profits will be sufficient to offset the cumulative tax losses.

Deferred tax assets and liabilities are determined on the basis of the tax rates that are expected to apply to the period in which the asset will be realized or the liability settled. The determination of future tax rates is based on laws adopted at the date of preparation of the financial statements.
Deferred tax assets and liabilities are not recognized if the temporary differences arise on initial recognition of goodwill, or on initial recognition of assets and liabilities (other than business combinations) in a transaction that affects neither taxable nor accounting earnings.
The recognition of deferred tax assets is based on the Management's belief, which is based on available supporting evidence, that tax benefits associated with temporary differences, such as tax losses carried forward and subsequent tax liabilities, are likely to be realized. The carrying amount of deferred tax assets is reviewed at each reporting date and is reduced to the extent that it is no longer probable that there will be sufficient taxable profits to recover all or part of it. In order for the Group and the Bank to make the decision to recognize these deferred tax assets, they consider all available, positive and negative elements, including the realization of the already existing tax temporary differences, projected future tax profits and recent results. If the Group and the Bank find that they are likely to recover deferred tax assets in the future beyond what they have already recognized, then they increase the book value of the deferred tax assets.
Current and deferred tax assets and liabilities are offset provided that the tax authorities grant the right to offset the assets and liabilities and if the deferred tax assets and liabilities relate to the same tax authority and management intends to settle the net amount that results after the offset. Deferred income tax is recognized in temporary differences arising from investments in subsidiaries, associates and joint ventures unless the timing of the reversal of the temporary difference can be controlled by the Group and there is a significant possibility that the difference will not be reversed in the near future.
Deferred tax assets or liabilities that relate to changes in the fair value of available-for-sale investment securities that are charged to or credited to other comprehensive income are also charged to Other comprehensive income and transferred to results and related profit or loss.

2.21 Cooperative capital

According to IFRIC 2, many financial instruments, including the members' shares in cooperative entities, have equity characteristics such as voting rights and the right to participate in dividend distribution. The classification of these financial instruments as equity or financial liabilities is subject to repayment terms. Some financial instruments entitle their holder to request repayment in cash or for another financial instrument, but may include or be subject to restrictions (such as restrictions on liquidity or reserves formed) as to whether the financial instruments will be repaid. The contractual right of the holder of a financial instrument to request repayment does not in itself require the classification of the financial instrument as a financial liability. An entity should consider and take account of all the terms and conditions of a financial instrument as well as its relevant laws and regulations to determine whether it should be classified as a financial liability or equity.

Co-operative shares of members constitute an equity component if one of the following conditions applies:

- An entity has an unconditional right to refuse to repay shares. An unconditional prohibition may be absolute, in the sense that all discounts are prohibited, or partial, in the sense that it prohibits the repayment of members' shares if the repayment would be due to the number of members' shares or the amount of paid-up capital from members, to fall below a certain level.
- Domestic law or regulations or the entity's articles of association may prohibit the repayment of shares. However, domestic laws, regulations or an entity's articles of association prohibiting repayment under conditions - such as restrictions on liquidity or reserves - do not result in the shares being considered as equity.
- Members' shares meet the requirements of IAS 32, regarding the recognition of equity, available by the holder of financial instruments and the obligations of the issuer upon liquidation.

For the purposes of Article 92 of Regulation (EU) No 575/2013 and Article 149 of Law 4261/2014, repayment of cooperative shares, including cases of retirement or exclusion of associates, which entails a reduction, within the financial year, of more than 2% of the credit institution's equity in the form of a cooperative under Law 1667/1986, is subject to the prior approval of the Bank of Greece. In any event, the Bank of Greece may prohibit the repayment of cooperative shares if the viability of the credit institution operating in the form of credit cooperative.

The Bank has recognized all of its cooperative capital in equity, as there is no relevant authorization to repay shares from the Bank of Greece in accordance with Article 149 of Law 4261/2014.

In addition, they are listed as follows:

The direct costs of issuing cooperative capital are deducted directly from equity.

The difference between the issue of premium shares concerns the difference between the nominal value of the shares issued and their selling price.

Own cooperative shares are those of the Bank held by the Group, which are recognized at acquisition cost and are deducted from the Group's equity.

2.22 Associated parties

In accordance with IAS 24, associated parties include any natural or legal persons associated with the entity that compiles the financial statements. Two parties are considered to be associated if one can exercise control over the other or exercise significant influence over it when making financial and business decisions. Specifically, associated parties are:

a) Enterprises, directly or indirectly, controlled by the Bank.
b) Affiliates, in which the Bank has significant influence and are not subsidiaries.
c) Individuals and their close relatives holding, directly or indirectly, voting rights in the Bank, which give them substantial influence over the Bank.
d) Members of the Bank's Board of Directors and key Managers as well as closely related persons
e) Enterprises belonging to members of the Management.

2.23 Government grants

Government grants relating to assets are initially recognized as liabilities during the period collected or during the period when their approval becomes final and there is certainty of their collection.

The recognition criterion is valid as to the timing of recognition, which is unquestionable, while the stage of non-recovery is the criterion of their definitive approval and the assurance that they will be collected. Specifically, the grant approval is considered final when the entity has documented compliance with the conditions governing its award.

Government grants are recognized at the amounts collected or finally approved. After initial recognition, government grants are depreciated upon their transfer to the profit and loss as income, in the same period, and in a manner corresponding to the transfer to profit and loss of the accounting value of the asset granted.

NOTE 3: SIGNIFICANT ACCOUNTING ESTIMATES AND CONSIDERATIONS IN THE APPLICATION OF ACCOUNTING POLICIES

The preparation of financial statements in accordance with IFRS requires the management to make estimates and assumptions that affect both the carrying amounts of the assets and liabilities and the income and expenses recognized in the financial statements of the Group and the Bank. The Group's management believes that the estimates and assumptions made in the preparation of the consolidated financial statements sufficiently reflect the events and circumstances on 31 December 2022. Specifically, the Group makes estimates and assumptions when applying accounting policies in the following significant cases:

Evaluation of the business model and the contractual cash flow characteristics of the financial asset

Under IFRS 9, financial assets - in particular loans and debt securities - of an entity are classified on the basis of the business model evaluation for financial assets management and on the basis of the characteristics of their contractual cash flows. This dual evaluation of financial instruments requires a judgment taking into account the following.

Business Model Evaluation

It is not defined separately at the financial instrument level but at the portfolio level, i.e. financial assets with the same characteristics:

- Historical sales (frequency, amount of sales) and Management's future plans for portfolio sales
- The way to measure portfolio performance
- The associated risks that affect the performance of the business model and how it is managed
- The method of evaluation and remuneration of the Bank's executives

Fair value of financial instruments

The fair value of financial instruments traded in an active market is determined on the basis of available market prices. The fair value of financial instruments that are not traded in regulated markets or whose prices are not available is determined using various valuation methods. These methods include cash flow discounting methods, as well as other models based mainly on observable data and to a lesser extent on non-observable data. Valuation of non-quoted equity securities for which there are no available prices, the net asset value method is used.

Expected losses of credit risk financial instruments

With the repeal of IAS 39 and the transition to the new IFRS 9 standard, and in conjunction with the adoption of European Banking Authority guidelines in advance, the Group redefined the parameters used to calculate its loan portfolio impairment policy, the parameters used to calculate the estimated expected credit loss. However, the measurement of expected credit losses requires Management to make a judgment by making a series of estimates. The estimates required are based on a number of factors, which can lead to changes in both the timing of the recognition of the loss and the amount of the impairment recognized and the calculation of expected credit losses is based on complex models, which depend on a number of assumptions on the choice of model variables and the interdependencies they create.

The new standard has introduced a new concept, the "Significant Increase in Credit Risk" (SICR), the interpretation of which is critical both to the classification of loans and to the calculation of Expected Credit Loss. As IFRS 9 does not include a definition of Significant Increase in Credit Risk (SICR), estimates are made to determine the criteria used in assessing significant increase in credit risk, and estimates are also made by selecting appropriate methodologies for determining expected credit risk losses as well as identifying macroeconomic scenarios for calculating expected credit losses. At the same time, judgments and estimates are required regarding the determination of the residual duration of the recycled credit, the change in probability of default, and the grouping of financial assets based on similar credit risk characteristics.

Specifically, by using models and pooling financial assets with similar credit risk characteristics, the Group calculates expected credit losses with estimates of risk parameters, namely, Probability of Default, Loss Given Default and Exposure at Default, while incorporating the use of macroeconomic scenarios and their weighting factors in this calculation.

Impairment of associated companies

The Group exercises judgment and tests for impairment the value of its investments in associates, comparing the recoverable amount of each investment (the highest of the values between value of use and fair value less selling costs) to its book value. The permanent impairment of the investment in an associate as shown in the valuation is recorded in the Group's income statement.

Fair value of real estate

The Group's own-use properties are reviewed for impairment when events or changes in circumstances show that the book value may not be recoverable. The recoverable value is the greater of the fair value of property and equipment, less costs to sell and value in use.

All inventory is measured at the lower value of its acquisition cost and its net realizable value. Net realizable value is the estimated selling price, less costs to sell.

Investment property is measured at fair value, as determined by appraisers. Fair value is determined by market prices or, where unavailable, valuation methods are used with appropriate adjustments to reflect current financial conditions and management estimates, to the best possible extent, of future real estate market price trends.

Income taxes

The Group recognizes deferred tax on temporary tax differences, taking into account the applicable tax provisions.

Deferred tax assets related to tax losses and deductible temporary differences are recognized to the extent that it is probable that a sufficient future taxable income will exist, to cover the tax losses and the deductible provisional differences. Estimating expected future taxable profits requires judgments and assumptions about trends and key profitability factors, such as loan and deposit volumes and profit margins.

Deferred tax assets on tax losses and deductible temporary differences that are not considered recoverable could be recognized in the foreseeable future if estimates for future taxable profits are improved during the period that the right to use taxable income tax deductions and allowances can be exercised. Taxable profits are calculated in accordance with Greek tax law and therefore cannot be considered equivalent to the result determined by accounting rules.

Changes in tax legislation and tax rates may affect in the future the recognized deferred tax assets and liabilities and therefore the level of future tax results.

Staff retirement benefits

Compensation is calculated based on the scale of dismissal compensation under Law 2112/20 and is provided to employees upon their departure from the Company provided that they have established a right to retirement. Specifically, the amount of compensation is calculated at 40% of the amount of dismissal compensation for those who have retired (50% for those who have not established their right with a complementary fund).

The current value of liabilities due to staff retirement depends on factors determined on an actuarial basis using various assumptions, such as the discount rate and future salary increases. Any changes to such assumptions will affect the book value of retirement liabilities.

The Group shall set the appropriate discount rate for the calculation of the present value of the estimated pension liabilities at the end of each year. The rate of increase in wages is based on estimates of future levels of inflation and also reflects the Group's reward system and expected market conditions.

The remaining assumptions pertaining to retirement obligations, including inflation fluctuations, are partly based on current market conditions at the given time.

For further information on liabilities due to staff retirement and the aforementioned main actuarial assumptions, see note 8.

Provisions and contingent liabilities

The Group recognizes provisions where there is a present legal or implied obligation for which the outflow of resources is almost certain and can be reliably measured. In cases where there is a low potential for an outflow of resources to settle the liability or the amount of the outflow cannot be reliably estimated, no provision is made but this is disclosed in the relevant financial statements.

At each reporting date, the Group exercises judgment and assesses the probability of settlement of the liability, the ability to reliably measure the outflow and the timing of settlement. In addition, in cases of pending litigation, the Group assesses them in detail, whenever financial statements are prepared, based on the estimates of the Bank's Legal Service and its subsidiaries or the estimates of external independent legal advisors, where the amount in question is considered significant.

NOTE 4: RISK MANAGEMENT

4.1 Audit Committee

The Audit Committee, in addition to its other responsibilities, formulates and recommends to the Board of Directors (BoD) the Bank's risk appetite strategy on an annual basis. It also sets out the principles and approves the policies that should govern the management of the risks assumed and monitors the actions taken to address them effectively.

The Committee consists solely of non-executive members of the Board of Directors, who are at least three, and most of whom (including the Chairman) are independent members of the Board. The members and the Chairman of the Committee are appointed by the Bank's Board of Directors.

The Committee is responsible for evaluating the reports and of the Bank's overall risk exposure on a regular basis. The issues to be discussed by the Committee are proposed by the Head of the Risk Management Unit.

4.2 Financial risk management

4.2.1. Risk management policy

The Bank aims to adopt risk appetite practices, taking into account all relevant instructions and supervisory requirements as identified by the Basel Committee on Banking Supervision, the European Banking Authority and the Bank of Greece.

Within the Bank's risk appetite framework, the Board of Directors has entrusted the Audit Committee to oversee all risk management functions of the Bank.

The Bank has established the Risk Management Unit, which is responsible for examining and assessing the two main sources of risk, Credit Risk and Operational Risk, as well as for controlling and monitoring any other risks to which the Bank is exposed. It report directly to the Board of Directors, through the Audit Committee.

The Compliance Unit is responsible for all compliance issues, both internal and external, such as applicable Greek and European laws, regulations, supervisory regulations and accounting standards. The Bank's Internal Audit Unit, which reports directly to the Board of Directors through the Audit Committee, complements the risk appetite framework by acting as an independent audit body, focusing on the effectiveness of the risk appetite framework and control environment.

4.2.2 Risk Appetite Framework

The Board of Directors has overall responsibility for developing and overseeing the "Risk Appetite Framework" for the development of the Risk Appetite strategy, in line with the Bank's business objectives.

It also assesses the effectiveness of risk management policy, as well as the adequacy of equity, in relation to the amount and form of risk undertaken. The risk appetite framework is updated annually upon recommendation by the Risk Management Unit to the Board of Directors, taking into account any supervisory requirements.

4.2.3 Risk Management Unit

According to the Rules of Operation of the Risk Management Unit, its mission is:

- to specify and implement the credit risk policy with a focus on rating systems, assessment models and risk parameters, in accordance with the guidelines of the Bank's Board of Directors,
- to submit written assessments to the Bank's approval bodies for exposures to borrowers or groups of borrowers and participating through its supervisor and its executives, with voting rights, in the credit approval process,
- to calculate the supervisory and internal capital required to cover all risks and to prepare the relevant regulatory and supervisory reports,
- to design, specify, recommend and implement the risk management policy in accordance with the guidelines of the Bank's Board of Directors, and
- to contribute, together with the other Directorates and Units of Management to the formation and development of the risk culture throughout the Bank,
- to evaluate the adequacy of the Bank's credit risk identification, measurement and monitoring all the risks incurred by the Bank and their periodic validation,
- to prepare and submit all necessary reports on matters within its competence, with a view to providing the Management with sufficient information on a quarterly, semiannual or annual basis,
- to collaborate with other units and departments of the Bank on risk management issues.
- to participate in Working Groups created from time to time for the purpose of drawing up regular and extraordinary plans with the supervisory authorities.

The Risk Management Unit is comprised, in addition to its Head, by two more employees.

4.2.4 Asset-liability management

Asset/liability management policies are designed to ensure that the balance sheet is compiled in such a way as to limit both liquidity risk and interest rate risk and to contribute to its profitability. The Bank's asset/liability management policy is designed and implemented by ALCO, which sets out the general asset and liability management policy. ALCO sets out the Bank's strategy and policy on the structure and management of Assets and Liabilities, taking into account the current market conditions and risk limits set by the Bank.

4.2.5 Internal control

Internal control aims to perform audit and advisory activities designed to add value and improve operations.

4.3 Managing specific risks

4.3.1 Credit risk

Credit risk is the risk of loss due to the counterpart's inability to meet the terms and obligations arising out of any contract with the Bank. It is incurred from lending activities. This is the most significant risk faced by the Bank. The process of assessing the creditworthiness of borrowers is carried out separately by the Bank and in particular in exposures of more than € 500.0 thousand and by the Risk Management Unit.

4.3.2 Credit risk management procedures

The Bank's credit operations include:

- Credit criteria, clearly identified by the specific market targeted, the category of borrowers or counterparties, as well as the purpose, type of credit, and the source of repayment.
- Credit limits that allow for grouping and comparison at different levels of different forms of risk exposure.
- Established and clearly defined procedures for approving new credits, as well as restructuring, and renewing existing credits.

The Bank's internal safeguards for credit risk-related procedures include:

- Proper management of credit operations.
- Regular and timely corrective actions to manage loans in default.

4.3.3 Credit Risk Measurement, Monitoring and Internal Ratings

The process of evaluating borrowers' creditworthiness is centrally undertaken by the Risk Management Unit, which works closely with the Credit Division responsible for specific categories of lending, as well as with the Credit Management Division, which is responsible for all exposures which are already or are about to be in default.

For the year 2022, the Bank mainly used RV RATING as the credit risk rating system for the business portfolio, which is periodically validated.

The business portfolio is categorized annually into nine credit levels related to the Probability of Default.

Exposures to Business Lending as well as lending to SMEs are mainly covered by collateral and, secondarily, liquid assets, receivables, etc.

In 2021, the Bank proceeded with the procurement of a new credit rating system (ICAP CRIF RISK PROFILER) for retail and business credit. The new system will be used alongside the RV Rating within the year 2022.

4.3.4 Management of Significant Risk Concentration

The Bank manages the lending process, controls exposure to credit risk and ensures compliance through a system of internal limits.

The main tool for monitoring the Business Portfolio are the Credit Limits which express the maximum permissible level of risk exposure for a given Credit Level.

The Board of Directors, upon recommendation by the Audit Committee, approves the maximum credit limits, which are reviewed annually. All exceedances over the established internal limits are approved by the competent approval bodies within the approval powers defined in the Credit Policy.

The credit risk arising from the excessive exposure to a counterparty or a group of related counterparties whose probability of default depends on common factors is monitored through the Large Exposures per group of related debtors.

Finally, in the context of the Internal Capital Adequacy Assessment Process, the Bank, in cooperation with SYSTEMIC SA, calculates the risk of concentration and the risk of unexpected losses, i.e. the internal or financial capital of its exposures, by calculating the increase in capital requirements.

4.3.5 Loans and Receivables Impairment Policy

The Bank has adopted a policy of impairment of loans and advances to customers. This policy sets out the guidelines for the process of assessing the impairment need and calculating the impairment provision. The Bank's Loans and Receivables Impairment Policy is set out in Note 2.7.5 above. In addition, a Provision Committee has been set up to oversee the proper implementation of the Loan and Receivables Impairment Policy.

4.3.6 Securities and other credit risk mitigation techniques

4.3.6.1 Loans and receivables to customers

The most common practice used by the Bank to reduce credit risk on loans and advances to customers is to obtain collateral. The Bank has implemented guidelines on the acceptance of specific types of collateral as described in the

Bank's Policy for Collateral Valuation. In particular, in the Policy for Collateral Valuation clearly identifies all eligible collateral as forms of credit protection. The main categories of collateral are the following:

- Mortgages on real estate used for residential and/or commercial property
- Maritime mortgages
- Pledges on deposits, shares (listed and non-listed), gold, machinery, etc.
- Guarantees of the Greek State or Greek and European organizations
- Assignment of receivables (both incurred and non-incurred)
- Corporate or personal guarantees (including the former TEMPME guarantee)

The Bank, to ensure more complete monitoring and more efficient management of collateral secured by loans and receivables, but also in full compliance with the existing supervisory framework, has incorporated the collateral subsystem into the existing information systems. The collateral subsystem enables the collateral information to be extracted at various levels, the components of the collateral that allow its qualitative evaluation to be monitored, as well as the components that allow its value to be calculated.

4.3.6.2 Maximum exposure to credit risk

The maximum exposure to credit risk at 31.12.2022 and 31.12.2021 for the Group and the Bank, respectively, is as follows:

	Group		Bank	
Amounts in EUR	**31.12.2022**	**31.12.2021**	**31.12.2022**	**31.12.2021**
A. On-Balance Sheet Items Subject to Credit Risk				
Cash at Central Banks	171,302,377	145,476,260	171,302,377	145,476,260
Due from financial institutions	11,718,650	20,510,608	11,718,650	20,510,608
Financial assets at fair value through profit or loss	-	1,365,779	-	1,365,779
Financial assets at amortized cost	1,044,865	1,044,865	1,044,865	1,044,865
Loans and amounts due to customers	343,364,408	352,257,536	381,424,454	386,715,729
Holdings*	14,045	47,534	10,203,696	10,659,452
Other due from customers and various debtors	15,382,919	15,979,664	7,062,727	10,324,845
Investment portfolio	12,225,269	10,693,574	3,689,604	3,187,078
Total value of On-Balance Sheet Items Subject to Credit Risk*	**555,052,534**	**547,375,819**	**586,446,372**	**579,284,615**

B. Off-Balance Sheet Items Subject to Credit Risk

Letters of guarantee, letters of credit and other guarantees	25,042,486	17,985,231	25,045,949	17,988,693
Total value of Off-Balance Sheet Items Subject to Credit Risk*	**25,042,486**	**17,985,231**	**25,045,949**	**17,988,693**
Total Value of Exposures Subject to Credit Risk*	**580,095,020**	**565,361,050**	**611,492,320**	**597,273,308**

4.3.6.3 Recovery of securities

According to the Bank’s Credit Policy, the existence and value of collateral are closely monitored. The frequency of property appraisals usually does not exceed one year for commercial real estate and three years for residential real estate. The valuations are carried out by specialized valuers, duly accepted by the Bank.

