

**COOPERATIVE BANK OF CHANIA**  
**Cooperative of Limited Liabilities**

**Financial Statements in Accordance with IFRS**

**For the period**

**From 1st January**

**to**

**31st December 2023**



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Any differences in totals are due to rounding off.

<b>Credit Institution Name</b>	<b>COOPERATIVE BANK OF CHANIA Cooperative of Limited Liabilities (trading as: COOPERATIVE BANK OF CHANIA)</b>  <b>English: COOPERATIVE BANK OF CHANIA Cooperative of Limited Liabilities (trading as: COOPERATIVE BANK OF CHANIA)</b>
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
wNumber of Branches	23 Branches
GCR No.	123088758000
Website	www.chaniabank.gr
E-mail address	info@chaniabank.gr
Board of Directors' Composition	
Chairman	Michail Marakakis son of Emmanouil
Deputy Chairman	Georgios Androulakis son of Charalambos
Secretary	Alexandros Perivolakis son of Vasilios
Treasurer	Georgios Farantakis Georgios son of Iosif
Executive Member	Emmanouil 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	Georgios Baourakis son of Michail
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 2023 fiscal period
- ❖ Notes to the Financial Statements

**BOARD OF DIRECTORS MEMBERS' STATEMENT****Board of Directors Members' Statement**

We certify that to the best of 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, 13 June 2024

**Chairman of the BoD**

**Deputy Chairman of the BoD**

**Treasurer of the BoD**

**Michail Marakakis**

**Georgios Androulakis**

**Georgios Farantakis**

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**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 2023, 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 2023, 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 to strengthen capital and achieve the objectives of its business plan (2023-2025), in accordance with the information submitted to the Bank of Greece.

As mentioned in the above note, these facts, together with the subject described in Note 21a, 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 21a 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.

Key audit issues	How it was handled
<p><b>1. Provisions for impairment of loans and receivables against customers in accordance with IFRS 9</b></p>	
<p>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.</p> <p>Loans and other receivables from customers of the Bank and the Group amounted to € 409.0 million and € 364.7 million respectively as at 31 December 2023, compared to € 381.4 million and € 343.3 million for the Bank and the Group as at 31 December 2022, after accumulated impairment provisions of approximately € 109.9 million for the Bank and the Group as at 31 December 2023, compared to € 101.6 million as at 31 December 2022.</p> <p>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.</p> <p>The key judgments are:</p> <ul style="list-style-type: none"> <li>▪ The application of IFRS 9 requires significant assessments and judgments on the proper classification of loans and how they are</li> </ul>	<p>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.</p> <p>For this important audit issue, we performed, among other things, the following audit procedures:</p> <p>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.</p> <p>We evaluated the following items:</p> <p><u>Individually rated loans</u></p> <ul style="list-style-type: none"> <li>▪ 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.</li> <li>▪ We assessed the appropriateness of the methodology and the provision calculation policy used by Management.</li> <li>▪ We have audited and evaluated, on a sample of loans serviced basis, the completeness of the</li> </ul>



<p>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.</p> <ul style="list-style-type: none"> <li>▪ The methodologies and policies selected by management, valuation of collateral, assumptions/parameters, macroeconomic criteria and the range of multiple financial scenarios used to determine the discounted cash flows used for loans that are individually assessed.</li> <li>▪ 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.</li> </ul> <p>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.</p>	<p>qualification 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.</p> <ul style="list-style-type: none"> <li>▪ We recalculated the discounted cash flows by comparing the results as determined by Management and we looked into any differences.</li> <li>▪ We assessed the completeness and accuracy of disclosures based on the relevant accounting standards.</li> </ul> <p><u>Loans that are assessed on a collective basis:</u></p> <ul style="list-style-type: none"> <li>▪ 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.</li> <li>▪ 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.</li> <li>▪ 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.</li> <li>▪ 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.</li> </ul>
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## 2. Recoverability of Deferred Tax Assets (DTAs)

The Bank's and Group's "DTAs" amounted to approximately € 19.6 million as at 31 December 2023 compared to approximately € 20.1 million as at 31 December 2022.

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 € 1.77 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 € 18.1 million is related to the special tax framework of Article 27<sup>A</sup> 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 17).

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<sup>A</sup> 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 17 of the corporate and consolidated financial statements.

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 determine the recoverability of the "DTAs" and its assumptions about the existence of future tax profits.

The assessment procedures primarily included:

- Examination of the calculations and projections of the Business Plan 2023-2025, the viability of its Business Model and the Strategy to divest part of its subsidiaries and the reasonableness of the significant assumptions and expectations of the Management regarding the future taxable profits of the Bank and their impact on the balance of "DTAs" as well as the history of the Bank's and the Group's tax profits;
- 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 on the assumptions used to calculate the amount of "DTAs" in accordance with the provisions of articles 27 and 27<sup>A</sup> 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' Management 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 31/12/2023.
- 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 2023 are disclosed in Note 27 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. Since then, our appointment has been continuously renewed for a total period of 18 years pursuant to the decisions taken by the ordinary general meeting of the partners of the Bank.

Athens, 28.06.2024

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 2023**

The following annual report by the Board of Directors concerns the fiscal year 2023 (01.01.2023 to 31.12.2023). 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 2023 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**

2023 proved to be another year of major challenges and risks for economies, banks and consumers alike, continuing the pattern recorded in 2022. Despite the difficulties, the global economy proved resilient in the end, but shifted its structural problems to 2024. Towards the end of the year there were positive signs of a return to normality, with inflation gradually declining and avoiding recession, keeping the labour market resilient.

In more detail, last year the policy of raising interest rates by the Central Banks continued. Despite the decline from the historic highs of 2022, inflation remained persistently high. Inflationary pressures on commodity prices and high energy prices, despite easing compared to the previous year, continued to hit households and businesses. This happened in the midst of Russia's continuing war in Ukraine and the October 2023 conflict between Israel and Hamas, which created new challenges and concerns about the spread of conflict throughout the Middle East.

Government bond yields rose significantly, increasing the cost of borrowing for governments as inflation proved difficult to reduce. This has fuelled expectations of more interest rate hikes by central banks.

2023 started with major risks for the financial system, due to the collapse of Silicon Valley Bank, the largest bank failure in the US since the 2008 financial crisis, and Signature Bank. The high interest rate policies of the US Federal Reserve led to reductions in the prices of the bonds held by these banks, affecting their capital adequacy and triggering a crisis of confidence in the banking system. This led to deposit outflows from small and medium-sized banks in the US and concerns about contagion to banking institutions worldwide, affecting the real economy.

The collapse of the US banks was quickly transferred to Europe, with the collapse of the Swiss bank Crédit Suisse, which was eventually taken over by UBS with the assistance of the Swiss authorities.

In the euro area, inflation remained above the European Central Bank's (ECB) target of 2%. Overall, despite the gradual retreat from historical highs in 2022, inflation in the euro area continued to remain high in 2023, reinforcing concerns about further interest rate hikes by the ECB and about them remaining high for longer.

In particular, the ECB raised interest rates for 10 consecutive months, bringing the deposit facility rate to 4%, the highest level since the introduction of the single currency. The interest rate on main refinancing operations was increased to 4.5% and the interest rate on the marginal lending facility to 4.75%.

The significant deceleration in inflation just before the end of 2023 raised hopes for an earlier-than-expected rate cut in 2024. The ECB's strategy now includes keeping interest rates unchanged, considering that the previous increases are already contributing to disinflation. The fall in energy prices also contributed to a deceleration in inflation, with the price of Brent crude oil falling below \$80 a barrel and the price of natural gas at €35 per megawatt hour.

On a broader front, the global economy entered 2023 with challenges, but the first half proved resilient. Global economic growth slowed but did not stall, aided by lower-than-expected energy prices and the opening of China's economy after the pandemic restrictions. In the course of the year, however, the effects of the tight monetary policy

of high interest rates became visible, affecting business and consumer confidence, with growth in China being lower than expected.

The International Monetary Fund notes a slowdown in global growth to 3% at the end of 2023 from 3.5% in 2022, with the slowdown continuing into 2024 and growth projected at 2.9%. In the euro area, growth is projected to fall from 3.3% to 0.7% in 2023, before rising to 1.2% in 2024. Indeed, Germany was in recession in the second half of 2023, with growth forecast at -0.5%, while France recorded growth of 0.1% in 2023.

The ECB's revised December forecasts show that the euro area has avoided recession and is expected to achieve a growth rate of 0.6% in 2023 and 0.8% in 2024. The unprecedented increase in interest rates by the ECB has contributed to the deceleration of inflation, which is estimated to reach 5.4% in 2023 and approach the 2% target at the end of 2025. However, geopolitical tensions, wage increases and the financial cost of extreme weather events remain risks that can cause inflation at the euro area.

In the UK, growth is expected to fall to 0.5% in 2023 from 4.1% in 2022, as a result of tight monetary policy to contain inflation. Emerging markets and developing economies are projected to grow by 4.0% in 2023 and 2024, despite regional divergences. Countries like India and Russia, as well as Ukraine, seem to be adjusting to the reality of war.

Overall, 2023 was a year of major challenges for the global economy, which showed signs of resilience in some areas, but at the same time major problems seem to be taking place in 2024.

### **Developments in the Greek Territory**

2023 was characterised by high uncertainty and unfavourable geopolitical developments in the international environment. The conflicts in Ukraine and the Middle East, both within and close to European territory, have sharply increased the risks for the European economy, which was already showing signs of slowing down amid declining but high inflation and tightening monetary policy.

In this context, the Greek economy has shown particular resilience, recording one of the highest economic growth rates (2.2%) among EU member states in the first nine months of 2023. The upward trajectory of the Greek economy in 2023 is attested by its first place, for the second consecutive year, among 35 countries for improving performance in five economic and financial indicators.

Specifically, Greece's GDP growth was 2% in 2023, compared to just 0.6% in the euro area, while for 2024, international and domestic agencies forecast GDP growth in the range of 2.0-2.9%, compared to 1.2% in the euro area.

These growth rates reflect various factors affecting the Greek and European economies. In the case of Greece, reforms, investment and an improved business environment can be a catalyst in accelerating economic growth. On the other hand, the euro area is facing challenges such as the energy crisis, geopolitical tensions and inflationary pressures, which are limiting growth.

These forecasts point to a continuation of the positive momentum of the Greek economy relative to the rest of the euro area, despite the challenges facing the broader economic environment.

At the same time, tourism was a key factor for the Greek economy in 2023, surpassing the historically high performance of 2019 in terms of arrivals and receipts, despite initial concerns about the weakening of European incomes due to inflationary pressures. Specifically, in the first ten months of the year, international travel arrivals and receipts amounted to 30.9 million and 19.6 billion euros respectively, exceeding the respective performances of 2019 by 4.1% and 11.6%, respectively.

In any case, inflation was one of the biggest challenges for businesses and households in 2023. Measured by the Harmonised Index of Consumer Prices (HICP), it recorded a softer increase compared to 2022, but remained at high

levels. Specifically, the average annual rate of HICP was 4.2% in 2023 compared to 9.3% in 2022. Core inflation, which excludes the prices of unprocessed food and energy, was higher at 6.2%.

Of course, high inflation is a Europe-wide phenomenon. The European Central Bank (ECB), in an attempt to contain it, has maintained the restrictive monetary policy launched in 2022, with successive interest rate increases. The interest rate on main refinancing operations was set at 4.5%, increased by 200 basis points within the year and by 450 basis points from July 2022. In the last meetings of 2023 the ECB kept interest rates unchanged, believing that these levels could lead to a deceleration of inflation. This created the conditions for a gradual reduction in interest rates in 2024, provided that no new disruptions in the energy sector occur, thus ensuring that inflation expectations are reduced. Indeed, in June 2024 the Governing Council of the European Central Bank (ECB) decided to cut the three key policy rates by 25 basis points.

From 2024, budgetary discipline will be necessary due to the deactivation of the general escape clause of the Stability and Growth Pact. Maintaining primary surpluses and positive economic growth rates will ensure a further reduction in the debt-to-GDP ratio. These, combined with the favourable sovereign debt characteristics, contributed to the recovery of the investment grade rating of the Hellenic Republic's credit rating by S&P and Fitch after 13 years.

### **Cretan Economy**

Tourism is the spearhead of the Greek economy, as in 2023 it recorded an all-time high for the sector, which reached EUR 28.5 billion, equivalent to 13% of GDP, surpassing the figures for 2022, which were respectively EUR 23.9 billion and 11.6% of GDP, with the Cretan economy performing very positively in 2023.

2023 ended with a new record for Cretan exports. Cretan exports, not including petroleum products, reached EUR 885.60 million and 471,143 tonnes, compared to EUR 688.30 million and 422,220 tonnes in the same period last year, an increase of 28.7% in value and 11.6% in quantity, breaking last year's record.

The food and beverage sector, which accounts for 69.3% of all Cretan exports with EUR 613.6 million, shows an increase of 50.8%. The Chemicals & Plastics sector comes second, with a share of 19.2% of Crete's total exports and a decrease of 5.6%. They are followed by the textile and clothing industries (share 3.1% and a decrease of 4.9%), Agricultural Equipment (2.8% share, down 11.9%) and, with smaller shares, Machinery & Appliances, Building Materials and Other Industrial Products.

In the agri-food sector, exports of olive oil reached EUR 466.3 million, accounting for 52.7% of the total Cretan exported products and 76% in the Food and Beverage category, with an increase of 69.5% compared to last year's same period. Vegetables reached EUR 89.6 million with an increase of 18.5%, Fruits reached EUR 13.9 million with an increase of 3%, followed by Fish & Seafood, the category of Waters - Beverages - Juices, Dairy, Wine, Honey and Meat & its Preparations with smaller percentages.

Regarding the markets that absorb Cretan products, the main buyers of Cretan products are Italy (37.5% share), followed by Germany (12.3% share), Spain (5.7% share), the USA (4.6% share) and France (4.4% share). The rest of top ten buyers of Cretan products are the Netherlands, Poland, Romania, Romania, the United Kingdom and Turkey.

A strong competitive advantage of the Cretan economy is the range of sectors that compose it, such as tourism, energy, real estate development, manufacturing, agricultural production and holiday homes, sectors that present unique qualitative characteristics, which enhance its positive prospects and thus the role of Crete as a strong economic region at domestic and international level.

### **Greek Banking System**

In 2023, the fundamentals of Greek banking groups improved. The banking groups' profitability strengthened on a year-on-year basis, reflecting a significant increase in net interest and fee income amid a rise in the ECB's key interest rates, but also a reduction in provisions for credit risk due to a decrease in the stock of non-performing loans.



On the other hand, the decrease in net income from financial operations, due to non-recurring profits of the previous year, and secondarily the increase in operating expenses, had a negative impact on the profitability of Greek banks. Greek banks' liquidity ratios strengthened compared to December 2022, remaining higher than those of euro area banks, despite the reduction in funding from the Eurosystem (through TLTRO operations). Capital adequacy ratios improved compared to December 2022, but remain below the euro area average.

The quality of the loan portfolio of Greek banking groups improved further, but the ratio of non-performing loans (NPLs) to total loans remains significantly higher than the European average. According to the latest available and provisional data, NPLs recorded a further decline to 6.6% of the total loan portfolio in December 2023 (from 8.7% in December 2022), compared to 2.3% in the euro area. In 2023, Greek banks' stock of NPLs decreased by € 3.3 billion to € 9.9 billion, mainly for business loans (68%) and secondarily for housing (23%) and consumer loans (9%).

The favourable domestic environment makes it easier for banks to effectively address the challenges. The resilience of the Greek economy and the upgrade of the country's investment grade credit rating contributed to the change in the outlook of Greek banks by the rating agencies from stable to positive, while the outlook of European banks is mostly neutral or negative. This has led to the reduction of banks' funding costs from the capital markets and thus makes it easier for them to meet the Minimum Requirement for Own Funds and Eligible Liabilities (MREL).

In 2023, the HFSF was also disinvested from the banks. This reflects the banking sector's progress in addressing past weaknesses and achieving recurrent operating profitability. The HFSF's divestment of the four systemic banks on successful terms demonstrates the improvement in their attractiveness and prospects. In total, from the HFSF disinvestment programme (between October 2023 and March 2024) the Greek State has received € 2.8 billion.

Bank interest rates continued to rise in 2023 in line with the tightening of the single monetary policy stance. The pass-through of ECB policy rate increases differed by loan category. In real terms, bank lending rates turned positive in 2023, but are still relatively low compared to the past. Compared to the European average, the rise in nominal lending rates in Greece was softer for both non-financial corporations (NFCs) and households.

In particular, NFCs' borrowing costs increased significantly. Thus, the average interest rate on business loans averaged 5.8% in 2023 (compared to an average rate of 3.5% in 2022). However, business borrowing conditions were in fact more favourable compared to what is reflected in the statistical series of bank interest rates, due to the supply of low-interest loans through the financial instruments of the European Investment Bank Group (EIB) and the Hellenic Development Bank (HDB), as well as the loans of the Recovery and Resilience Mechanism.

For loans to households, interest rate increases were more limited than for businesses. More specifically, the average interest rate on mortgage loans was 4.1% in 2023 (96 bps higher than in 2022), while the corresponding interest rate on fixed-term consumer loans increased to 11.3% (78 bps higher than in 2022).

Disbursements of business loans linked to the financial instruments amounted in 2023 to a significant share of the total new regular maturity loans to NFCs for the period. The corresponding disbursements of business loans to small and medium-sized enterprises (SMEs) accounted for an even larger share, around a quarter of new regular loans to SMEs. Disbursements of business loans linked to the Recovery and Resilience Mechanism accounted for roughly an additional tenth of all new regular maturity loans to NFCs. As far as households are concerned, the increase in loan interest rates was more limited in 2023 compared to businesses, firstly because they relate to a higher percentage of interest rates established on the basis of the credit policy of credit institutions and not automatically on the basis of benchmark rates. Moreover, increases in private lending rates had already started to be recorded long before the tightening of the single monetary policy.

Private sector bank deposits continued to strengthen, at a slower pace than in 2022, recording a shift from overnight deposits to time deposits. In particular, bank deposits increased cumulatively by EUR 5.8 billion in 2023 (compared to an increase of EUR 8 billion in 2022) and their balance stood at EUR 194.8 billion, the highest level since mid-2011.

Finally, the outlook for banks' credit ratings is positive, as it is supported both by the upgrade of Greece's investment grade credit rating and the resilience of the Greek economy, as well as by developments in banks' fundamentals. In

particular, the improvement of the quality of the Banks' loan portfolio (with the reduction of the NPL ratio) and the strengthening of their capital adequacy, profitability and liquidity contribute further to the improvement of the Banks' performance. On the other hand, a possible rate cut is expected to have a relatively small impact on banks' profitability.

## **The Cooperative Bank of Chania**

The main objective of the Bank of Chania is to contribute to local development and support the economy with a sense of responsibility. Operating with the aim of building trusting relationships with its customers and promoting innovation, our bank successfully addressed all the complex challenges it faced, remaining a key pillar of the domestic financial system.

With deep knowledge of the needs of the local community, the Bank of Chania has developed a broad portfolio of products and services that fully meet the requirements of the modern digital era, with particular emphasis on the green economy.

The Bank's Management, in the context of its development policy and organisational efforts, has defined the main axes on which the Bank's course, its vision and its underlying values are based.

Based on the Management's vision, these axes are:

- The modernisation of the Bank with a focus on small and medium-sized enterprises and households.
- The development of its business through expanded geographic coverage, the creation of new sources of revenue and the exploitation of new business opportunities
- Support for local communities and participation in businesses that contribute to the economies in which they operate
- Shielding the balance sheet by attracting new capital, effective risk management and improving profitability
- Supporting innovation and sustainability through the principles of ethical and social finance.
- Create value and generally safeguard the interests of the Bank's members by enhancing the marketability of their participation.

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 (Klathmonos Square area), Kallithea, Pagrati, Marousi and Glyfada.

## **Liquidity**

The liquidity of the Bank during 2023 as well as in 2022, remained at high levels, keeping available to central and other banks €165 million and €190 million on 31.12.2023 and 31.12.2022 respectively.

The liquidity regulatory indicators remain high, exceeding the minimum 100% regulatory limits. Specifically, on December 31, 2023 the Liquidity Coverage Ratio (LCR) reached 467% and 415% for the Group and the Bank respectively, while the Net Stable Funding Ratio (NSFR) amounted to 137,2% and 140% for the Group and the Bank respectively.

## Capital Adequacy

On 31.12.2023, on a consolidated basis, the Capital Adequacy Ratio stood at 17.0% (2022: 15.6%) and on an individual basis at 16.7% (2022: 16.3%).

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 2023.

**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 2023 and 2022, the Bank of Greece set the countercyclical capital buffer ratio at 0%.

Based on the decision 428/28.06.2022 of the Credit and Insurance Committee and within the framework of the Supervisory Examination and Assessment Procedure (SEA), the Bank was subject to Pillar 2 capital requirements of 1.25% and additional capital requirements of 3.36% for the years 2023 and 2022.

Based on all of the above, the minimum capital adequacy ratio that is required by the Bank for 2023 is 15.11%.