The value of collateral includes:

- Real estate collateral, and in particular pre-notations/mortgages on commercial or residential real estate, excluding any prior liens, with a maximum amount being the minimum assurance value,
- Financial collateral, and in particular, pledges on deposits, stock traded in a primary index of an organized market, gold,
- Other collateral (such as maritime mortgages),
- Value of guarantees and in particular the value of collateral related to the former TEMPME guarantee.

According to the Bank's valuation policy, from 31/12/2021 real estate collateral can also be calculated using the statistical indexing method (prop-indexing method). The purpose is to have the most up-to-date real estate securities in the Bank's books.

The analysis of collateral and guarantees obtained to limit exposure to credit risk on loans and advances to customers is broken down by portfolio category and summarized in the following tables:

Analysis of collateral and guarantees - Group

	31 December 2022					31 December 2021			
	Collateral Value					Collateral Value			
	Collateral on real estate	Financial collateral	Other collateral	Total collateral	Value of guarantees	Collateral on real estate	Financial collateral	Other collateral	Total collateral
Retail Banking	122,429	2,004	2,976	127,409	2,751	118,139	2,294	2,430	122,863
Business Banking	293,185	5,211	18,553	316,949	13,196	293,598	4,905	11,563	310,066
Public Sector	0	0	0	0	0	0	0	0	0
Total	**415,614**	**7,215**	**21,529**	**444,358**	**15,947**	**411,737**	**7,199**	**13,993**	**432,929**

Analysis of collateral and guarantees - Bank

	31 December 2022					31 December 2021			
	Collateral Value					Collateral Value			
	Collateral on real estate	Financial collateral	Other collateral	Total collateral	Value of guarantees	Collateral on real estate	Financial collateral	Other collateral	Total collateral
Retail Banking	122,429	2,004	2,976	127,409	2,751	118,139	2,294	2,430	122,863
Business Banking	327,081	5,421	19,499	352,001	13,676	326,362	5,006	13,549	344,917
Public Sector	0	0	0	0	0	0	0	0	0
Total	**449,510**	**7,425**	**22,475**	**479,410**	**16,427**	**444,501**	**7,300**	**15,979**	**467,780**

In addition, there are active guarantee assets of the amount of € 22.4m either from the Hellenic Development Bank (HDB) S.A. or the European Investment Fund (EIF) corresponding to loans of a total balance of € 29.4m and relating to financial products provided to enhance the liquidity of companies to address the adverse effects of COVID-19.

Also, the financial plan EMPLOYMENT AND SOCIAL INNOVATION GUARANTEE FACILITY GUARANTEE AGREEMENT FOR MICROFINANCE (EaSI) is still underway in cooperation with the European Investment Fund-EIF which offers a guarantee to facilitate access to finance for micro-enterprises and vulnerable social groups. To date, 81 businesses have benefited from such plan.

4.3.6.4 Loan to Value Ratio

The Loan to Value Ratio reflects the relationship between the loan and the assurance value of the property held as collateral. The following are the loan balances and the number of borrowers depending on the LTV rate for the mortgage portfolio:

	Group		Bank	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Less than 50%	2,671	2,734	2,671	2,734
50%-70%	2,484	3,553	2,484	3,553
71%-80%	4,863	3,349	4,863	3,349
81% -90%	2,552	2,579	2,552	2,579
91%-100%	1,542	1,480	1,542	1,480
101%-120%	1,755	1,855	1,755	1,855
121%-150%	2,098	2,882	2,098	2,882
More than 150%	5,442	4,760	5,442	4,760
Total	**23,407**	**23,192**	**23,407**	**23,192**
Ratio average	**104%**	**107%**	**104%**	**107%**

4.3.6.5 Loans and receivables to customers

The credit quality of loans and advances to customers is summarized as follows:

Loans and advances to customers by credit quality - Group

31 December 2022	Stage 1					Stage 2					Stage 3					TOTALS	
	Performing	Non-performing	Accounting balance (before provisions)	Expected credit risk loss	Accounting Balance (net worth)	Performing	Non-performing	Accounting balance (before provisions)	Expected credit risk loss	Accounting Balance (net worth)	Performing	Non-performing	Accounting balance (before provisions)	Expected credit risk loss	Accounting Balance (net worth)	Accounting Balance (net worth)	Value of collateral
Retail Banking	**25,911**	**3**	**25,913**	**(234)**	**25,680**	**9,043**	**4**	**9,047**	**(292)**	**8,755**	**6,669**	**85,653**	**92,322**	**(33,772)**	**58,550**	**92,985**	**130,201**
Housing Loans	6,660	0	6,661	(23)	6,637	830	0	830	(26)	804	895	15,021	15,916	(4,212)	11,704	19,145	30,785
Consumer loans	4,786	1	4,787	(72)	4,715	576	3	580	(10)	570	1,423	8,734	10,157	(3,721)	6,436	11,721	15,082
Credit cards	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other loans	14,465	1	14,466	(138)	14,328	7,637	1	7,638	(256)	7,381	4,352	61,898	66,249	(25,839)	40,410	62,120	84,334
Business Banking	**140,032**	**0**	**140,032**	**(1,105)**	**138,927**	**42,022**	**1,161**	**43,183**	**(3,570)**	**39,613**	**16,773**	**117,651**	**134,424**	**(62,647)**	**71,777**	**250,317**	**330,146**
Large enterprises	5,908	0	5,908	(270)	5,638	9,113	0	9,113	(2,376)	6,737	0	2,618	2,618	(2,613)	5	12,379	8,930
Small and medium-sized enterprises SMEs	134,124	0	134,124	(835)	133,289	32,909	1,161	34,070	(1,194)	32,877	16,773	115,034	131,806	(60,034)	71,772	237,938	321,216
Public sector	**64**	**0**	**64**	**(2)**	**62**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**62**	**0**
Greece	64	0	64	(2)	62	0	0	0	0	0	0	0	0	0	0	62	0
Other countries	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	**166,007**	**3**	**166,010**	**(1,341)**	**164,668**	**51,065**	**1,166**	**52,230**	**(3,861)**	**48,369**	**23,442**	**203,304**	**226,746**	**(96,419)**	**130,327**	**343,364**	**460,347**

Loans and advances to customers by credit quality - Bank

31 December 2022	Stage 1					Stage 2					Stage 3					TOTALS	
	Performing	Non-performing	Accounting balance (before provisions)	Expected credit risk loss	Accounting Balance (net worth)	Performing	Non-performing	Accounting balance (before provisions)	Expected credit risk loss	Accounting Balance (net worth)	Performing	Non-performing	Accounting balance (before provisions)	Expected credit risk loss	Accounting Balance (net worth)	Accounting Balance (net worth)	Value of collateral
Retail Banking	**25,911**	**3**	**25,913**	**(234)**	**25,680**	**9,043**	**4**	**9,047**	**(292)**	**8,755**	**6,669**	**85,653**	**92,322**	**(33,772)**	**58,550**	**92,985**	**130,201**
Housing Loans	6,660	0	6,661	(23)	6,637	830	0	830	(26)	804	895	15,021	15,916	(4,212)	11,704	19,145	30,785
Consumer loans	4,786	1	4,787	(72)	4,715	576	3	580	(10)	570	1,423	8,734	10,157	(3,721)	6,436	11,721	15,082
Credit cards	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other loans	14,465	1	14,466	(138)	14,328	7,637	1	7,638	(256)	7,381	4,352	61,898	66,249	(25,839)	40,410	62,120	84,334
Business Banking	**178,094**	**0**	**178,094**	**(1,108)**	**176,987**	**42,022**	**1,161**	**43,183**	**(3,570)**	**39,613**	**16,773**	**117,651**	**134,424**	**(62,647)**	**71,777**	**288,377**	**365,678**
Large enterprises	5,908	0	5,908	(270)	5,638	9,113	0	9,113	(2,376)	6,737	0	2,618	2,618	(2,613)	5	12,379	8,930
Small and medium-sized enterprises SMEs	172,186	0	172,186	(837)	171,349	32,909	1,161	34,070	(1,194)	32,877	16,773	115,034	131,806	(60,034)	71,772	275,998	356,748
Public sector	**64**	**0**	**64**	**(2)**	**62**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**62**	**0**
Greece	64	0	64	(2)	62	0	0	0	0	0	0	0	0	0	0	62	0
Other countries	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	**204,069**	**3**	**204,072**	**(1,344)**	**202,729**	**51,065**	**1,166**	**52,230**	**(3,861)**	**48,369**	**23,442**	**203,304**	**226,746**	**(96,419)**	**130,327**	**381,424**	**495,879**

COOPERATIVE BANK OF CHANIA

Loans and advances to customers by credit quality - Group

31 December 2021	Stage 1					Stage 2					Stage 3					TOTALS	
	Performing	Non-performing	Accounting balance (before provisions)	Expected credit risk loss	Accounting Balance (net worth)	Performing	Non-performing	Accounting balance (before provisions)	Expected credit risk loss	Accounting Balance (net worth)	Performing	Non-performing	Accounting balance (before provisions)	Expected credit risk loss	Accounting Balance (net worth)	Accounting Balance (net worth)	Value of collateral
Retail Banking	**22,330**	**2**	**22,332**	**(561)**	**21,771**	**14,020**	**86**	**14,107**	**(745)**	**13,361**	**10,136**	**78,954**	**89,090**	**(31,962)**	**57,128**	**92,260**	**125,682**
Housing Loans	6,103	0	6,103	(20)	6,084	1,063	0	1,063	(53)	1,010	888	15,138	16,026	(4,037)	11,989	19,082	29,263
Consumer loans	4,287	0	4,287	(121)	4,166	1,079	0	1,079	(28)	1,051	1,200	8,614	9,814	(3,295)	6,519	11,735	14,249
Credit cards	0	0	0	0	0	0	0	0	0	0	0	492	492	(442)	49	49	20
Other loans	11,940	2	11,942	(421)	11,521	11,878	86	11,965	(664)	11,301	8,048	54,711	62,759	(24,188)	38,571	61,393	82,150
Business Banking	**119,704**	**0**	**119,705**	**(1,871)**	**117,834**	**62,309**	**0**	**62,309**	**(5,041)**	**57,268**	**18,899**	**125,769**	**144,668**	**(59,855)**	**84,813**	**259,915**	**323,114**
Large enterprises	12,346	0	12,346	(399)	11,947	9,253	0	9,253	(2,757)	6,495	0	2,618	2,618	(2,618)	0	18,443	15,617
Small and medium-sized enterprises SMEs	107,358	0	107.359	(1,472)	105,887	53,056	0	53,056	(2,284)	50,773	18,899	123,152	142,051	(57,237)	84,813	241,473	307,497
Public sector	**92**	**0**	**92**	**(10)**	**82**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**82**	**0**
Greece	92	0	92	(10)	82	0	0	0	0	0	0	0	0	0	0	82	0
Other countries	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	**142,127**	**3**	**142,129**	**(2,442)**	**139,687**	**76,329**	**86**	**76,415**	**(5,786)**	**70,629**	**29,035**	**204,724**	**233,758**	**(91,817)**	**141,941**	**352,258**	**448,796**

Loans and advances to customers by credit quality - Bank

31 December 2021	Stage 1					Stage 2					Stage 3					TOTALS	
	Performing	Non-performing	Accounting balance (before provisions)	Expected credit risk loss	Accounting Balance (net worth)	Performing	Non-performing	Accounting balance (before provisions)	Expected credit risk loss	Accounting Balance (net worth)	Performing	Non-performing	Accounting balance (before provisions)	Expected credit risk loss	Accounting Balance (net worth)	Accounting Balance (net worth)	Value of collateral
Retail Banking	**22,330**	**2**	**22,332**	**(561)**	**21,771**	**14,020**	**86**	**14,107**	**(745)**	**13,361**	**10,136**	**78,954**	**89,090**	**(31,962)**	**57,128**	**92,260**	**125,682**
Housing Loans	6,103	0	6,103	(20)	6,084	1,063	0	1,063	(53)	1,010	888	15,138	16,026	(4,037)	11,989	19,082	29,263
Consumer loans	4,287	0	4,287	(121)	4,166	1,079	0	1,079	(28)	1,051	1,200	8,614	9,814	(3,295)	6,519	11,735	14,249
Credit cards	0	0	0	0	0	0	0	0	0	0	0	492	492	(442)	49	49	20
Other loans	11,940	2	11,942	(421)	11,521	11,878	86	11,965	(664)	11,301	8,048	54,711	62,759	(24,188)	38,571	61,393	82,150
Business Banking	**154,164**	**0**	**154,165**	**(1,873)**	**152,292**	**62,309**	**0**	**62,309**	**(5,041)**	**57,268**	**18,899**	**125,769**	**144,668**	**(59,855)**	**84,813**	**294,373**	**358,445**
Large enterprises	12,346	0	12,346	(399)	11,947	9,253	0	9,253	(2,757)	6,495	0	2,618	2,618	(2,618)	0	18,443	15,617
Small and medium-sized enterprises SMEs	141,818	0	141,819	(1,474)	140,345	53,056	0	53,056	(2,284)	50,773	18,899	123,152	142,051	(57,237)	84,813	275,931	342,828
Public sector	**92**	**0**	**92**	**(10)**	**82**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**82**	**0**
Greece	92	0	92	(10)	82	0	0	0	0	0	0	0	0	0	0	82	0
Other countries	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	**176,587**	**3**	**176,589**	**(2,444)**	**174,145**	**76,329**	**86**	**76,415**	**(5,786)**	**70,629**	**29,035**	**204,724**	**233,758**	**(91,817)**	**141,941**	**386,716**	**484,127**

The maturity (days in arrears) of loans and receivables against customers is summarized as follows:

31 December 2022	Maturity of loans and receivables (net worth) - Group															
	Retail Banking															
	Housing Loans				Consumer loans				Credit cards				Other loans			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing	5,204	351	195	5,749	4,331	487	319	5,137	0	0	0	0	13,482	5,420	2,359	21,261
1-30 days	1,305	70	0	1,376	376	46	810	1,232	0	0	0	0	727	372	96	1,195
31-60 days	128	335	36	499	6	13	28	46	0	0	0	0	79	359	8	446
61-90 days	0	48	462	510	0	22	33	55	0	0	0	0	40	1,230	474	1,743
91-180 days	0	0	0	0	1	3	3	7	0	0	0	0	0	0	164	164
181-360 days	0	0	584	584	0	0	84	84	0	0	0	0	0	0	1,292	1,292
> 360 days	0	0	10,425	10,426	0	0	5,159	5,159	0	0	0	0	1	1	36,016	36,018
Total	**6,637**	**804**	**11,704**	**19,145**	**4,715**	**570**	**6,436**	**11,721**	**0**	**0**	**0**	**0**	**14,328**	**7,381**	**40,410**	**62,120**
Collateral value	13,115	1,117	16,553	**30,785**	4,159	973	9,950	**15,082**	0	0	0	**0**	18,898	7,543	57,893	**84,334**

31 December 2022	Maturity of loans and receivables (net worth) - Group															
	Business Banking								Public Sector							
	Large enterprises				SMEs				Greece				Other countries			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing	5,638	6,737	0	12,374	127,125	23,666	6,797	157,589	62	0	0	62	0	0	0	0
1-30 days	0	0	0	0	3,936	358	19	4,312	0	0	0	0	0	0	0	0
31-60 days	0	0	0	0	2,227	5,616	129	7,972	0	0	0	0	0	0	0	0
61-90 days	0	0	0	0	0	2,093	1,616	3,708	0	0	0	0	0	0	0	0
91-180 days	0	0	0	0	0	1,144	557	1,701	0	0	0	0	0	0	0	0
181-360 days	0	0	0	0	0	0	1,430	1,430	0	0	0	0	0	0	0	0
> 360 days	0	0	5	5	0	0	61,225	61,225	0	0	0	0	0	0	0	0
Total	**5,638**	**6,737**	**5**	**12,379**	**133,289**	**32,877**	**71,772**	**237,938**	**62**	**0**	**0**	**62**	**0**	**0**	**0**	**0**
Collateral value	290	0	8,640	**8,930**	175,035	34,602	111,579	**321,216**	0	0	0	**0**	0	0	0	**0**

31 December 2022	Maturity of loans and receivables (net worth) - Bank															
	Retail Banking															
	Housing Loans				Consumer loans				Credit cards				Other loans			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing	5,204	351	195	5,749	4,331	487	319	5,137	0	0	0	0	13,482	5,420	2,359	21,261
1-30 days	1,305	70	0	1,376	376	46	810	1,232	0	0	0	0	727	372	96	1,195
31-60 days	128	335	36	499	6	13	28	46	0	0	0	0	79	359	8	446
61-90 days	0	48	462	510	0	22	33	55	0	0	0	0	40	1,230	474	1,743
91-180 days	0	0	0	0	1	3	3	7	0	0	0	0	0	0	164	164
181-360 days	0	0	584	584	0	0	84	84	0	0	0	0	0	0	1,292	1,292
> 360 days	0	0	10,425	10,426	0	0	5,159	5,159	0	0	0	0	1	1	36,016	36,018
Total	**6,637**	**804**	**11,704**	**19,145**	**4,715**	**570**	**6,436**	**11,721**	**0**	**0**	**0**	**0**	**14,328**	**7,381**	**40,410**	**62,120**
Collateral value	13,115	1,117	16,553	**30,785**	4,159	973	9,950	**15,082**	0	0	0	**0**	18,898	7,543	57,893	**84,334**

31 December 2022	Maturity of loans and receivables (net worth) - Bank															
	Business Banking								Public Sector							
	Large enterprises				SMEs				Greece				Other countries			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing	5,638	6,737	0	12,374	165,119	23,666	6,797	195,582	62	0	0	62	0	0	0	0
1-30 days	0	0	0	0	4,002	358	19	4,379	0	0	0	0	0	0	0	0
31-60 days	0	0	0	0	2,227	5,616	129	7,972	0	0	0	0	0	0	0	0
61-90 days	0	0	0	0	0	2,093	1,616	3,708	0	0	0	0	0	0	0	0
91-180 days	0	0	0	0	0	1,144	557	1,701	0	0	0	0	0	0	0	0
181-360 days	0	0	0	0	0	0	1,430	1,430	0	0	0	0	0	0	0	0
> 360 days	0	0	5	5	0	0	61,225	61,225	0	0	0	0	0	0	0	0
Total	**5,638**	**6,737**	**5**	**12,379**	**171,349**	**32,877**	**71,772**	**275,998**	**62**	**0**	**0**	**62**	**0**	**0**	**0**	**0**
Collateral value	290	0	8,640	**8,930**	210,567	34,602	111,579	**356,748**	0	0	0	**0**	0	0	0	**0**

31 December 2021	Maturity of loans and receivables (net worth) - Group

	Retail Banking															
	Housing Loans				Consumer loans				Credit cards				Other loans			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing	5,102	279	513	5,894	3,738	929	882	5,548	0	0	0	0	10,132	9,489	2,447	22,068
1-30 days	870	159	2	1,032	282	45	93	419	0	0	0	0	1,313	144	370	1,826
31-60 days	112	489	63	663	145	77	20	242	0	0	0	0	35	397	827	1,259
61-90 days	0	83	36	119	1	0	8	9	0	0	0	0	40	1,186	1,019	2,245
91-180 days	0	0	695	695	0	0	187	187	0	0	0	0	1	78	1,277	1,356
181-360 days	0	0	1,162	1,162	0	0	451	451	0	0	49	49	0	5	2,178	2,183
> 360 days	0	0	9,517	9,518	0	0	4,879	4,879	0	0	0	0	1	2	30,454	30,456
Total	**6,084**	**1,010**	**11,989**	**19,082**	**4,166**	**1,051**	**6,519**	**11,735**	**0**	**0**	**49**	**49**	**11,521**	**11,301**	**38,571**	**61,393**
Collateral value	11,501	1,468	16,294	**29,263**	3,081	1,321	9,847	**14,249**	0	0	20	**20**	17,065	10,519	54,566	**82,150**

31 December 2021	Maturity of loans and receivables (net worth) - Group															
	Business Banking								Public Sector							
	Large enterprises				SMEs				Greece				Other countries			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing	11,947	6,495	0	18,443	93,334	42,482	6,739	142,555	82	0	0	82	0	0	0	0
1-30 days	0	0	0	0	12,500	1,668	507	14,675	0	0	0	0	0	0	0	0
31-60 days	0	0	0	0	53	6,622	985	7,660	0	0	0	0	0	0	0	0
61-90 days	0	0	0	0	0	0	2,991	2,991	0	0	0	0	0	0	0	0
91-180 days	0	0	0	0	0	0	1,149	1,149	0	0	0	0	0	0	0	0
181-360 days	0	0	0	0	()	0	11,941	11,941	0	0	0	0	0	0	0	0
> 360 days	0	0	0	0	0	0	60,501	60,501	0	0	0	0	0	0	0	0
Total	**11,947**	**6,495**	**0**	**18,443**	**105,887**	**50,773**	**84,813**	**241,473**	**82**	**0**	**0**	**82**	**0**	**0**	**0**	**0**
Collateral value	6,977	0	8,640	**15,617**	133,084	49,408	125.004	**307,497**	0	0	0	**0**	0	0	0	**0**

31 December 2021	Maturity of loans and receivables (net worth) - Bank															
	Retail Banking															
	Housing Loans				Consumer loans				Credit cards				Other loans			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing	5,102	279	513	5,894	3,738	929	882	5,548	0	0	0	0	10,132	9,489	2,447	22,068
1-30 days	870	159	2	1,032	282	45	93	419	0	0	0	0	1,313	144	370	1,826
31-60 days	112	489	63	663	145	77	20	242	0	0	0	0	35	397	827	1,259
61-90 days	0	83	36	119	1	0	8	9	0	0	0	0	40	1,186	1,019	2,245
91-180 days	0	0	695	695	0	0	187	187	0	0	0	0	1	78	1,277	1,356
181-360 days	0	0	1,162	1,162	0	0	451	451	0	0	49	49	0	5	2,178	2,183
> 360 days	0	0	9,517	9,518	0	0	4,879	4,879	0	0	0	0	1	2	30,454	30,456
Total	**6,084**	**1,010**	**11,989**	**19,082**	**4,166**	**1,051**	**6,519**	**11,735**	**0**	**0**	**49**	**49**	**11,521**	**11,301**	**38,571**	**61,393**
Collateral value	11,501	1,468	16,294	**29,263**	3,081	1,321	9,847	**14,249**	0	0	20	**20**	17,065	10,519	54,566	**82,150**

31 December 2021	Maturity of loans and receivables (net worth) - Bank															
	Business Banking								Public Sector							
	Large enterprises				SMEs				Greece				Other countries			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing	11,947	6,495	0	18,443	127,714	42,482	6,739	176,935	82	0	0	82	0	0	0	0
1-30 days	0	0	0	0	12,578	1,668	507	14,753	0	0	0	0	0	0	0	0
31-60 days	0	0	0	0	53	6,622	985	7,660	0	0	0	0	0	0	0	0
61-90 days	0	0	0	0	0	0	2,991	2,991	0	0	0	0	0	0	0	0
91-180 days	0	0	0	0	0	0	1,149	1,149	0	0	0	0	0	0	0	0
181-360 days	0	0	0	0	()	0	11,941	11,941	0	0	0	0	0	0	0	0
> 360 days	0	0	0	0	0	0	60,501	60,501	0	0	0	0	0	0	0	0
Total	**11,947**	**6,495**	**0**	**18,443**	**140,345**	**50,773**	**84,813**	**275,931**	**82**	**0**	**0**	**82**	**0**	**0**	**0**	**0**
Collateral value	6,977	0	8,640	**15,617**	168,416	49,408	125.004	**342,828**	0	0	0	**0**	0	0	0	**0**

4.3.6.6 Impaired loans

Loans and advances to customers in accordance with the Bank's Impairment Policy are loans and receivables classified as Stage 3 (and are therefore considered exposures in Default). The Bank applies the default definition for the purpose of preparing its financial statements, in accordance with the definition of Non-Performing Exposures (NPEs) as defined by the European Banking Authority in the Guidelines on the implementation of the definition of default under Article 178 of Regulation (EU) No 575/2013, and in accordance with Annex V to Implementing Regulation (EU) No Commission Regulation (EC) No 680/2014 of 16 April 2014, as amended by Commission Implementing Regulation (EU) No 2015/227. In view of the above, the Bank considers that a borrower or loan is in default of its contractual obligations when the following criteria are met:

- The borrower is late in payment of more than 90 days on any significant credit liability to the Bank.
- The Bank considers that the creditor is unable to fully meet their contractual obligations to the Bank (Unlikely to Pay “UTP”) unless the Bank seeks to liquidate its collateral.
- The loan is classified as Non-Performing Forborne Exposure in accordance with Article 180 of Regulation (EU) No 227/2015.

Finally, it is noted that the Bank, in cooperation with an advisory company, completed within the year its adaptation to the supervisory requirements deriving from the text of the Guidelines of the European Banking Authority (EBA GL/2016/07), regarding the application of the definition of default under Article 178 of Regulation (EU) No 575/2013. In this way, the calculation of the expected credit losses defined by this accounting standard (IFRS 9) for impaired loans continues to be fully aligned with the supervisory definition of default.

4.3.6.7 Transfer of loans to the category of non-impaired

Impaired loans can be classified as non-impaired if there is objective evidence, after the impairment loss has been recognized, that the possibility of repayment under the original or any modified contractual terms may arise. According to the Bank's Impairment Policy, the reclassification of an exposure from Stage 3 to Stage 1 or 2 is an indication of exit from the Non-default status.

The analysis of transition flows for exposures and provisions, between impaired and non-impaired loans, by portfolio and Stage, is detailed in section 4.4.4.

4.3.6.8 Accounting policy for the recognition of accrued interest on impaired loans

The Bank and the Group have recognized income from credit impaired loans in their financial statements, the income analysis is presented in the following tables.

Interest income analysis of loans and advances to customers - Bank

31 December 2022

	Performing	Non-performing	Total interest income
Retail Banking	2,672	5,475	8,147
Business Banking	18,751	3,824	22,575
Public sector	7	0	7
Total interest income	**21,430**	**9,299**	**30,729**

Interest income analysis of loans and advances to customers - Group

31 December 2022

	Performing	Non-performing	Total interest income
Retail Banking	2,672	5,475	8,147
Business Banking	16,588	3,824	20,412
Public sector	7	0	7
Total interest income	**19,267**	**9,299**	**28,566**

Interest income analysis of loans and advances to customers - Bank

31 December 2021

	Performing	Non-performing	Total interest income
Retail Banking	2,777	5,220	7,997
Business Banking	12,804	7,018	19,822
Public sector	12	0	12
Total interest income	**15,593**	**12,238**	**27,831**

Interest income analysis of loans and advances to customers - Group

31 December 2021

	Performing	Non-performing	Total interest income
Retail Banking	2,782	5,220	8,002
Business Banking	10,315	7,018	17,333
Public sector	12	0	12
Total interest income	**13,109**	**12,238**	**25,347**

4.4 Loan forbearance

The rules apply in cases where the borrower's financial inability to service the loan in accordance with the original terms of the loan agreement is verified, provided that it is a cooperative and viable borrower. By assessing these difficulties, the Bank amends the terms of the loan agreement so that the debtor can service it, provided that the forbearance is effective and sustainable in the long run, taking into account both the reasons that have caused such financial difficulties and the debtor's possibility of repayment.

The Bank is aligned with its supervisory obligations regarding the management of loans in arrears and the non-performing loans, being in line with the Implementing Committee Acts and other instructions of the Bank of Greece, in parallel with the applicable obligations arising from Law 4261/2014, Regulation (EU) No 575/2013 and those delegated decisions of the Bank of Greece, as well as in accordance with European Commission Implementing Regulation (EU) 2015/227 of 9 January 2015 and the applicable implementing standards of the European Banking Authority.

For the retail portfolio, the forbearance usually involves extending the term of the original loan, providing a grace period - with or without interest only for that period - interest rate reductions and other modifications to the needs of each borrower.

The Bank applies the proposed by the regulatory framework forbearance types, which are classified into:

- Short-term types of settlement: apply where the debtor's financial difficulties are duly considered to be provisional. Indicatively: Capitalization of Arrears, Interest Only Payment, Provision of grace period etc.
- Long-term arrangement types: apply for a longer period of time to reduce instalment and to possibly increase the number and extend repayment term. Indicatively: Interest Rate Reduction, Extension of Term, etc.
- Types of final arrangement: relate to cases where the contractual relationship is substantially terminated or changed, with a view to the final settlement of the bank's claim against the debtor. Indicatively: Voluntary Delivery of Mortgaged Property, Claims Settlement, Liquidation through Auction, Mandatory Law Settlements, Partial Debt Write-Off etc.

For the business portfolio, the forbearance applied varies between different repayment plans, which are adapted to current market conditions and the borrower's ability to repay the loan, such as extending the loan term depending on the borrower and his/her needs, converting the type of borrowing from short-term to long-term, paying interest only for a certain period of time, etc.

For both the business portfolio and the retail banking portfolios, the Bank's respective Regulation of Arrears and Credit Regulation contain instructions - procedures that fully reflect all the forbearance types provided, the conditions to be met by borrowers, and the handling and monitoring of forborne loans from the approval stage to the termination stage of the contract.

The impairment provision is calculated on an individual or collective basis per borrower, according to the calculation methodology applied by the Bank for the entire portfolio.

The Bank's criteria for designating a loan as forborne are fully in line with the European Banking Authority's Implementing Technical Standards for regulatory and non-performing exposures, for both supervisory and financial reporting purposes.

Accordingly, forborne loans are all loans whose contractual terms and conditions have been amended or for which the debtor's debt has been refinanced on more favourable terms due to existing or expected financial difficulty, which are not applied to debtors in a similar risk category.

In the context of the Bank's lending policy compliance with the relevant definitions of the European Banking Authority and the Bank of Greece guidelines, new structures and procedures are in place, IT systems have been developed, and the existing applications and services have been modified. Specifically, the Arrears Handling Division is an independent management body of the Bank with the following key tasks:

a) to ensure the effective and reliable management of non-performing loans for the entire portfolio of the Bank

b) to make arrangements to ensure the viability of borrowers, while maximizing profitability for the Bank; and

c) to monitor the effectiveness of the different types of arrangements

The Arrears Handling Division is not involved in the process of lending, nor in the management of the performing segment of the Bank's portfolio.

The following table summarizes the forborne Loans and Receivables by Customer by type of forbearance, as well as Loans and Receivables by Customer for which Final Settlement Solutions are set:

Analysis of Forborne Loans and Receivables to Customers by type of settlement (net amounts)

Types of forbearance	Group 31 December 2022	Group 31 December 2021	Bank 31 December 2022	Bank 31 December 2021
Reduced instalment plan	347	315	347	315
Granting a grace period	8,824	13,911	8,824	13,911
Loan term extension	13,954	8,474	13,954	8,474
Capitalization of overdue instalments	23,692	28,751	23,692	28,751
Combination of settlement measures	1,735	1,282	1,735	1,282
Other	10,233	29,595	10,233	29,595
Total net worth	**58,785**	**82,328**	**58,785**	**82,328**

Refinanced Loans and Receivables by Customer by Category

	Group 31 December 2022	Group 31 December 2021	Bank 31 December 2022	Bank 31 December 2021
Retail Banking	**15,134**	**17,291**	**15,134**	**17,291**
Housing Loans	1,467	1,964	1,467	1,964
Consumer loans	2,165	2,846	2,165	2,846
Credit cards	0	0	0	0
Other loans	11,502	12,481	11,502	12,481
Business Banking	**43,650**	**65,037**	**43,650**	**65,037**
Large enterprises	6,741	6,495	6,741	6,495
SMEs	36,909	58,542	36,909	58,542
Public sector	**0**	**0**	**0**	**0**
Greece	0	0	0	0
Other countries	0	0	0	0
Total	**58,785**	**82,328**	**58,785**	**82,328**

4.4.1 Recovery of securities

As of December 31, 2022, assets from collateral received for the Bank and the Group amounted to € 36.9 million (31/12/2021: € 36.2m), of which € 29.8m for 2022 has been categorized in Investment Property (31/12/2021: 27.6m).

4.4.2 Credit risk allocation of loans and receivables to customers

The breakdown of the exposures and provisions of the Group and the Bank by Stage and Forbearance is summarized in the following tables:

Analysis of Forborne Loans and Receivables to Customers based on their credit quality

	Group			Bank		
	31 December 2022			31 December 2022		
	Total loans and receivables	Refinanced loans and receivables	Percentage of refinanced loans	Total loans and receivables	Refinanced loans and receivables	Percentage of refinanced loans
Stage 1	166,010	0	0%	204,072	0	0%
Stage 2	52,230	40,933	78%	52,230	40,933	78%
Stage 3	226,746	40,223	18%	226,746	40,223	18%
Total before impairment provisions	**444,986**	**81,156**	**18%**	**483,048**	**81,156**	**17%**
Stage 1 - Provision	(1,341)	0	0%	(1,344)	0	0%
Stage 2 - Provision	(3,861)	(3,520)	91%	(3,861)	(3,520)	91%
Stage 3 - Provision	(96,419)	(18,852)	20%	(96,419)	(18,852)	20%
Accounting Balance (net worth)	**343,365**	**58,784**	**17%**	**381,424**	**58,784**	**15%**
Security received	463,956	78,861	17%	499,488	78,861	16%

Analysis of Forborne Loans and Receivables to Customers based on their credit quality

	Group			Bank		
	31 December 2021			31 December 2021		
	Total loans and receivables	Refinanced loans and receivables	Percentage of refinanced loans	Total loans and receivables	Refinanced loans and receivables	Percentage of refinanced loans
Stage 1	142,129	0	0%	176,589	0	0%
Stage 2	76,415	46,283	61%	76,415	46,283	61%
Stage 3	233,758	59,964	26%	233,758	59,964	26%
Total before impairment provisions	**452,302**	**106,247**	**23%**	**486,762**	**106,247**	**22%**
Stage 1 - Provision	(2,442)	0	0%	(2,444)	0	0%
Stage 2 - Provision	(5,786)	(4,352)	75%	(5,786)	(4,352)	75%
Stage 3 - Provision	(91,817)	(19,567)	21%	(91,817)	(19,567)	21%
Accounting Balance (net worth)	**352,257**	**82,328**	**23%**	**386,715**	**82,328**	**21%**
Security received	452,179	100,712	22%	487,510	100,712	21%

The following table presents the credit risk assessment by rating. The assessment covers the next 12 months from the date of rating of the debtor.

<table>
<tr><th>Grading</th><th>Risk Level</th></tr>
<tr><td>A</td><td rowspan="2">Low</td></tr>
<tr><td>B</td></tr>
<tr><td>C</td><td rowspan="3">Average</td></tr>
<tr><td>D</td></tr>
<tr><td>E</td></tr>
<tr><td>F</td><td rowspan="3">High</td></tr>
<tr><td>G</td></tr>
<tr><td>H</td></tr>
<tr><td>I</td><td>Very high</td></tr>
</table>

The Bank, in accordance with its Credit Regulation, evaluates the credit rating of each business customer (existing or prospective) at least once a year, in combination with other quantitative and qualitative credit criteria, such as repayment capacity, cooperation history, existing and proposed securities, etc. There is no recorded credit risk limit beyond which no financing is offered, as financing decisions are individual and tailor-made on a case-by-case basis taking account of the special characteristics of the relevant borrower.

4.4.3 Credit risk allocation of loans and advances to customers by sector of activity

Group

31 December 2022	Stage 1			Stage 2			Stage 3			Total
	Accounting balance (before provisions)	Expected credit risk loss	Accounting Balance (net worth)	Accounting balance (before provisions)	Expected credit risk loss	Accounting Balance (net worth)	Accounting balance (before provisions)	Expected credit risk loss	Accounting Balance (net worth)	
Retail Banking	**25,914**	**(233)**	**25,681**	**9,048**	**(292)**	**8,756**	**92,322**	**(33,772)**	**58,550**	**92,987**
Housing Loans	6,661	(23)	6,638	830	(26)	804	15,916	(4,212)	11,704	19,146
Consumer loans	4,787	(72)	4,715	580	(10)	570	10,157	(3,721)	6,436	11,721
Credit cards	0	0	0	0	0	0	0	0	0	0
Other loans	14,466	(138)	14,328	7,638	(256)	7,382	66,249	(25,839)	40,410	62,120
Business Banking	**140,032**	**(1,104)**	**138,928**	**43,182**	**(3,569)**	**39,613**	**134,425**	**(62,647)**	**71,778**	**250,319**
Industry	25,826	(257)	25,569	1,733	(47)	1,686	30,209	(17,933)	12,276	39,531
Trade and services	33,448	(331)	33,117	12,105	(2,445)	9,660	46,541	(20,887)	25,654	68,431
Constructions	23,189	(437)	22,752	12,757	(755)	12,002	40,498	(18.944)	21,554	56,308
Energy	6,841	(38)	6,803	2,006	(126)	1,880	67	(37)	30	8,713
Tourism	49,042	(40)	49,002	14,406	(195)	14,211	14,797	(3.888)	10,909	74,122
Shipping	0	0	0	0	0	0	0	0	0	0
Other	1,686	(1)	1,685	175	(1)	174	2,313	(958)	1,355	3,214
Public sector	**64**	**(2)**	**62**	**0**	**0**	**0**	**0**	**0**	**0**	**62**
Total	**166,010**	**(1,339)**	**164,671**	**52,230**	**(3,861)**	**48,369**	**226,747**	**(96,419)**	**130,328**	**343,368**

Bank

31 December 2022	Stage 1			Stage 2			Stage 3			Total
	Accounting balance (before provisions)	Expected credit risk loss	Accounting Balance (net worth)	Accounting balance (before provisions)	Expected credit risk loss	Accounting Balance (net worth)	Accounting balance (before provisions)	Expected credit risk loss	Accounting Balance (net worth)	
Retail Banking	**25,914**	**(233)**	**25,681**	**9,048**	**(292)**	**8,756**	**92,322**	**(33,772)**	**58,550**	**92,987**
Housing Loans	6,661	(23)	6,638	830	(26)	804	15,916	(4,212)	11,704	19,146

Consumer loans	4,787	(72)	4,715	580	(10)	570	10,157	(3,721)	6,436	11,721
Credit cards	0	0	0	0	0	0	0	0	0	0
Other loans	14,466	(138)	14,328	7,638	(256)	7,382	66,249	(25,839)	40,410	62,120
Business Banking	**178,093**	**(1,108)**	**176,985**	**43,182**	**(3,569)**	**39,613**	**134,425**	**(62,647)**	**71,778**	**288,376**
Industry	30,991	(257)	30,734	1,733	(47)	1,686	30,209	(17,933)	12,276	44,696
Trade and services	50,870	(333)	50,537	12,105	(2,445)	9,660	46,541	(20,887)	25,654	85,851
Constructions	36,843	(438)	36,405	12,757	(755)	12,002	40,498	(18.944)	21,554	69,961
Energy	8,661	(39)	8,622	2,006	(126)	1,880	67	(37)	30	10,532
Tourism	49,042	(40)	49,002	14,406	(195)	14,211	14,797	(3.888)	10,909	74,122
Shipping	0	0	0	0	0	0	0	0	0	0
Other	1,686	(1)	1,685	175	(1)	174	2,313	(958)	1,355	3,214
Public sector	**64**	**(2)**	**62**	**0**	**0**	**0**	**0**	**0**	**0**	**62**
Total	**204,071**	**(1,343)**	**202,728**	**52,230**	**(3,861)**	**48,369**	**226,747**	**(96,419)**	**130,328**	**381,425**

Group

31 December 2021	Stage 1			Stage 2			Stage 3			Total
	Accounting balance (before provisions)	Expected credit risk loss	Accounting Balance (net worth)	Accounting balance (before provisions)	Expected credit risk loss	Accounting Balance (net worth)	Accounting balance (before provisions)	Expected credit risk loss	Accounting Balance (net worth)	
Retail Banking	**22,332**	**(562)**	**21,770**	**14,107**	**(745)**	**13,362**	**89,091**	**(31,962)**	**57,129**	**92,261**
Housing Loans	6,103	(20)	6,083	1,063	(53)	1,010	16,026	(4,037)	11,989	19,082
Consumer loans	4,287	(121)	4,166	1,079	(28)	1,051	9,814	(3,295)	6,519	11,736
Credit cards	0	0	0	0	0	0	492	(442)	50	50
Other loans	11,942	(421)	11,521	11,965	(664)	11,301	62,759	(24,188)	38,571	61,393
Business Banking	**119,705**	**(1,870)**	**117,835**	**62,308**	**(5,040)**	**57,268**	**144,668**	**(59,856)**	**84,812**	**259,915**
Industry	20,321	(577)	19,744	3,946	(111)	3,835	29,926	(17,837)	12,089	35,668
Trade and services	33,981	(566)	33,415	11,853	(2,587)	9,266	43,587	(18,615)	24,972	67,653
Constructions	14,849	(517)	14,332	19,997	(468)	19,529	37,833	(18,288)	19,545	53,406
Energy	4,461	(103)	4,358	2,759	(525)	2,234	113	(31)	82	6,674
Tourism	41,461	(102)	41,359	21,507	(543)	20,964	30,941	(4,026)	26,915	89,238

Shipping	2,529	0	2,529	435	0	435	69	(51)	18	2,982
Other	2,103	(5)	2,098	1,811	(806)	1,005	2,199	(1,008)	1,191	4,294
Public sector	**92**	**(10)**	**82**	**0**	**0**	**0**	**0**	**0**	**0**	**82**
Total	**142,129**	**(2,442)**	**139,687**	**76,415**	**(5,785)**	**70,630**	**233,759**	**(91,818)**	**141,941**	**352,258**