Year	Capital Adequacy Ratio	Buffer under Law 4261/2014	Additional SREP Requirements	P2G Requirements	Total Capital Adequacy Ratio
2022	8.00%	0.0%	3.36%	0.0%	11.36%
2023	8.00%	2.50%	3.36%	1.25%	15.11%

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 27<sup>a</sup> 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 and electronic auctions.

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 2023, 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 2026, 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 goal is to significantly reduce NPLs and achieve a ratio of 27% by 2024, 20% by 2025 and 15% by 2026.

Due to the general macroeconomic conditions and especially the increased inflation and the rise in interest rates in 2023, new NPEs with an upward trend emerged also for the first quarter of 2024, as the market conditions have not normalised. This upward trend for 2023 and early 2024 was foreseen by the Bank in its target setting.

In 2023, there was an increase of about 11% in both NPEs and the NPLs compared to the previous year, as it resulted mainly from the termination of significant debts, hence the creation of new NPLs. Despite the increase in NPEs, the coverage ratios for NPEs and NPLs did not materially deteriorate and stood at 42.4% and 42.9% respectively for 2023, compared to 42.5% and 42.3% for 2022.

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

Account/Ratio	2023	2022
€ / %		
<b>Loans</b>	519,020,570	483,048,362
<b>Accumulated provisions</b>	109,932,811	101,623,909
<b>Loan Coverage Value</b>	543,958,957	499,488,099
<b>Non-performing exposures (NPEs)</b>	252,127,711	226,745,989
<b>of which: Non-performing loans (NPLs)</b>	227,884,196	204,866,819
<b>of which: Definitive delays</b>	190,742,965	179,983,603
<b>Non-performing exposures (NPEs)/Loans</b>	48.58%	46.94%
<b>Non-performing loans (NPLs)/Loans</b>	43.91%	42.41%
<b>Definitive arrears/loans</b>	36.75%	37.26%
<b>Provisions/ Loans</b>	21.18%	21.04%
<b>Coverage of NPLs</b>	42.88%	42.31%
<b>Coverage of NPEs</b>	42.42%	42.52%
<b>Collateral / Loans</b>	104.80%	103.40%
<b>Collateral and provisions / Loans</b>	125.99%	124.44%
<b>Average loan interest rate</b>	5.81%	6.34%

In view of implementing the operational objectives set for the management of the NPEs for 2024-2025, the following were taken into account:

- The continued rise in inflation, as well as rising interest rates. Personal incomes, as well as costs of producing consumer goods, have been significantly affected by inflationary pressures.
- 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.
- Delays that occurred in the adjudication and enforcement of the denounced debts, due to the prolonged absence of lawyers in the past.
- 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 through the online platform is significant, very few cases are finally implemented and regular repayment of settled debts is achieved.

➤ 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 Bank, in the context of its application for a nationwide license and its transformation into an S.A. is preparing a new business plan, which will include the planned actions for the management and drastic reduction of its Non-Serviced Exposures.

### **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<sup>A</sup> 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 € 18.1 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.
- 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 risk 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.

- Environmental and ESG risks to which the following apply:

ESG risks are defined as the risks of any financial impact on the Bank arising from Environmental (E), Social (S) and Governance factors. Climate change and environmental degradation are important sources that affect economic activity and therefore also affect the financial system. The so called climate risk is the risk arising from potential loss or negative impact on the Bank, including damage and/or destruction of physical assets, business interruption or system failures, as a result of the adverse effects of climate change and natural disasters. Climate and environmental risks include two main categories:

i) Physical Risk: refers to the financial impact of climate change, including more frequent extreme weather events and gradual changes in climate, as well as environmental degradation such as air, water and land pollution, water scarcity, loss of biodiversity and deforestation. Physical risks are therefore classified as "acute" when they arise from extreme events such as drought, floods and storms, and as "chronic" when they are caused by progressive changes such as rising temperatures, rising sea levels, water scarcity, loss of biodiversity, changes in land use, habitat destruction and scarcity of natural resources.

ii) Transitional Risk: refers to the financial loss of an institution that may result, directly or indirectly, from the process of adapting to a more sustainable - from an environmental point of view - lower carbon economy. This risk could be caused by a relatively abrupt adoption of climate and environmental policies, technological progress or changes in climate and market preferences.

Climate and environmental risks may have an impact on the Bank's credit risk.

## Group - Developments

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

Subsidiary Name	Group Voting percentage	
	31.12.2023	31.12.2022
CRETAN REAL ESTATE SA	74.46%	74.46%
CRETAN HOLDINGS SA	100.00%	100.00%
BIOXYM S.A.	91.45%	79.88%
ABEA	71.69%	71.69%
PRIME ENERGY GROUP OF COMPANIES SA	100.00%	100.00%
REIC	89.94%	-

At the end of 2023, the Group proceeded with the establishment of a Real Estate Investment Company (REIC) by holding a total of 89.94% (indirect percentage), namely the Bank on 31.12.2023 held 60.62% of the REIC, while the subsidiary of the company KRITIKA AKINITA S.A. held 39.38%. It should be pointed out that in April 2024 the Bank acquired the stake of KRITIKA AKINITA S.A. in this company, now holding 100% of it. Also in 2023, the Bank increased its stake in the subsidiary BIOXYM S.A. by 11.57%, by purchasing 115,710 shares for the amount of € 35,001, bringing the final stake in this subsidiary to 91.45% as at 31.12.2023. In early 2024 the Bank participated in the capital increase of BIOXYM by purchasing all shares of the increase, specifically by purchasing 800,000 shares, increasing its stake in this subsidiary to 95.25%. It should be pointed out that the Group is in the process of merging through absorption of the company BIOXYM S.A. by the subsidiary ABEA, as well as the company CRETAN HOLDINGS S.A. by the Bank, which mergers are expected to be completed by the end of 2024.

## Prospects for the Future

The key strategic objectives of the Management for the three-year period 2024-2026 are the following:

- Obtaining a nationwide licence and transforming the Bank into a Société Anonyme, with a view to entering a regulated market in the medium term and achieving significant expansion and enlargement of its operations.
- Drastic reduction of its non-performing loans in order to expand and improve the quality of its portfolio.
- Further strengthening of the capital adequacy ratio both at individual and consolidated level.
- Maintaining liquidity, as well as liquidity monitoring indicators, at high levels.
- Implementation of its plans for disinvestment through the listing of the new Real Estate Investment Company (REIC).
- Enrichment of the services and products provided based on market trends and modern requirements, mainly through the enhancement of digital transactions in the context of the Bank's broader digital transformation.
- Entering into strategic partnerships with dynamic and competitive companies whose expertise will contribute to the modernisation and significant improvements of existing products and services.
- Targeted expansion to new customer groups through the provision of products and services specifically tailored to their needs.
- Strengthen the Bank's social strategy, with the priority of supporting the local community and creating value for all stakeholders.
- Integration of ESG issues into the Bank's operations, business model and corporate culture. Exploiting green and sustainable financing business opportunities, supporting its customers in their transition to a more sustainable economy, as well as targeting and implementing a reduction of the Bank's carbon footprint.
- Strengthening of the risk management framework to shield the Bank from external threats, including environmental and ESG risks.

## Evolution of financial figures and profit and loss for 2023

### Assets

The Bank's total assets as at 31.12.2023 increased by approximately € 14.2 million compared to 31.12.2022. In 2023 we had an increase in Loans (after provisions) of about € 27.6 million with a simultaneous decrease in cash of about € 26 million. Finally, other assets increased by approximately € 12.8 million.

Amounts in EUR	GROUP		BANK	
	2023	2022	2023	2022
<b>ASSETS</b>				
Cash and Cash with Central Banks	152,678,677	178,889,583	152,663,648	178,717,669
Due from banks	12,168,963	11,718,650	12,035,622	11,718,650
Loans (balance after provisions)	364,773,218	343,364,408	409,087,759	381,424,454
Deferred tax assets	19,602,947	20,180,926	19,570,431	20,139,421
Other assets	137,435,181	133,758,301	94,976,249	82,090,874
<b>TOTAL ASSETS</b>	<b>686,658,985</b>	<b>687,911,869</b>	<b>688,333,710</b>	<b>674,091,068</b>

### Loans

The Bank's total loans (before provisions) as at 31.12.2023 amount to € 519 million (€ 474.7 million for the Group), compared to € 483 million (€ 449.9 million for the Group) as at 31.12.2022, showing an increase of 7.4%. The Bank's cumulative provisions as at 31.12.2023 amount to € 109.9 million compared to € 101.6 million as at 31.12.2022. The provision coverage ratio of the Bank's total loans as at 31.12.2023 is 22.8% compared to 21% as at 31.12.2022.

Amounts in EUR	GROUP		BANK	
	2023	2022	2023	2022
<b>GRANTS</b>				
Loans and amounts due to customers (total) less:	474,702,352	444,986,173	519,021,570	483,048,362
Credit risk provisions	(109,929,134)	(101,621,765)	(109,932,811)	(101,623,909)
Loans (balance after provisions)	<b>364,773,218</b>	<b>343,364,408</b>	<b>409,087,759</b>	<b>381,424,453</b>

### Liabilities

The Bank's deposits as at 31.12.2023 amount to € 602.8 million compared to € 599.3 million as at 31.12.2022, recording a slight increase of € 3.6 million (percentage change of 0.6%). The balance of bond loans as at 31.12.2023 amounts to € 22.4 million.

Amounts in EUR	GROUP		BANK	
	2023	2022	2023	2022
<b>LIABILITIES</b>				
Deposits	588,411,863	599,686,228	602,851,867	599,258,944
Debt securities and other loans in issue	22,493,271	17,273,152	22,493,271	17,273,152
Other liabilities	14,687,754	14,535,397	5,161,558	4,313,788
<b>TOTAL LIABILITIES</b>	<b>625,592,888</b>	<b>631,494,777</b>	<b>630,506,696</b>	<b>620,845,884</b>

### Equity

The number of the Bank's members at the end of 2023 amounts to 27,713 compared to 27,214 at the end of 2022, while the Equity capital amounts to € 57.8 million compared to € 53.2 million at 31.12.2022, representing an increase of approximately 8.6%. At Group level, Equity amounts to € 61 million at 31.12.2023 compared to € 56.4 million at 31.12.2022. Please note that the Bank's Capital Adequacy Ratio as at 31.12.2023 amounts to 16.73% and 17.0% for the Group, higher than the minimum required regulatory ratio of 15.11%.



Amounts in EUR	GROUP		BANK	
EQUITY	2023	2022	2023	2022
Cooperative capital	21,028,695	19,808,811	21,028,695	19,808,811
Premium	87,257,316	85,178,221	87,257,316	85,178,221
Own cooperative capital	(303,890)	(303,890)	-	-
Reserves	4,540,130	4,660,072	4,333,592	4,408,759
Retained earnings	(54,898,865)	(56,397,895)	(54,792,589)	(56,150,608)
Non-controlling interests	3,442,712	3,471,773	-	-
<b>TOTAL EQUITY</b>	<b>61,066,097</b>	<b>56,417,092</b>	<b>57,827,014</b>	<b>53,245,183</b>
Capital Adequacy Ratio	17.0%	15.64%	16.73%	16.24%

The other financial indicators of the Group and the Bank are as follows:

Indicators in %	GROUP		BANK	
OTHER INDICATORS	2023	2022	2023	2022
Average deposit interest rate	-	-	1.1%	0.29%
Loans/Deposits	-	-	86.1%	80.6%
Personnel expenses / Total operating expenses	47.5%	46.9%	49.4%	50.4%
Cost / Income	59.3%	52.7%	55.1%	48.7%

It should be pointed out that the Bank's average deposit rate for 2023 compared to 2022 showed an increase of approximately 1%, following the upward trend of interest rates. The Loans/Deposits ratio showed a slight increase mainly due to deposits which remained at approximately the same level on 31.12.2023 compared to the previous reporting date (increase of 5.5%). Finally, the total cost/revenue ratio increased by 6.4%.

### **Financial results**

The Bank's net interest income for 2023 is € 27.5 million compared to € 28.9 million in 2022 and at Group level € 24.1 million compared to € 26.2 million in 2022. The Bank's profit before taxes for 2023 is € 2 million compared to € 11.6 million in 2022, while at Group level for 2023 it is € 2.7 million compared to € 12.3 million in 2022. The Bank's net profit after tax for 2023 amounts to € 1.4 million compared to € 8.4 million in 2022 and at Group level to € 1.5 million in 2023 compared to € 8.4 million in 2022. Provisions for credit risk coverage for the Bank's loans and other receivables for 2023 amount to € 11.5 million compared to € 5.3 million in 2022 and at Group level for 2023 to € 11.8 million compared to € 5.4 million in 2022.

Amounts in EUR	GROUP		BANK	
FINANCIAL RESULTS	2023	2022	2023	2022
Interest income	31,714,127	29,154,880	34,781,649	31,544,076
Net interest income	24,080,022	26,245,104	27,469,742	28,925,651
Net commission income	2,345,809	1,918,626	2,364,954	1,929,201
Operating expenses	(20,993,685)	(20,121,981)	(17,083,907)	(16,528,047)
Operating income	34,759,906	38,155,642	31,026,303	33,892,574
Provisions for credit risk	(11,767,218)	(5,374,610)	(11,528,776)	(5,338,216)
Impairment of fixed and other assets	-	(283,721)	-	(4,568)
Share of profits/(losses) from holdings in subsidiary companies	656,950	(33,489)	(413,113)	(455,756)
Results before taxes	<b>2,655,953</b>	<b>12,341,841</b>	<b>2,000,507</b>	<b>11,655,987</b>
Income tax	(1,130,666)	(3,971,840)	(642,489)	(3,160,430)
<b>RESULTS AFTER TAXES</b>	<b>1,525,287</b>	<b>8,370,002</b>	<b>1,358,018</b>	<b>8,405,557</b>

### **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 2023, the Cooperative Bank of Chania allocated a total of EUR 35 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.

### **Labour issues**

Beyond the three pillars, labour 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 labour market, ensuring the observance of the respective labour 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 2023 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
24 DIGITAL MEDIA SA	4,000.00
AMUSEMENTNET SINGLE-MEMBER PC	1,400.00
BANKINGNEWS S.A.	12,000.00
CRETAPOST IKE	2,200.00
ECONOMICO FINANCIAL NEWS SA (ECOMOMICO)	2,000.00
ENIGMA MG SINGLE-MEMBER PC	1,925.00
ETHOS MEDIA S.A.	3,600.00
FINANCIAL MARKETS VOICE	7,000.00
LIQUID MEDIA S.A.	5,000.04
MEDIA2DAY PUBLISHING S.A.	5,000.00
ONMEDIA DIGITAL SINGLE MEMBER S.A.	6,000.00
PAPALIOS MEDIA GROUP PC	2,000.00
PRESS CENTER SINGLE-MEMBER PC	17,279.88
PROMOTION PLUS PC	1,760.00
Q MEDIA L.T.D.	6,600.00
REPORT PRIVATE COMPANY	2,700.00

<b>XK PUBLICATIONS SINGLE-MEMBER PC</b>	1,252.00
<b>AGONAS TIS KRITIS PC</b>	9,410.00
<b>ALTER EGO MEDIA SA</b>	17,000.00
<b>ANASTASAKIS ANTONIOS</b>	6,200.00
<b>ANEZAKIS EPAM. EMMANOUIL EASY 93,2</b>	2,700.00
<b>APOSTOLIDIS PUBLISHING &amp; CO. OE</b>	355.00
<b>GIAITSIS PANTELIS</b>	5,900.00
<b>GRECOTEL S.A.</b>	4,032.26
<b>GRAPHOTECHNIKI KRITIS SA</b>	3,450.00
<b>DOT COMMUNICATIONS NAME RADIO TELEVISION AND COMMERCIAL COMPANY</b>	8,000.51
<b>HELLENIC RADIO TELEVISION SA</b>	518.93
<b>ENIMEROSI KRITIS PC</b>	850.00
<b>ENIKOS INTERNET SERVICES S.A.</b>	3,760.00
<b>ZOUGLA GR S.A.</b>	5,000.20
<b>NAFTEPORIKI</b>	5,038.13
<b>IKAROS RADIO TELEVISION ENTERPRISES SA</b>	16,200.00
<b>KALAITZAKIS PUBLISHING ENTERPRISES SA</b>	1,820.00
<b>KALLIOPI ILIA KOZYRI - MICHALIS ILIA KOZYRIS GEN. PARTNERSHIP</b>	1,641.00
<b>CAPITAL.GR S.A.</b>	4,008.00
<b>KARAGIANNAKI CHATZIDAKI GEORGIA</b>	2,750.00
<b>KARTSONAKIS EMM KARAKI B E .E.</b>	700.00
<b>COSMOS SPORT S.A.</b>	1,425.36
<b>KOUFAKIS EMMANOUIL GEORGIOS</b>	1,200.00
<b>CRETA MEDIA PRODUCTIONS SOCIÉTÉ ANONYME</b>	2,000.00
<b>KYKLOS SA</b>	3,600.00
<b>MATHIOUDAKIS MEDIA PUBLISHING-ADVERTISING-COMMERCIAL-REAL ESTATE ENTERPRISES-SA</b>	3,709.98
<b>MARIS CHARALAMPOS</b>	1,350.00
<b>MAVRIDAKI ATHINA</b>	1,800.00
<b>METRO S.A.</b>	106.17
<b>METRON ARISTON PRESENTATION AND COMMUNICATION SERVICES SINGLE-MEMBER L.T.D.</b>	11,400.00
<b>MICHELARAKI ARGYRO</b>	2,750.00
<b>MOUNTAKIS ANTONIOS</b>	2,061.00
<b>A. MYKONIATIS PUBLICATIONS S.A.</b>	2,322.00
<b>NEES KATHIMERINES EKDOSEIS SINGLE-MEMBER S.A. (KATHIMERINI)</b>	28,999.44
<b>DAOUDAKIS EMMANOUIL</b>	4,282.00
<b>OIKONOMAKOS VASILEIOS</b>	200.00
<b>OKTAS MEDIA PC</b>	2,000.00
<b>PANCRETAN CULTURAL COMPANY</b>	320.00
<b>PANCRETAN RADIO TELEVISION S.A.</b>	11,800.00
<b>PAPADAKIS GEO. MICHAIL</b>	1,000.00
<b>PARA ENA PUBLICATIONS INTERNET SERVICES LTD.</b>	7,801.05
<b>PATERAKIS DIM. GEORGIOS</b>	1,050.00
<b>PATTAKOS GEORGIOS</b>	1,800.00
<b>PAVLIDAKIS MARKOS</b>	2,200.00
<b>PITSONIS VASILEIOS</b>	350.00
<b>FOOTBALL ASSOCIATION OF KISSAMIKOS PAE</b>	10,000.00
<b>RADIO TELEVISION ENTERPRISES TRUE RADIO S.A.</b>	6,384.00
<b>SAMIOTI ELENI</b>	4,200.00
<b>SEGREDAKIS NIKOLAOS</b>	3,600.00
<b>SKOUTARAS B. SA</b>	12,000.40
<b>STAVRIDI ELENI</b>	8,800.00
<b>ASSOCIATION OF FRIENDS OF CRETAN MUSIC PANCRETAN NEWS "KRITIKES ATHIVOLIS"</b>	240.00
<b>SYNKA KRITIS S.A.</b>	4,500.00
<b>TZILIVAKIS ILIAS</b>	250.00
<b>TELEOPTIKI RETHYMNOU SA</b>	22,513.79
<b>TSAGKARAKIS GEORGIOS PAPAKONSTANTI VASILIKI O.E.</b>	1,800.00
<b>CHANIA LIVE TV OE</b>	6,600.00

**Grand Total**
**432,474.99**

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 € 103,698.48

DONATION-SPONSORSHIP-GRANT PAYMENTS Under ARTICLE 6 PAR. 2 OF LAW 4374/2016	
NAME OF THE LEGAL PERSON	TOTAL
12th PRIMARY SCHOOL OF CHANIA	728.02
5th PRIMARY SCHOOL OF CHANIA	7.00
ONENESS ACT CIVIL LAW NON-PROFIT ASSOCIATION	310.00
WE4ALL CIVIL LAW NON-PROFIT ASSOCIATION	2,000.00
CHANIA SPORTS CLUB "O KYDON"	1,300.00
MUNICIPAL SCHOOL OF NEROKOUROS	14.88
UNION OF POLICE OFFICERS OF THE PREFECTURE OF RETHYMNON	1,000.00
CHANIA SAILING CLUB	500.00
PUBLIC SERVICE INSTITUTE OF THE MUNICIPALITY OF KISAMOS	500.00
MEDITERRANEAN AGRONOMIC INSTITUTE OF CHANIA	600.00
MINOIKI HERAKLION SINGLE-MEMBER PC	310.00
CHANIA SPORTS CLUB	3,000.00
KINDERGARTEN OF SPILIA	14.88
CHANIA BRIDGE CLUB	500.00
TRADITIONAL CULTURAL ASSOCIATION "TO RODO"	2,000.00
CHESS ACADEMY OF CHANIA	1,000.00
ASSOCIATION OF RETIRED SECURITY FORCES OF CHANIA PREFECTURE	22.32
ASSOCIATION OF DEAF PEOPLE OF CHANIA	10.00
ASSOCIATION OF MACEDONIANS OF CHANIA	7.44
ASSOCIATION OF PELOPONNESIANS OF CHANIA	12.40
HANDBALL ASSOCIATION OF CHANIA	1,000.00
SCHOOL COMMITTEE OF PRIMARY EDUCATION OF THE MUNICIPALITY OF CHANIA	300.00
DANCING CLUB "KAGIALES"	10.00
2nd PRIMARY SCHOOL OF SOUDA	407.96
MILITOS PRODUCTIONS PC	6,200.00
AMATEUR SPORTS CLUB OFI	150.00
SPORTS CLUB "PANCHANIAKOS"	50.00
BASKETBALL CLUB OF CHANIA	500.00
GYMNASTICS ASSOCIATION ELEFThERIOS VENIZELOS	500.00
ELEPAP CHANIA	2,000.00
ASSOCIATION OF CULTURAL ASSOCIATIONS OF KISSAMOS	200.00
PERIFERIAKI ANAPTIKSIAKI ETAIREIA KRITIS	1,000.00
FOOTBALL AND SPORTS CLUB ARIS SOUDAS	500.00
CULTURAL ASSOCIATION OF ROKKA	5,000.00
VOLUNTARY SOCIAL ASSOCIATION "STIRIKSIS"	300.00
CRETAN MARATHON RUNNERS ASSOCIATION	200.00
CHARITY ASSOCIATION "SYNANTROPOS"	500.00
THE SMILE OF THE CHILD	500.00
CHARITABLE SPIRITUAL FOUNDATION "KRITIKI ESTIA"	300.00
<b>Grand Total</b>	<b>33,454,90</b>
<b>TOTAL PAYMENTS TO NATURAL PERSONS</b>	<b>NET VALUE IN EUR</b>
<b>NATURAL PERSONS (756 BENEFICIARIES)</b>	<b>17,912.49</b>