Bank

31 December 2021	Stage 1			Stage 2			Stage 3			Total
	Accounting balance (before provisions)	Expected credit risk loss	Accounting Balance (net worth)	Accounting balance (before provisions)	Expected credit risk loss	Accounting Balance (net worth)	Accounting balance (before provisions)	Expected credit risk loss	Accounting Balance (net worth)	
Retail Banking	**22,332**	**(562)**	**21,770**	**14,107**	**(745)**	**13,362**	**89,091**	**(31,962)**	**57,129**	**92,261**
Housing Loans	6,103	(20)	6,083	1,063	(53)	1,010	16,026	(4,037)	11,989	19,082
Consumer loans	4,287	(121)	4,166	1,079	(28)	1,051	9,814	(3,295)	6,519	11,736
Credit cards	0	0	0	0	0	0	492	(442)	50	50
Other loans	11,942	(421)	11,521	11,965	(664)	11,301	62,759	(24,188)	38,571	61,393
Business Banking	**154,165**	**(1,873)**	**152,292**	**62,308**	**(5,040)**	**57,268**	**144,668**	**(59,856)**	**84,812**	**294,372**
Industry	24,962	(577)	24,385	3,946	(111)	3,835	29,926	(17,837)	12,089	40,309
Trade and services	49,347	(567)	48,780	11,853	(2,587)	9,266	43,587	(18,615)	24,972	83,018
Constructions	27,097	(518)	26,579	19,997	(468)	19,529	37,833	(18,288)	19,545	65,653
Energy	6,666	(104)	6,562	2,759	(525)	2,234	113	(31)	82	8,878
Tourism	41,461	(102)	41,359	21,507	(543)	20,964	30,941	(4,026)	26,915	89,238
Shipping	2,529	0	2,529	435	0	435	69	(51)	18	2,982
Other	2,103	(5)	2,098	1,811	(806)	1,005	2,199	(1,008)	1,191	4,294
Public sector	**92**	**(10)**	**82**	**0**	**0**	**0**	**0**	**0**	**0**	**82**
Total	**176,589**	**(2,445)**	**174,144**	**76,415**	**(5,785)**	**70,630**	**233,759**	**(91,818)**	**141,941**	**386,715**

4.4.4 Transition of provisions and transfers to IFRS 9 Stages

Transition of Provisions 31/12/2021 - 31/12/2022 (Group)

	31 December 2021			31 December 2022		
	Individual evaluation	Collective evaluation	Overall Provision	Individual evaluation	Collective evaluation	Overall Provision
Performing	232	7,997	8,229	0	5,203	5,203
Non-performing	70,623	21,193	91,816	73,716	22,702	96,418
Total	**70,855**	**29,190**	**100,045**	**73,716**	**27,905**	**101,621**

Transition of Provisions 31/12/2021 - 31/12/2022 for the Guarantees and Commitments drawn (Group)

	31 December 2021			31 December 2022		
	Individual evaluation	Collective evaluation	Overall Provision	Individual evaluation	Collective evaluation	Overall Provision
Performing	0	39	39	0	72	72
Non-performing	0	0	0	0	0	0
Total	**0**	**39**	**39**	**0**	**72**	**72**

Transition of Provisions 31/12/2021 - 31/12/2022 (Bank)

	31 December 2021			31 December 2022		
	Individual evaluation	Collective evaluation	Overall Provision	Individual evaluation	Collective evaluation	Overall Provision
Performing	232	7,999	8,231	0	5,205	5,205
Non-performing	70,623	21,193	91,816	73,716	22,702	96,418
Total	**70,855**	**29,192**	**100,047**	**73,716**	**27,907**	**101,623**

Transition of Provisions 31/12/2021 - 31/12/2022 for the Guarantees and Commitments drawn (Bank)

	31 December 2021			31 December 2022		
	Individual evaluation	Collective evaluation	Overall Provision	Individual evaluation	Collective evaluation	Overall Provision
Performing	0	39	39	0	72	72
Non-performing	0	0	0	0	0	0
Total	**0**	**39**	**39**	**0**	**72**	**72**

Balance Sheets before Provisions according to IFRS 9 Stage - Group

31 December 2022	Portfolio total				
	Stage 1	**Stage 2**	**Stage 3**	**POCI**	**Total**
Balances on 1/1/2022	**142,129**	**76,415**	**233,758**	-	**452,303**
Transfer to Stage 1 (from 2 or 3)	22,654	(22,217)	(437)	-	**-**
Transfer to Stage 2 (from 1 or 3)	(3,479)	6,219	(2,740)	-	**-**
Transfer to Stage 3 (from 1 or 2)	(993)	(3,794)	4,787	-	**-**
Change of balances	9,141	(1,672)	(6,402)	-	**1,068**
New receivables (created or purchased)	3,400	0	0	-	**3,400**
Derecognition of receivables	(6,842)	(2,721)	(1,514)	-	**(11,077)**
Write-offs	0	0	(707)	-	**(707)**
Balances on 31/12/2022	**166,010**	**52,230**	**226,746**	**-**	**444,986**

31 December 2022	Business Banking				
	Stage 1	**Stage 2**	**Stage 3**	**POCI**	**Total**
Balances on 1/1/2022	**119,705**	**62,309**	**144,668**	-	**326,682**
Transfer to Stage 1 (from 2 or 3)	18,138	(17,935)	(203)	-	**-**
Transfer to Stage 2 (from 1 or 3)	(2,995)	4,782	(1,787)	-	**-**
Transfer to Stage 3 (from 1 or 2)	(201)	(3,221)	3,423	-	**-**
Change of balances	8,082	(136)	(11,481)	-	**(3,535)**
New receivables (created or purchased)	2,733	0	0	-	**2,733**
Derecognition of receivables	(5,429)	(2,616)	(188)	-	**(8,232)**
Write-offs	0	0	(8)	-	**(8)**
Balances on 31/12/2022	**140,032**	**43,183**	**134,424**	**-**	**317,639**

31 December 2022	Retail Banking				
	Stage 1	**Stage 2**	**Stage 3**	**POCI**	**Total**
Balances on 1/1/2022	**22,332**	**14,107**	**89,090**	-	**125,529**
Transfer to Stage 1 (from 2 or 3)	4,516	(4,282)	(233)	-	**-**
Transfer to Stage 2 (from 1 or 3)	(484)	1,437	(953)	-	**-**
Transfer to Stage 3 (from 1 or 2)	(792)	(573)	1,365	-	**-**
Change of balances	1,074	(1,536)	5,079	-	**4,617**
New receivables (created or purchased)	667	0	0	-	**667**
Derecognition of receivables	(1,400)	(106)	(1,326)	-	**(2,832)**
Write-offs	0	0	(699)	-	**(699)**
Balances on 31/12/2022	**25,914**	**9,047**	**92,322**	**-**	**127,283**

31 December 2022	Public Sector				
	Stage 1	**Stage 2**	**Stage 3**	**POCI**	**Total**
Balances on 1/1/2022	**92**	**0**	**0**	-	**92**
Transfer to Stage 1 (from 2 or 3)	0	0	0	-	**-**
Transfer to Stage 2 (from 1 or 3)	0	0	0	-	**-**

Transfer to Stage 3 (from 1 or 2)	0	0	0	-	**-**
Change of balances	(14)	0	0	-	**(14)**
New receivables (created or purchased)	0	0	0	-	**0**
Derecognition of receivables	(13)	0	0	-	**(13)**
Write-offs	0	0	0	-	**0**
Balances on 31/12/2022	**64**	**0**	**0**	**-**	**64**

31 December 2022	Guarantees and commitments drawn				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2022	**18,111**	**204**	**129**	-	**18,443**
Transfer to Stage 1 (from 2 or 3)	48,156	(48)	(1)	-	**-**
Transfer to Stage 2 (from 1 or 3)	(6)	7	(1)	-	**-**
Transfer to Stage 3 (from 1 or 2)	(4)	0	4	-	**-**
Change of balances	(53,187)	(158)	27	-	**(53,318)**
New receivables (created or purchased)	11,157	0	0	-	**11,157**
Derecognition of receivables	(720)	0	0	-	**(720)**
Write-offs	0	0	0	-	**0**
Balances on 31/12/2022	**23,506**	**5**	**158**	**-**	**23,669**

Balance Sheets before Provisions according to IFRS 9 Stage - Bank

31 December 2022	Portfolio total				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2022	**176,589**	**76,415**	**233,758**	-	**486,763**
Transfer to Stage 1 (from 2 or 3)	22,654	(22,217)	(437)	-	**-**
Transfer to Stage 2 (from 1 or 3)	(3,479)	6,219	(2,740)	-	**-**
Transfer to Stage 3 (from 1 or 2)	(993)	(3,794)	4,787	-	**-**
Change of balances	15,473	(1,672)	(6,402)	-	**7,400**
New receivables (created or purchased)	3,900	0	0	-	**3,900**
Derecognition of receivables	(10,071)	(2,721)	(1,514)	-	**(14,307)**
Write-offs	0	0	(707)	-	**(707)**
Balances on 31/12/2022	**204,072**	**52,230**	**226,746**	**-**	**483,048**

31 December 2022	Business Banking				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2022	**154,165**	**62,309**	**144,668**	-	**361,142**
Transfer to Stage 1 (from 2 or 3)	18,138	(17,935)	(203)	-	**-**
Transfer to Stage 2 (from 1 or 3)	(2,995)	4,782	(1,787)	-	**-**
Transfer to Stage 3 (from 1 or 2)	(201)	(3,221)	3,423	-	**-**
Change of balances	14,914	(136)	(11,481)	-	**3,297**
New receivables (created or purchased)	2,733	0	0	-	**2,733**
Derecognition of receivables	(8,658)	(2,616)	(188)	-	**(11,462)**
Write-offs	0	0	(8)	-	**(8)**
Balances on 31/12/2022	**178,094**	**43,183**	**134,424**	**-**	**355,701**

31 December 2022	Retail Banking				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2022	**22,332**	**14,107**	**89,090**	-	**125,529**
Transfer to Stage 1 (from 2 or 3)	4,516	(4,282)	(233)	-	**-**
Transfer to Stage 2 (from 1 or 3)	(484)	1,437	(953)	-	**-**
Transfer to Stage 3 (from 1 or 2)	(792)	(573)	1,365	-	**-**
Change of balances	1,074	(1,536)	5,079	-	**4,617**
New receivables (created or purchased)	667	0	0	-	**667**
Derecognition of receivables	(1,400)	(106)	(1,326)	-	**(2,832)**
Write-offs	0	0	(699)	-	**(699)**
Balances on 31/12/2022	**25,914**	**9,047**	**92,322**	**-**	**127,283**

31 December 2022	Public Sector				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2022	**92**	**0**	**0**	-	**92**
Transfer to Stage 1 (from 2 or 3)	0	0	0	-	**-**
Transfer to Stage 2 (from 1 or 3)	0	0	0	-	**-**
Transfer to Stage 3 (from 1 or 2)	0	0	0	-	**-**
Change of balances	(14)	0	0	-	**(14)**
New receivables (created or purchased)	0	0	0	-	**0**
Derecognition of receivables	(13)	0	0	-	**(13)**
Write-offs	0	0	0	-	**0**
Balances on 31/12/2022	**64**	**0**	**0**	**-**	**64**

31 December 2022	Guarantees and commitments drawn				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2022	**18,206**	**204**	**129**	-	**18,539**
Transfer to Stage 1 (from 2 or 3)	48,156	(48)	(1)	-	**-**
Transfer to Stage 2 (from 1 or 3)	(6)	7	(1)	-	**-**
Transfer to Stage 3 (from 1 or 2)	(4)	0	4	-	**-**
Change of balances	(53,279)	(158)	27	-	**(53,410)**
New receivables (created or purchased)	11,157	0	0	-	**11,157**
Derecognition of receivables	(720)	0	0	-	**(720)**
Write-offs	0	0	0	-	**0**
Balances on 31/12/2022	**23,510**	**5**	**158**	**-**	**23,672**

Balance Sheets before Provisions according to IFRS 9 Stage - Group

31 December 2021	Portfolio total				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2021	**177,063**	**55,532**	**209,637**	-	**442,232**
Transfer to Stage 1 (from 2 or 3)	6,679	(6,374)	(305)	-	**-**
Transfer to Stage 2 (from 1 or 3)	(32,233)	35,237	(3,005)	-	**-**
Transfer to Stage 3 (from 1 or 2)	(3,853)	(9,747)	13.600	-	**-**
Change of balances	(3,212)	1,902	14,646	-	**13,336**

New receivables (created or purchased)	9,504	0	0	-	**9,503**
Derecognition of receivables	(11,818)	(135)	(743)	-	**(12,696)**
Write-offs	0	0	(72)	-	**(72)**
Balances on 31/12/2021	**142,129**	**76,415**	**233,758**	**-**	**452,303**

31 December 2021	Business Banking				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2021	**149,992**	**40,277**	**132,582**	-	**322,851**
Transfer to Stage 1 (from 2 or 3)	5,833	(5,833)	0	-	**-**
Transfer to Stage 2 (from 1 or 3)	(27,611)	28,811	(1,198)	-	**-**
Transfer to Stage 3 (from 1 or 2)	(2,129)	(3,802)	5,930	-	**-**
Change of balances	(1,986)	2,901	7.901	-	**8,816**
New receivables (created or purchased)	6,507	0	0	-	**6,507**
Derecognition of receivables	(10,902)	(45)	(496)	-	**(11,443)**
Write-offs	0	0	(51)	-	**(51)**
Balances on 31/12/2021	**119,705**	**62,309**	**144,668**	**-**	**326,682**

31 December 2021	Retail Banking				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2021	**26,921**	**15,256**	**77,055**	-	**119,231**
Transfer to Stage 1 (from 2 or 3)	836	(541)	(295)	-	**-**
Transfer to Stage 2 (from 1 or 3)	(4,620)	6,426	(1,806)	-	**-**
Transfer to Stage 3 (from 1 or 2)	(1,734)	(5,945)	7,679	-	**-**
Change of balances	(1,151)	(1,000)	6,726	-	**4,575**
New receivables (created or purchased)	2,996	0	0	-	**2,996**
Derecognition of receivables	(916)	(89)	(248)	-	**(1,253)**
Write-offs	0	0	(21)	-	**(21)**
Balances on 31/12/2021	**22,332**	**14,107**	**89,090**	**-**	**125,529**

31 December 2021	Public Sector				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2021	**150**	**0**	**0**	-	**150**
Transfer to Stage 1 (from 2 or 3)	0	0	0	-	**-**
Transfer to Stage 2 (from 1 or 3)	0	0	0	-	**-**
Transfer to Stage 3 (from 1 or 2)	0	0	0	-	**-**
Change of balances	(58)	0	0	-	**(58)**
New receivables (created or purchased)	0	0	0	-	**-**
Derecognition of receivables	0	0	0	-	**-**
Write-offs	0	0	0	-	**-**
Balances on 31/12/2021	**92**	**0**	**0**	**-**	**92**

31 December 2021	Guarantees and commitments drawn				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2021	**13,235**	**9**	**814**	-	**14,058**
Transfer to Stage 1 (from 2 or 3)	3,432	(3)	(28)	-	**-**
Transfer to Stage 2 (from 1 or 3)	(77)	79	(1)	-	**-**
Transfer to Stage 3 (from 1 or 2)	(15)	0	15	-	**-**
Change of balances	(2,110)	125	(658)	-	**(2,643)**
New receivables (created or purchased)	6,157	0	0	-	**6,157**
Derecognition of receivables	(2,512)	(5)	(12)	-	**(2,529)**

Write-offs	0	0	0	-	-
Balances on 31/12/2021	**18,111**	**204**	**129**	**-**	**18,443**

Balance Sheets before Provisions according to IFRS 9 Stage - Bank

31 December 2021	Portfolio total				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2021	**212,155**	**55,532**	**209,637**	-	**477,324**
Transfer to Stage 1 (from 2 or 3)	6,679	(6,374)	(305)	-	**-**
Transfer to Stage 2 (from 1 or 3)	(32,231)	35,237	(3,005)	-	**-**
Transfer to Stage 3 (from 1 or 2)	(3,853)	(9,747)	13.600	-	**-**
Change of balances	(3,604)	1,902	14,646	-	**12,945**
New receivables (created or purchased)	9,579	0	0	-	**9,579**
Derecognition of receivables	(12,136)	(135)	(743)	-	**(13,015)**
Write-offs	0	0	(72)	-	**(72)**
Balances on 31/12/2021	**176,589**	**76,415**	**233,758**	**-**	**486,763**

31 December 2021	Business Banking				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2021	**185,084**	**40,277**	**132,582**	-	**357,943**
Transfer to Stage 1 (from 2 or 3)	5,833	(5,833)	()	-	**-**
Transfer to Stage 2 (from 1 or 3)	(27,611)	28,811	(1,198)	-	**-**
Transfer to Stage 3 (from 1 or 2)	(2,129)	(3,802)	5,930	-	**-**
Change of balances	(2,299)	2,901	7.901	-	**8,503**
New receivables (created or purchased)	6,507	0	0	-	**6,507**
Derecognition of receivables	(11,221)	(45)	(496)	-	**(11,762)**
Write-offs	0	0	(51)	-	**(51)**
Balances on 31/12/2021	**154,165**	**62,309**	**144,668**	**-**	**361,142**

31 December 2021	Retail Banking				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2021	**26,921**	**15,256**	**77,055**	-	**119,231**
Transfer to Stage 1 (from 2 or 3)	836	(541)	(295)	-	**-**
Transfer to Stage 2 (from 1 or 3)	(4,620)	6,426	(1,806)	-	**-**
Transfer to Stage 3 (from 1 or 2)	(1,734)	(5,945)	7,679	-	**-**
Change of balances	(1,151)	(1,000)	6,726	-	**4,575**
New receivables (created or purchased)	2,996	0	0	-	**2,996**
Derecognition of receivables	(916)	(89)	(248)	-	**(1,253)**
Write-offs	0	0	(21)	-	**(21)**
Balances on 31/12/2021	**22,332**	**14,107**	**89,090**	**-**	**125,529**

31 December 2021	Public Sector				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2021	**150**	**0**	**0**	-	**150**
Transfer to Stage 1 (from 2 or 3)	0	0	0	-	**-**
Transfer to Stage 2 (from 1 or 3)	0	0	0	-	**-**
Transfer to Stage 3 (from 1 or 2)	0	0	0	-	**-**
Change of balances	(58)	0	0	-	**(58)**
New receivables (created or purchased)	0	0	0	-	**-**
Derecognition of receivables	0	0	0	-	**-**
Write-offs	0	0	0	-	**-**

Balances on 31/12/2021	**92**	**0**	**0**	**-**	**92**

31 December 2021	Guarantees and commitments drawn				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2021	**13,256**	**9**	**814**	-	**14,079**
Transfer to Stage 1 (from 2 or 3)	3,432	(3)	(28)	-	**-**
Transfer to Stage 2 (from 1 or 3)	(77)	79	(1)	-	**-**
Transfer to Stage 3 (from 1 or 2)	(15)	0	15	-	**-**
Change of balances	(2,035)	125	(658)	-	**(2,569)**
New receivables (created or purchased)	6,157	0	0	-	**6,157**
Derecognition of receivables	(2,512)	(5)	(12)	-	**(2,529)**
Write-offs	0	0	0	-	**-**
Balances on 31/12/2021	**18,206**	**204**	**129**	**-**	**18,539**

Accumulated impairment losses per IFRS 9 Stage - Group

31 December 2022	Portfolio total				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2022	**2,442**	**5,786**	**91,817**	-	**100,045**
Transfer to Stage 1 (from 2 or 3)	704	(658)	(47)	-	**-**
Transfer to Stage 2 (from 1 or 3)	(28)	236	(208)	-	**-**
Transfer to Stage 3 (from 1 or 2)	(238)	(464)	701	-	**-**
Change of balances	(1,609)	(800)	5,409	-	**3,000**
New receivables (created or purchased)	114	0	0	-	**114**
Derecognition of receivables	(45)	(240)	(546)	-	**(832)**
Write-offs	0	0	(707)	-	**(707)**
Balances on 31/12/2022	**1,341**	**3,861**	**96,419**	**-**	**101,622**

31 December 2022	Business Banking				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2022	**1,871**	**5,041**	**59,855**	-	**66,767**
Transfer to Stage 1 (from 2 or 3)	440	(440)	0	-	**-**
Transfer to Stage 2 (from 1 or 3)	(18)	74	(56)	-	**-**
Transfer to Stage 3 (from 1 or 2)	(18)	(433)	433	-	**-**
Change of balances	(1,257)	(436)	2,453	-	**761**
New receivables (created or purchased)	103	0	0	-	**103**
Derecognition of receivables	(17)	(237)	(30)	-	**(284)**
Write-offs	0	0	(8)	-	**(8)**
Balances on 31/12/2022	**1,105**	**3,570**	**62,647**	**-**	**67,322**

31 December 2022	Retail Banking				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2022	**561**	**745**	**31,962**	-	**33,269**
Transfer to Stage 1 (from 2 or 3)	265	(218)	(47)	-	**-**
Transfer to Stage 2 (from 1 or 3)	(10)	162	(152)	-	**-**
Transfer to Stage 3 (from 1 or 2)	(237)	(31)	268	-	**-**

Change of balances	(329)	(364)	2,956	-	**2,263**
New receivables (created or purchased)	11	0	0	-	**11**
Derecognition of receivables	(27)	(3)	(516)	-	**(546)**
Write-offs	0	0	(699)	-	**(699)**
Balances on 31/12/2022	**234**	**292**	**33,772**	**-**	**34,297**

31 December 2022	Public Sector				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2022	**10**	**0**	**0**	-	**10**
Transfer to Stage 1 (from 2 or 3)	0	0	0	-	**-**
Transfer to Stage 2 (from 1 or 3)	0	0	0	-	**-**
Transfer to Stage 3 (from 1 or 2)	0	0	0	-	**-**
Change of balances	(6)	0	0	-	**(6)**
New receivables (created or purchased)	0	0	0	-	**0**
Derecognition of receivables	(1)	0	0	-	**(1)**
Write-offs	0	0	0	-	**0**
Balances on 31/12/2022	**2**	**0**	**0**	**-**	**2**

31 December 2022	Guarantees and commitments drawn				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2022	**39**	**0**	**0**	-	**39**
Transfer to Stage 1 (from 2 or 3)	0	0	0	-	**-**
Transfer to Stage 2 (from 1 or 3)	0	0	0	-	**-**
Transfer to Stage 3 (from 1 or 2)	()	0	0	-	**-**
Change of balances	(11)	0	0	-	**(11)**
New receivables (created or purchased)	39	0	0	-	**39**
Derecognition of receivables	0	0	0	-	**0**
Write-offs	0	0	0	-	**0**
Balances on 31/12/2022	**67**	**0**	**0**	**-**	**67**

Accumulated impairment losses per IFRS 9 Stage - Bank

31 December 2022	Portfolio total				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2022	**2,444**	**5,786**	**91,817**	-	**100,047**
Transfer to Stage 1 (from 2 or 3)	704	(658)	(47)	-	**-**
Transfer to Stage 2 (from 1 or 3)	(28)	236	(208)	-	**-**
Transfer to Stage 3 (from 1 or 2)	(238)	(464)	701	-	**-**
Change of balances	(1,608)	(800)	5,409	-	**3,002**
New receivables (created or purchased)	114	0	0	-	**114**
Derecognition of receivables	(46)	(240)	(546)	-	**(832)**
Write-offs	0	0	(707)	-	**(707)**
Balances on 31/12/2022	**1,344**	**3,861**	**96,419**	**-**	**101.624**

31 December 2022	Business Banking				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2022	**1,873**	**5,041**	**59,855**	-	**66,769**
Transfer to Stage 1 (from 2 or 3)	440	(440)	0	-	**-**
Transfer to Stage 2 (from 1 or 3)	(18)	74	(56)	-	**-**
Transfer to Stage 3 (from 1 or 2)	(1)	(433)	433	-	**-**
Change of balances	(1,273)	(436)	2,453	-	**745**
New receivables (created or purchased)	103	0	0	-	**103**
Derecognition of receivables	(18)	(237)	(30)	-	**(285)**
Write-offs	0	0	(8)	-	**(8)**
Balances on 31/12/2022	**1,108**	**3,570**	**62,647**	**-**	**67,324**

31 December 2022	Retail Banking				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2022	**561**	**745**	**31,962**	-	**33,269**
Transfer to Stage 1 (from 2 or 3)	265	(218)	(47)	-	**-**
Transfer to Stage 2 (from 1 or 3)	(10)	162	(152)	-	**-**
Transfer to Stage 3 (from 1 or 2)	(237)	(31)	268	-	**-**
Change of balances	(329)	(364)	2,956	-	**2,263**
New receivables (created or purchased)	11	0	0	-	**11**
Derecognition of receivables	(27)	(3)	(516)	-	**(546)**
Write-offs	0	0	(699)	-	**(699)**
Balances on 31/12/2022	**234**	**292**	**33,772**	**-**	**34,297**

31 December 2022	Public Sector				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2022	**10**	**0**	**0**	-	**10**
Transfer to Stage 1 (from 2 or 3)	0	0	0	-	**-**
Transfer to Stage 2 (from 1 or 3)	0	0	0	-	**-**
Transfer to Stage 3 (from 1 or 2)	0	0	0	-	**-**
Change of balances	(6)	0	0	-	**(6)**
New receivables (created or purchased)	0	0	0	-	**0**
Derecognition of receivables	(1)	0	0	-	**(1)**
Write-offs	0	0	0	-	**0**
Balances on 31/12/2022	**2**	**0**	**0**	**-**	**2**

31 December 2022	Guarantees and commitments drawn				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2022	**39**	**0**	**0**	-	**39**
Transfer to Stage 1 (from 2 or 3)	0	0	0	-	**-**
Transfer to Stage 2 (from 1 or 3)	0	0	0	-	**-**
Transfer to Stage 3 (from 1 or 2)	()	0	0	-	**-**
Change of balances	(11)	0	0	-	**(11)**
New receivables (created or purchased)	39	0	0	-	**39**

Derecognition of receivables	0	0	0	-	**0**
Write-offs	0	0	0	-	**0**
Balances on 31/12/2022	**67**	**0**	**0**	**-**	**67**

Accumulated impairment losses per IFRS 9 Stage - Group

31 December 2021	Portfolio total				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2021	**3,137**	**2,783**	**81,014**	-	**86,934**
Transfer to Stage 1 (from 2 or 3)	286	(109)	(177)	-	**-**
Transfer to Stage 2 (from 1 or 3)	(980)	1,670	(690)	-	**-**
Transfer to Stage 3 (from 1 or 2)	(244)	(759)	1,003	-	**-**
Change of balances	265	2,207	11,215	-	**13,687**
New receivables (created or purchased)	58	0	0	-	**58**
Derecognition of receivables	(80)	(7)	(476)	-	**(562)**
Write-offs	0	0	(72)	-	**(72)**
Balances on 31/12/2021	**2,442**	**5,786**	**91,817**	**-**	**100,045**

31 December 2021	Business Banking				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2021	**2,533**	**1,642**	**53,469**	-	**57,644**
Transfer to Stage 1 (from 2 or 3)	85	(85)	()	-	**-**
Transfer to Stage 2 (from 1 or 3)	(848)	1,225	(376)	-	**-**
Transfer to Stage 3 (from 1 or 2)	(848)	(313)	459	-	**-**
Change of balances	983	2,576	6,726	-	**10,285**
New receivables (created or purchased)	14	0	0	-	**14**
Derecognition of receivables	(48)	(3)	(372)	-	**(422)**
Write-offs	0	0	(51)	-	**(51)**
Balances on 31/12/2021	**1,871**	**5,041**	**59,855**	**-**	**66,767**

31 December 2021	Retail Banking				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2021	**576**	**1,142**	**27,545**	-	**29,263**
Transfer to Stage 1 (from 2 or 3)	193	(23)	(169)	-	**-**
Transfer to Stage 2 (from 1 or 3)	(132)	445	(314)	-	**-**
Transfer to Stage 3 (from 1 or 2)	(107)	(446)	552	-	**-**
Change of balances	19	(369)	4,473	-	**4,123**
New receivables (created or purchased)	44	0	0	-	**44**
Derecognition of receivables	(32)	(4)	(104)	-	**(140)**
Write-offs	0	0	(21)	-	**(21)**
Balances on 31/12/2021	**561**	**745**	**31,962**	**-**	**33,269**

31 December 2021	Public Sector				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2021	**28**	**0**	**0**	-	**28**
Transfer to Stage 1 (from 2 or 3)	0	0	0	-	**-**
Transfer to Stage 2 (from 1 or 3)	0	0	0	-	**-**
Transfer to Stage 3 (from 1 or 2)	0	0	0	-	**-**
Change of balances	(18)	0	0	-	**(18)**
New receivables (created or purchased)	0	0	0	-	**-**

Derecognition of receivables	0	0	0	-	-
Write-offs	0	0	0	-	-
Balances on 31/12/2021	**10**	**0**	**0**	**-**	**10**

31 December 2021	Guarantees and commitments drawn				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2021	**19**	**0**	**0**	-	**20**
Transfer to Stage 1 (from 2 or 3)	0	0	0	-	-
Transfer to Stage 2 (from 1 or 3)	0	0	0	-	-
Transfer to Stage 3 (from 1 or 2)	0	0	0	-	-
Change of balances	4	0	0	-	**4**
New receivables (created or purchased)	21	0	0	-	**21**
Derecognition of receivables	(5)	0	0	-	**(5)**
Write-offs	0	0	0	-	-
Balances on 31/12/2021	**39**	**0**	**0**	**-**	**39**

Accumulated impairment losses per IFRS 9 Stage - Bank

31 December 2021	Portfolio total				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2021	**3,139**	**2,783**	**81,014**	-	**86,937**
Transfer to Stage 1 (from 2 or 3)	286	(109)	(177)	-	-
Transfer to Stage 2 (from 1 or 3)	(980)	1,670	(690)	-	-
Transfer to Stage 3 (from 1 or 2)	(244)	(759)	1,003	-	-
Change of balances	265	2,207	11,215	-	**13,687**
New receivables (created or purchased)	58	0	0	-	**58**
Derecognition of receivables	(80)	(7)	(476)	-	**(562)**
Write-offs	0	0	(72)	-	**(72)**
Balances on 31/12/2021	**2,444**	**5,786**	**91,817**	**-**	**100,047**

31 December 2021	Business Banking				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2021	**2,535**	**1,642**	**53,469**	-	**57,646**
Transfer to Stage 1 (from 2 or 3)	85	(85)	()	-	-
Transfer to Stage 2 (from 1 or 3)	(848)	1,225	(376)	-	-
Transfer to Stage 3 (from 1 or 2)	(146)	(313)	459	-	-
Change of balances	280	2,576	6,726	-	**9,582**
New receivables (created or purchased)	14	0	0	-	**14**
Derecognition of receivables	(48)	(3)	(372)	-	**(422)**
Write-offs	0	0	(51)	-	**(51)**
Balances on 31/12/2021	**1,873**	**5,041**	**59,855**	**-**	**66,769**

31 December 2021	Retail Banking				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2021	**576**	**1,142**	**27,545**	-	**29,263**
Transfer to Stage 1 (from 2 or 3)	193	(23)	(169)	-	-
Transfer to Stage 2 (from 1 or 3)	(132)	445	(314)	-	-
Transfer to Stage 3 (from 1 or 2)	(107)	(446)	552	-	-
Change of balances	19	(369)	4,473	-	**4,123**
New receivables (created or purchased)	44	0	0	-	**44**
Derecognition of receivables	(32)	(4)	(104)	-	**(140)**
Write-offs	0	0	(21)	-	**(21)**

Balances on 31/12/2021	**561**	**745**	**31,962**	**-**	**33,269**

31 December 2021	Public Sector				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2021	**28**	**0**	**0**	-	**28**
Transfer to Stage 1 (from 2 or 3)	0	0	0	-	**-**
Transfer to Stage 2 (from 1 or 3)	0	0	0	-	**-**
Transfer to Stage 3 (from 1 or 2)	0	0	0	-	**-**
Change of balances	(18)	0	0	-	**(18)**
New receivables (created or purchased)	0	0	0	-	**0**
Derecognition of receivables	0	0	0	-	**0**
Write-offs	0	0	0	-	**0**
Balances on 31/12/2021	**10**	**0**	**0**	**-**	**10**

31 December 2021	Guarantees and commitments drawn				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2021	**19**	**0**	**0**	-	**20**
Transfer to Stage 1 (from 2 or 3)	0	0	0	-	**-**
Transfer to Stage 2 (from 1 or 3)	0	0	0	-	**-**
Transfer to Stage 3 (from 1 or 2)	0	0	0	-	**-**
Change of balances	4	0	0	-	**4**
New receivables (created or purchased)	21	0	0	-	**21**
Derecognition of receivables	(5)	0	0	-	**(5)**
Write-offs	0	0	0	-	**0**
Balances on 31/12/2021	**39**	**0**	**0**	**-**	**39**

4.5 Lien risk

It is the risk that the Bank undertakes by maintaining a high level of long-term encumbered assets, thereby limiting its available liquidity reserve and the possibility of obtaining additional financing in limited liquidity conditions.

The Bank uses unencumbered assets only to meet its urgent liquidity needs through the ELA mechanism alone, so there is no such risk.

4.6 Market risk

The Bank is not substantially exposed to market risk. The Bank's exposure to market risk is very low due to the low value of its trading portfolio (<5% of the value of its total assets), while it also falls under the exceptions of Presidential Decree 2646/09.09.2011.

4.7 Interest rate risk

Interest rate risk, which relates to the possibility of unexpected changes in interest income and / or expense as a result of changes in interest rates (due to the time mismatch in the adjustment of asset and liability interest rates). The Bank’s exposure to this risk is relatively small, as almost all of the interest bearing assets and liabilities are at a floating rate.

4.8 Currency risk

The Bank is not substantially exposed to foreign exchange risk. The Bank's exposure to foreign exchange risk is very low (<2% of equity) and therefore the corresponding capital requirements are zero.

4.9 Country risk

There are no cross-border credits. Therefore there is no country risk.

4.10 Liquidity risk

A financial institution's liquidity risk is the risk arising from the potential inability to find sufficient cash to meet its liabilities when they become due. For the effective management of its liquidity risk, the Bank has established a number of procedures for identifying, measuring, monitoring and controlling liquidity risk based on the "Liquidity Risk Appetite Strategy" and the "Risk-Taking and Appetite Framework" adopted, and fully complies with the specifications set by the Internal Liquidity Adequacy Assessment Process (ILAAP).

Based on the above liquidity risk appetite framework, the Bank monitors liquidity risk through internal administrative and supervisory reports as well as intra-day monitoring of its cash and financing sources. The liquidity monitoring and management reports include, inter alia, the monitoring of the liquidity risk measurement indicators as defined in the framework of the "Recovery Plan" and the "Contingency Funding Plan" in relation to the early warning triggers, which have actively adopted the above-mentioned process in the context of liquidity management. The Bank also regularly conducts liquidity risk simulation exercises, during which it evaluates the impact of these extreme scenarios on the liquidity measurement ratios as well as on the Liquidity Buffer it maintains. It is noted that in order to effectively manage the liquidity risk under abnormal conditions, the Bank maintains a "Contingency Funding Plan" which describes all the detailed actions to be followed by the authorized executives to find resources and stabilize liquidity levels in liquidity crisis situations.

The purpose of the Bank in managing liquidity risk is to ensure, to the best of its ability, the maintenance of its liquidity levels at acceptable levels, both under normal and extreme conditions.

The Bank's main sources of financing and liquidity are:

- Customer Deposits: The Banks customer deposits consist of sight, savings and time deposits. The Bank's deposits decreased in 2022 by about 0.3% compared to 2021.
- Debt securities: The Bank raises additional liquidity through the issuance of debt securities.

In addition to its main sources of funding, the Bank maintains, as an alternative source of funding, access to the Emergency Liquidity Assistance (ELA), through the provision of eligible assets as collateral, in liquidity situations.

The following is a list of the obligations of the bank and the group as at 31.12.2022 and 31.12.2021:

Analysis of contractual maturities for financial liabilities (non-discounted cash flows)	**Bank**					
Amounts in EUR	**Up to 1 month**	**1 to 3 months**	**3 to 12 months**	**1 to 5 years**	**Over 5 years**	**Total**
31 December 2022						
Due to Central Banks	0	0	0	0	0	0
Due to banks	1,564,063	0	0	0	0	1,564,063
Due to customers	331,620,841	83,187,106	182,886,934	0	0	597,694,881
Liabilities from credit securities & other loan obligations	0	0	0	14,123,152	3,150,000	17,273,152
Other liabilities	0	0	4,313,789	0	0	4,313,789
Balance sheet total	**333,184,905**	**83,187,106**	**187,200,722**	**14,123,152**	**3,150,000**	**620,845,885**

Analysis of contractual maturities for financial liabilities (non-discounted cash flows) — **Bank**

Amounts in EUR	**Up to 1 month**	**1 to 3 months**	**3 to 12 months**	**1 to 5 years**	**Over 5 years**	**Total**
31 December 2021						
Due to Central Banks	0	0	0	0	0	0
Due to banks	1,566,381	0	0	0	0	1,566,381
Due to customers	292,316,105	125,248,195	177,437,013	3,908,263	768,087	599,677,662
Liabilities from credit securities & other loan obligations	0	0	0	14,125,267	3,150,000	17,275,267
Other liabilities	0	0	5.307.110	0	0	5.307.110
Balance sheet total	**293,882,486**	**125,248,195**	**182,744,122**	**18,033,530**	**3,918,087**	**623,826,419**

Analysis of contractual maturities for financial liabilities (non-discounted cash flows) — **Group**

Amounts in EUR	**Up to 1 month**	**1 to 3 months**	**3 to 12 months**	**1 to 5 years**	**Over 5 years**	**Total**
31 December 2022						
Due to Central Banks	0	0	0	0	0	0
Due to banks	2,635,199	0	0	0	0	2,635,199
Due to customers	330,976,989	83,187,106	182,886,934	0	0	597,051,029
Liabilities from credit securities & other loan obligations	0	0	0	14,123,152	3,150,000	17,273,152
Other liabilities	0	0	14,535,397	0	0	14,535,397
Balance sheet total	**333,612,189**	**83,187,106**	**197,422,331**	**14,123,152**	**3,150,000**	**631,494,777**

Analysis of contractual maturities for financial liabilities (non-discounted cash flows) — **Group**

Amounts in EUR	**Up to 1 month**	**1 to 3 months**	**3 to 12 months**	**1 to 5 years**	**Over 5 years**	**Total**
31 December 2021						
Due to Central Banks	0	0	0	0	0	0
Due to banks	1,117,387	0	0	0	0	1,117,387
Due to customers	293,511,562	125,248,195	177,437,013	3,908,263	768,087	600,873,119
Liabilities from credit securities & other loan obligations	0	0	0	14,125,267	3,150,000	17,275,267
Other liabilities	0	0	12,832,716	0	0	12,832,716
Balance sheet total	**294,628,949**	**125,248,195**	**190,269,729**	**18,033,530**	**3,918,087**	**632,098,489**

4.11 Operational risk

Operational is the risk of causing damage due to insufficiency or failure of internal processes, individuals and systems or external events. The Bank is required to calculate minimum capital requirements for this risk in accordance with Articles 92 and 315-316 of Regulation (EU) No 575/2013. In calculating the capital requirements against this risk the Basic Index method is used and continues to be used, as mentioned above.

The relevant capital requirements as at 31/12/2022 were € 4,464 thousand individually and € 4,539 thousand on a consolidated basis, which are considered to be proportionately sufficient to cover the Bank against this risk given its nature, size and existing network.

4.12 Capital adequacy

The supervisory authorities have established quantitative criteria to ensure capital adequacy and require the Bank to maintain minimum amounts and risk-weighted capital ratios, which are defined as the ratio of funds to the sum of specific off-balance sheet assets. In June 2013, the European Parliament and the Council of Europe adopted Directive 2013/36/EU and Regulation (EU) 575/2013 (known as CRD IV), transposing and adapting the changes proposed by the Basel Committee (Basel III) at European Union level. The new regulations are directly applicable in all Member States from 1 January 2014.

The supervisory authority of the Cooperative Bank of Chania is the BoG.

The Basel II supervisory framework was applied from 01.01.2008 - 31.12.2013, which was introduced into Greek law by Law 3601/2007 as amended by Law 3693/2008, Law 3746/2009, Law 3862/2010. Law 4002/2011 and Law 4021/2011 (transposing EU Directives 48/2006, 49/2006, 64/2007, 111/2009 and 76/2010) and subsequently with the adoption of Governor's Acts 2577/2006, 2588/2007, 2590/2007, 2592/2007, 2630/2010, and 2635/2010.

The Basel III supervisory framework was applied from 01/01/2014, which was introduced into Greek law by Law 4261/2014 (transposing EU Directive 36/2013) as amended by Law 4335/2015 and Law 4340/2015, and subsequently by Regulation (EU) No 575/2013 (as amended by Delegated Regulation (EU) 2015/62) and Implementing Regulation (EU) No 680/2014 (as amended by Implementing Regulations 79/2015, 227/2015 and 1278/2015).

According to the new provisions (Law 4261/2014 and EU Regulation 575/2013), the following capital buffers have entered into force since 01/01/2016:

Capital Conservation Buffer: It is expressed as a percentage of the total amount of exposures at risk and amounts to 2.50% as from 01/01/2019. According to decision 428/28.06.2022 by the CIC (Credit and Insurance Committee), the Bank will not have maintain a 2.50% for the year 2022.