### 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 24 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 2023.

<b>Ratio</b>	<b>Definition</b>
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 advances 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, 13 June 2024**

The Chairman of the BoD

Michail Marakakis

**STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2023**

Amounts in EUR	Note	Group		Bank	
		31.12.2023	31.12.2022	31.12.2023	31.12.2022
<b>ASSETS</b>					
Cash and Cash with Central Banks	<a href="#">11</a>	152,678,677	178,889,583	152,663,648	178,717,669
Due from banks	<a href="#">11</a>	12,168,963	11,718,650	12,035,622	11,718,650
Financial assets at amortized cost	<a href="#">12</a>	1,044,865	1,044,865	1,044,865	1,044,865
Loans and advances to customers (after provisions)	<a href="#">4</a>	364,773,218	343,364,408	409,087,759	381,424,454
Participations in subsidiaries	<a href="#">25</a>	-	-	31,653,834	10,203,696
Holdings in associates	<a href="#">26</a>	6,678,056	14,045	-	-
Investment portfolio	<a href="#">13</a>	9,044,603	12,225,269	3,979,792	3,689,604
Property and equipment	<a href="#">15</a>	22,152,409	22,821,462	3,342,659	11,868,491
Investment properties	<a href="#">16</a>	56,901,988	49,568,028	18,989,460	29,820,000
Intangible assets	<a href="#">14</a>	3,251,561	2,941,219	2,758,894	2,365,396
Deferred tax assets	<a href="#">17</a>	19,602,947	20,180,926	19,570,431	20,139,421
Other assets	<a href="#">18</a>	38,361,699	45,143,413	33,206,745	23,098,823
<b>Total assets</b>		<b>686,658,985</b>	<b>687,911,869</b>	<b>688,333,710</b>	<b>674,091,068</b>
<b>LIABILITIES</b>					
Liabilities to Central Banks	<a href="#">19</a>	-	-	-	-
Due to other banks	<a href="#">19</a>	2,145,477	2,635,199	1,572,443	1,564,063
Due to customers	<a href="#">19</a>	586,266,386	597,051,029	601,279,424	597,694,881
Debt securities and other loans in issue	<a href="#">23</a>	22,493,271	17,273,152	22,493,271	17,273,152
Deferred tax liabilities	<a href="#">17</a>	2,698,003	2,852,998	-	-
Other liabilities	<a href="#">20</a>	11,989,751	11,682,399	5,161,558	4,313,789
<b>Total Liabilities</b>		<b>625,592,888</b>	<b>631,494,777</b>	<b>630,506,696</b>	<b>620,845,885</b>
<b>EQUITY</b>					
Cooperative capital	<a href="#">22</a>	21,028,695	19,808,811	21,028,695	19,808,811
Cooperative capital premium	<a href="#">22</a>	87,257,316	85,178,221	87,257,316	85,178,221
Less: Own cooperative capital	<a href="#">22</a>	(303,890)	(303,890)	-	-
Other Reserves	<a href="#">28</a>	4,540,130	4,660,072	4,333,592	4,408,759
Retained earnings		(54,898,865)	(56,397,895)	(54,792,589)	(56,150,608)
<b>Shareholders' equity of the Bank</b>		<b>57,623,385</b>	<b>52,945,319</b>	<b>57,827,014</b>	<b>53,245,184</b>
Non-controlling interests		3,442,712	3,471,773	-	-
<b>Total Equity</b>		<b>61,066,097</b>	<b>56,417,092</b>	<b>57,827,014</b>	<b>53,245,184</b>
<b>Total liabilities and equity</b>		<b>686,658,985</b>	<b>687,911,869</b>	<b>688,333,710</b>	<b>674,091,068</b>

**Chania, 13 June 2024**

The notes on pages 38 to 136 constitute an integral part of the financial statements

**PROFIT AND LOSS STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2023**

Amounts in EUR	Note	Group		Bank	
		31.12.2023	31.12.2022	31.12.2023	31.12.2022
Interest and similar income		31,714,127	29,154,880	34,781,649	31,544,076
Interest and similar expenses		(7,634,105)	(2,909,776)	(7,311,907)	(2,618,424)
<b>Net interest income</b>	<u>5</u>	<b>24,080,022</b>	<b>26,245,104</b>	<b>27,469,742</b>	<b>28,925,651</b>
Fee and commission income		2,621,661	2,578,636	2,640,806	2,589,211
Fee and commission expenses		(275,852)	(660,010)	(275,852)	(660,010)
<b>Net commission income</b>	<u>6</u>	<b>2,345,809</b>	<b>1,918,626</b>	<b>2,364,954</b>	<b>1,929,201</b>
Net income from non-banking operations	<u>29</u>	7,637,735	6,120,965	669,275	609,628
Dividend income		133,048	100,990	123,940	94,614
Net trading income/(loss) from investment securities		47,509	1,689,451	295,627	662,281
Other net income	<u>16</u>	515,783	2,080,506	102,766	1,671,199
<b>Total Income</b>		<b>34,759,906</b>	<b>38,155,642</b>	<b>31,026,303</b>	<b>33,892,574</b>
Personnel expenses	<u>7</u>	(9,963,014)	(9,619,925)	(8,441,900)	(8,353,385)
Depreciation of fixed and intangible assets	<u>14,15</u>	(2,251,976)	(2,308,721)	(1,459,054)	(1,499,305)
General administrative and other operating expenses	<u>9</u>	(8,778,695)	(8,193,335)	(7,182,952)	(6,675,357)
<b>Total Expenses</b>		<b>(20,993,685)</b>	<b>(20,121,981)</b>	<b>(17,083,907)</b>	<b>(16,528,047)</b>
Credit impairment provision	<u>10</u>	(11,767,218)	(5,374,610)	(11,528,776)	(5,338,216)
Impairment of fixed and other assets		-	(283,721)	-	(4,568)
Share of profits / (losses) from holdings in associated companies	<u>26</u>	656,950	(33,489)	-	-
Share of profits/(losses) from holdings in subsidiary companies		-	-	(413,113)	(455,756)
<b>Profit (loss) before tax</b>		<b>2,655,953</b>	<b>12,341,841</b>	<b>2,000,507</b>	<b>11,565,987</b>
Income tax	<u>30</u>	(1,130,666)	(3,971,840)	(642,489)	(3,160,430)
<b>Profit/(loss) after tax</b>		<b>1,525,287</b>	<b>8,370,002</b>	<b>1,358,018</b>	<b>8,405,557</b>
<b>Attributable to:</b>					
Shareholders of non-controlling interests		(3,175)	(35,576)	-	-
Bank Partners		1,528,462	8,405,578	1,358,018	8,405,557

**Chania, 13 June 2024**

The notes on pages 38 to 136 constitute an integral part of the financial statements

**PROFIT AND LOSS STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2023**

Amounts in EUR	Group		Bank	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Profit (loss) for the period	1,525,287	8,370,002	1,358,018	8,405,557
Actuarial income/expense in the statement of comprehensive income after taxes	(70,591)	59,497	(75,167)	59,497
Other comprehensive income/(expenses) for the period after tax	-	-	-	-
<b>Total comprehensive income / (expenses) for the period</b>	<b>1,454,696</b>	<b>8,429,498</b>	<b>1,282,851</b>	<b>8,465,054</b>
<i>Attributable to:</i>				
Shareholders of non-controlling interests	(1,879)	(35,576)	-	-
<b>Bank Partners</b>	<b>1,456,575</b>	<b>8,465,075</b>	<b>1,282,851</b>	<b>8,465,054</b>

**Chania, 13 June 2024**

The notes on pages 38 to 136 constitute an integral part of the financial statements



## STATEMENT OF CHANGES IN EQUITY - GROUP FOR THE PERIOD ENDING 31 DECEMBER 2023

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
<b>Balance as of 31 December 2021 and 1 January 2022</b>	<b>19,789,647</b>	<b>85,100,926</b>	<b>(303,890)</b>	-	<b>(40,037)</b>	<b>4,618,439</b>	<b>(64,783,415)</b>	<b>44,381,670</b>	<b>3,506,608</b>	<b>47,888,278</b>
Other comprehensive income / (expenses) for the period	-	-	-	-	59,497	-	-	<b>59,497</b>	-	<b>59,497</b>
Profit / (loss) for the period	-	-	-	-	-	-	8,405,578	<b>8,405,578</b>	(35,576)	<b>8,370,002</b>
<b>Total comprehensive income / (expenses) for the period</b>	-	-	-	-	<b>59,497</b>	-	<b>8,405,578</b>	<b>8,465,075</b>	<b>(35,576)</b>	<b>8,429,498</b>
Increase (decrease) of cooperative capital	19,164	77,295	-	-	-	-	-	<b>96,459</b>	-	<b>96,459</b>
Other transactions	-	-	-	-	-	22,173	<b>(20,058)</b>	<b>2,115</b>	<b>742</b>	<b>2,857</b>
<b>Balance as of 31 December 2022 and 1 January 2023</b>	<b>19,808,811</b>	<b>85,178,221</b>	<b>(303,890)</b>	-	<b>19,460</b>	<b>4,640,612</b>	<b>(56,397,895)</b>	<b>52,945,319</b>	<b>3,471,773</b>	<b>56,417,092</b>
Other comprehensive income / (expenses) for the period	-	-	-	-	(71,887)	-	-	<b>(71,887)</b>	1,295	<b>(70,591)</b>
Profit / (loss) for the period	-	-	-	-	-	-	1,528,462	<b>1,528,462</b>	(3,175)	<b>1,525,287</b>
<b>Total comprehensive income / (expenses) for the period</b>	-	-	-	-	<b>(71,887)</b>	-	<b>1,528,462</b>	<b>1,456,575</b>	<b>(1,879)</b>	<b>1,454,696</b>
Increase (decrease) of cooperative capital	1,219,884	2,079,095	-	-	-	-	-	<b>3,298,979</b>	-	<b>3,298,979</b>
Other transactions	-	-	-	-	-	<b>(48,056)</b>	<b>(29,432)</b>	<b>(77,488)</b>	<b>(27,182)</b>	<b>(104,670)</b>
<b>Balance as at 31 December 2023</b>	<b>21,028,695</b>	<b>87,257,316</b>	<b>(303,890)</b>	-	<b>(52,427)</b>	<b>4,592,556</b>	<b>(54,898,865)</b>	<b>57,623,385</b>	<b>3,442,712</b>	<b>61,066,097</b>

Chania, 13 June 2024

The notes on pages 38 to 136 constitute an integral part of the financial statements

## STATEMENT OF CHANGES IN EQUITY - BANK FOR THE PERIOD ENDING 31 DECEMBER 2023

Amounts in EUR	Cooperative capital	Cooperative capital premium	Reserve of available-for-sale securities	Defined benefit plans	Other Reserves	Retained earnings	Total
<b>Balance as of 31 December 2021 and 1 January 2022</b>	<b>19,789,647</b>	<b>85,100,926</b>	-	<b>(36,121)</b>	<b>4,385,383</b>	<b>(64,556,165)</b>	<b>44,683,671</b>
Other comprehensive income / (expenses) for the period	-	-	-	<b>59,497</b>	-	-	<b>59,497</b>
Profit /(loss) for the period	-	-	-	-	-	<b>8,405,557</b>	<b>8,405,557</b>
<b>Total comprehensive income / (expenses) for the period</b>	-	-	-	<b>59,497</b>	-	<b>8,405,557</b>	<b>8,465,054</b>
Increase (decrease) of cooperative capital	19,164	77,295	-	-	-	-	<b>96,459</b>
Other transactions	-	-	-	-	-	-	-
<b>Balance on the 31st of December 2022 and 1st of January 2023</b>	<b>19,808,811</b>	<b>85,178,221</b>	-	<b>23,376</b>	<b>4,385,383</b>	<b>(56,150,608)</b>	<b>53,245,184</b>
Other comprehensive income / (expenses) for the period	-	-	-	<b>(75,167)</b>	-	-	<b>(75,167)</b>
Profit /(loss) for the period	-	-	-	-	-	<b>1,358,018</b>	<b>1,358,018</b>
<b>Total comprehensive income / (expenses) for the period</b>	-	-	-	<b>(75,167)</b>	-	<b>1,358,018</b>	<b>1,282,851</b>
Increase (decrease) of cooperative capital	1,219,884	2,079,095	-	-	-	-	<b>3,298,979</b>
Other transactions	-	-	-	-	-	-	-
<b>Balance as at 31 December 2023</b>	<b>21,028,695</b>	<b>87,257,316</b>	-	<b>(51,791)</b>	<b>4,385,383</b>	<b>(54,792,589)</b>	<b>57,827,014</b>

**Chania, 13 June 2024**

The notes on pages 38 to 136 constitute an integral part of the financial statements

**CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2023**

Amounts in EUR	Group		Bank	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
<b>Profit / (loss) before tax</b>	<b>2,655,953</b>	<b>12,341,841</b>	<b>2,000,507</b>	<b>11,565,987</b>
Adjustments for:				
<b>Non-cash income statement items and other adjustments:</b>				
Depreciation of real estate property, tangible and intangible assets	2,251,975	2,306,349	1,459,054	1,449,304
Other operating results	(350,318)	(2,007,453)	(164,160)	(1,606,453)
Other fixed assets account movements (net fixed assets write-offs)	2,113	-	2,113	-
Credit impairment and other provisions	11,767,218	5,374,610	11,528,776	5,338,216
Provisions for staff benefits	86,131	135,287	73,013	135,287
Valuation adjustments of financial assets at fair value through profit or loss	(42,070)	(1,521,117)	(290,188)	(493,947)
Dividend income	(133,048)	(100,990)	(123,940)	(94,614)
Equity method (earnings) / losses	(656,949)	33,489	413,113	445,756
Net (profit)/loss from sale of tangible fixed assets & Real estate investment	10,400	-	388,910	-
Inventory impairment adjustments	-	283,721	-	4,568
Other adjustments	(220,322)	(13,237)	(30,549)	(35,410)
<b>Net (increase)/decrease in operating receivables:</b>				
Due from banks	(450,313)	8,791,957	(316,972)	8,791,957
Financial assets at fair value through profit or loss	-	1,365,779	-	1,365,779
Loans and amounts due to customers	(30,324,160)	5,827,883	(36,340,213)	2,262,423
Other assets	(2,663,901)	(4,359,405)	(14,389,989)	845,363
<b>Net (increase)/decrease in operating liabilities:</b>				
Due to banks	(489,722)	(48,569)	8,380	(2,317)
Due to customers	(10,784,642)	(2,255,710)	3,584,543	(1,982,782)
Liabilities from Personnel Benefits	-	-	-	-
Income tax paid	(455,704)	(37,956)	(126,487)	-
Other liabilities	647,865	1,664,846	101,240	(1,069,112)
<b>Net cash flow from operating activities</b>	<b>(29,149,494)</b>	<b>27,781,328</b>	<b>(32,222,843)</b>	<b>26,980,006</b>
<b>Cash flow from investment activity</b>				
Participation in (increase)/decrease in equity of associated companies / subsidiaries	-	-	-	-
Dividends received from portfolio of equity method investments	133,048	100,990	123,940	94,614
Acquisition of real estate property, tangible and intangible assets	(3,038,767)	(2,686,760)	(2,384,535)	(1,855,797)
Proceeds from the disposal of property, plant and equipment	164,215	317,452	-	341,845
Acquisition of investment portfolio	(7,000)	(10,579)	-	(8,579)
Acquiring additional percentages in subsidiaries/associates	(2,777,325)	-	(35,001)	-
<b>Net cash flows from investing activities</b>	<b>(5,525,830)</b>	<b>(2,278,897)</b>	<b>(2,295,596)</b>	<b>(1,427,917)</b>
<b>Cash flow from financing activity</b>				
Increase in cooperative capital	3,298,979	96,459	3,298,979	96,459
Proceeds from the issue of debt securities	5,160,000	-	5,160,000	-
<b>Net cash flow from financing activities</b>	<b>8,458,979</b>	<b>96,459</b>	<b>8,458,979</b>	<b>96,459</b>
Effect of foreign exchange rate changes in cash and cash equivalents	5,439	33,295	5,439	33,295
<b>Net increase / (decrease) of cash and cash equivalents</b>	<b>(26,210,906)</b>	<b>25,632,185</b>	<b>(26,054,021)</b>	<b>25,681,842</b>
Cash and cash equivalents at the beginning of the fiscal year	178,889,583	153,257,398	178,717,669	153,035,827
<b>Cash and cash equivalents at the end of the fiscal year</b>	<b>152,678,677</b>	<b>178,889,583</b>	<b>152,663,648</b>	<b>178,717,669</b>

**Chania, 13 June 2024**

The notes on pages 38 to 136 constitute an integral part of the financial statements

## NOTES TO THE CONSOLIDATED AND INDIVIDUAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 01.01.2023 - 31.12.2023

### 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](http://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:

- Michail Marakakis son of Emmanouil, 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
- Emmanouil 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 Michail, 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 13, 2024.

## 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 2023 (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, Real estate investment 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 31.12.2023 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:**

2023 proved to be another year of major challenges and risks for economies, banks and consumers alike, continuing the pattern recorded in 2022. Despite the difficulties, the global economy proved resilient in the end, but shifted its structural problems to 2024. Towards the end of the year there were positive signs of a return to normality, with inflation gradually declining and recession avoided, keeping the labour market resilient

In the euro area, inflation remained above the European Central Bank's (ECB) target of 2%. Overall, despite the gradual retreat from historical highs in 2022, inflation in the euro area continued to remain high in 2023, reinforcing concerns about further interest rate hikes by the ECB and about them remaining high for longer.

In particular, the ECB raised interest rates for 10 consecutive months, bringing the deposit facility rate to 4%, the highest level since the introduction of the single currency. The interest rate on main refinancing operations was increased to 4.5% and the interest rate on the marginal lending facility to 4.75%.

The average annual rate of the Harmonised Index of Consumer Prices (HICP) stood at 4.2% in 2023 compared to 9.3% in 2022. Core inflation, which excludes the prices of unprocessed food and energy, was higher at 6.2%.

The International Monetary Fund notes a slowdown in global growth to 3% at the end of 2023 from 3.5% in 2022, with the slowdown continuing into 2024 and growth projected at 2.9%. In the euro area, growth is projected to fall from 3.3% to 0.7% in 2023, before rising to 1.2% in 2024. Indeed, Germany was in recession in the second half of 2023, with growth forecast at -0.5%, while France recorded growth of 0.1% in 2023.

### Capital adequacy:

On 31.12.2023, on a consolidated basis, the Capital Adequacy Ratio stood at 17.0% (2022: 15.6%) and on an individual basis at 16.7% (2022: 16.3%).

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 2023.

**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 2023 and 2022, the Bank of Greece set the countercyclical capital buffer ratio at 0%.

Based on the decision 428/28.06.2022 of the Credit and Insurance Committee and in the context of the Supervisory Review and Evaluation Procedure (SRRP), capital requirements of Pillar 2 were set for the Bank at 1.25% and additional capital requirements of 3.36% for the year 2023 and 2022.

Based on all of the above, the minimum capital adequacy ratio that is required by the Bank for 2023 is 15.11%.

Year	Capital Adequacy Ratio	Buffer under Law 4261/2014	Additional SREP Requirements	P2G Requirements	Total Capital Adequacy Ratio
2022	8.00%	0.0%	3.36%	0.0%	11.36%
2023	8.00%	2.50%	3.36%	1.25%	15.11%

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 27<sup>a</sup> 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%

## **Liquidity:**

The liquidity of the Bank during 2023 as well as in 2022, remained at high levels, keeping available to central and other banks €165 million and €190 million on 31.12.2023 and 31.12.2022 respectively.

The liquidity regulatory indicators remain high, exceeding the minimum 100% regulatory limits. Specifically, on December 31, 2023 the Liquidity Coverage Ratio (LCR) reached 467% and 415% for the Group and the Bank respectively, while the Net Stable Funding Ratio (NSFR) amounted to 137,2% and 140% 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 and electronic auctions.

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 2023, 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 2026, 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 goal is to significantly reduce NPLs and achieve a ratio of 27% by 2024, 20% by 2025 and 15% by 2026.

Due to the general macroeconomic conditions and especially the increased inflation and the rise in interest rates in 2023, new NPEs with an upward trend emerged also for the first quarter of 2024, as the market conditions have not normalised. This upward trend for 2023 and early 2024 was foreseen by the Bank in its target setting.

In 2023, there was an increase of about 11% in both NPEs and the NPLs compared to the previous year, as it resulted mainly from the termination of significant debts, hence the creation of new NPLs. Despite the increase in NPEs, the coverage ratios for NPEs and NPLs did not materially deteriorate and stood at 42.4% and 42.9% respectively for 2023, compared to 42.5% and 42.3% for 2022.

## **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 Management believes that the claims will ultimately be dismissed for specific reasons related to the completeness of the documents presented by the Bank which prove the legality and compliance with the laws and

rules imposed on credit institutions and consequently on the Bank's transactions with its customers (also see Note 21<sup>A</sup>).

Therefore, the Management of the Bank estimates, taking into account all the above and especially after the positive decisions of the Supreme Court (Arios Pagos) that the final settlement, until they become irrevocable, will have a positive outcome for the Bank.

**Assessment of going concern:**

Based on the above risk and uncertainty factors regarding the legal cases and the management of non-performing loans and taking into account that the Bank is in the process of preparing a new business plan in the context of its transformation into an S.A, with the main focus on its geographical expansion, the achievement of credit expansion, the effective management of NPEs, as well as strengthening its capital adequacy, the Bank's management considers that the conditions for the application of the going concern principle in the preparation of its financial statements are met.



## 2.3 Adoption of new standards, amendments to standards and interpretations

### **New Standards, Amendments to Standards and Interpretations entered into force on the 1st of January 2023**

#### **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 been adopted by the European Union with an effective date of 01/01/2023. The adoption of the above amendment has no material impact on the financial statements of the Bank and the Group.

#### **Amendment of IAS 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 adoption of the above amendment has no material impact on the financial statements of the Bank and the Group.

#### **Amendment to IAS 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 the accounting estimates. This fact is not related by its nature to previous fiscal years nor is it a correction of an error. The adoption of the above amendment has no material impact on the financial statements of the Bank and the Group.

#### **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 adoption of the above amendment has no material impact on the financial statements of the Bank and the Group.

#### **Amendment of IAS 12 “Income Tax”: International Tax Reform - Pillar II Model Rules (applicable for annual periods starting on or after the 1st of January 2023)**

On 23.5.2023, the International Accounting Standards Board issued an amendment to IFRS. 12 to provide guidance regarding the treatment of provisions imposed by the Pillar II Model Rules of the International Tax Reform. In particular, the amendment provides that a company: a) should not recognise and disclose information regarding deferred tax assets and liabilities arising from Pillar II income tax; b) should disclose that it has applied the above exception; c) should separately disclose current income tax expense (income) related to Pillar II income tax. The adoption of the above amendment has no material impact on the financial statements of the Bank and the Group.

### **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 adoption of the above amendment has no material impact on the financial statements of the Bank and the Group.

### **New Standards, Amendments to Standards and Interpretations that will become effective at a later date**

#### **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 Bank and the Group are examining the impact of the above amendment on its financial statements.

#### **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.

#### **Amendment of IAS 1 "Presentation of Financial Statements": Long-term compliance liabilities (Applicable for fiscal years beginning on or after the 1st of January 2024)**

On 31.10.2022, the International Accounting Standards Board (IASB) issued an amendment to IAS 1 which clarified the classification as current or non-current of a liability that a company has the right to defer for at least 12 months but which is subject to compliance with certain conditions. In particular, it was clarified that only the conditions with which an entity is required to comply on or before the balance sheet date affect the classification of a liability as current or non-current. The Bank and the Group are examining the impact of the above amendment on its financial statements.

#### **Amendment of IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial Instruments: Disclosures": Credit agreements for the repayment of suppliers (Applicable for fiscal years starting on or after the 1st of January 2024)**

On 25.5.2023, the International Accounting Standards Board amended IAS 7 and IFRS 7 to provide disclosures regarding credit arrangements for the repayment of suppliers. These are agreements that companies enter into with third-party creditors who undertake to repay the companies' debts to their suppliers. The company will then have to repay the third party creditors according to the terms of the agreement between them. The disclosures are intended to help users of financial statements (a) assess how supplier financing arrangements affect an entity's liabilities and cash flows; and (b) understand the effect of supplier financing arrangements on liquidity risks and how the entity might be affected if those financial instruments are no longer available. These amendments have not yet been adopted by the European Union. The Bank and the Group are considering the impact that the above amendments will have on its financial statements, although it is not expected to be material.

**Amendment to IAS 21 "The Effects of Changes in Foreign Exchange Rates": Lack of exchangeability (Applicable for financial years starting on or after the 1st of January 2025)**

On 15.8.2023, the International Accounting Standards Board issued an amendment to IAS 21 regarding currencies in which there is a lack of exchangeability. The amendment clarifies how an entity should assess whether a currency is exchangeable and how to determine a direct exchange rate when there is no possibility of exchange. The amendment also added disclosures that enable users of the financial statements to understand the effect of a currency that is not exchangeable. Such amendment has not yet been adopted by the European Union. The Bank and the Group are examining the impact of the above amendment on its financial statements, although it is not expected to be material.

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 and the Group'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 receivables 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 (e.g. 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 Implementing Regulation 451/2021 laying down implementing technical

standards for the application of Regulation (EU) No. 575/2013, as in force. 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.

### **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

Real estate investment includes land and buildings held for the purpose of collecting rents and/or capital gains. Real estate investment is initially recognized at its acquisition value, which includes transaction costs.

Subsequent to initial recognition, Real estate investment 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.

Real estate investment 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 Real estate investment since 2016.

Transfers to and from the category of Real estate investment 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**

Subsequent to initial recognition, goodwill is measured at cost less any accumulated provisions for impairment.

For the purpose of 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 as a result 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 Greece. 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.

#### **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 Real estate investment. 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 2023. 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.

Real estate investment 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 reports 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 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 2023, the Bank used the new credit risk assessment system for credit ratings (ICAP CRIF RISK PROFILER) for retail and business credit.

The portfolio is categorised annually into ten credit grades, 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.

#### **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
- 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

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 31.12.2023 and 31.12.2022 for the Group and the Bank, respectively, is as follows:

Amounts in EUR	Group		Bank	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
<i>A. On-Balance Sheet Items Subject to Credit Risk</i>				
Cash at Central Banks	145,072,684	171,302,377	145,072,684	171,302,377
Due from financial institutions	12,035,622	11,718,650	12,035,622	11,718,650
Financial assets at amortized cost	1,044,865	1,044,865	1,044,865	1,044,865
Loans and amounts due to customers	364,773,218	343,364,408	409,087,759	381,424,454
Holdings	6,678,056	14,045	31,653,834	10,203,696
Other due from customers and various debtors	15,382,919	15,382,919	7,062,727	7,062,727
Portfolio held to maturity	9,044,603	12,225,269	3,979,792	3,689,604
<b>Total value of On-Balance Sheet Items Subject to Credit Risk*</b>	<b>554,031,967</b>	<b>555,052,534</b>	<b>609,937,282</b>	<b>586,446,372</b>
<i>B. Off-Balance Sheet Items Subject to Credit Risk</i>				
Letters of guarantee, letters of credit and other guarantees	28,714,173	25,042,486	28,717,635	25,045,949
<b>Total value of Off-Balance Sheet Items Subject to Credit Risk</b>	<b>28,714,173</b>	<b>25,042,486</b>	<b>28,717,635</b>	<b>25,045,949</b>
<b>Total Value of Exposures Subject to Credit Risk</b>	<b>582,746,140</b>	<b>580,095,020</b>	<b>638,654,917</b>	<b>611,492,320</b>

#### 4.3.6.3 Recovery of securities

According to the Bank's Credit Policy, the value of collateral is closely monitored. The frequency of property appraisals usually does not exceed one year for commercial real estate and three years for residential real estate. Valuations are carried out by certified valuers.

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 assignments of receivables),
- Value of guarantees (value of collateral relating to EAT S.A. and EIF).

According to the Bank's valuation policy, real estate collateral can also be calculated using the statistical indexing method (prop-indexing method).



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 2023					31 December 2022				
	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	Value of guarantees
Retail Banking	130,714	2,528	3,516	136,758	2,735	122,429	2,004	2,976	127,409	2,751
Business Banking	323,047	10,506	20,073	353,626	12,981	293,185	5,211	18,553	316,949	13,196
Public Sector	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>453,761</b>	<b>13,034</b>	<b>23,589</b>	<b>490,384</b>	<b>15,716</b>	<b>415,614</b>	<b>7,215</b>	<b>21,529</b>	<b>444,358</b>	<b>15,947</b>

**Analysis of collateral and guarantees - Bank**

	31 December 2023					31 December 2022				
	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	Value of guarantees
Retail Banking	130,714	2,528	3,516	136,758	2,735	122,429	2,004	2,976	127,409	2,751
Business Banking	340,941	24,818	21,019	386,778	13,461	327,081	5,421	19,499	352,001	13,676
Public Sector	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>471,655</b>	<b>27,346</b>	<b>24,535</b>	<b>523,536</b>	<b>16,196</b>	<b>449,510</b>	<b>7,425</b>	<b>22,475</b>	<b>479,410</b>	<b>16,427</b>

In addition, there are active guarantee assets of the amount of € 20.5m either from the Hellenic Development Bank (HDB) S.A. or the European Investment Fund (EIF) corresponding to loans of a total balance of € 27.2m and relating to financial products provided to enhance the liquidity of companies to address the adverse effects of COVID-19.

It should be noted that 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.

#### 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 depending on the LTV rate for the mortgage portfolio:

	Group		Bank	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Less than 50%	2,810	2,671	2,810	2,671
50%-70%	3,734	2,484	3,734	2,484
71%-80%	3,145	4,863	3,145	4,863
81% -90%	2,817	2,552	2,817	2,552
91%-100%	2,061	1,542	2,061	1,542
101%-120%	2,307	1,755	2,307	1,755
121%-150%	1,952	2,098	1,952	2,098
More than 150%	6,084	5,441	6,084	5,441
<b>Total</b>	<b>24,910</b>	<b>23,406</b>	<b>24,910</b>	<b>23,406</b>
<b>Ratio average</b>	<b>101%</b>	<b>104%</b>	<b>101%</b>	<b>104%</b>

#### 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 2023	Stage 1			Stage 2			Stage 3			TOTALS	
	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)	Accounting Balance (net worth)	Value of collateral
<b>Retail Banking</b>	<b>28,900</b>	<b>(196)</b>	<b>28,704</b>	<b>4,207</b>	<b>(182)</b>	<b>4,025</b>	<b>101,578</b>	<b>(37,027)</b>	<b>64,550</b>	<b>(97,279)</b>	<b>139,532</b>
Housing Loans	7,634	(8)	7,626	456	(32)	423	16,820	(4,392)	12,429	20,478	32,776
Consumer loans*	5,376	(90)	5,286	576	(9)	567	10,514	(3,771)	6,744	12,596	15,971
Other loans	15,890	(98)	15,792	3,175	(141)	3,035	74,243	(28,865)	45,378	64,205	90,785
<b>Business Banking</b>	<b>154,603</b>	<b>(973)</b>	<b>153,630</b>	<b>34,816</b>	<b>(1,616)</b>	<b>33,200</b>	<b>150,550</b>	<b>(69,932)</b>	<b>80,618</b>	<b>267,448</b>	<b>366,607</b>
Large enterprises	8,278	(153)	8,125	0	0	0	2,618	(2,615)	4	8,129	15,585
Small and medium-sized enterprises SMEs	146,325	(820)	145,505	34,816	(1,616)	33,200	147,932	(67,318)	80,614	259,319	351,022
<b>Public sector</b>	<b>49</b>	<b>(2)</b>	<b>47</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>47</b>	<b>0</b>
Greece	49	(2)	47	0	0	0	0	0	0	47	0
Other countries	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>(183,551)</b>	<b>(1,171)</b>	<b>182,380</b>	<b>39,023</b>	<b>(1,798)</b>	<b>37,225</b>	<b>252,128</b>	<b>(106,960)</b>	<b>145,168</b>	<b>364,773</b>	<b>506,139</b>

\*Credit cards with a book balance, before provisions, of € 479.5 thousand and after provisions of € 47.9 thousand are included in consumer loans in Stage 3.

**Loans and advances to customers by credit quality - Bank**

31 December 2023	Stage 1			Stage 2			Stage 3			TOTALS	
	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)	Accounting Balance (net worth)	Value of collateral
<b>Retail Banking</b>	<b>28,900</b>	<b>(196)</b>	<b>28,704</b>	<b>4,207</b>	<b>(182)</b>	<b>4,025</b>	<b>101,578</b>	<b>(37,027)</b>	<b>64,550</b>	<b>(97,279)</b>	<b>139,532</b>
Housing Loans	7,634	(8)	7,626	456	(32)	423	16,820	(4,392)	12,429	20,478	32,776
Consumer loans*	5,376	(90)	5,286	576	(9)	567	10,514	(3,771)	6,744	12,596	15,971
Other loans	15,890	(98)	15,792	3,175	(141)	3,035	74,243	(28,865)	45,378	64,205	90,785
<b>Business Banking</b>	<b>198,921</b>	<b>(977)</b>	<b>197,944</b>	<b>34,816</b>	<b>(1,616)</b>	<b>33,200</b>	<b>150,550</b>	<b>(69,932)</b>	<b>80,618</b>	<b>311,762</b>	<b>400,237</b>
Large enterprises	8,278	(153)	8,125	0	0	0	2,618	(2,615)	4	8,129	15,585
Small and medium-sized enterprises SMEs	190,643	(824)	189,819	34,816	(1,616)	33,200	147,932	(67,318)	80,614	303,634	384,652
<b>Public sector</b>	<b>49</b>	<b>(2)</b>	<b>47</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>47</b>	<b>0</b>
Greece	49	(2)	47	0	0	0	0	0	0	47	0
Other countries	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>227,870</b>	<b>(1,175)</b>	<b>226,695</b>	<b>39,023</b>	<b>(1,798)</b>	<b>37,225</b>	<b>252,128</b>	<b>(106,960)</b>	<b>145,168</b>	<b>409,088</b>	<b>539,769</b>

\*Credit cards with a book balance, before provisions, of € 479.5 thousand and after provisions of € 47.9 thousand are included in consumer loans in Stage 3.

**Loans and advances to customers by credit quality - Group**

31 December 2022	Stage 1			Stage 2			Stage 3			TOTALS	
	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)	Accounting Balance (net worth)	Value of collateral
<b>Retail Banking</b>	<b>25,913</b>	<b>(234)</b>	<b>25,680</b>	<b>9,047</b>	<b>(292)</b>	<b>8,755</b>	<b>92,322</b>	<b>(33,772)</b>	<b>58,550</b>	<b>92,985</b>	<b>130,201</b>
Housing Loans	6,661	(23)	6,637	830	(26)	804	15,916	(4,212)	11,704	19,145	30,785
Consumer loans	4,787	(72)	4,715	580	(10)	570	10,157	(3,721)	6,436	11,721	15,082
Other loans	14,466	(138)	14,328	7,638	(256)	7,381	66,249	(25,839)	40,410	62,120	84,334
<b>Business Banking</b>	<b>140,032</b>	<b>(1,105)</b>	<b>138,927</b>	<b>43,183</b>	<b>(3,570)</b>	<b>39,613</b>	<b>134,424</b>	<b>(62,647)</b>	<b>71,777</b>	<b>250,317</b>	<b>330,146</b>
Large enterprises	5,908	(270)	5,638	9,113	(2,376)	6,737	2,618	(2,613)	5	12,379	8,930
Small and medium-sized enterprises SMEs	134,124	(835)	133,289	34,070	(1,194)	32,877	131,806	(60,034)	71,772	237,938	321,216
<b>Public sector</b>	<b>64</b>	<b>(2)</b>	<b>62</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>62</b>	<b>0</b>
Greece	64	(2)	62	0	0	0	0	0	0	62	0
Other countries	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>166,010</b>	<b>(1,341)</b>	<b>164,668</b>	<b>52,230</b>	<b>(3,861)</b>	<b>48,369</b>	<b>226,746</b>	<b>(96,419)</b>	<b>130,327</b>	<b>343,364</b>	<b>460,347</b>

**Loans and advances to customers by credit quality - Bank**

31 December 2022	Stage 1			Stage 2			Stage 3			TOTALS	
	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)	Accounting Balance (net worth)	Value of collateral
<b>Retail Banking</b>	<b>25,913</b>	<b>(234)</b>	<b>25,680</b>	<b>9,047</b>	<b>(292)</b>	<b>8,755</b>	<b>92,322</b>	<b>(33,772)</b>	<b>58,550</b>	<b>92,985</b>	<b>130,201</b>
Housing Loans	6,661	(23)	6,637	830	(26)	804	15,916	(4,212)	11,704	19,145	30,785
Consumer loans	4,787	(72)	4,715	580	(10)	570	10,157	(3,721)	6,436	11,721	15,082
Other loans	14,466	(138)	14,328	7,638	(256)	7,381	66,249	(25,839)	40,410	62,120	84,334
<b>Business Banking</b>	<b>178,094</b>	<b>(1,108)</b>	<b>176,987</b>	<b>43,183</b>	<b>(3,570)</b>	<b>39,613</b>	<b>134,424</b>	<b>(62,647)</b>	<b>71,777</b>	<b>288,377</b>	<b>365,678</b>
Large enterprises	5,908	(270)	5,638	9,113	(2,376)	6,737	2,618	(2,613)	5	12,379	8,930
Small and medium-sized enterprises SMEs	172,186	(837)	171,349	34,070	(1,194)	32,877	131,806	(60,034)	71,772	275,998	356,748
<b>Public sector</b>	<b>64</b>	<b>(2)</b>	<b>62</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>62</b>	<b>0</b>
Greece	64	(2)	62	0	0	0	0	0	0	62	0
Other countries	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>204,072</b>	<b>(1,344)</b>	<b>202,729</b>	<b>52,230</b>	<b>(3,861)</b>	<b>48,369</b>	<b>226,746</b>	<b>(96,419)</b>	<b>130,327</b>	<b>381,424</b>	<b>495,879</b>

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

31 December 2023	Maturity of loans and receivables (net worth) - Group											
	Retail Banking											
	Housing Loans				Consumer loans*				Other loans			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Up-to-date	6,937	385	755	8,077	4,809	417	59	5,285	14,343	1,788	2,706	18,838
1-30 days	688	9	76	773	477	120	1	598	1,449	331	31	1,811
31-60 days	0	30	47	77	0	17	32	49	0	288	69	357
61-90 days	0	0	106	106	0	13	1	14	0	627	19	646
91-180 days	0	0	0	0	0	0	8	8	0	0	171	171
181-360 days	0	0	61	61	0	0	321	321	0	0	2,769	2,769
> 360 days	0	0	11,383	11,383	0	0	6,321	6,321	0	0	39,613	39,613
<b>Total</b>	<b>7,626</b>	<b>423</b>	<b>12,428</b>	<b>20,477</b>	<b>5,286</b>	<b>567</b>	<b>6,744</b>	<b>12,596</b>	<b>15,792</b>	<b>3,035</b>	<b>45,378</b>	<b>64,205</b>
Collateral value	14,758	824	17,195	<b>32,776</b>	4,772	1,078	10,121	<b>15,971</b>	22,334	3,511	64,941	<b>90,785</b>

31 December 2023	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
Up-to-date	8,125	0	0	8,125	129,554	25,796	4,011	159,361	47	0	0	47	0	0	0	0
1-30 days	0	0	0	0	15,950	235	309	16,494	0	0	0	0	0	0	0	0
31-60 days	0	0	0	0	0	6,903	7,045	13,948	0	0	0	0	0	0	0	0
61-90 days	0	0	0	0	0	267	10	277	0	0	0	0	0	0	0	0
91-180 days	0	0	0	0	0	0	5	5	0	0	0	0	0	0	0	0
181-360 days	0	0	0	0	0	0	239	239	0	0	0	0	0	0	0	0
> 360 days	0	0	4	4	0	0	68,994	68,994	0	0	0	0	0	0	0	0
<b>Total</b>	<b>8,125</b>	<b>0</b>	<b>4</b>	<b>8,129</b>	<b>145,504</b>	<b>33,200</b>	<b>80,614</b>	<b>259,319</b>	<b>47</b>	<b>0</b>	<b>0</b>	<b>47</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Collateral value	6,858	0	8,727	<b>15,585</b>	190,040	39,581	121,401	<b>351,022</b>	0	0	0	<b>0</b>	0	0	0	<b>0</b>