Countercyclical capital buffer: Expressed as a percentage of the total risk exposure amount and ranges between 0% and 2.50%, while it is also possible to increase to more than 2.50% if justified under the provisions of Article 127 (3) of Law 4261/2014. For 2022 and 2021, the Bank of Greece set the countercyclical capital buffer ratio at 0%.

Based on decision 428/28.06.2022 by the Credit and Insurance Committee and as part of the Supervisory Review and Evaluation Process (SREP), additional capital requirements of 3.36% were set for the Bank for the year 2022.

Based on all of the above, the minimum capital adequacy ratio that is required by the Bank for 2022 is 11.36%.

The capital adequacy ratio of the Cooperative Bank of Chania is presented in the following tables for the years 2021 and 2022.

Amounts in EUR thous.

31-Dec-21	**Consolidated**	**Individual**
1. Total Risk-Weighted Assets (RWA)	442,012	427,229
2. Risk-Weighted Assets for credit risk	392,789	377,839

3. Risk-Weighted Assets for operational risk	49,223	49,390
4. Risk-Weighted Assets for concentration risk	-	-
5. Total Equity	64,074	62,219
6. Total Capital Adequacy Ratio	**14.50%**	**14.56%**

Amounts in EUR thous.

31-Dec-22	Consolidated	Individual
1. Total Risk-Weighted Assets (RWA)	423,146	407,649
2. Risk-Weighted Assets for credit risk	366,406	351,854
3. Risk-Weighted Assets for operational risk	56,740	55,795
4. Risk-Weighted Assets for concentration risk	-	-
5. Total Equity	66,181	66,182
6. Total Capital Adequacy Ratio	**15.64%**	**16.24%**

Note: The Total Capital Adequacy Ratio results from the division of total Equity (line 5) by Total Weighted Assets (line 1).

The minimum threshold of the Total Capital Adequacy Ratio for 2022 is 11.36% as reported in Note 2.2 in the Capital Adequacy section.

4.12.1 Capital Adequacy Ratio

This risk relates to the level, structure and stability of equity, as equity determines the risk capability and is the basis for calculating various supervisory indicators. The Bank seeks to have the required capital adequacy, taking into account the adverse economic conditions which had a significant adverse effect on the credit institutions' equity in previous years. Equity (which is taken into account for the calculation of the total capital ratio) consists of Tier 1 Equity and Tier 2 funds. The Bank uses Category 2 funds after required capital depreciation.

During the years 2021 and 2022, the Bank presented adequate equity on an individual and consolidated basis. Its policy in this area during 2023 is to stimulate its capital base.

4.13 Fair values of financial assets and liabilities

4.13.1 Financial assets not measured at fair value

	Group				
Amounts in EUR	**31.12.2022**	**31.12.2022**	**Level 1**	**Level 2**	**Level 3**
	Book value	**Fair value**			
Financial assets					
Loans and amounts due to customers	343,364,408	343,364,408	-	-	343,364,408
Financial assets at amortized cost	1,044,865	1,044,865	-	-	1,044,865
Financial liabilities					
Due to customers	597,051,029	597,051,029	192,089,407	404,961,621	

Debt securities and other loans in issue	17,273,152	17,273,152	-	-	17,273,152

	Bank				
Amounts in EUR	**31.12.2022**	**31.12.2022**	**Level 1**	**Level 2**	**Level 3**
	Book value	**Fair value**			
Financial assets					
Loans and amounts due to customers	381,424,454	381,424,454	-	-	381,424,454
Financial assets at amortized cost	1,044,865	1,044,865	-	-	1,044,865
Financial liabilities					
Due to customers	597,694,881	597,694,881	192,733,260	404,961,621	
Debt securities and other loans in issue	17,273,152	17,273,152	-	-	17,273,152

	Group				
Amounts in EUR	**31.12.2021**	**31.12.2021**	**Level 1**	**Level 2**	**Level 3**
	Book value	**Fair value**			
Financial assets					
Loans and amounts due to customers	352,257,536	352,257,536	-	-	352,257,536
Financial assets at amortized cost	1,044,865	1,044,865	-	-	1,044,865
Financial liabilities					
Due to customers	599,306,738	599,306,738	158,606,659	440,700,080	-
Debt securities and other loans in issue	17,275,267	17,275,267	-	-	17,275,267

	Bank				
Amounts in EUR	**31.12.2021**	**31.12.2021**	**Level 1**	**Level 2**	**Level 3**
	Book value	**Fair value**			
Financial assets					
Loans and amounts due to customers	386,715,729	386,715,729	-	-	386,715,729
Financial assets at amortized cost	1,044,865	1,044,865	-	-	1,044,865
Financial liabilities					
Due to customers	599,677,662	599,677,662	158,977,583	440,700,080	-
Debt securities and other loans in issue	17,275,267	17,275,267	-	-	17,275,267

The above table presents the book value and fair value of financial assets that are not measured at fair value in the Group's financial statements and their categorization.

The book value of deposits repayable on demand approximates their fair value as they are considered to be short-term financial assets, while the fair value of time deposits is calculated using discounted interest rate models of similar products.

The fair value of debt securities issued is calculated using the discount rate method for the purchase of similar products.

The fair value of Loans and advances to customers is estimated to approximate their book value as they relate to floating rate loans, which are reviewed at regular intervals.

The fair value of financial assets at amortized cost as well as other financial assets and liabilities (cash and cash equivalents of central banks, receivables and liabilities of financial institutions, liabilities to central banks) that are not measured in the financial statements at fair value approximates their book value, either because they relate to short-term transactions or because they are re-priced at regular intervals.

Amounts in EUR	31.12.2022	31.12.2022	Group Level 1	Level 2	Level 3
	Book value	Fair value			
Financial assets					
Financial assets at fair value through profit or loss	-	-	-	-	-
Investment portfolio	12,225,269	12,225,269	45,708	-	12,179,561

Amounts in EUR	31.12.2022	31.12.2022	Bank Level 1	Level 2	Level 3
	Book value	Fair value			
Financial assets					
Financial assets at fair value through profit or loss	-	-	-	-	-
Investment portfolio	3,689,604	3,689,604	39,441	-	3,650,163

4.13.2 Financial assets not measured at fair value

Amounts in EUR	31.12.2021	31.12.2021	Group Level 1	Level 2	Level 3
	Book value	Fair value			
Financial assets					
Financial assets at fair value through profit or loss	1,365,779	1,365,779	-	1,365,779	-
Investment portfolio	10,693,574	10,693,574	35,129	-	10,658,444

Amounts in EUR	31.12.2021	31.12.2021	Bank Level 1	Level 2	Level 3
	Book value	Fair value			
Financial assets					
Financial assets at fair value through profit or loss	1,365,779	1,365,779	-	1,365,779	-
Investment portfolio	3,187,078	3,187,078	30,862	-	3,156,216

Fair value measurement of Level 3 financial assets is carried out using variables that are not based on observable market data. Level 3 financial assets include shares of investment portfolio. Level 3 shares are not traded in active markets or there are no available prices from third party traders. The valuation of these shares at fair value was approximated through the net asset value method.

For the year ended December 31, 2022 there were no transfers of financial assets between fair value hierarchy levels.

The following table shows the movement of the financial assets measured at fair value and classified at Level 3:

Amounts in EUR	Group	
Investment portfolio	**2022**	**2022**
Opening balance on the 1st of January	**10,658,444**	**4,918,332**
Other changes	-	93,580
Additions	-	-
Disposals	-	-
Changes in fair value	1,521,117	5,646,533
Deductions/devaluation provisions for the period	-	-
Balance as at 31 December	**12,179,561**	**10,658,444**

Amounts in EUR	Bank	
Investment portfolio	**2022**	**2022**
Opening balance on the 1st of January	**3,156,216**	**3,036,216**
Other changes	-	-
Additions	-	-
Disposals	-	-
Changes in fair value	493,947	120,000
Deductions/devaluation provisions for the period	-	-
Balance as at 31 December	**3,650,163**	**3,156,216**

4.13.3 Risk related to Tax Credits to the Greek State

As at 31/12/2022 the Group's deferred tax assets amounted to approximately € 20.2m (compared to approximately €23.3m as at 31/12/2021).

Pursuant to Regulation (EU) No 575/2013 on capital requirements, deferred tax assets that are based on future profitability and that exceed specific limits must be deducted from the Bank's Tier 1 Common Stock. However, Article 27A of Law 4172/2013 and its amendments (Law 4302/2014 and Law 4340/2015) allow, subject to certain conditions, the deferred tax assets resulting from accumulated impairment provisions to be converted to cover credit risk and which have been accounted for as at 30 June 2015 in final and outstanding claims against the Greek State (Tax Credits). The Bank, by the decision of the Extraordinary General Meeting dated November 24, 2015, has been subject to the provisions of Article 27A of Law 4172/2013 (as amended by Article 4 of Law 4340/2015). The provisions of Article 27A of Law 4172/2013, involve the optional conversion of deferred tax assets, on temporary differences, into definitive and outstanding claims against the Greek State which may be counted in supervisory funds.

This guarantees the provisional tax claim (DTA) by converting it into a definitive claim (DTC) against the State, with a corresponding benefit in the calculation of the Supervisory Equity, as in such case these claims are not deducted from Tier 1 equity but are counted on the Group's weighted assets at current rates.

In March 2017, a new law (4465/2017) was adopted that introduced amendments to Articles 27 and 27A of Law 4172/2013. These amendments introduce the 20-year amortization of definitive losses on write-offs and loan sales. In addition, the purpose of Article 27A extends beyond PSI losses and loan impairment provisions to losses from permanent write-off/sale of loans as well as accounting write-offs of loans.

On 31/12/2022, the maximum amount of deferred tax assets that meets the criteria of the above legal provisions and which can be converted into a final and settled claim against the Greek State amounted to **€ 18.2m.**

At each reporting date, the Bank re-evaluates the value of its deferred tax assets, which may result in a change in their balance presented in the statement of financial position and, by way of extension, in its regulatory capital.

The recognition of deferred tax assets and their possible conversion into claims against the Greek State (Tax Credits) may be adversely affected by: (a) the future reduction of income tax rates; (b) the adverse change in the regulations governing the handling of deferred tax assets in regulatory capital. Should any of the above risks occur, this could have an adverse effect on the adequacy of the Group's regulatory capital.

NOTE 5: NET INTEREST INCOME

	Group		Bank	
Amounts in EUR	**31.12.2022**	**31.12.2021**	**31.12.2022**	**31.12.2021**
Interest income from:				
Bonds	64,546	63,676	64,546	63,676
Due from banks	750,143	8,832	750,143	8,832
Loans and amounts due to customers	28,340,191	25,361,652	30,729,387	27,831,190
Interest and similar income	**29,154,880**	**25,434,160**	**31,544,076**	**27,903,698**
Interest expenses from:				
Liabilities to Central Banks (ELA)*	-	-	-	-
Due to banks	-	7,567	-	7,567
Debt securities	768,935	783,188	768,935	783,188
Due to customers	2,140,841	3,059,402	1,849,489	2,767,108
Interest and similar expenses	**2,909,776**	**3,850,157**	**2,618,424**	**3,557,863**
Net interest income	**26,245,104**	**21,584,003**	**28,925,651**	**24,345,834**

NOTE 6: NET COMMISSIONS REVENUE

	Group		Bank	
Amounts in EUR	**31.12.2022**	**31.12.2021**	**31.12.2022**	**31.12.2021**
Retail banking commissions	1,420,671	1,302,585	1,431,245	1,309,229
Loan commission income	1,157,966	1,173,657	1,157,966	1,173,657
Commission expenses	(660,010)	(970,141)	(660,010)	(970,142)
Net commission income	**1,918,626**	**1,506,101**	**1,929,201**	**1,512,744**

NOTE 7: PERSONNEL EXPENSES

	Group		Bank	
Amounts in EUR	**31.12.2022**	**31.12.2021**	**31.12.2022**	**31.12.2021**
Wages and other staff benefits	9,421,693	8,958,163	8,168,572	7,747,988
Defined Benefit Plan Expenses (see Note 8)	75,791	65,784	75,791	59,781
Used staff provisions	8,584	(14,148)	-	-
Other staff costs	113,857	195,851	109,022	188,777
Total	**9,619,925**	**9,205,650**	**8,353,385**	**7,996,546**

The number of staff for the Bank and the Group is as follows:

	Group	
Personnel costs	**31.12.2022**	**31.12.2021**
Bank	**224**	**226**
Cretan Real Estate	4	4
Cretan Holdings	0	0
Prime Energy SA	4	4
ABEA	32	36
BIOCHEM	10	10
Total	**274**	**280**

NOTE 8: DEFINED BENEFIT PLANS LIABILITY

Defined benefit plans

Redundancy payments

Group companies are required by law 2112/20 to provide compensation to employees who retire from service. These compensations are a lump sum based on the final salary and years of service.

On November 12, 2012 the new Law 4093/2012, reduced the redundancy payment in case of dismissal or retirement according to the provisions of Law 2112/1920. According to the provisions of the law, the maximum amount of redundancy payment for employees is limited to 12 salaries instead of 24 salaries.

In addition, the transitional provisions of that Law provide that for employees who have completed 17 or more years of service with the same employer on 12 November 2012, the compensation shall be limited to one additional salary for each completed year and up to 24 salaries. In case of dismissal, the additional salary is limited to EUR 2,000.

The provision was calculated based on the projected unit credit method imposed by IAS 19. According to this method, each period of service creates a right for an additional unit of entitlement to the benefits and which is discounted and valued separately in order to form the final liability.

Note that the fixed policy of the Bank and the Group, from the first application of IFRS, was the formation of the provision in proportion to the service time to the estimated retirement time, i.e. the amount of the provision and did not correspond to the amount of dismissal compensation paid to employees as part of their dismissal from the employer (provision for termination of employees). However, based on a recent clarifying directive of the SOEL, it was decided that the appropriate method for the allocation of benefits for the formation of the provision in the last 16 years until the retirement date of the employees is the scale of Law 4093/2012, so in the financial year 2021 the company applied this change in accounting policy.

The amounts of defined benefit and compensation plans recognized in the financial statements are analysed as follows:

Defined Benefit Plan Expenses

	Group		Bank	
Amounts in EUR	**31.12.2022**	**31.12.2021**	**31.12.2022**	**31.12.2021**
Service cost	74,741	65,267	74,741	59,264
Net financial cost on net defined benefit liability	1,050	662	1,050	517
Total	**75,791**	**65,929**	**75,791**	**59,781**

Net liability in the Statement of Financial Position

	Group		Bank	
Amounts in EUR	**31.12.2022**	**31.12.2021**	**31.12.2022**	**31.12.2021**
Present Value of Non-Funded Liabilities	**418,276**	**426,283**	**353,957**	**361,964**
Total	**418,276**	**426,283**	**353,957**	**361,964**

Change in liabilities for defined benefit plans

	Group		Bank	
Amounts in EUR	**31.12.2022**	**31.12.2021**	**31.12.2022**	**31.12.2021**
Balance as at 1 January	**426,283**	**345,012**	**361,964**	**275,227**
Service cost	74,741	65,267	74,741	59,264
Financial cost	1,050	662	1,050	516
Benefits used by the Group/Bank	-	(14,148)	-	-
Loss/(profit) from changes in actuarial assumptions	(83,798)	29,490	(83,798)	26,957
Balance on the 31st of December	**418,276**	**426,283**	**353,957**	**361,964**

Note: The aforementioned items are included in Other liabilities (see Note 21)

Weighted average actuarial assumptions at the end of the period

	Group		Bank	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Discount rate	3.6%	0.29% -0.98%	3.6%	0.29%
Earnings growth rate	1%	0.50% -1.50%	1%	0.50%

NOTE 9: GENERAL ADMINISTRATIVE AND OTHER OPERATING EXPENSES

	Group		Bank	
Amounts in EUR	**31.12.2022**	**31.12.2021**	**31.12.2022**	**31.12.2021**
Rent expenses	420,662	341,979	297,720	229,832
Taxes - Fees	436,344	506,474	237,895	228,069
Telecommunication and electricity costs	905,605	939,939	728,267	635,866
Maintenance costs	638,023	682,595	509,724	568,187
Third party fees	3,493,135	3,040,140	3,001,639	2,483,706
TEKE contributions	347,012	275,050	347,012	275,050
Promotion and advertising costs	554,633	586,585	536,715	556,905
Other expenses	1,397,920	1,654,061	1,016,386	845,965
Total	**8,193,335**	**8,026,822**	**6,675,357**	**5,823,580**

NOTE 10: CREDIT IMPAIRMENT PROVISION

Provision of impairment of loans and other receivables for the year

	Group		Bank	
Amounts in EUR	**31.12.2022**	**31.12.2021**	**31.12.2022**	**31.12.2021**
Loans and amounts due to customers	2,309,365	13,182,691	2,309,365	13,182,691
Provisions for letters of guarantee	33,309	19,660	33,309	19,660
Other receivables against customers and financial institutions	2,995,542	1,500,000	2,995,542	1,500,000
Total	**5,338,216**	**14,702,351**	**5,338,216**	**14,702,351**

For the year 2022, the Group and the Bank's "Loans and receivables per customer" provisions amounted to € 2.3 million (2021: € 13.2 million). The provisions of "Other due from customers" include a provision for receivables from legal cases that was formed in the financial statements of the Bank during the fiscal year 2022, amounting to approximately € 2.9 million, as analysed in Note 22.

Cumulative provision of impairment of loans and advances to customers

	Group		Bank	
Amounts in EUR	**31.12.2022**	**31.12.2021**	**31.12.2022**	**31.12.2021**
Loans and amounts due to customers	101,621,789	100,045,433	101,623,909	100,047,315
Total	**101,621,789**	**100,045,433**	**101,623,909**	**100,047,315**

The cumulative provision of impairment of loans and advances to customers are as follows:

Amounts in EUR	**Group**		**Bank**	
	31.12.2022	**31.12.2021**	**31.12.2022**	**31.12.2021**
Balance of provisions 01 January	100,045,194	**86,934,480**	100,047,315	**86,936,601**
Movement in 2021				
Provisions for the year	2,309,365	13,182,930	2,309,365	13,182,691
Write-offs	(732,770)	(71,976)	(732,771)	(71,976)
Balance of provisions as at 31 December	**101,621,789**	**100,045,433**	**101,623,909**	**100,047,315**

NOTE 11: CASH AND CASH AT CENTRAL BANKS, DUE FROM BANKS

	Group		Bank	
Amounts in EUR	**31.12.2022**	**31.12.2021**	**31.12.2022**	**31.12.2021**
Cash and cash equivalent	7,587,207	7,781,138	7,415,293	7,559,567
Bank of Greece	171,302,377	145,476,260	171,302,377	145,476,260
Total	**178,889,583**	**153,257,398**	**178,717,669**	**153,035,827**

	Group		Bank	
Amounts in EUR	**31.12.2022**	**31.12.2021**	**31.12.2022**	**31.12.2021**
Sight deposits with banks	11,718,650	20,510,608	11,718,650	20,510,608
Term deposits with financial institutions	-	-	-	-
Total	**11,718,650**	**20,510,608**	**11,718,650**	**20,510,608**

NOTE 12: FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

	Group		Bank	
Amounts in EUR	**31.12.2022**	**31.12.2021**	**31.12.2022**	**31.12.2021**
Bank bonds	-	1,365,779	-	1,365,779
Total	**-**	**1,365,779**	**-**	**1,365,779**

NOTE 13: FINANCIAL ASSETS AT AMORTISED COST

Amounts in EUR	Group 31.12.2022	Group 31.12.2021	Bank 31.12.2022	Bank 31.12.2021
Bank bonds	1,044,865	1,044,865	1,044,865	1,044,865
Total	**1,044,865**	**1,044,865**	**1,044,865**	**1,044,865**

* Bond of the Pancreta Bank S.A., with an interest rate of 6%, a seven-year duration and a nominal value of € 1,000,000.

NOTE 14: INVESTMENT PORTFOLIO

Amounts in EUR	Group 31.12.2022	Group 31.12.2021	Bank 31.12.2022	Bank 31.12.2021
Shares & stock	12,225,269	10,693,574	3,689,604	3,187,078
Total	**12,225,269**	**10,693,574**	**3,689,604**	**3,187,078**
Investment portfolio - available for sale				
Balance as at 1 January	**10,693,574**	**4,945,399**	**3,187,078**	**3,060,015**
Other changes		93,580		
Additions		1,000		
Changes in fair value	1,531,695	5,653,595	502,526	127,063
Sales	-	-		
Deductions/devaluation provisions for the period	-	-	-	-
Balance on the 31st of December 2022	**12,225,269**	**10,693,574**	**3,689,604**	**3,187,078**

The change in the Group's fair value in 2022 comes mainly from the participation of the subsidiary “CRETAN REAL ESTATE SA” in “Chania Business Park SA” (fair value gain of approximately € 1 million)

The change in the fair value of the investment portfolio is illustrated in the line "Results of financial operations and investment portfolio securities" of the income statement.