31 December 2023	Maturity of loans and receivables (net worth) - Bank											
	Retail Banking											
	Housing Loans				Consumer loans*				Other loans			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Up-to-date	6,937	385	755	8,077	4,809	417	59	5,285	14,343	1,788	2,706	18,838
1-30 days	688	9	76	773	477	120	1	598	1,449	331	31	1,811
31-60 days	0	30	47	77	0	17	32	49	0	288	69	357
61-90 days	0	0	106	106	0	13	1	14	0	627	19	646
91-180 days	0	0	0	0	0	0	8	8	0	0	171	171
181-360 days	0	0	61	61	0	0	321	321	0	0	2,769	2,769
> 360 days	0	0	11,383	11,383	0	0	6,321	6,321	0	0	39,613	39,613
<b>Total</b>	<b>7,626</b>	<b>423</b>	<b>12,428</b>	<b>20,477</b>	<b>5,286</b>	<b>567</b>	<b>6,744</b>	<b>12,596</b>	<b>15,792</b>	<b>3,035</b>	<b>45,378</b>	<b>64,205</b>
Collateral value	14,758	824	17,195	<b>32,776</b>	4,772	1,078	10,121	<b>15,971</b>	22,334	3,511	64,941	<b>90,785</b>

31 December 2023	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
Up-to-date	8,125	0	0	8,125	173,870	25,796	4,011	203,677	47	0	0	47	0	0	0	0
1-30 days	0	0	0	0	15,950	235	309	16,494	0	0	0	0	0	0	0	0
31-60 days	0	0	0	0	0	6,903	7,045	13,948	0	0	0	0	0	0	0	0
61-90 days	0	0	0	0	0	267	10	277	0	0	0	0	0	0	0	0
91-180 days	0	0	0	0	0	0	5	5	0	0	0	0	0	0	0	0
181-360 days	0	0	0	0	0	0	239	239	0	0	0	0	0	0	0	0
> 360 days	0	0	4	4	0	0	68,994	68,994	0	0	0	0	0	0	0	0
<b>Total</b>	<b>8,125</b>	<b>0</b>	<b>4</b>	<b>8,129</b>	<b>189,820</b>	<b>33,200</b>	<b>80,614</b>	<b>303,634</b>	<b>47</b>	<b>0</b>	<b>0</b>	<b>47</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Collateral value	6,858	0	8,727	<b>15,585</b>	223,671	39,581	121,401	<b>384,652</b>	0	0	0	<b>0</b>	0	0	0	<b>0</b>



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

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
Up-to-date	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
<b>Total</b>	<b>5,638</b>	<b>6,737</b>	<b>5</b>	<b>12,379</b>	<b>133,289</b>	<b>32,877</b>	<b>71,772</b>	<b>237,938</b>	<b>62</b>	<b>0</b>	<b>0</b>	<b>62</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Collateral value	290	0	8,640	<b>8,930</b>	175,035	34,602	111,579	<b>321,216</b>	0	0	0	<b>0</b>	0	0	0	<b>0</b>

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

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
Up-to-date	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
<b>Total</b>	<b>5,638</b>	<b>6,737</b>	<b>5</b>	<b>12,379</b>	<b>171,349</b>	<b>32,877</b>	<b>71,772</b>	<b>275,998</b>	<b>62</b>	<b>0</b>	<b>0</b>	<b>62</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Collateral value	290	0	8,640	<b>8,930</b>	210,567	34,602	111,579	<b>356,748</b>	0	0	0	<b>0</b>	0	0	0	<b>0</b>

#### **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 definition of default, for the purpose of preparing its financial statements, harmonized with the definition of Non Performing Exposures (NPEs) as defined by the European Banking Authority - EBA, and Regulation (EU) No. 575/2013. 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 has been classified as a Non - Performing Forborne Exposure in accordance with Article 47a(3) of Regulation (EU) 575/2013, as in force.

#### **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 2023**

	Performing	Non-performing	Total interest income
Retail Banking	2,164	6,529	8,693
Business Banking	14,392	6,044	20,436
Public sector	6	0	6
<b>Total interest income</b>	<b>16,562</b>	<b>12,573</b>	<b>29,135</b>

**Interest income analysis of loans and advances to customers - Group**
**31 December 2023**

	Performing	Non-performing	Total interest income
Retail Banking	2,164	6,529	8,693
Business Banking	11,141	6,044	17,185
Public sector	6	0	6
<b>Total interest income</b>	<b>13,311</b>	<b>12,573</b>	<b>25,884</b>

**Interest income analysis of loans and advances to customers - Bank**
**31 December 2022**

	Performing*	Non-performing*	Total interest income
Retail Banking	2,119	6,029	8,148
Business Banking	12,125	10,449	22,574
Public sector	7	0	7
<b>Total interest income</b>	<b>14,251</b>	<b>16,478</b>	<b>30,729</b>

**Interest income analysis of loans and advances to customers - Group**
**31 December 2022**

	Performing*	Non-performing*	Total interest income
Retail Banking	2,119	6,029	8,148
Business Banking	9,625	10,449	20,074
Public sector	7	0	7
<b>Total interest income</b>	<b>11,751</b>	<b>16,478</b>	<b>28,228</b>

\* As reformulated for the year.

#### 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 the delegated decisions of the Bank of Greece, as well as on the basis of 47a(3) of Regulation (EU) 575/2013 and the applicable implementing technical 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, specialised 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		Bank	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Reduced instalment plan	294	347	294	347
Granting a grace period	2,545	8,824	2,545	8,824
Loan term extension	20,230	13,954	20,230	13,954
Capitalization of overdue instalments	9,301	23,692	9,301	23,692
Combination of settlement measures	1,945	1,735	1,945	1,735
Other	21,284	10,233	21,284	10,233
<b>Total net worth</b>	<b>55,599</b>	<b>58,785</b>	<b>55,599</b>	<b>58,785</b>

#### Refinanced Loans and Receivables by Customer by Category

	Group		Bank	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
<b>Retail Banking</b>	<b>14,983</b>	<b>15,134</b>	<b>14,983</b>	<b>15,134</b>
Housing Loans	2,066	1,467	2,066	1,467
Consumer loans	2,119	2,165	2,119	2,165
Other loans	10,798	11,502	10,798	11,502
<b>Business Banking</b>	<b>40,616</b>	<b>43,650</b>	<b>40,616</b>	<b>43,650</b>
Large enterprises	4	6,741	4	6,741
SMEs	40,612	36,909	40,612	36,909
<b>Public sector</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Greece	0	0	0	0
Other countries	0	0	0	0
<b>Total</b>	<b>55,599</b>	<b>58,785</b>	<b>55,599</b>	<b>58,785</b>

#### 4.4.1 Recovery of securities

As of December 31, 2023, assets from collateral received for the Bank and the Group amounted to € 27 million (31/12/2022: € 38.6 million), of which € 19 million for 2023 have been categorized in Real estate investment (31/12/2022: 29.8 million).

#### 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 2023			31 December 2023		
	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	(183,551)	0	0%	227,870	0	0%
Stage 2	39,023	26,843	69%	39,023	26,843	69%
Stage 3	252,128	53,266	21%	252,128	53,266	21%
<b>Total before impairment provisions</b>	<b>474,702</b>	<b>80,109</b>	<b>17%</b>	<b>519,021</b>	<b>80,109</b>	<b>15%</b>
Stage 1 - Provision	(1,171)	0	0%	(1,175)	0	0%
Stage 2 - Provision	(1,798)	(1,676)	93%	(1,798)	(1,676)	93%
Stage 3 - Provision	(106,960)	(22,834)	21%	(106,960)	(22,834)	21%
<b>Accounting Balance (net worth)</b>	<b>364,773</b>	<b>55,599</b>	<b>15%</b>	<b>409,088</b>	<b>55,599</b>	<b>14%</b>
Security received	510,328	80,989	16%	543,959	80,989	15%

**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%
<b>Total before impairment provisions</b>	<b>444,986</b>	<b>81,156</b>	<b>18%</b>	<b>483,048</b>	<b>81,156</b>	<b>17%</b>
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%
<b>Accounting Balance (net worth)</b>	<b>343,365</b>	<b>58,784</b>	<b>17%</b>	<b>381,424</b>	<b>58,784</b>	<b>15%</b>
Security received	463,956	78,861	17%	499,488	78,861	16%

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.

Grading	Risk Level
1	Very Low
2	
3	Low
4	
5	Average
6	
7	Medium - High
8	
9	High
10	

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 2023	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)	
<b>Retail Banking</b>	<b>28,900</b>	<b>(196)</b>	<b>28,704</b>	<b>4,207</b>	<b>(182)</b>	<b>4,025</b>	<b>(101,577)</b>	<b>(37,028)</b>	<b>64,549</b>	<b>97,278</b>
Housing Loans	7,634	(8)	7,626	456	(32)	424	16,820	(4,392)	12,428	20,478
Consumer loans*	5,376	(90)	5,286	576	(9)	567	10,514	(3,771)	6,743	12,596
Other loans	15,890	(98)	15,792	3,175	(141)	3,034	74,243	(28,865)	45,378	64,204
<b>Business Banking</b>	<b>154,602</b>	<b>(973)</b>	<b>153,629</b>	<b>34,816</b>	<b>(1,616)</b>	<b>33,200</b>	<b>150,551</b>	<b>(69,932)</b>	<b>80,619</b>	<b>267,448</b>
Industry	29,289	(139)	29,150	1,147	(21)	1,126	29,519	(17,600)	11,919	42,195
Trade and services	38,637	(188)	38,449	12,415	(1,465)	10,950	48,979	(22,186)	26,793	76,192
Constructions	36,105	(606)	35,499	9,157	(76)	9,081	45,311	(23,453)	21,858	66,438
Energy	8,574	(11)	8,563	88	0	88	68	(57)	11	8,662
Tourism	37,983	(28)	37,955	11,773	(54)	11,719	24,158	(5,503)	18,655	68,329
Shipping	2,142	0	2,142	229	0	229	73	(59)	14	2,385
Other	1,872	(1)	1,871	7	0	7	2,443	(1,074)	1,369	3,247
<b>Public sector</b>	<b>49</b>	<b>(2)</b>	<b>47</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>47</b>
<b>Total</b>	<b>(183,551)</b>	<b>(1,171)</b>	<b>182,380</b>	<b>39,023</b>	<b>(1,798)</b>	<b>37,225</b>	<b>252,128</b>	<b>(106,960)</b>	<b>145,168</b>	<b>364,773</b>

\* Credit balance account balances before provisions amounting to € 479.5 thousand and after provisions amounting to € 47.9 thousand are included in consumer loans in Stage 3.

Bank

31 December 2023	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)	
<b>Retail Banking</b>	<b>28,900</b>	<b>(196)</b>	<b>28,704</b>	<b>4,207</b>	<b>(182)</b>	<b>4,025</b>	<b>(101,577)</b>	<b>(37,028)</b>	<b>64,549</b>	<b>97,278</b>
Housing Loans	7,634	(8)	7,626	456	(32)	424	16,820	(4,392)	12,428	20,478
Consumer loans*	5,376	(90)	5,286	576	(9)	567	10,514	(3,771)	6,743	12,596
Other loans	15,890	(98)	15,792	3,175	(141)	3,034	74,243	(28,865)	45,378	64,204
<b>Business Banking</b>	<b>198,921</b>	<b>(977)</b>	<b>197,944</b>	<b>34,816</b>	<b>(1,616)</b>	<b>33,200</b>	<b>150,551</b>	<b>(69,932)</b>	<b>80,619</b>	<b>311,763</b>
Industry	34,628	(139)	34,489	1,147	(21)	1,126	29,519	(17,600)	11,919	47,534
Trade and services	58,553	(190)	58,363	12,415	(1,465)	10,950	48,979	(22,187)	26,792	96,105
Constructions	51,111	(607)	50,504	9,157	(76)	9,081	45,311	(23,452)	21,859	81,444
Energy	12,632	(12)	12,620	88	0	88	68	(57)	11	12,719
Tourism	37,983	(28)	37,955	11,773	(54)	11,719	24,158	(5,503)	18,655	68,329
Shipping	2,142	0	2,142	229	0	229	73	(59)	14	2,385
Other	1,872	(1)	1,871	7	0	7	2,443	(1,074)	1,369	3,247
<b>Public sector</b>	<b>49</b>	<b>(2)</b>	<b>47</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>47</b>
<b>Total</b>	<b>227,870</b>	<b>(1,175)</b>	<b>226,695</b>	<b>39,023</b>	<b>(1,798)</b>	<b>37,225</b>	<b>252,128</b>	<b>(106,960)</b>	<b>145,168</b>	<b>409,088</b>

\* Credit balance account balances before provisions amounting to € 479.5 thousand and after provisions amounting to € 47.9 thousand are included in consumer loans in Stage 3.

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)	
<b>Retail Banking</b>	<b>25,914</b>	<b>(233)</b>	<b>25,681</b>	<b>9,048</b>	<b>(292)</b>	<b>8,756</b>	<b>92,322</b>	<b>(33,772)</b>	<b>58,550</b>	<b>92,987</b>
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
Other loans	14,466	(138)	14,328	7,638	(256)	7,382	66,249	(25,839)	40,410	62,120
<b>Business Banking</b>	<b>140,032</b>	<b>(1,104)</b>	<b>138,928</b>	<b>43,182</b>	<b>(3,569)</b>	<b>39,613</b>	<b>134,425</b>	<b>(62,647)</b>	<b>71,778</b>	<b>250,319</b>
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
<b>Public sector</b>	<b>64</b>	<b>(2)</b>	<b>62</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>62</b>
<b>Total</b>	<b>166,010</b>	<b>(1,339)</b>	<b>164,671</b>	<b>52,230</b>	<b>(3,861)</b>	<b>48,369</b>	<b>226,747</b>	<b>(96,419)</b>	<b>130,328</b>	<b>343,368</b>

31 December 2022	Bank									Total
	Stage 1			Stage 2			Stage 3			
	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)	
<b>Retail Banking</b>	<b>25,914</b>	<b>(233)</b>	<b>25,681</b>	<b>9,048</b>	<b>(292)</b>	<b>8,756</b>	<b>92,322</b>	<b>(33,772)</b>	<b>58,550</b>	<b>92,987</b>
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
Other loans	14,466	(138)	14,328	7,638	(256)	7,382	66,249	(25,839)	40,410	62,120
<b>Business Banking</b>	<b>178,093</b>	<b>(1,108)</b>	<b>176,985</b>	<b>43,182</b>	<b>(3,569)</b>	<b>39,613</b>	<b>134,425</b>	<b>(62,647)</b>	<b>71,778</b>	<b>288,376</b>
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
<b>Public sector</b>	<b>64</b>	<b>(2)</b>	<b>62</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>62</b>
<b>Total</b>	<b>204,071</b>	<b>(1,343)</b>	<b>202,728</b>	<b>52,230</b>	<b>(3,861)</b>	<b>48,369</b>	<b>226,747</b>	<b>(96,419)</b>	<b>130,328</b>	<b>381,425</b>

#### 4.4.4 Transition of provisions and transfers to IFRS 9 Stages

Transition of Loan Provisions 31/12/2022 - 31/12/2023 (Group)

	31 December 2022			31 December 2023		
	Individual evaluation	Collective evaluation	Overall Provision	Individual evaluation	Collective evaluation	Overall Provision
Performing	-	5,203	5,203	20	2,950	2,970
Non-performing	73,716	22,702	96,418	82,614	24,345	106,959
<b>Total</b>	<b>73,716</b>	<b>27,905</b>	<b>101,621</b>	<b>82,634</b>	<b>27,295</b>	<b>109,929</b>

Transition of provisions for guarantees and commitments given, 31/12/2022 - 31/12/2023 (Group)

	31 December 2022			31 December 2023		
	Individual evaluation	Collective evaluation	Overall Provision	Individual evaluation	Collective evaluation	Overall Provision
Performing	-	72	72	-	65	65
Non-performing	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>72</b>	<b>72</b>	<b>-</b>	<b>65</b>	<b>65</b>

Transition of Loan Provisions 31/12/2022 - 31/12/2023 (Bank)

	31 December 2022			31 December 2023		
	Individual evaluation	Collective evaluation	Overall Provision	Individual evaluation	Collective evaluation	Overall Provision
Performing	-	5,205	5,205	20	2,953	2,973
Non-performing	73,716	22,702	96,418	82,614	24,345	106,959
<b>Total</b>	<b>73,716</b>	<b>27,907</b>	<b>101,623</b>	<b>82,634</b>	<b>27,298</b>	<b>109,932</b>

Transition of provisions for guarantees and commitments given, 31/12/2022 - 31/12/2023 (Bank)

	31 December 2022			31 December 2023		
	Individual evaluation	Collective evaluation	Overall Provision	Individual evaluation	Collective evaluation	Overall Provision
Performing	-	72	72	-	65	65
Non-performing	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>72</b>	<b>72</b>	<b>-</b>	<b>65</b>	<b>65</b>

## Balance Sheets before Provisions according to IFRS 9 Stage - Group

31 December 2023	Portfolio total				
	Stage 1	Stage 2	Stage 3	POCI	Total
<b>Balances on 1/1/2023</b>	<b>166,010</b>	<b>52,230</b>	<b>226,746</b>	-	<b>444,986</b>
Transfer to Stage 1 (from 2 or 3)	6,072	(5,966)	(106)	-	-
Transfer to Stage 2 (from 1 or 3)	(8,958)	11,014	(2,056)	-	-
Transfer to Stage 3 (from 1 or 2)	(969)	(17,719)	18,688	-	-
Change of balances	4,636	(302)	10,738	-	<b>15,073</b>
New receivables (created or purchased)	19,941	0	0	-	<b>19,941</b>
Derecognition of receivables	(3,181)	(234)	(1,514)	-	<b>(4,929)</b>
Write-offs	0	0	(368)	-	<b>(368)</b>
<b>Balances on 31/12/2023</b>	<b>(183,551)</b>	<b>39,023</b>	<b>252,128</b>	-	<b>474,702</b>

  

31 December 2023	Business Banking				
	Stage 1	Stage 2	Stage 3	POCI	Total
<b>Balances on 1/1/2023</b>	<b>140,032</b>	<b>43,183</b>	<b>134,424</b>	-	<b>317,639</b>
Transfer to Stage 1 (from 2 or 3)	4,208	(4,201)	(7)	-	-
Transfer to Stage 2 (from 1 or 3)	(7,966)	8,740	(774)	-	-
Transfer to Stage 3 (from 1 or 2)	(489)	(12,679)	13,168	-	-
Change of balances	5,886	(216)	5,009	-	<b>10,679</b>
New receivables (created or purchased)	14,954	0	0	-	<b>14,954</b>
Derecognition of receivables	(2,023)	(10)	(935)	-	<b>(2,968)</b>
Write-offs	0	0	(335)	-	<b>(335)</b>
<b>Balances on 31/12/2023</b>	<b>154,603</b>	<b>34,816</b>	<b>150,550</b>	-	<b>339,970</b>

  

31 December 2023	Retail Banking				
	Stage 1	Stage 2	Stage 3	POCI	Total
<b>Balances on 1/1/2023</b>	<b>25,914</b>	<b>9,047</b>	<b>92,322</b>	-	<b>127,283</b>
Transfer to Stage 1 (from 2 or 3)	1,864	(1,765)	(99)	-	-
Transfer to Stage 2 (from 1 or 3)	(992)	2,274	(1,282)	-	-
Transfer to Stage 3 (from 1 or 2)	(480)	(5,040)	5,520	-	-
Change of balances	(1,234)	(86)	5,729	-	<b>4,409</b>
New receivables (created or purchased)	4,987	0	0	-	<b>4,987</b>
Derecognition of receivables	(1,158)	(224)	(579)	-	<b>(1,961)</b>
Write-offs	0	0	(33)	-	<b>(33)</b>
<b>Balances on 31/12/2023</b>	<b>28,900</b>	<b>4,207</b>	<b>(101,577)</b>	-	<b>134,684</b>

31 December 2023	Public Sector				
	Stage 1	Stage 2	Stage 3	POCI	Total
<b>Balances on 1/1/2023</b>	<b>64</b>	<b>0</b>	<b>0</b>	-	<b>64</b>
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	(16)	0	0	-	<b>(16)</b>
New receivables (created or purchased)	0	0	0	-	<b>0</b>
Derecognition of receivables	0	0	0	-	<b>0</b>
Write-offs	0	0	0	-	<b>0</b>
<b>Balances on 31/12/2023</b>	<b>49</b>	<b>0</b>	<b>0</b>	-	<b>49</b>

31 December 2023	Guarantees and commitments given				
	Stage 1	Stage 2	Stage 3	POCI	Total
<b>Balances on 1/1/2023</b>	<b>25,334</b>	<b>5</b>	<b>158</b>	-	<b>25,496</b>
Transfer to Stage 1 (from 2 or 3)	2	(2)	( )	-	-
Transfer to Stage 2 (from 1 or 3)	(72)	72	0	-	-
Transfer to Stage 3 (from 1 or 2)	(37)	0	37	-	-
Change of balances	(1,215)	(71)	(33)	-	<b>(1,320)</b>
New receivables (created or purchased)	10,779	1,237	0	-	<b>12,016</b>
Derecognition of receivables	(6,843)	(3)	(5)	-	<b>(6,851)</b>
Write-offs	0	0	0	-	<b>0</b>
<b>Balances on 31/12/2023</b>	<b>27,948</b>	<b>1,238</b>	<b>156</b>	-	<b>29,342</b>

Balance Sheets before Provisions according to IFRS 9 Stage - Bank

31 December 2023	Portfolio total				
	Stage 1	Stage 2	Stage 3	POCI	Total
<b>Balances on 1/1/2023</b>	<b>204,072</b>	<b>52,230</b>	<b>226,746</b>	-	<b>483,048</b>
Transfer to Stage 1 (from 2 or 3)	6,072	(5,966)	(106)	-	-
Transfer to Stage 2 (from 1 or 3)	(8,958)	11,014	(2,056)	-	-
Transfer to Stage 3 (from 1 or 2)	(969)	(17,719)	18,688	-	-
Change of balances	8,250	(302)	10,737	-	<b>18,685</b>
New receivables (created or purchased)	22,583	0	0	-	<b>22,583</b>
Derecognition of receivables	(3,181)	(234)	(1,514)	-	<b>(4,929)</b>
Write-offs	0	0	(368)	-	<b>(368)</b>
<b>Balances on 31/12/2023</b>	<b>227,870</b>	<b>39,023</b>	<b>252,127</b>	-	<b>519,020</b>

31 December 2023	Business Banking				
	Stage 1	Stage 2	Stage 3	POCI	Total
<b>Balances on 1/1/2023</b>	<b>178,094</b>	<b>43,183</b>	<b>134,424</b>	-	<b>355,701</b>
Transfer to Stage 1 (from 2 or 3)	4,208	(4,201)	(7)	-	-
Transfer to Stage 2 (from 1 or 3)	(7,966)	8,740	(774)	-	-
Transfer to Stage 3 (from 1 or 2)	(489)	(12,679)	13,168	-	-
Change of balances	12,142	(216)	5,009	-	<b>16,935</b>
New receivables (created or purchased)	14,954	0	0	-	<b>14,954</b>
Derecognition of receivables	(2,023)	(10)	(935)	-	<b>(2,968)</b>
Write-offs	0	0	(335)	-	<b>(335)</b>
<b>Balances on 31/12/2023</b>	<b>198,921</b>	<b>34,816</b>	<b>150,550</b>	-	<b>(384,288)</b>

31 December 2023	Retail Banking				
	Stage 1	Stage 2	Stage 3	POCI	Total
<b>Balances on 1/1/2023</b>	<b>25,914</b>	<b>9,047</b>	<b>92,322</b>	-	<b>127,283</b>
Transfer to Stage 1 (from 2 or 3)	1,864	(1,765)	(99)	-	-
Transfer to Stage 2 (from 1 or 3)	(992)	2,274	(1,282)	-	-
Transfer to Stage 3 (from 1 or 2)	(480)	(5,040)	5,520	-	-
Change of balances	(1,234)	(86)	5,729	-	<b>4,409</b>
New receivables (created or purchased)	4,987	0	0	-	<b>4,987</b>
Derecognition of receivables	(1,158)	(224)	(579)	-	<b>(1,961)</b>
Write-offs	0	0	(33)	-	<b>(33)</b>
<b>Balances on 31/12/2023</b>	<b>28,900</b>	<b>4,207</b>	<b>(101,577)</b>	-	<b>134,684</b>

31 December 2023	Public Sector				
	Stage 1	Stage 2	Stage 3	POCI	Total
<b>Balances on 1/1/2023</b>	<b>64</b>	<b>0</b>	<b>0</b>	-	<b>64</b>
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	(16)	0	0	-	<b>(16)</b>
New receivables (created or purchased)	0	0	0	-	<b>0</b>
Derecognition of receivables	0	0	0	-	<b>0</b>
Write-offs	0	0	0	-	<b>0</b>
<b>Balances on 31/12/2023</b>	<b>49</b>	<b>0</b>	<b>0</b>	-	<b>49</b>



31 December 2023	Guarantees and commitments given				
	Stage 1	Stage 2	Stage 3	POCI	Total
<b>Balances on 1/1/2023</b>	<b>25,337</b>	<b>5</b>	<b>158</b>	-	<b>25,500</b>
Transfer to Stage 1 (from 2 or 3)	2	(2)	( )	-	-
Transfer to Stage 2 (from 1 or 3)	(72)	72	0	-	-
Transfer to Stage 3 (from 1 or 2)	(37)	0	37	-	-
Change of balances	(1,216)	(71)	(33)	-	<b>(1,320)</b>
New receivables (created or purchased)	10,779	1,237	0	-	<b>12,016</b>
Derecognition of receivables	(6,843)	(3)	(5)	-	<b>(6,851)</b>
Write-offs	0	0	0	-	<b>0</b>
<b>Balances on 31/12/2023</b>	<b>(27,951)</b>	<b>1,238</b>	<b>156</b>	-	<b>29,346</b>

Balance Sheets before Provisions according to IFRS 9 Stage - Group

31 December 2022	Portfolio total				
	Stage 1	Stage 2	Stage 3	POCI	Total
<b>Balances on 1/1/2022</b>	<b>142,129</b>	<b>76,415</b>	<b>233,758</b>	-	<b>452,303</b>
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)	-	<b>1,068</b>
New receivables (created or purchased)	3,400	0	0	-	<b>3,400</b>
Derecognition of receivables	(6,842)	(2,721)	(1,514)	-	<b>(11,077)</b>
Write-offs	0	0	(707)	-	<b>(707)</b>
<b>Balances on 31/12/2022</b>	<b>166,010</b>	<b>52,230</b>	<b>226,746</b>	-	<b>444,986</b>

31 December 2022	Business Banking				
	Stage 1	Stage 2	Stage 3	POCI	Total
<b>Balances on 1/1/2022</b>	<b>119,705</b>	<b>62,309</b>	<b>144,668</b>	-	<b>326,682</b>
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)	-	<b>(3,535)</b>
New receivables (created or purchased)	2,733	0	0	-	<b>2,733</b>
Derecognition of receivables	(5,429)	(2,616)	(188)	-	<b>(8,232)</b>
Write-offs	0	0	(8)	-	<b>(8)</b>
<b>Balances on 31/12/2022</b>	<b>140,032</b>	<b>43,183</b>	<b>134,424</b>	-	<b>317,639</b>

31 December 2022	Retail Banking				
	Stage 1	Stage 2	Stage 3	POCI	Total
<b>Balances on 1/1/2022</b>	<b>22,332</b>	<b>14,107</b>	<b>89,090</b>	-	<b>125,529</b>
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	-	<b>4,617</b>
New receivables (created or purchased)	667	0	0	-	<b>667</b>
Derecognition of receivables	(1,400)	(106)	(1,326)	-	<b>(2,832)</b>
Write-offs	0	0	(699)	-	<b>(699)</b>
<b>Balances on 31/12/2022</b>	<b>25,914</b>	<b>9,047</b>	<b>92,322</b>	-	<b>127,283</b>

31 December 2022	Public Sector				
	Stage 1	Stage 2	Stage 3	POCI	Total
<b>Balances on 1/1/2022</b>	<b>92</b>	<b>0</b>	<b>0</b>	-	<b>92</b>
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	-	<b>(14)</b>
New receivables (created or purchased)	0	0	0	-	<b>0</b>
Derecognition of receivables	(13)	0	0	-	<b>(13)</b>
Write-offs	0	0	0	-	<b>0</b>
<b>Balances on 31/12/2022</b>	<b>64</b>	<b>0</b>	<b>0</b>	-	<b>64</b>

31 December 2022	Guarantees and commitments given				
	Stage 1	Stage 2	Stage 3	POCI	Total
<b>Balances on 1/1/2022</b>	<b>18,111</b>	<b>204</b>	<b>129</b>	-	<b>18,443</b>
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	-	<b>(53,318)</b>
New receivables (created or purchased)	11,157	0	0	-	<b>11,157</b>
Derecognition of receivables	(720)	0	0	-	<b>(720)</b>
Write-offs	0	0	0	-	<b>0</b>
<b>Balances on 31/12/2022</b>	<b>23,506</b>	<b>5</b>	<b>158</b>	-	<b>23,669</b>

## Balance Sheets before Provisions according to IFRS 9 Stage - Bank

31 December 2022	Portfolio total				
	Stage 1	Stage 2	Stage 3	POCI	Total
<b>Balances on 1/1/2022</b>	<b>176,589</b>	<b>76,415</b>	<b>233,758</b>	-	<b>486,763</b>
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)	-	<b>7,400</b>
New receivables (created or purchased)	3,900	0	0	-	<b>3,900</b>
Derecognition of receivables	(10,071)	(2,721)	(1,514)	-	<b>(14,307)</b>
Write-offs	0	0	(707)	-	<b>(707)</b>
<b>Balances on 31/12/2022</b>	<b>204,072</b>	<b>52,230</b>	<b>226,746</b>	-	<b>483,048</b>

31 December 2022	Business Banking				
	Stage 1	Stage 2	Stage 3	POCI	Total
<b>Balances on 1/1/2022</b>	<b>154,165</b>	<b>62,309</b>	<b>144,668</b>	-	<b>361,142</b>
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)	-	<b>3,297</b>
New receivables (created or purchased)	2,733	0	0	-	<b>2,733</b>
Derecognition of receivables	(8,658)	(2,616)	(188)	-	<b>(11,462)</b>
Write-offs	0	0	(8)	-	<b>(8)</b>
<b>Balances on 31/12/2022</b>	<b>178,094</b>	<b>43,183</b>	<b>134,424</b>	-	<b>355,701</b>

31 December 2022	Retail Banking				
	Stage 1	Stage 2	Stage 3	POCI	Total
<b>Balances on 1/1/2022</b>	<b>22,332</b>	<b>14,107</b>	<b>89,090</b>	-	<b>125,529</b>
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	-	<b>4,617</b>
New receivables (created or purchased)	667	0	0	-	<b>667</b>
Derecognition of receivables	(1,400)	(106)	(1,326)	-	<b>(2,832)</b>
Write-offs	0	0	(699)	-	<b>(699)</b>
<b>Balances on 31/12/2022</b>	<b>25,914</b>	<b>9,047</b>	<b>92,322</b>	-	<b>127,283</b>

31 December 2022	Public Sector				
	Stage 1	Stage 2	Stage 3	POCI	Total
<b>Balances on 1/1/2022</b>	<b>92</b>	<b>0</b>	<b>0</b>	-	<b>92</b>
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	-	<b>(14)</b>
New receivables (created or purchased)	0	0	0	-	<b>0</b>
Derecognition of receivables	(13)	0	0	-	<b>(13)</b>
Write-offs	0	0	0	-	<b>0</b>
<b>Balances on 31/12/2022</b>	<b>64</b>	<b>0</b>	<b>0</b>	-	<b>64</b>

31 December 2022	Guarantees and commitments given				
	Stage 1	Stage 2	Stage 3	POCI	Total
<b>Balances on 1/1/2022</b>	<b>18,206</b>	<b>204</b>	<b>129</b>	-	<b>18,539</b>
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	-	<b>(53,410)</b>
New receivables (created or purchased)	11,157	0	0	-	<b>11,157</b>
Derecognition of receivables	(720)	0	0	-	<b>(720)</b>
Write-offs	0	0	0	-	<b>0</b>
<b>Balances on 31/12/2022</b>	<b>23,510</b>	<b>5</b>	<b>158</b>	-	<b>23,672</b>

Movements of other accumulated impairment provisions per IFRS 9 Stage - Group

31 December 2023	Portfolio total				
	Stage 1	Stage 2	Stage 3	POCI	Total
<b>Balances on 1/1/2023</b>	<b>1,341</b>	<b>3,861</b>	<b>96,419</b>	-	<b>101,622</b>
Transfer to Stage 1 (from 2 or 3)	229	(201)	(28)	-	-
Transfer to Stage 2 (from 1 or 3)	(21)	705	(684)	-	-
Transfer to Stage 3 (from 1 or 2)	(6)	(1,026)	1,032	-	-
Change of balances	(441)	(1,537)	10,886	-	<b>8,908</b>
New receivables (created or purchased)	83	0	0	-	<b>83</b>
Derecognition of receivables	(15)	(4)	(297)	-	<b>(315)</b>
Write-offs	0	0	(368)	-	<b>(368)</b>
<b>Balances on 31/12/2023</b>	<b>1,171</b>	<b>1,798</b>	<b>(106,960)</b>	-	<b>109,929</b>

31 December 2023	Business Banking				
	Stage 1	Stage 2	Stage 3	POCI	Total
<b>Balances on 1/1/2023</b>	<b>1,105</b>	<b>3,570</b>	<b>62,647</b>	-	<b>67,322</b>
Transfer to Stage 1 (from 2 or 3)	142	(137)	(6)	-	-
Transfer to Stage 2 (from 1 or 3)	(6)	370	(364)	-	-
Transfer to Stage 3 (from 1 or 2)	(6)	(889)	891	-	-
Change of balances	(306)	(1,297)	7,121	-	<b>5,518</b>
New receivables (created or purchased)	49	0	0	-	<b>49</b>
Derecognition of receivables	(6)	( )	(23)	-	<b>(29)</b>
Write-offs	0	0	(335)	-	<b>(335)</b>
<b>Balances on 31/12/2023</b>	<b>973</b>	<b>1,616</b>	<b>69,932</b>	-	<b>(72,522)</b>

31 December 2023	Retail Banking				
	Stage 1	Stage 2	Stage 3	POCI	Total
<b>Balances on 1/1/2023</b>	<b>234</b>	<b>292</b>	<b>33,772</b>	-	<b>34,297</b>
Transfer to Stage 1 (from 2 or 3)	87	(65)	(22)	-	-
Transfer to Stage 2 (from 1 or 3)	(15)	335	(321)	-	-
Transfer to Stage 3 (from 1 or 2)	(4)	(137)	140	-	-
Change of balances	(130)	(240)	3,765	-	<b>3,395</b>
New receivables (created or purchased)	33	0	0	-	<b>33</b>
Derecognition of receivables	(9)	(4)	(274)	-	<b>(286)</b>
Write-offs	0	0	(33)	-	<b>(33)</b>
<b>Balances on 31/12/2023</b>	<b>196</b>	<b>182</b>	<b>37,027</b>	-	<b>37,406</b>

31 December 2023	Public Sector				
	Stage 1	Stage 2	Stage 3	POCI	Total
<b>Balances on 1/1/2023</b>	<b>2</b>	<b>0</b>	<b>0</b>	-	<b>2</b>
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	(1)	0	0	-	<b>(1)</b>
New receivables (created or purchased)	0	0	0	-	<b>0</b>
Derecognition of receivables	0	0	0	-	<b>0</b>
Write-offs	0	0	0	-	<b>0</b>
<b>Balances on 31/12/2023</b>	<b>2</b>	<b>0</b>	<b>0</b>	-	<b>2</b>

31 December 2023	Guarantees and commitments given				
	Stage 1	Stage 2	Stage 3	POCI	Total
<b>Balances on 1/1/2023</b>	<b>72</b>	<b>0</b>	<b>0</b>	-	<b>73</b>
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	(13)	0	( )	-	<b>(13)</b>
New receivables (created or purchased)	28	4	0	-	<b>31</b>
Derecognition of receivables	(27)	0	0	-	<b>(27)</b>
Write-offs	0	0	0	-	<b>0</b>
<b>Balances on 31/12/2023</b>	<b>60</b>	<b>4</b>	<b>0</b>	-	<b>65</b>

Movements of other accumulated impairment provisions per IFRS 9 Stage - Bank

31 December 2023	Portfolio total				
	Stage 1	Stage 2	Stage 3	POCI	Total
<b>Balances on 1/1/2023</b>	<b>1,344</b>	<b>3,861</b>	<b>96,419</b>	-	<b>101,624</b>
Transfer to Stage 1 (from 2 or 3)	229	(201)	(28)	-	-
Transfer to Stage 2 (from 1 or 3)	(21)	705	(684)	-	-
Transfer to Stage 3 (from 1 or 2)	(6)	(1,026)	1,032	-	-
Change of balances	(439)	(1,537)	10,886	-	<b>8,909</b>
New receivables (created or purchased)	83	0	0	-	<b>83</b>
Derecognition of receivables	(15)	(4)	(297)	-	<b>(315)</b>
Write-offs	0	0	(368)	-	<b>(368)</b>
<b>Balances on 31/12/2023</b>	<b>1,175</b>	<b>1,798</b>	<b>(106,960)</b>	-	<b>109,933</b>

31 December 2023	Business Banking				
	Stage 1	Stage 2	Stage 3	POCI	Total
<b>Balances on 1/1/2023</b>	<b>1,108</b>	<b>3,570</b>	<b>62,647</b>	-	<b>67,324</b>
Transfer to Stage 1 (from 2 or 3)	142	(137)	(6)	-	-
Transfer to Stage 2 (from 1 or 3)	(6)	370	(364)	-	-
Transfer to Stage 3 (from 1 or 2)	(2)	(889)	891	-	-
Change of balances	(309)	(1,297)	7,121	-	<b>5,515</b>
New receivables (created or purchased)	50	0	0	-	<b>50</b>
Derecognition of receivables	(6)	( )	(23)	-	<b>(29)</b>
Write-offs	0	0	(335)	-	<b>(335)</b>
<b>Balances on 31/12/2023</b>	<b>977</b>	<b>1,616</b>	<b>69,932</b>	-	<b>72,526</b>

31 December 2023	Retail Banking				
	Stage 1	Stage 2	Stage 3	POCI	Total
<b>Balances on 1/1/2023</b>	<b>234</b>	<b>292</b>	<b>33,772</b>	-	<b>34,297</b>
Transfer to Stage 1 (from 2 or 3)	87	(65)	(22)	-	-
Transfer to Stage 2 (from 1 or 3)	(15)	335	(321)	-	-
Transfer to Stage 3 (from 1 or 2)	(4)	(137)	140	-	-
Change of balances	(130)	(240)	3,765	-	<b>3,395</b>
New receivables (created or purchased)	33	0	0	-	<b>33</b>
Derecognition of receivables	(9)	(4)	(274)	-	<b>(286)</b>
Write-offs	0	0	(33)	-	<b>(33)</b>
<b>Balances on 31/12/2023</b>	<b>196</b>	<b>182</b>	<b>37,027</b>	-	<b>37,406</b>

31 December 2023	Public Sector				
	Stage 1	Stage 2	Stage 3	POCI	Total
<b>Balances on 1/1/2023</b>	<b>2</b>	<b>0</b>	<b>0</b>	-	<b>2</b>
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	(1)	0	0	-	<b>(1)</b>
New receivables (created or purchased)	0	0	0	-	<b>0</b>
Derecognition of receivables	0	0	0	-	<b>0</b>
Write-offs	0	0	0	-	<b>0</b>
<b>Balances on 31/12/2023</b>	<b>2</b>	<b>0</b>	<b>0</b>	-	<b>2</b>

31 December 2023	Guarantees and commitments given				
	Stage 1	Stage 2	Stage 3	POCI	Total
<b>Balances on 1/1/2023</b>	<b>72</b>	<b>0</b>	<b>0</b>	-	<b>73</b>
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	(13)	0	()	-	<b>(13)</b>
New receivables (created or purchased)	28	4	0	-	<b>31</b>
Derecognition of receivables	(27)	0	0	-	<b>(27)</b>
Write-offs	0	0	0	-	<b>0</b>
<b>Balances on 31/12/2023</b>	<b>60</b>	<b>4</b>	<b>0</b>	-	<b>65</b>

## Movements of other accumulated impairment provisions per IFRS 9 Stage - Group

31 December 2022	Portfolio total				
	Stage 1	Stage 2	Stage 3	POCI	Total
<b>Balances on 1/1/2022</b>	<b>2,442</b>	<b>5,786</b>	<b>91,817</b>	-	<b>100,045</b>
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	-	<b>3,000</b>
New receivables (created or purchased)	114	0	0	-	<b>114</b>
Derecognition of receivables	(45)	(240)	(546)	-	<b>(832)</b>
Write-offs	0	0	(707)	-	<b>(707)</b>
<b>Balances on 31/12/2022</b>	<b>1,341</b>	<b>3,861</b>	<b>96,419</b>	-	<b>101,622</b>

31 December 2022	Business Banking				
	Stage 1	Stage 2	Stage 3	POCI	Total
<b>Balances on 1/1/2022</b>	<b>1,871</b>	<b>5,041</b>	<b>59,855</b>	-	<b>66,767</b>
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	-	<b>761</b>
New receivables (created or purchased)	103	0	0	-	<b>103</b>
Derecognition of receivables	(17)	(237)	(30)	-	<b>(284)</b>
Write-offs	0	0	(8)	-	<b>(8)</b>
<b>Balances on 31/12/2022</b>	<b>1,105</b>	<b>3,570</b>	<b>62,647</b>	-	<b>67,322</b>

31 December 2022	Retail Banking				
	Stage 1	Stage 2	Stage 3	POCI	Total
<b>Balances on 1/1/2022</b>	<b>561</b>	<b>745</b>	<b>31,962</b>	-	<b>33,269</b>
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	-	<b>2,263</b>
New receivables (created or purchased)	11	0	0	-	<b>11</b>
Derecognition of receivables	(27)	(3)	(516)	-	<b>(546)</b>
Write-offs	0	0	(699)	-	<b>(699)</b>
<b>Balances on 31/12/2022</b>	<b>234</b>	<b>292</b>	<b>33,772</b>	-	<b>34,297</b>