NOTE 15: SOFTWARE AND OTHER INTANGIBLE ASSETS

Amounts in EUR	**Group**			**Bank**		
	Software	**Other intangible assets**	**Total**	**Software**	**Other intangible assets**	**Total**
Acquisition cost						
Balance as at 1 January 2021	**5,073,879**	**185,979**	**5,259,857**	**3,798,031**	-	**3,798,031**
Acquisition of a subsidiary	-	-	-	-	-	-
Additions	876,301	-	876,301	876,301	-	876,301
Other changes	(39,507)	-	(39,507)	(14)	-	(14)
Balance as at 31 December 2021	**5,910,673**	**185,979**	**6,096,651**	**4,674,318**	**-**	**4,674,318**
Accumulated depreciation & impairment provisions						
Balance as at 1 January 2021	**(2,875,815)**	**-**	**(2,875,815)**	**(2,188,937)**	**-**	**(2,188,937)**
Acquisition of a subsidiary	-	-	-	-	-	-
Other depreciation changes	29,868	-	29,868	-	-	-
Depreciation	(372,728)	-	(372,728)	(281,742)	-	(281,742)
Balance as at 31 December 2021	**(3,218,675)**	**-**	**(3,218,675)**	**(2,470,679)**	**-**	**(2,470,679)**
Gross book value as at 31 December 2021	**2,691,998**	**185,979**	**2,877,976**	**2,203,639**	**-**	**2,203,639**
Acquisition cost						
Balance on the 1st of January 2022	**5,910,673**	**185,979**	**6,096,651**	**4,674,318**	**-**	**4,674,318**
Acquisition of a subsidiary	-	-	-	-	-	-
Additions	505,288	-	505,288	505,288	-	505,288
Other changes	-	-	-		-	-
Balance on the 31st of December 2022	**6,415,961**	**185,979**	**6,601,939**	**5,179,606**	**-**	**5,179,606**
Accumulated depreciation & impairment provisions						
Balance on the 1st of January 2022	**(3,218,675)**	**-**	**(3,218,675)**	**(2,470,679)**	**-**	**(2,470,679)**
Acquisition of a subsidiary	-	-	-	-	-	-
Other depreciation changes	-	-	-	-	-	-
Depreciation	(442,044)	-	(442,044)	(343,531)	-	(343,531)
Balance on the 31st of December 2022	**(3,660,719)**	**-**	**(3,660,719)**	**(2,814,210)**	**-**	**(2,814,210)**
Gross book value as at 31 December 2022	**2,755,242**	**185,979**	**2,941,221**	**2,365,396**	**-**	**2,365,396**

There was no goodwill on the consolidation of the subsidiaries (goodwill arising from the incorporation of subsidiaries acquired before the date of transition to IFRSs has been negatively charged to equity at the date of transition).

NOTE 16: PROPERTY AND EQUIPMENT

BANK

Amounts in EUR	Land	Buildings	Vehicles and equipment	Improvements to leased third-party properties	Furniture & other Equipment	Assets under construction	Assets with the right to use fixed assets	Total
Acquisition cost								
Balance as at 1 January 2021	**2.445.211**	**6.935.044**	**66.630**	**4.676.063**	**9.034.228**	**28,305**	**1.799.582**	**24.985.063**
Additions		10,385		142,887	287,329		577,790	1,018,390
Other changes in fixed assets					13			13
Transfers								-
Sales and write-offs								-
Balance as at 31 December 2021	**2.445.211**	**6.945.428**	**66.630**	**4.818.950**	**9.321.570**	**28,305**	**2.377.372**	**26,003,467**
Accumulated depreciation & impairment provisions								
Balance as at 1 January 2021	**-**	**(596,028)**	**(57,578)**	**(3,667,371)**	**(7,154,242)**	**(19,862)**	**(727,936)**	**(12,223,017)**
Other depreciation changes								-
Transfers								-
Depreciation		(69,908)	(2,238)	(314,292)	(450,869)		(344,892)	**(1,182,200)**
Sales and write-offs								-
Balance as at 31 December 2021	**-**	**(665,937)**	**(59,817)**	**(3,981,663)**	**(7,605,111)**	**(19,862)**	**(1,072,828)**	**(13,405,217)**
Gross book value as at 31 December 2021	**2.445.211**	**6,279,491**	**6,813**	**837,287**	**1,716,458**	**8,443**	**1,304,545**	**12,598,250**
Acquisition cost								
Balance on the 1st of January 2022	**2.445.211**	**6.945.428**	**66.630**	**4.818.950**	**9.321.570**	**28,305**	**2.377.372**	**26,003,467**
Additions		40,759		7,190	408,899		18,765	**475,613**
Other changes in fixed assets					-			**-**
Transfers								**-**
Sales and write-offs					(49,614)			**(49,614)**
Balance on the 31st of December 2022	**2.445.211**	**6,986,187**	**66.630**	**4,826,140**	**9,680,854**	**28,305**	**2,396,138**	**26,429,465**
Accumulated depreciation & impairment provisions								
Balance on the 1st of January 2022	**-**	**(665,937)**	**(59,817)**	**(3,981,663)**	**(7,605,111)**	**(19,862)**	**(1,072,828)**	**(13,405,217)**
Other depreciation changes								**-**
Transfers								**-**
Depreciation		(70,188)	(1,947)	(289,825)	(457,520)		(336,291)	(1,155,772)
Sales and write-offs					15			15
Balance on the 31st of December 2022	**-**	**(736,125)**	**(61,764)**	**(4,271,488)**	**(8,062,616)**	**(19,862)**	**(1,409,119)**	**(14,560,974)**
Gross book value as at 31 December 2022	**2.445.211**	**6,250,062**	**4,866**	**554,652**	**1,618,238**	**8,443**	**987,019**	**11,868,491**

GROUP

Amounts in EUR	Land	Buildings	Mechanical Equipment / Technical Installations	Vehicles and equipment	Improvements to leased third-party properties	Furniture & other Equipment	Assets under construction	Assets with the right to use fixed assets	Total
Acquisition cost									
Balance as at 1 January 2021	**3,375,363**	**10,944,608**	**15,660,097**	**279,645**	**4,676,064**	**9,694,425**	**158,680**	**2,040,904**	**46,829,784**
Additions	-	38,740	202,943	782	142,887	295,723	309,207	577,790	1,568,072
Other changes in fixed assets	-	-	(167,186)	-	-	11	-	-	(167,175)
Transfers	-	-	-	-	-	-	(91,401)	-	(91,401)
Sales and write-offs	-	-	(367,923)	-	-	-	-	-	(367,923)
Balance as at 31 December 2021	**3,375,363**	**10,983,348**	**15,327,931**	**280,428**	**4.818.950**	**9,990,159**	**376,486**	**2,618,694**	**47,771,357**
Accumulated depreciation & impairment provisions									
Balance as at 1 January 2021	**-**	**(968,412)**	**(9,480,295)**	**(226,296)**	**(3,667,371)**	**(7,763,210)**	(19,862)	(751,627)	**(22,877,071)**
Other depreciation changes	-	-	161,981	-	-	-	-	-	161,981
Transfers	-	-	-	-	-	-	-	-	-
Depreciation	-	(134,737)	(735,956)	(12,721)	(314,292)	(465,348)	-	(356,738)	(2,019,792)
Sales and write-offs	-	-	367,923		-	-	-	-	367,923
Balance as at 31 December 2021	**-**	**(1,103,149)**	**(9,686,346)**	**(239,017)**	**(3,981,662)**	**(8,228,557)**	**(19,862)**	**(1,108,365)**	**(24,366,959)**
Gross book value as at 31 December 2021	**3,375,363**	**9,880,199**	**5,641,584**	**41,411**	**837,288**	**1,761,601**	**356,624**	**1,510,329**	**23,404,398**
Acquisition cost									
Balance on the 1st of January 2022	**3,375,363**	**10,983,348**	**15,327,931**	**280,428**	**4.818.950**	**9,990,159**	**376,486**	**2,618,694**	**47,771,357**
Additions	-	40,759	128,098	-	7,190	428,304	683,459	18,765	1,306,575
Other changes in fixed assets	-	-	-	-	-	-	24,424	-	24,424
Transfers	-	-	-	-	-	-	-	-	-
Sales and write-offs	-	-	-	-	-	(49,614)	-	-	(49,614)
Balance on the 31st of December 2022	**3,375,363**	**11,024,107**	**15,456,029**	**280,428**	**4,826,140**	**10,368,848**	**1,084,369**	**2,637,459**	**49,052,743**
Accumulated depreciation & impairment provisions									
Balance on the 1st of January 2022	**-**	**(1,103,149)**	**(9,686,346)**	**(239,017)**	**(3,981,662)**	**(8,228,557)**	**(19,862)**	**(1,108,365)**	**(24,366,959)**
Other depreciation changes	-	-	(32)	-	-	-	-	-	(32)
Transfers	-	-	-	-	-	-	-	-	-
Depreciation	-	(306,032)	(435,934)	(12,495)	(289,825)	(471,883)	-	(348,137)	(1,864,305)
Sales and write-offs	-	-	-	-	-	15	-	-	15
Balance on the 31st of December 2022	**-**	**(1,409,181)**	**(10,122,312)**	**(251,512)**	**(4,271,488)**	**(8,700,425)**	**(19,862)**	**(1,456,501)**	**(26,231,281)**
Gross book value as at 31 December 2022	**3,375,363**	**9,614,926**	**5,333,717**	**28,916**	**554,653**	**1,668,423**	**1,064,507**	**1,180,958**	**22,821,462**

NOTE 17: INVESTMENT PROPERTIES

	Group	Bank
Amounts in EUR	**Fields - plots**	**Land**
Acquisition cost		
Balance as at 1 January 2021	**34,601,906**	**18,232,000**
Additions	293,329	286,207
Transfers from property and equipment	-	
Transfers from Other Assets	9,401,546	7,510,210
Fair value measurement adjustments	2,681,144	1,602,480
Write-offs	-	
Balance as at 31 December 2021	**46,977,925**	**27,630,897**
Acquisition cost		
Balance on the 1st of January 2022	**46,977,925**	27,630,897
Additions	874,896	874,896
Transfers from property and equipment	-	
Transfers from Other Assets	-	-
Fair value measurement adjustments	2,007,453	1,606,453
Write-offs/Sales	(292,246)	(292,246)
Balance on the 31st of December 2022	**49,568,028**	**29,820,000**

A significant part of the changes that occurred in the item "Investment property" as at 31 December 2022 concerns a change from the fair value of real estate amounting to € 2 million (2021: € 2.7 million) and € 1.6 million. (2021: € 1.6 million) for the Group and the Bank, respectively. The aforementioned valuation changes as well as the net results from the sale of property are reported in line "Other net income" of the income statement. Estimates are used to determine the fair value of Investment Properties, as detailed in Note 2.14 "Investment Properties". The fair values of the Group's and the Bank's Investment Property are classified at level 3 of the fair value hierarchy.

NOTE 18: DUE AND LIABILITIES FROM DEFERRED TAXES

	Group		Bank	
Amounts in EUR	**31.12.2022**	**31.12.2021**	**31.12.2022**	**31.12.2021**
Deferred tax assets				
Financial assets at fair value through profit or loss	-	82,424	-	82,424
Financial instruments at amortized cost	39	39	39	39
Loans to customers	13,331,017	16,454,118	13,331,017	16,454,118
Investments in subsidiaries	3,841,000	3,708,831	3,841,000	3,708,831
Holdings in associates	-	-	-	-
Investment securities	2,082,593	2,228,325	2,082,593	2,228,325
Property, plant and equipment	(1,094,685)	(1,175,039)	(1,003,179)	(1,089,733)
Investment property	(2,458,060)	(8,012,960)	(2,458,060)	(8,012,960)
Intangible assets	(201,431)	(125,595)	(203,008)	(128,145)
Deferred tax receivables on net book value debit difference of Article 27 par.3 of Law 4172/13	1,908,038	2,043,863	1,908,038	2,043,863
Other assets	2,574,763	7,703,484	2,495,324	7,617,404
Subsection	**19,983,274**	**22,907,490**	**19,993,765**	**22,904,166**
Other liabilities	197,652	354,323	145,655	293,985
Subsection	**197,652**	**354,323**	**145,655**	**293,985**
From loss brought forward	-	-	-	-
Total	**20,180,926**	**23,261,813**	**20,139,421**	**23,198,152**

	Group		Bank	
Amounts in EUR	**31.12.2022**	**31.12.2021**	**31.12.2022**	**31.12.2021**
Deferred tax liabilities				
Property, plant and equipment	1,311,381	1,670,253	-	-
Investment property	722,978	1,607,379	-	-
Intangible assets	(76,170)	(101,674)	-	-
Holdings in associates	3,404	565,740	-	-
Investment securities	1,316,751	146,416	-	-
Other assets	(256,069)	(1,254,826)	-	-
Tax Identification Recognition	(142,046)	(217,946)		
Subsection	**2,880,229**	**2,415,342**	-	-
Other liabilities	(27,231)	(21,895)	-	-
Reserve for defined benefit plans	-	-	-	-
From loss brought forward	-	-	-	-
Total	**2,852,998**	**2,393,448**	**-**	**-**

The Group and the Bank have offset deferred tax assets and liabilities per company separately.

Deferred tax assets on the Bank and the Group primarily arise from differences in the accounting and tax bases that do not have an expiry date and therefore their recoverability is not called into question in the context of ongoing concern.

Pursuant to Regulation (EU) No 575/2013 on capital requirements, deferred tax assets that are based on future profitability and that exceed specific limits must be deducted from the Bank's Tier 1 Common Stock. However, Article 27A of Law 4172/2013 and its amendments (Law 4303/2014 and Law 4340/2015) allow, subject to certain conditions, the deferred tax assets resulting from accumulated impairment provisions to be converted to cover credit risk and which have been accounted for as at 30 June 2015 in final and outstanding claims against the Greek State (Tax Credits). The Bank, by the decision of the Extraordinary General Meeting dated November 24, 2015, has been subject to the provisions of Article 27A of Law 4172/2013 (as amended by Article 4 of Law 4340/2015). The provisions of Article 27A of Law 4172/2013, involve the optional conversion of deferred tax assets, on temporary differences, into definitive and outstanding claims against the Greek State.

Article 43 of Law 4465/04.04.2017 amended Articles 27 and 27a of the Income Tax Code (Law 4172/2013). According to the new provisions, the debt difference that will arise for legal entities supervised by the Bank of Greece from the permanent write-off of their debtors as well as the loss from the sale of loans, are recognized for deduction from gross income and are amortized over a period of 20 years. The deferred tax asset that will be recognized by the above debt difference as well as any write-offs of loans or credits that have not been converted into debt at the end of each accounting year are converted into a definitive and settled receivable against the State pursuant to the above terms and conditions.

The total amount of the deferred tax asset that will arise (a) from the debt difference due to the definitive write-off of debtors and loan sales, (b) from the temporary differences arising from the loan and credit write-offs as well as (c) from the temporary differences in accumulated provisions and other general credit risk losses may not exceed the total amount of tax on accumulated provisions and other credit risk losses recognized until June 30, 2015. This arrangement, which entered into force on 01.01.2016, ensures that loan write-offs and restructuring to reduce non-performing loans will not lead to a loss of supervisory capital.

The deferred tax assets of 31.12.2022, which fall under Article 27a of Law 4172/2013, amounted to **€ 18.2** million at both Group and Bank level. This is the chargeable tax, 29% on the temporary differences in the accumulated provisions against credit risk, which had been calculated up to 30 June 2015. The existence of tax losses is the basic requirement for the creation of Tax Credits, which are calculated as a percentage of accounting losses after tax under IFRS to equity (excluding losses in the year). This percentage is applied to the balance of the eligible deferred tax assets of a particular year to calculate the tax credit that will be converted into that year in relation to the previous fiscal year. EU Directive 575/2013 allows credit institutions not to deduct, for purposes of calculating the capital adequacy ratio, the deferred tax assets of Tier 1 Common Stock.

Article 82 of Law 4472/19.5.2017 provides for the obligation of credit institutions and other companies that fall under the provisions of article 27A of Law 4172/2013 to pay an annual commission to the Greek State on the amount of deferred tax asset arising from the difference between the applicable tax rate (currently 29%) and the tax rate applicable until 31.12.2014 (26%). The commission paid by the Bank for the year **2022** amounts to approximately € 31 thousand.

The tax rate for profits from business activities earned by legal persons and legal entities that keep duplicate books is 22% from 2021. This rate applies only to deferred tax assets/liabilities recognised by the Bank's subsidiaries.

With explicit reference to the law, this rate does not apply to credit institutions for which is still 29%, provided that they have been included and are subject to the special provisions of article 27^{A} of Law 4172/2013.

NOTE 19: OTHER ASSETS

Amounts in EUR	Group 31.12.2022	Group 31.12.2021	Bank 31.12.2022	Bank 31.12.2021
Tax advances and other tax claims	126,175	96,664	65,512	83,214
Prepaid expenses	251,388	439,684	118,625	144,155
Revenue receivable	61,393	25,430	61,393	25,430
Deposit and Investment Guarantee Fund	7,123,262	10,840,680	7,123,262	10,840,680
Real Estate Stocks	16,843,814	16,950,224	8,787,778	8,615,549
Trade and other receivables	12,255,571	7,027,235	4,646,140	1,513,549
Other	8,481,811	8,907,446	2,296,114	5,137,240
Total	**45,143,413**	**44,287,363**	**23,098,823**	**26,359,817**

Directive 2014/49 of the European Parliament, which lays down the rules and procedures concerning the establishment and operation of deposit guarantee schemes, has been incorporated into Greek law by Law 4370/2016. Under this law, credit institutions are required to participate in the Deposit and Investment Guarantee Fund (TEKE). In the table above, the "Deposit and Investment Guarantee Fund" refers to the Bank's participation in the assets of the Deposits Coverage Leg totalling **€ 7.1** on 31.12.2022 (31.12.2021: € 10.8 million).
"Other assets" for the Group include the value of the stocks of the companies "ABEA" and "BIOCHEM" on 31.12.2022 totalling € 5.5 million (31.12.2021: € 3.5 million).

The "Real estate inventories" refers to auctioned property or recovered collateral for the Bank, while the Group also includes real estate reserves of the Group's subsidiaries. These funds were valued at the lower of their acquisition cost and their net realizable value. The movement of "Real Estate Inventory" is presented in the following table:

Amounts in EUR	Group	Bank
Balance as at 1 January 2021	**26,129,318**	**11,521,110**
Additions	195.014	4,604,649
Transfers from / (to) Investment Property	(9,401,546)	(7,510,210)
Measurement adjustments	27,438	-
Write offs/ Sales		-
Balance as at 31 December 2021	**16,950,224**	**8,615,549**
Additions	371,199	370,684
Transfers from / (to) Investment Property	-	-
Measurement adjustments	(283,721)	(4,568)
Write offs/ Sales	(193,888)	(193,888)
Balance on the 31st of December 2022	**16,843,814**	**8,787,778**

NOTE 20: AMOUNTS DUE TO CENTRAL BANKS, CUSTOMERS AND BANKS

b) Due to customers

Due to customers

	Group		Bank	
Amounts in EUR	**31.12.2022**	**31.12.2021**	**31.12.2022**	**31.12.2021**
Deposits:				
Savings	104,919,044	92,639,850	104,919,044	92,639,850
Sight	87,170,363	65,966,808	87,814,215	66,337,733
Time	404,961,621	440,700,080	404,961,621	440,700,080
Total	**597,051,029**	**599,306,738**	**597,694,881**	**599,677,662**

According to Law 4151/2013, all inactive deposit accounts after 20 years are subject to limitation in favour of the Greek State. All credit institutions operating in Greece are required by the end of April of each year to return the cash balances of these inactive accounts to the Greek government.
After the modification of the capital controls (Decision No 0001695 ΕΞ 2017/Χ.Π. 1917, Government Gazette 3976 14/11/2017) the provisions of Law 4151/2013 concerning the return of inactive accounts to the State where they had been suspended pursuant to section 1, paragraph 6 of the Legislative Act published in the Government Gazette, Law 84/18.7.2015, were re-enacted. The accounts that closed 20 years in 2022 amount to € 19.5 thousand.

b) Due to Banks

Due to Credit Institutions

	Group		Bank	
Amounts in EUR	**31.12.2022**	**31.12.2021**	**31.12.2022**	**31.12.2021**
Due to other Banks				
Sight	2,635,199	2,683,768	1,564,063	1,566,381
Time	-	-	-	-
Total	**2,635,199**	**2,683,768**	**1,564,063**	**1,566,381**

NOTE 21: OTHER LIABILITIES

	Group		Bank	
Amounts in EUR	**31.12.2022**	**31.12.2021**	**31.12.2022**	**31.12.2021**
Creditors and Suppliers	2,893,349	3,888,479	145,477	657,342
Proceeds on behalf of third parties for return (via DIAS) *	508,825	184,820	508,825	184,820
Tax liabilities and charges (excluding income tax) and insurance organizations	1,389,135	1,097,346	988,684	804,072
Expenses payable and income of subsequent fiscal years	523,992	296,430	33,513	23,160
Other liabilities	6,367,097	4,972,193	2,637,290	3,637,716

Total	**11,682,399**	**10,439,268**	**4,313,789**	**5.307.110**

NOTE 22: CONTINGENT OBLIGATIONS, SECURITIES AND COMMITMENTS

a. Legal issues

There are pending claims and lawsuits against the Bank. Based on the information provided by the Bank's Legal Advisers to the Management, no reliable assessment can be made at the present time concerning the outcome of these cases as some of these cases are at an early stage and others have not become final, and their resolution may take several years.
In the context of claims against its customers, the Bank has taken legal action to recover arrears.