31 December 2022	Public Sector				
	Stage 1	Stage 2	Stage 3	POCI	Total
<b>Balances on 1/1/2022</b>	<b>10</b>	<b>0</b>	<b>0</b>	-	<b>10</b>
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	-	<b>(6)</b>
New receivables (created or purchased)	0	0	0	-	<b>0</b>
Derecognition of receivables	(1)	0	0	-	<b>(1)</b>
Write-offs	0	0	0	-	<b>0</b>
<b>Balances on 31/12/2022</b>	<b>2</b>	<b>0</b>	<b>0</b>	-	<b>2</b>

31 December 2022	Guarantees and commitments given				
	Stage 1	Stage 2	Stage 3	POCI	Total
<b>Balances on 1/1/2022</b>	<b>39</b>	<b>0</b>	<b>0</b>	-	<b>39</b>
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	-	<b>(11)</b>
New receivables (created or purchased)	39	0	0	-	<b>39</b>
Derecognition of receivables	0	0	0	-	<b>0</b>
Write-offs	0	0	0	-	<b>0</b>
<b>Balances on 31/12/2022</b>	<b>67</b>	<b>0</b>	<b>0</b>	-	<b>67</b>

Movements of other accumulated impairment provisions per IFRS 9 Stage - Bank

31 December 2022	Portfolio total				
	Stage 1	Stage 2	Stage 3	POCI	Total
<b>Balances on 1/1/2022</b>	<b>2,444</b>	<b>5,786</b>	<b>91,817</b>	-	<b>100,047</b>
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	-	<b>3,002</b>
New receivables (created or purchased)	114	0	0	-	<b>114</b>
Derecognition of receivables	(46)	(240)	(546)	-	<b>(832)</b>
Write-offs	0	0	(707)	-	<b>(707)</b>
<b>Balances on 31/12/2022</b>	<b>1,344</b>	<b>3,861</b>	<b>96,419</b>	-	<b>101.624</b>

31 December 2022	Business Banking				
	Stage 1	Stage 2	Stage 3	POCI	Total
<b>Balances on 1/1/2022</b>	<b>1,873</b>	<b>5,041</b>	<b>59,855</b>	-	<b>66,769</b>
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	-	<b>745</b>
New receivables (created or purchased)	103	0	0	-	<b>103</b>
Derecognition of receivables	(18)	(237)	(30)	-	<b>(285)</b>
Write-offs	0	0	(8)	-	<b>(8)</b>
<b>Balances on 31/12/2022</b>	<b>1,108</b>	<b>3,570</b>	<b>62,647</b>	-	<b>67,324</b>

31 December 2022	Retail Banking				
	Stage 1	Stage 2	Stage 3	POCI	Total
<b>Balances on 1/1/2022</b>	<b>561</b>	<b>745</b>	<b>31,962</b>	-	<b>33,269</b>
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	-	<b>2,263</b>
New receivables (created or purchased)	11	0	0	-	<b>11</b>
Derecognition of receivables	(27)	(3)	(516)	-	<b>(546)</b>
Write-offs	0	0	(699)	-	<b>(699)</b>
<b>Balances on 31/12/2022</b>	<b>234</b>	<b>292</b>	<b>33,772</b>	-	<b>34,297</b>

31 December 2022	Public Sector				
	Stage 1	Stage 2	Stage 3	POCI	Total
<b>Balances on 1/1/2022</b>	<b>10</b>	<b>0</b>	<b>0</b>	-	<b>10</b>
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	-	<b>(6)</b>
New receivables (created or purchased)	0	0	0	-	<b>0</b>
Derecognition of receivables	(1)	0	0	-	<b>(1)</b>
Write-offs	0	0	0	-	<b>0</b>
<b>Balances on 31/12/2022</b>	<b>2</b>	<b>0</b>	<b>0</b>	-	<b>2</b>

31 December 2022	Guarantees and commitments given				
	Stage 1	Stage 2	Stage 3	POCI	Total
<b>Balances on 1/1/2022</b>	<b>39</b>	<b>0</b>	<b>0</b>	-	<b>39</b>
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	-	<b>(11)</b>
New receivables (created or purchased)	39	0	0	-	<b>39</b>
Derecognition of receivables	0	0	0	-	<b>0</b>
Write-offs	0	0	0	-	<b>0</b>
<b>Balances on 31/12/2022</b>	<b>67</b>	<b>0</b>	<b>0</b>	-	<b>67</b>

#### 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 Bank's customer deposits consist of demand, savings and fixed-term deposits. The Bank's deposits increased in 2023 by about 0.6% compared to 2022.
- 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 31.12.2023 and 31.12.2022:

**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
<b>31 December 2023</b>						
Due to Central Banks	0	0	0	0	0	0
Due to banks	1,572,443	0	0	0	0	1,572,443
Due to customers	279,433,038	108,228,559	209,829,476	1,194,455	2,593,897	601,279,423
Liabilities from credit securities & other loan obligations	0	0	0	17,333,271	5,160,000	22,493,271
Other liabilities	0	0	5,161,558	0	0	5,161,558
<b>Balance sheet total</b>	<b>281,005,481</b>	<b>108,228,559</b>	<b>214,991,034</b>	<b>(18,527,726)</b>	<b>7,753,897</b>	<b>630,506,695</b>
<b>Loan commitments</b>						<b>0</b>

**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
<b>31 December 2023</b>						
Due to Central Banks	0	0	0	0	0	0
Due to banks	2,145,477	0	0	0	0	2,145,477
Due to customers	264,420,000	108,228,559	209,829,476	1,194,455	2,593,897	586,266,386
Liabilities from credit securities & other loan obligations	0	0	0	17,333,271	5,160,000	22,493,271
Other liabilities	0	0	14,687,754	0	0	14,687,754
<b>Balance sheet total</b>	<b>266,565,477</b>	<b>108,228,559</b>	<b>224,517,229</b>	<b>(18,527,726)</b>	<b>7,753,897</b>	<b>625,592,887</b>
<b>Loan commitments</b>						<b>0</b>

**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
<b>31 December 2022</b>						
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
<b>Balance sheet total</b>	<b>333,184,905</b>	<b>83,187,106</b>	<b>187,200,722</b>	<b>14,123,152</b>	<b>3,150,000</b>	<b>620,845,885</b>
<b>Loan commitments</b>						<b>0</b>

**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
<b>31 December 2022</b>						
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
<b>Balance sheet total</b>	<b>333,612,189</b>	<b>83,187,106</b>	<b>197,422,331</b>	<b>14,123,152</b>	<b>3,150,000</b>	<b>631,494,777</b>
<b>Loan commitments</b>						<b>0</b>

#### 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 31/12/2023 were € 4,672 thousand individually and € 4,746 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 2023.

**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 2023 and 2022, the Bank of Greece set the countercyclical capital buffer ratio at 0%.

Based on the decision 428/28.06.2022 of the Credit and Insurance Committee and within the framework of the Supervisory Examination and Assessment Procedure (SEA), the Bank was subject to Pillar 2 capital requirements of 1.25% and additional capital requirements of 3.36% for the years 2023 and 2022.

Based on all of the above, the minimum capital adequacy ratio that is required by the Bank for 2023 is 15.11%.

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 27<sup>a</sup> 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.

The capital adequacy ratio of the Cooperative Bank of Chania is presented in the following tables for the years 2023 and 2022.

<b>Amounts in EUR thousand</b>		
<b>31-Dec-23</b>	<b>Consolidated</b>	<b>Individual</b>
<b>1. Total Risk-Weighted Assets (RWA)</b>	423,685	429,833
<i>2. Risk-Weighted Assets for credit risk</i>	364,361	371,438
<i>3. Risk-Weighted Assets for operational risk</i>	59,324	58,395
<i>4. Risk-Weighted Assets for concentration risk</i>	-	-
<b>5. Total Equity</b>	72,037	71,931
<b>6. Total Capital Adequacy Ratio</b>	<b>17.00%</b>	<b>16.73%</b>

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

**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 2023 is 15.11% 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 2023 and 2022, the Bank presented adequate equity on an individual and consolidated basis.

## 4.13 Fair values of financial assets and liabilities

### 4.13.1 Financial assets not measured at fair value

Amounts in EUR	Group				
	31.12.2023	31.12.2023	Level 1	Level 2	Level 3
	Book value	Fair value			
<b>Financial assets</b>					
Loans and amounts due to customers	364,773,218	364,773,218	-	-	364,773,218
Financial assets at amortized cost	1,044,865	1,044,865	-	-	1,044,865
<b>Financial liabilities</b>					
Due to customers	586,266,386	586,266,386	191,418,875	394,847,512	
Debt securities and other loans in issue	22,493,271	22,493,271	-	-	22,493,271
	Bank				
Amounts in EUR	31.12.2023	31.12.2023	Level 1	Level 2	Level 3
	Book value	Fair value			
<b>Financial assets</b>					
Loans and amounts due to customers	409,087,759	409,087,759	-	-	409,087,759
Financial assets at amortized cost	1,044,865	1,044,865	-	-	1,044,865
<b>Financial liabilities</b>					
Due to customers	601,279,424	601,279,424	206,431,912	394,847,512	
Debt securities and other loans in issue	22,493,271	22,493,271	-	-	22,493,271



<b>Group</b>					
<b>Amounts in EUR</b>	<b>31.12.2022</b>	<b>31.12.2022</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
	<b>Book value</b>	<b>Fair value</b>			
<b>Financial assets</b>					
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
<b>Financial liabilities</b>					
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
<b>Bank</b>					
<b>Amounts in EUR</b>	<b>31.12.2022</b>	<b>31.12.2022</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
	<b>Book value</b>	<b>Fair value</b>			
<b>Financial assets</b>					
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
<b>Financial liabilities</b>					
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

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.

#### 4.13.2 Financial assets not measured at fair value

Amounts in EUR	Group				
	31.12.2023	31.12.2023	Level 1	Level 2	Level 3
	Book value	Fair value			
<b>Financial assets</b>					
Financial assets at fair value through profit or loss	-	-	-	-	-
Investment portfolio	9,044,603	9,044,603	69,917	-	8,974,686

  

Amounts in EUR	Bank				
	31.12.2023	31.12.2023	Level 1	Level 2	Level 3
	Book value	Fair value			
<b>Financial assets</b>					
Financial assets at fair value through profit or loss	-	-	-	-	-
Investment portfolio	3,979,792	3,979,792	66,209	-	3,913,583

  

Amounts in EUR	Group				
	31.12.2022	31.12.2022	Level 1	Level 2	Level 3
	Book value	Fair value			
<b>Financial assets</b>					
Financial assets at fair value through profit or loss	-	-	-	-	-
Investment portfolio	12,225,269	12,225,269	43,150	-	(12,182,120)

  

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

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, 2023 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:

<b>Amounts in EUR</b>	<b>Group</b>	
<b>Investment portfolio</b>	<b>2023</b>	<b>2022</b>
<b>Opening balance on the 1st of January</b>	<b>(12,182,120)</b>	<b>10,658,444</b>
Other changes	(3,519,607)	2,559
Additions for the period	7,000	-
Disposals	-	-
Changes in fair value	305,174	1,521,117
Deductions/devaluation provisions for the period	-	-
<b>Balance as at 31 December</b>	<b>8,974,686</b>	<b>(12,182,120)</b>

  

<b>Amounts in EUR</b>	<b>Bank</b>	
<b>Investment portfolio</b>	<b>2023</b>	<b>2022</b>
<b>Opening balance on the 1st of January</b>	<b>3,650,163</b>	<b>3,156,216</b>
Other changes	-	-
Additions for the period	-	-
Disposals	-	-
Changes in fair value	263,421	493,947
Deductions/devaluation provisions for the period	-	-
<b>Balance as at 31 December</b>	<b>3,913,583</b>	<b>3,650,163</b>

#### 4.13.3 Risk related to Tax Credits to the Greek State

As at 31/12/2023 the Group's deferred tax assets amounted to approximately € 19.6 million (compared to approximately € 20.2 million as at 31/12/2022).

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 31/12/2023, 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 € 18.1m.

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

Amounts in EUR	Group		Bank	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
<i>Interest income from:</i>				
Bonds	60,000	64,546	60,000	64,546
Due from banks	5,586,545	750,143	5,586,545	750,143
Loans and amounts due to customers	26,067,582	28,340,191	29,135,104	30,729,387
<b>Interest and similar income</b>	<b>31,714,127</b>	<b>29,154,880</b>	<b>34,781,649</b>	<b>31,544,076</b>
<i>Interest expenses from:</i>				
Due to banks	-	-	-	-
Debt securities	831,169	768,935	831,169	768,935
Due to customers	6,802,935	2,140,841	6,480,737	1,849,489
<b>Interest and similar expenses</b>	<b>7,634,105</b>	<b>2,909,776</b>	<b>7,311,907</b>	<b>2,618,424</b>
<b>Net interest income</b>	<b>24,080,022</b>	<b>26,245,104</b>	<b>27,469,742</b>	<b>28,925,651</b>

## NOTE 6: NET COMMISSIONS REVENUE

Amounts in EUR	Group		Bank	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Retail banking commissions	1,469,835	1,420,671	1,488,980	1,431,245
Loan commission income	1,151,826	1,157,966	1,151,826	1,157,966
Commission expenses	(275,852)	(660,010)	(275,852)	(660,010)
<b>Net commission income</b>	<b>2,345,809</b>	<b>1,918,626</b>	<b>2,364,954</b>	<b>1,929,201</b>

## NOTE 7: PERSONNEL EXPENSES

Amounts in EUR	Group		Bank	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Wages and other staff benefits	9,727,509	9,421,693	8,261,510	8,168,572
Defined Benefit Plan Expenses (see Note 8)	86,130	90,378	73,015	75,791
Used staff provisions	42,000	8,584	-	-
Other staff costs	107,375	99,270	107,375	109,022
<b>Total</b>	<b>9,963,014</b>	<b>9,619,925</b>	<b>8,441,900</b>	<b>8,353,385</b>

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

Personnel costs	Group	
	31.12.2023	31.12.2022
<b>Bank</b>	<b>228</b>	<b>224</b>
Cretan Real Estate	4	4
Cretan Holdings	0	0
Prime Energy SA	5	4
ABEA	36	32
BIOXYM	14	10
<b>Total</b>	<b>287</b>	<b>274</b>

## 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.

The distribution of benefits for the formation of the provision is calculated over the last 16 years up to the employees' retirement date, following the scale of Law 4093/2012.

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

#### Defined Benefit Plan Expenses

Amounts in EUR	Group		Bank	
	31.12.2023	31.12.2022*	31.12.2023	31.12.2022
Service cost	72,674	89,328	60,274	74,741
Net financial cost on net defined benefit liability	13,457	1,050	12,742	1,050
<b>Total</b>	<b>86,131</b>	<b>90,378</b>	<b>73,016</b>	<b>75,791</b>

\*As reconfigured

#### Net liability in the Statement of Financial Position

Amounts in EUR	Group		Bank	
	31.12.2023	31.12.2022*	31.12.2023	31.12.2022
Present Value of Non-Funded Liabilities	570,865	432,863	502,139	353,957
<b>Total</b>	<b>570,865</b>	<b>432,863</b>	<b>502,139</b>	<b>353,957</b>

\*As reconfigured

## Change in liabilities for defined benefit plans

Amounts in EUR	Group		Bank	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
<b>Balance as at 1 January</b>	<b>432,863</b>	<b>426,283</b>	<b>353,957</b>	<b>361,964</b>
Service cost	72,674	89,328	60,274	74,741
Financial cost	13,457	1,050	12,742	1,050
Benefits used	(18,969)	-	-	-
Loss/(profit) from changes in actuarial assumptions	70,840	(83,798)	75,166	(83,798)
<b>Balance on the 31st of December</b>	<b>570,865</b>	<b>432,863</b>	<b>502,139</b>	<b>353,957</b>

**Note:** The aforementioned items are included in Other liabilities (see Note 20)

## Weighted average actuarial assumptions at the end of the period

	Group		Bank	
	31.12.2023	31.12.2022	31.12.2023	31.12.2023
Discount rate	2.95%-3.078%	3.60%	2.95%	3.60%
Earnings growth rate	2.00%	1.00%	2.00%	1.00%

## Actuarial profit/(loss) from changes in actuarial assumptions

Amounts in EUR	Group		Bank	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Experience-based	27,511	(10,746)	26,549	(10,746)
Financial cases (discount rate)	12,459	(83,937)	19,102	(83,937)
Financial cases (salary growth rate)	30,870	10,885	29,515	10,885
Demographic assumptions	-	-	-	-
<b>Balance on the 31st of December</b>	<b>70,840</b>	<b>(83,798)</b>	<b>75,166</b>	<b>(83,798)</b>

## NOTE 9: GENERAL ADMINISTRATIVE AND OTHER OPERATING EXPENSES

Amounts in EUR	Group		Bank	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Rent expenses	351,821	420,662	240,462	297,720
Taxes - Fees	614,767	436,344	433,925	237,895
Telecommunication and electricity costs	931,197	905,605	685,794	728,267
Maintenance costs	970,865	638,023	781,358	509,724
Third party fees	2,877,320	3,493,135	2,413,208	3,001,639
TEKE contributions	30,623	347,012	30,623	347,012
Promotion and advertising costs	931,248	554,633	863,221	536,715
Other expenses	2,070,854	1,397,920	1,563,178	1,016,386
<b>Total</b>	<b>8,778,695</b>	<b>8,193,335</b>	<b>7,182,952</b>	<b>6,675,357</b>

## NOTE 10: CREDIT IMPAIRMENT PROVISION

### Provision of impairment of loans and other receivables for the year

Amounts in EUR	Group		Bank	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Loans and amounts due to customers	8,675,352	2,309,344	8,676,908	2,309,365
Provisions for letters of guarantee	(8,134)	33,309	(8,132)	33,309
Other receivables to customers	3,100,000	3,031,956	2,860,000	2,995,542
<b>Total</b>	<b>11,767,218</b>	<b>5,374,610</b>	<b>11,528,776</b>	<b>5,338,216</b>

For the year 2023, the Group and the Bank's "Loans and receivables per customer" provisions amounted to € 8.7 million (2022: € 2.3m). A provision of € 2.35 million in the category "Other receivables from customers" relates to a provision for receivables from legal cases formed in the Bank's financial statements during the fiscal year 2023, as detailed in Note 21.

### Cumulative provision of impairment of loans and advances to customers

Amounts in EUR	Group		Bank	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Loans and amounts due to customers	109,929,135	101,621,789	109,932,811	101,623,909

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

Amounts in EUR	Group		Bank	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
<b>Balance of provisions 01 January</b>	101,621,789	<b>100,045,194</b>	101,623,909	<b>100,047,315</b>
<b>Movement in 2023</b>				
Provisions for the year	8,675,352	2,309,365	8,676,908	2,309,365
Write-offs	(368,006)	(732,770)	(368,006)	(732,771)
<b>Balance of provisions as at 31 December</b>	<b>109,929,135</b>	<b>101,621,789</b>	<b>109,932,811</b>	<b>101,623,909</b>



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

Amounts in EUR	Group		Bank	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Cash and cash equivalent	7,605,993	7,587,207	7,590,964	7,415,293
Bank of Greece	145,072,684	171,302,377	145,072,684	171,302,377
<b>Total</b>	<b>152,678,677</b>	<b>178,889,583</b>	<b>152,663,648</b>	<b>178,717,669</b>

Amounts in EUR	Group		Bank	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Demand deposits with banks	12,168,963	11,718,650	12,035,622	11,718,650
<b>Total</b>	<b>12,168,963</b>	<b>11,718,650</b>	<b>12,035,622</b>	<b>11,718,650</b>

**NOTE 12: FINANCIAL ASSETS AT AMORTISED COST**

Amounts in EUR	Group		Bank	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Bank bonds	1,044,865	1,044,865	1,044,865	1,044,865
<b>Total</b>	<b>1,044,865</b>	<b>1,044,865</b>	<b>1,044,865</b>	<b>1,044,865</b>

\* 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 13: INVESTMENT PORTFOLIO**

Amounts in EUR	Group		Bank	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
<b>Balance as at 1 January</b>	<b>12,225,269</b>	<b>10,693,574</b>	<b>3,689,604</b>	<b>3,187,078</b>
Other changes	(3,229,736)	-	-	-
Additions	7,000	-	-	-
Changes in fair value	42,070	1,531,695	290,188	502,526
<b>Balance on the 31st of December 2023</b>	<b>9,044,603</b>	<b>12,225,269</b>	<b>3,979,792</b>	<b>3,689,604</b>

The decrease in the balance of the investment portfolio at 31.12.2023 for the Group compared to 31.12.2022 is mainly due to the transfer of the value of the Group's interest in ET.AN.AP SA, in the category "Investments in associates", due to the increase of the Group's interest in this company from 14.33% at 31.12.2022 to 27.44%, making it an associate of the Group.