More specifically:
With regard to the legal disputes - lawsuits filed by partners against the Bank and claiming the compensation of the plaintiffs due to the alleged damage suffered by them from the establishment of the Special Account Agreements, a part of them, amounting to approximately € 35m, of which approximately € 10m relates to judgments which vindicated the Bank, have been adjudicated by the beginning of 2023.
As for the remaining lawsuits against the Bank, an amount of approximately € 22m has been awarded with provisional enforceable amounts of approximately € 6.4m. The Bank has appealed the above lawsuits.
Note that in the event of a risk arising from non-recovery of all receivables paid as provisionally enforceable amounts, the Bank made an additional provision at the expense of its results in 2022 of approximately € 3m (see note 10), while the cumulative provision for all its provisionally enforceable claims until 31.12.2022 amounts to approximately € 6.35m. For these amounts, the re-collection procedure has already started for the appeal decisions awarded to the Bank.

Of the total number of lawsuits that have been decided, thirty-six appellate decisions have been handed down upholding the opposing parties against which the Bank has already filed appeals before the Supreme Court. Two appeals that we have filed have already been tried by the Supreme Court and decisions are pending.
Accordingly, ten appeal decisions have been issued in favour of the Bank, of which one has become irrevocable in the Bank's favour (base on Supreme Court decision 1197/2021), while for the remaining nine appeals have been filed by the opposing parties. Two appeals lodged by the defendants have already been brought before the Supreme Court and decisions are pending.
On the appeal filed by an opponent of our Bank against decision 99/2019 of the Court of Appeal of Crete, decision 1197/2021 of the Supreme Court was issued in favour of the Bank, which, following the waiver by the opposing party of the appeal, terminated the proceedings. Therefore, the decision 99/2019 of the Court of Appeal of Crete has become irrevocable.

The Supreme Court has also issued decision 1007/2019 which accepted the Bank's appeal and annulled the decision of the Court of Appeal in its entirety, referring the case to the Court of Appeal to be tried by a different composition. The Court of Appeal of Crete, having tried the case with a new composition, issued the decision MEfKr 133/2020 by which it accepted the appeal and the additional grounds of appeal brought by the Bank as valid in substance, dismissed the appeal of the other party as unfounded in substance and finally dismissed the action of the other party against the Bank as unfounded in substance, thus vindicating the Bank. The counterpart has filed an appeal against the decision of the Court of Appeal, which was discussed on 17/10/2022 and a decision is pending
For the other judgments, appeals are pending for both us and the opponents.

In view of the foregoing, the Bank's lawyers / legal advisors are of the opinion that the lawsuits in question will be rejected for specific reasons relating to the completeness of the documents presented by the Bank that prove their legality and compliance with the laws and regulations imposed on credit institutions and consequently on the Bank's transactions with its customers. According to the legal advisers, the opposing appellate decisions that uphold the opposing parties, accepting our Bank's tortious conduct, misinterpret and misapply the law, fail to adjudicate facts critical to the outcome of the trial and lack legal basis. Therefore, the four expected decisions by the Supreme Court, will be crucial.

Therefore, the Management of the Bank considers, taking into account all the above as well as the complexity of the cases and their duration, that the final settlement, until their irreversibility, will have a positive outcome for the Bank and is not expected to have an impact on its Financial Statements, therefore the Bank has not made a relevant provision.

b. Pending tax audits

The Bank has not performed tax audits for the years 2017 to 2022 and has accumulated provisions of € 50,000 for those unaudited tax years which are considered sufficient.

The Group's subsidiaries have not been audited for certain fiscal years and therefore their tax liabilities for those years have not been finalized. Therefore, as a result of these audits, additional fines and taxes may be imposed, the amounts of which cannot be accurately determined at present. However, apart from the subsidiary "ABEA SA" which has formed a provision of approximately € 80k, no provisions have been formed at the Group level for any differences that may arise during a future tax audit of unaudited tax years, since tax audits carried out in the past and even in years with accounting and tax profits did not lead to the imposition of significant additional taxes. In the present situation and with the majority of the unaudited years of the Group's subsidiaries being related to accounting and tax losses, it is difficult to make an estimate at the Group level, and Management estimates that tax audit differences that will have a significant impact on the Group's financial position, may be found.

The Bank and its Subsidiaries were not required to have a Certified Auditor issue a Tax Certificate by the until the fiscal year 2015 while from 2016 onwards the issuance of the "Annual Tax Certificate" became optional (with the exception of the Bank which does not fall under the Credit Partnership provisions on the issue of an optional Tax Certificate) for the Group's subsidiaries. Among them, the company "BIOCHEM SA" chose to be included in the audit for a Tax Compliance Certificate for fiscal year 2016 (relevant Tax Compliance Report without notes) while "ABEA SA" chose to be included in the audit for a Tax Compliance Certificate for fiscal years 2018 to 2021.

Following is a list of the unaudited tax years of the Group companies:

Subsidiary Name	Unaudited years
CRETAN REAL ESTATE SA	2017 – 2022
CRETAN HOLDINGS SA	2017 – 2022
PRIME ENERGY GROUP OF COMPANIES SA	2017 - 2022
CHANIA HOLDINGS SA	2017 - 2020
BIOCHEM SA	2017 - 2022
ABEA SA	2017, 2022

c. Loan commitments

The loan commitments relate to letters of guarantee issued by the Bank on behalf of its clients as set out in Note 4.3.6.2.

d. Operating lease commitments

Operating lease commitments relate to lease (rent) obligations to the Group and the Bank. The table below shows the minimum estimated future rent payments:

	Group		Bank	
Amounts in EUR	**31.12.2022**	**31.12.2021**	**31.12.2022**	**31.12.2021**
Up to one (1) year	399,686	416,099	383,086	399,499
From one (1) year to five (5) years	748,994	1,060,017	715,794	1,010,217
Over five (5) years	76,670	138.081	76,670	138.081
Total	**1,225,350**	**1,614,197**	**1,175,550**	**1,547,797**

NOTE 23: COOPERATIVE CAPITAL AND PREMIUM

The total paid-up capital and the cooperative capital premium of the Group as at 31 December 2022 and 31 December 2021 are as follows:

	Bank					Group	
Amounts in EUR	**No. of shares**	**Nominal value**	**Capital**	**Above par**	**Total Capital (Bank)**	**Own cooperative capital**	**Total Capital (Group)**
On 31.12.2021	6,596,549	3	19,789,647	85,100,926	104,890,573	(303,890)	104,586,683
On 31.12.2022	6,602,937	3	19,808,811	85,178,221	104,987,032	(303,890)	104,683,142

The following table shows the movement of cooperative capital and premium for the years 2022 and 2021:

	Bank		
Amounts in EUR	**Cooperative capital**	**Cooperative capital premium**	**Total**
Opening balance as at 1 January 2021	**19,739,325**	**84,897,961**	**104,637,286**
Net increase of cooperative capital	50,322	202,965	253,287
Balance as at 31 December 2021 (Bank)	**19,789,647**	**85,100,926**	**104,890,573**
Net increase of cooperative capital	19,164	77,295	96,459
Balance as at 31 December 2022 (Bank)	**19,808,811**	**85,178,221**	**104,987,032**

Group

Amounts in EUR	Cooperative capital	Cooperative capital premium	Own cooperative capital	Total
Opening balance as at 1 January 2021	**19,739,325**	**84,897,961**	**(303,890)**	**104,333,396**
Net increase of cooperative capital	50,322	202,965		**253,287**
(Purchases) / Sales of Own Cooperative capital				**-**
Balance as at 31 December 2021 (Group)	**19,789,647**	**85,100,926**	**(303,890)**	**104,586,683**
Net increase of cooperative capital	19,164	77,295		**96,459**
(Purchases) / Sales of Own Cooperative capital				**-**
Balance as at 31 December 2022 (Group)	**19,808,811**	**85,178,221**	**(303,890)**	**104,683,142**

NOTE 24: DEBT SECURITIES IN ISSUE

	Group		Bank	
Amounts in EUR	**31.12.2022**	**31.12.2021**	**31.12.2022**	**31.12.2021**
Balance as at 1 January	17,275,267	16,627,878	17,275,267	16,627,878
Bond issues	-	3,150,000	-	3,150,000
Expiry of bonds	-	(2,500,000)	-	(2,500,000)
Change in accrued interest	(2,115)	(2,612)	(2,115)	(2,612)
Balance as at 31 December	**17,273,152**	**17,275,267**	**17,273,152**	**17,275,267**

The Bank proceeded in 2021 to a new issue of a bond loan of € 3,15 million, with a term of 7 years from the date of issue, the period of payment of the coupon was set at six months with an interest rate of 3,5%, while the amount of € 2,5 million of the 2016 issue bond expired and was repaid.

In 2020, the Bank proceeded to a new issue of a bond loan of € 4 million, with a term of 7 years from the date of issue, the period of payment of the coupon was set at six months with an interest rate of 4%, while the amount of € 9 million of the 2015 issue bond expired and was repaid.

In 2019, the Bank proceeded with three issues of bonds with a nominal value of € 10,000 each, totalling € 5,9 with a private placement. More specifically, the Bank issued a bond of € 1.9 m on 30.06.2019 (General Meeting Decision of 17.06.2018), a bond of € 3 m on 31.10.2019 (General Meeting Decision of 14.07.2019) and finally a bond of € 1 m on 15.11.2019 (General Meeting Decision of 14.07.2019). The Bond Period was set at 7 years from the Issue Date while the coupon payment period was set bi-monthly, with interest rates of 4.75% and 5.3%, respectively. As in previous issues of the Bank, the bonds are unsecured and ranked after the fully-secured claims of all other creditors of the Bank. The capital will be repaid in one instalment upon Bond maturity.

The main reason why the Bank proceeds with the issuance of subordinated bonds is, among other things, the strengthening of its regulatory capital (Tier 2 Capital) and consequently of the total Capital Adequacy Ratio (CAR).

The net proceeds of the issue of subordinated bonds fell into the category of Tier II funds of the Bank, as defined by the Bank of Greece in accordance with Law 4261/2014 and Article 92 of Regulation 575/2013, with a view to enhancing the Bank’s equity.

Terms

Characteristics of bonds	*Issue 2017*	*Issue 2018*	*Issue 2019*	*Issue 2019*	*Issue 2019*	*Issue 2020*	*Issue 2021*
	Subordinated Bond (Common)	*Subordinated Bond (Common)*	*Subordinated Bond (Common)*	*Subordinated Bond (Common)*	*Subordinated Bond (Common)*	*Subordinated Bond (Common)*	*Subordinated Bond (Common)*
	Terms	**Terms**	**Terms**	**Terms**	**Terms**	**Terms**	**Terms**
Date of issue	29/12/2017	15/6/2018	30/6/2019	31/10/2019	15/11/2019	31/12/2020	31/12/2021
Expiry date	29/12/2024	15/6/2025	30/6/2026	31/10/2026	15/11/2026	31/12/2027	31/12/2028
Years	7	7	7	7	7	7	7
Amount	2,070,000	2,110,000	1,900,000	3,000,000	1,000,000	4,000,000	3,150,000
Nominal value of the bond	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Number of Bonds	207	211	190	300	100	400	315
Interest rate	4.75%	4.75%	4.75%	5.30%	5.30%	4.00%	3,50%
Payment of interest	Bi-monthly / 365 days	Bi-monthly / 365 days	Bi-monthly / 365 days	Bi-monthly / 365 days	Bi-monthly / 365 days	Bi-monthly / 365 days	Bi-monthly / 365 days
Recognition in Tier 2 Supervisory Capital	Tier II	Tier II	Tier II	Tier II	Tier II	Tier II	Tier II

NOTE 25: TRANSACTIONS WITH RELATED PARTIES

	Group		Bank	
Amounts in EUR thous.	**31.12.2022**	**31.12.2021**	**31.12.2022**	**31.12.2021**
Receivables	12,626,7	28,643,1	50,688,4	63,103,2
Liabilities	4,626,9	5,886,7	5,270,8	6,257,6
Letters of guarantee, contingent liabilities and other memo accounts	500,1	1,522,4	503,6	1,525,9

	Group		**Bank**	
	From 1.1 to		**From 1.1 to**	
Amounts in EUR thous.	**31.12.2022**	**31.12.2021**	**31.12.2022**	**31.12.2021**
Income from interest, commissions and other income (Total)	786,1	1,604,2	3,288,4	4,088,4
Expenses from interest, commissions and other expenses (Total)	23.0	35.2	23.0	35.2

Fees and allowances to executives and board members of the Bank and the Group from 1 January to 31 December 2022 are as follows:

	Group		**Bank**	
Amounts in EUR thous.	**31.12.2022**	**31.12.2021**	**31.12.2022**	**31.12.2021**
Board Members' Allowances - Representation to the Board	22.7	26.6	22.7	26.6
BoD Members Fees - SERVICE PROVISION (invoiced)	346.9	357.2	281.2	281.2
Remuneration of Bank Managerial Executives - Payroll	859.3	703.4	859.3	703.4
Amounts in EUR thous.	**1,228.9**	**1,087.1**	**1,163.2**	**1,011.2**

The intercompany transactions mentioned above have been made on market terms and on a purely commercial basis (arm's length transactions). Loans have been approved by the Bank's competent bodies and provided within the Bank's approved financing policies and procedures. Specifically, grants to associated parties:

(A) have been provided under the normal business context;
(B) included the same terms (interest rate, collateral) as similar loans granted to third parties in the same period;
(C) are regularly serviced and a provision has been made - in some cases - for their balances;
(D) do not contain a greater risk of default than usual.

NOTE 26: INVESTMENTS IN SUBSIDIARIES

	Group Voting percentage	
Subsidiary Name	**31.12.2022**	**31.12.2021**
CRETAN REAL ESTATE SA	74.46%	74.46%
CRETAN HOLDINGS SA	100.00%	100.00%
BIOCHEM SA	79.88%	79.88%
ABEA	71.69%	71.69%
PRIME ENERGY Group SA	100.00%	100.00%

The financial statements of the consolidated companies are included with the method of full consolidation in the consolidated financial statements of the Group and with the method of equity in the individual balance sheet of the Bank.

NOTE 27: HOLDINGS IN ASSOCIATED COMPANIES

	Group	
Amounts in EUR	**2022**	**2021**
Holding through CRETAN HOLDINGS SA		
Holding in "Milk Processing Industry SA"	25.00%	25.00%
Holding in “Chiotaki Bros SA”	48.98%	48.98%

In 2022, there were no significant changes in the rates of the Group’s holdings in associated undertakings.

The following table shows the movements of holdings in 2022 and 2021:

	Group	
Amounts in EUR	**2022**	**2021**
Balance as at 1 January	47,534	112,114
Additions	-	29,000
Profit/(Loss) Ratio	-	-
Other changes	(33,489)	(93,580)
Balance as at 31 December	**14,045**	**47,534**

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NOTE 28: FEES OF THE INDEPENDENT CERTIFIED PUBLIC AUDITOR/ACCOUNTANT

	Group		Bank	
Amounts in EUR	**31.12.2022**	**31.12.2021**	**31.12.2022**	**31.12.2021**
Fees for statutory audit of financial statements	84,692	89,804	49,600	49,600
Fees for other audit services	9,300	10,540	-	-
Fees for non-audit services	2,352	3,100	2,352	3,100
Total	**96,344**	**103,444**	**51,952**	**52,700**

The auditing company "APEX Auditors SA" was the statutory independent auditor for the fiscal year 2022. For the previous fiscal year 2021 the statutory independent auditor was the audit company "UHY Axon Auditors SA". The above table shows the total remuneration for the audit and other professional services provided to the Group by the above audit companies.

NOTE 29: OTHER RESERVES

	Group		Bank	
Amounts in EUR	**31.12.2022**	**31.12.2021**	**31.12.2022**	**31.12.2021**
Statutory reserve	2,636,419	2,614,059	2,614,059	2,614,059
Taxed	549,071	549,071	549,071	549,071
General reserve	983,698	983,698	983,698	983,698
Specific reserve	137,755	137,755	137,755	137,755
Other Reserves	353,128	293,818	124,175	64,679
Total	**4,660,072**	**4,578,402**	**4,408,759**	**4,349,263**

NOTE 30: NET INCOME FROM NON-BANKING OPERATIONS

	Group		Bank	
Amounts in EUR	**31.12.2022**	**31.12.2021**	**31.12.2022**	**31.12.2021**
Rental of buildings	590,208	285,740	485,339	197,786
Safe-deposit box rentals	13,080	15,305	13,080	15,305
POS rentals	106,793	101,565	106,793	101,565
Grants for programs and NSRF program fees	-	-	-	-
Other income	297,189	31,016	4,416	31,016
Results from other non-banking operations	5,113,696	4,408,691	-	-
Total	**6,120,965**	**4,842,317**	**609,628**	**345,673**

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The Group's "Results from other non-banking operations" for the fiscal year 2022 totalling around € 5,1 million (2021: € 4.4 million) mainly include the gross profit of the consolidated subsidiaries ABEA, BIOCHEM and PRIME ENERGY.

NOTE 31: INCOME TAX

The burden of the income statement is taxed as follows:

	Group		Bank	
Amounts in EUR	**31.12.2022**	**31.12.2021**	**31.12.2022**	**31.12.2021**
Current Tax	(455,704)	(37,956)	(126,000)	-
Deferred Tax revenue/(expense)	(3,516,136)	(1,934,782)	(3,034,430)	(424,410)
Total	**(3,971,840)**	**(1,972,739)**	**(3,160,430)**	**(424,410)**

Deferred and current tax in the statement of comprehensive income is as follows:

	Group		Bank	
Amounts in EUR	**31.12.2022**	**31.12.2021**	**31.12.2022**	**31.12.2021**
Difference in depreciation of fixed assets (tangible - intangible)	(150,740)	(15,805)	(80,391)	(29,758)
Result of the sale of Securities at fair value	(72,824)	-	(82,424)	-
Credit Risk Forecasting Loans	(2,214,026)	4,240,800	(2,214,026)	4,263,682
Reversal of interest income on loans	(909,076)	(3,310,653)	(909,076)	(3,310,653)
Credit risk provisions and other receivables	843,594		878,367	-
Investment Property Valuation	(554,091)	(700.119)	(465,871)	(464,719)
Real Estate Inventory Valuation	62,738	(29,260)	1,325	-
Provision for staff compensation	19,020	10,419	21,979	17,336
Change of deferred tax claim from unpaid debit difference under Article 27 of Law 4172/13	(135,824)	(135,824)	(135,824)	(135,824)
DTA derecognition of subsidiaries	-	-	-	-
Valuation of financial instruments at fair value		-	-	-
Loss/(Profit) share from Subsidiaries	132,169	(603,868)	132,169	(603,868)
Loss/(Profit) share from Associates	7,368	-		
Investment Securities Valuation	*(371,710)*	(1,212,401)	(145,732)	(172,841)
Change in Tax Rate	-	-	-	-
Impact from recognition of rights of use (based on IFRS 16)	1,364	4,061	1,364	3,209
Current Income Tax	(455,704)	(37,956)	(126,000)	-
Tax Identification Recognition	(75,900)	18,924		
Other adjustments from temporary differences	*(98,198)*	(201,056)	(36,289)	9,025
Income tax	**(3,971,840)**	**(1,972,739)**	**(3,160,430)**	**(424,410)**

For the unaudited tax years of the Bank and the Group companies see Note 22b.

NOTE 32: EVENTS AFTER THE BALANCE SHEET DATE

1. The Board of Directors of the Bank in the upcoming Annual General Meeting will ask for authorisation to consider the conversion of the Cooperative Bank of Chania into a Société Anonyme. The approval for the final conversion to a Société Anonyme will be given at the next General Meeting.

2. The subsidiary CRETAN REAL ESTATE SA and the Bank of Chania received, in 2022, from the Capital Market Commission and the Bank of Greece the approval for the establishment and operation of a Real Estate Investment Société Anonyme (REIT), with an initial share capital of EUR 36 million, contributing investment property income, with the obvious aim of benefiting from the special regime governing this type of company and the possibility of listing it on the Stock Exchange within two years. The incorporation of the company is expected to be completed in the near future.

Chania, 6 June 2023

Chairman of the BoD	Deputy Chairman of the BoD	Treasurer of the BoD	Manager of Financial Services
Michael Marakakis	Georgios Androulakis	Georgios Farantakis	Dimitrios Zymvragoudakis
ID NO: AO 803253	ID NO: AE974538	ID NO: AA490974	ID NO: AI 473388
			LICENSE NO OEE 0030682
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