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 14: SOFTWARE AND OTHER INTANGIBLE ASSETS**

Amounts in EUR	Group			Bank		
	Software	Other intangible assets	Total	Software	Other intangible assets	Total
<b>Acquisition cost</b>						
<b>Balance on the 1st of January 2022</b>	<b>5,910,673</b>	<b>185,979</b>	<b>6,096,651</b>	<b>4,674,318</b>	-	<b>4,674,318</b>
Acquisition of a subsidiary	-	-	-	-	-	-
Additions	505,288	-	505,288	505,288	-	505,288
Other changes	-	-	-	-	-	-
<b>Balance on the 31st of December 2022</b>	<b>6,415,961</b>	<b>185,979</b>	<b>6,601,939</b>	<b>5,179,606</b>	-	<b>5,179,606</b>
<b>Accumulated depreciation &amp; impairment provisions</b>						
<b>Balance on the 1st of January 2022</b>	<b>(3,218,675)</b>	-	<b>(3,218,675)</b>	<b>(2,470,679)</b>	-	<b>(2,470,679)</b>
Acquisition of a subsidiary	-	-	-	-	-	-
Other depreciation changes	-	-	-	-	-	-
Depreciation	(442,044)	-	(442,044)	(343,531)	-	(343,531)
<b>Balance on the 31st of December 2022</b>	<b>(3,660,719)</b>	-	<b>(3,660,719)</b>	<b>(2,814,210)</b>	-	<b>(2,814,210)</b>
<b>Gross book value as at 31 December 2022</b>	<b>2,755,242</b>	<b>185,979</b>	<b>2,941,221</b>	<b>2,365,396</b>	-	<b>2,365,396</b>
<b>Acquisition cost</b>						
<b>Balance on the 1st of January 2023</b>	<b>6,415,961</b>	<b>185,979</b>	<b>6,601,939</b>	<b>5,179,606</b>	-	<b>5,179,606</b>
Acquisition of a subsidiary	-	-	-	-	-	-
Additions	757,369	-	757,369	752,369	-	752,369
Other changes	-	-	-	-	-	-
<b>Balance on the 31st of December 2023</b>	<b>7,173,329</b>	<b>185,979</b>	<b>7,359,308</b>	<b>5,931,975</b>	-	<b>5,931,975</b>
<b>Accumulated depreciation &amp; impairment provisions</b>						
<b>Balance on the 1st of January 2023</b>	<b>(3,660,719)</b>	-	<b>(3,660,719)</b>	<b>(2,814,210)</b>	-	<b>(2,814,210)</b>
Acquisition of a subsidiary	-	-	-	-	-	-
Other depreciation changes	-	-	-	-	-	-
Depreciation	(447,028)	-	(447,028)	(358,871)	-	(358,871)
<b>Balance on the 31st of December 2023</b>	<b>(4,107,747)</b>	-	<b>(4,107,747)</b>	<b>(3,173,081)</b>	-	<b>(3,173,081)</b>
<b>Gross book value as at 31 December 2023</b>	<b>3,065,583</b>	<b>185,979</b>	<b>3,251,561</b>	<b>2,758,894</b>	-	<b>2,758,894</b>

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 15: PROPERTY AND EQUIPMENT

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
<b>Acquisition cost</b>								
<b>Balance on the 1st of January 2022</b>	<b>2.445.211</b>	<b>6.945.428</b>	<b>66.630</b>	<b>4.818.950</b>	<b>9.321.570</b>	<b>28,305</b>	<b>2.377.372</b>	<b>26,003,467</b>
Additions	-	40,759	-	7,190	408,899	-	18,765	<b>475,613</b>
Other changes in fixed assets	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
Sales and write-offs	-	-	-	-	(49,614)	-	-	<b>(49,614)</b>
<b>Balance on the 31st of December 2022</b>	<b>2.445.211</b>	<b>6,986,187</b>	<b>66.630</b>	<b>4,826,140</b>	<b>9,680,854</b>	<b>28,305</b>	<b>2,396,138</b>	<b>26,429,465</b>
<b>Accumulated depreciation &amp; impairment provisions</b>								
<b>Balance on the 1st of January 2022</b>	-	<b>(665,937)</b>	<b>(59,817)</b>	<b>(3,981,663)</b>	<b>(7,605,111)</b>	<b>(19,862)</b>	<b>(1,072,828)</b>	<b>(13,405,217)</b>
Other depreciation changes	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
Depreciation	-	(70,188)	(1,947)	(289,825)	(457,520)	-	(336,291)	<b>(1,155,772)</b>
Sales and write-offs	-	-	-	-	15	-	-	<b>15</b>
<b>Balance on the 31st of December 2022</b>	-	<b>(736,125)</b>	<b>(61,764)</b>	<b>(4,271,488)</b>	<b>(8,062,616)</b>	<b>(19,862)</b>	<b>(1,409,119)</b>	<b>(14,560,974)</b>
<b>Gross book value as at 31 December 2022</b>	<b>2.445.211</b>	<b>6,250,062</b>	<b>4,866</b>	<b>554,652</b>	<b>1,618,238</b>	<b>8,443</b>	<b>987,019</b>	<b>11,868,492</b>
<b>Acquisition cost</b>								
<b>Balance on the 1st of January 2023</b>	<b>2.445.211</b>	<b>6,986,187</b>	<b>66.630</b>	<b>4,826,140</b>	<b>9,680,854</b>	<b>28,305</b>	<b>2,396,138</b>	<b>26,429,465</b>
Additions	-	13,522	-	44,039	132,604	-	344,422	<b>534,588</b>
Other changes in fixed assets	-	-	-	-	-	-	10,062	<b>10,062</b>
Transfers	-	-	-	-	-	-	-	-
Sales and write-offs	(2,234,611)	(6,475,833)	-	-	(2,494)	-	-	<b>(8,712,938)</b>
<b>Balance on the 31st of December 2023</b>	<b>210,600</b>	<b>523,876</b>	<b>66.630</b>	<b>4,870,179</b>	<b>9,810,965</b>	<b>28,305</b>	<b>2,750,622</b>	<b>18,261,178</b>
<b>Accumulated depreciation &amp; impairment provisions</b>								
<b>Balance on the 1st of January 2023</b>	-	<b>(736,125)</b>	<b>(61,764)</b>	<b>(4,271,488)</b>	<b>(8,062,616)</b>	<b>(19,862)</b>	<b>(1,409,119)</b>	<b>(14,560,974)</b>
Other depreciation changes	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
Depreciation	-	(70,392)	(1,365)	(197,890)	(481,465)	-	(349,072)	<b>(1,100,184)</b>
Sales and write-offs	-	742,259	-	-	380	-	-	<b>742,640</b>
<b>Balance on the 31st of December 2023</b>	-	<b>(64,258)</b>	<b>(63,128)</b>	<b>(4,469,379)</b>	<b>(8,543,701)</b>	<b>(19,862)</b>	<b>(1,758,191)</b>	<b>(14,918,518)</b>
<b>Gross book value as at 31 December 2023</b>	<b>210,600</b>	<b>459,618</b>	<b>3,502</b>	<b>400,800</b>	<b>1,267,265</b>	<b>8,443</b>	<b>992,431</b>	<b>3,342,660</b>

Amounts in EUR	GROUP								Total
	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	
<b>Acquisition cost</b>									
<b>Balance on the 1st of January 2022</b>	<b>3,375,363</b>	<b>10,983,348</b>	<b>15,327,931</b>	<b>280,428</b>	<b>4,818,950</b>	<b>9,990,159</b>	<b>376,486</b>	<b>2,618,694</b>	<b>47,771,357</b>
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)
<b>Balance on the 31st of December 2022</b>	<b>3,375,363</b>	<b>11,024,107</b>	<b>15,456,029</b>	<b>280,428</b>	<b>4,826,140</b>	<b>10,368,848</b>	<b>1,084,369</b>	<b>2,637,459</b>	<b>49,052,743</b>
<b>Accumulated depreciation &amp; impairment provisions</b>									
<b>Balance on the 1st of January 2022</b>	-	<b>(1,103,149)</b>	<b>(9,686,346)</b>	<b>(239,017)</b>	<b>(3,981,662)</b>	<b>(8,228,557)</b>	(19,862)	(1,108,365)	<b>(24,366,959)</b>
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
<b>Balance on the 31st of December 2022</b>	-	<b>(1,409,181)</b>	<b>(10,122,312)</b>	<b>(251,512)</b>	<b>(4,271,488)</b>	<b>(8,700,425)</b>	<b>(19,862)</b>	<b>(1,456,501)</b>	<b>(26,231,281)</b>
<b>Gross book value as at 31 December 2022</b>	<b>3,375,363</b>	<b>9,614,926</b>	<b>5,333,717</b>	<b>28,917</b>	<b>554,653</b>	<b>1,668,423</b>	<b>1,064,507</b>	<b>1,180,958</b>	<b>22,821,462</b>
<b>Acquisition cost</b>									
<b>Balance on the 1st of January 2023</b>	<b>3,375,363</b>	<b>11,024,107</b>	<b>15,456,029</b>	<b>280,428</b>	<b>4,826,140</b>	<b>10,368,848</b>	<b>1,084,369</b>	<b>2,637,459</b>	<b>49,052,743</b>
Additions	84,884	73,822	571,640	11,670	44,039	138,559	25,260	369,192	1,319,066
Other changes in fixed assets	-	-	-	-	-	-	(16,506)	10,062	(6,444)
Transfers	-	-	58,110	-	-	-	(58,110)	-	-
Sales and write-offs	-	-	(5,500)	(5,575)	-	(2,494)	(168,000)	-	(181,569)
<b>Balance on the 31st of December 2023</b>	<b>3,460,246</b>	<b>11,097,929</b>	<b>16,080,279</b>	<b>286,523</b>	<b>4,870,179</b>	<b>10,504,913</b>	<b>867,013</b>	<b>3,016,713</b>	<b>50,183,797</b>
<b>Accumulated depreciation &amp; impairment provisions</b>									
<b>Balance on the 1st of January 2023</b>	-	<b>(1,409,181)</b>	<b>(10,122,312)</b>	<b>(251,512)</b>	<b>(4,271,488)</b>	<b>(8,700,425)</b>	<b>(19,862)</b>	<b>(1,456,501)</b>	<b>(26,231,281)</b>
Other depreciation changes	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
Depreciation	-	(136,568)	(597,034)	(10,786)	(197,890)	(495,426)	-	(367,243)	(1,804,947)
Sales and write-offs	-	-	-	4,461	-	380	-	-	4,841
<b>Balance on the 31st of December 2023</b>	-	<b>(1,545,749)</b>	<b>(10,719,346)</b>	<b>(257,837)</b>	<b>(4,469,378)</b>	<b>(9,195,470)</b>	<b>(19,862)</b>	<b>(1,823,744)</b>	<b>(28,031,386)</b>
<b>Gross book value as at 31 December 2023</b>	<b>3,460,246</b>	<b>9,552,180</b>	<b>5,360,933</b>	<b>28,686</b>	<b>400,801</b>	<b>1,309,443</b>	<b>847,151</b>	<b>1,192,969</b>	<b>22,152,410</b>

## NOTE 16: INVESTMENT PROPERTIES

Amounts in EUR	Group	Bank
	Fields - plots	Land
<b>Acquisition cost</b>		
<b>Balance on the 1st of January 2022</b>	<b>46,977,925</b>	<b>27,630,897</b>
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	(292,246)	(292,246)
<b>Balance on the 31st of December 2022</b>	<b>49,568,028</b>	<b>29,820,000</b>
<b>Acquisition cost</b>		
<b>Balance on the 1st of January 2023</b>	<b>49,568,028</b>	<b>29,820,000</b>
Additions	1,097,578	1,097,578
Transfers from property and equipment	-	-
Transfers from Other Assets	5,886,064,29	-
Fair value measurement adjustments	350,318	164,160
Write-offs/Sales	-	(12,092,278)
<b>Balance on the 31st of December 2023</b>	<b>56,901,988</b>	<b>18,989,460</b>

The decrease in the balance of "Investment in real estate" as at 31 December 2023 for the Bank of approximately € 12 million is due to the establishment of the Group's new real estate investment company with a real estate contribution. Similarly, the increase in the "Investment in real estate" portfolio at Group level is due to the portfolio change of part of the properties originally classified as "Stocks" to "Investment in real estate" due to the establishment of the new real estate investment company. The 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 Real estate investment are classified at level 3 of the fair value hierarchy.

**NOTE 17: DUE AND LIABILITIES FROM DEFERRED TAXES**

Amounts in EUR	Group		Bank	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
<b>Deferred tax assets</b>				
Financial instruments at amortized cost	39	39	39	39
Loans to customers	10,234,996	13,331,017	10,234,996	13,331,017
Participations in subsidiaries	3,961,023	3,841,000	3,960,803	3,841,000
Participations in associates	-	-	-	-
Investment securities	1,998,438	2,082,593	1,998,438	2,082,593
Property, plant and equipment	(301,786)	(1,094,685)	(203,212)	(1,003,179)
Real estate investment	(1,425,383)	(2,458,060)	(1,425,383)	(2,458,060)
Intangible assets	(326,094)	(201,431)	(327,350)	(203,008)
Deferred tax receivables on net book value debit difference of Article 27 par.3 of Law 4172/13	1,772,214	1,908,038	1,772,214	1,908,038
Other assets	3,305,621	2,574,763	3,370,402	2,495,324
<b>Subsection</b>	<b>19,219,068</b>	<b>19,983,274</b>	<b>19,380,948</b>	<b>19,993,765</b>
Other liabilities	383,879	197,652	189,483	145,655
<b>Subsection</b>	<b>383,879</b>	<b>197,652</b>	<b>189,483</b>	<b>145,655</b>
From loss brought forward	-	-	-	-
<b>Total</b>	<b>19,602,947</b>	<b>20,180,926</b>	<b>19,570,431</b>	<b>20,139,421</b>

Amounts in EUR	Group		Bank	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
<b>Deferred tax liabilities</b>				
Property, plant and equipment	1,200,530	1,311,381	-	-
Real estate investment	525,880	722,978	-	-
Intangible assets	(10,485)	(76,170)	-	-
Participations in associates	(8,006)	3,404	-	-
Investment securities	1,429,230	1,316,751	-	-
Other assets	(347,241)	(256,069)	-	-
Tax Identification Recognition	(64,752)	(142,046)	-	-
<b>Subsection</b>	<b>2,725,157</b>	<b>2,880,229</b>	-	-
Other liabilities	(27,154)	(27,231)	-	-
Reserve for defined benefit plans	-	-	-	-
From loss brought forward	-	-	-	-
<b>Total</b>	<b>2,698,003</b>	<b>2,852,998</b>	-	-

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 31.12.2023, which fall under Article 27a of Law 4172/2013, amounted to €18.1 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 2023 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<sup>A</sup> of Law 4172/2013.

**NOTE 18: OTHER ASSETS**

<b>Amounts in EUR</b>	<b>31.12.2023</b>	<b>31.12.2022</b>	<b>31.12.2023</b>	<b>31.12.2022</b>
Tax advances and other tax claims	866,258	126,175	101,212	65,512
Prepaid expenses	598,515	251,388	469,136	118,625
Revenue receivable	188,262	61,393	188,262	61,393
Deposit and Investment Guarantee Fund	3,613,019	7,123,262	3,613,019	7,123,262
Real Estate Stocks	9,753,162	16,843,814	7,994,245	8,787,778
Trade and other receivables	15,795,283	12,255,571	18,344,628	4,646,140
Other	7,547,200	8,481,811	2,496,244	2,296,114
<b>Total</b>	<b>38,361,699</b>	<b>45,143,413</b>	<b>33,206,745</b>	<b>23,098,823</b>

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 above table, the "Deposit and Investment Guarantee Fund" refers to the Bank's participation in the assets of the Deposit Guarantee Scheme for a total amount of € 3.6 million as at 31.12.2023 (31.12.2022: € 7.1 million).

"Receivables from customers and other receivables" for the Bank also includes the receivables from the amounts given to partners (provisionally enforceable) due to the litigation of the "I reimburse" programme totalling approximately € 8.7 million as at 31.12. 2023 for which the Bank has formed an equal provision for impairment (see also Note 21a, Legal Issues) as well as the receivable of € 14.1 million from the subsidiary "Kritika Akinita" under the preliminary agreement for the sale of its shares to "Chania REIC" completed in 2024. Similarly, at Group level, this item includes mainly a € 5.5 million loan receivable of the subsidiary "ABEA" to an affiliated company of the Group.

"Other assets" for the Group include the value of the stocks of the companies "ABEA" and "VIOHYM" and "PRIME ENERGY" on 31.12.2023 totalling € 4.7 million (31.12.2022: € 5.5m).

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:

<b>Amounts in EUR</b>	<b>Group</b>	<b>Bank</b>
<b>Balance on the 1st of January 2022</b>	<b>16,950,224</b>	<b>8,615,549</b>
Additions	371,199	370,684
Transfers from / (to) Real estate investment	-	-
Measurement adjustments	(283,721)	(4,568)
Write offs/ Sales	(193,888)	(193,888)
<b>Balance on the 31st of December 2022</b>	<b>16,843,814</b>	<b>8,787,778</b>
Additions	572,662	563,165
Transfers from / (to) Real estate investment	(2,252,718)	-
Measurement adjustments	-	-
Write offs/ Sales	(5,410,596)	(1,356,698)
<b>Balance on the 31st of December 2023</b>	<b>9,753,162</b>	<b>7,994,245</b>



**NOTE 19: AMOUNTS DUE TO CENTRAL BANKS, CUSTOMERS AND BANKS**

## a) Due to customers

**Due to customers**

<b>Amounts in EUR</b>	<b>Group</b>		<b>Bank</b>	
	<b>31.12.2023</b>	<b>31.12.2022</b>	<b>31.12.2023</b>	<b>31.12.2022</b>
<i>Deposits:</i>				
Savings	100,792,474	104,919,044	100,792,474	104,919,044
Current & demand	90,626,400	87,170,363	105,639,438	87,814,215
Fixed-term	394,847,512	404,961,621	394,847,512	404,961,621
<b>Total</b>	<b>586,266,386</b>	<b>597,051,029</b>	<b>601,279,424</b>	<b>597,694,881</b>

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. The accounts that closed 20 years in 2023 amount to € 16.6 thousand.

## b) Due to Banks

**Due to Credit Institutions**

<b>Amounts in EUR</b>	<b>Group</b>		<b>Bank</b>	
	<b>31.12.2023</b>	<b>31.12.2022</b>	<b>31.12.2023</b>	<b>31.12.2022</b>
<i>Due to other Banks:</i>				
Demand	1,572,443	2,635,199	1,572,443	1,564,063
Other loan liabilities to other banks	573,034	-	-	-
<b>Total</b>	<b>2,145,477</b>	<b>2,635,199</b>	<b>1,572,443</b>	<b>1,564,063</b>

**NOTE 20: OTHER LIABILITIES**

<b>Amounts in EUR</b>	<b>Group</b>		<b>Bank</b>	
	<b>31.12.2023</b>	<b>31.12.2022</b>	<b>31.12.2023</b>	<b>31.12.2022</b>
Creditors and Suppliers	2,354,461	2,893,349	519,188	145,477
Proceeds on behalf of third parties for return (via DIAS)	140,934	508,825	140,934	508,825
Tax liabilities and charges (excluding income tax) and insurance organizations	1,539,824	1,389,135	1,070,257	988,684
Expenses payable and income of subsequent fiscal years	1,735,636	523,992	40,510	33,513
Other liabilities	6,218,897	6,367,097	3,390,669	2,637,290
<b>Total</b>	<b>11,989,751</b>	<b>11,682,399</b>	<b>5,161,558</b>	<b>4,313,789</b>

## NOTE 21: 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 Advisors to the Management, it is not possible, at the present time, to make a secure assessment of the outcome of these cases. The Management's assessment is that their final settlement 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 € 40.8m, of which approximately € 13.5m relates to judgments which vindicated the Bank, have been adjudicated by the beginning of 2024.

As for the remaining lawsuits against the Bank, an amount of approximately € 23.7 million has been awarded with provisional enforceable amounts of approximately € 9 million. The Bank has appealed the above lawsuits.

Note that for the potential risk of non-recovery of all receivables paid as provisionally enforceable amounts as at 31.12.2023, the Bank has made an additional provision against its results in 2023 of approximately € 2.35 million (see note 10), while the cumulative provision for all its provisionally enforceable receivables until 31.12.2023 amounts to approximately € 8.7 million. 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, forty-six appellate decisions have been handed down upholding the opposing parties against which the Bank has already filed appeals before the Supreme Court. Six (6) decisions have been issued on appeals that we have filed and have already been heard by the Supreme Court, all of them in favour of our Bank. The other applications for leave to appeal filed by the opposing parties are pending before the Supreme Court.

Similarly, thirteen appeal decisions have been issued in favour of the Bank, of which five have become irrevocable in the Bank's favour and seven of them have been appealed by the opposing parties. Appeals by us and the opposing parties are pending against the other judgments at first instance.

Based on the above, it is the assessment of the Bank's Management that the claims will ultimately be dismissed for specific reasons related to the completeness of the documents presented by the Bank which prove the legality and compliance with the laws and rules 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. As far as legal issues are concerned, the development of "ad hoc" jurisprudence by the Supreme Court is of decisive importance.

Therefore, the Bank's Management estimates, taking into account all the above and especially after the positive decisions of the Supreme Court (Arios Pagos), that the final settlement, until they become irrevocable, 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 any provision for these court decisions.

### b. Pending tax audits

The Bank has not performed tax audits for the years 2018 to 2023 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 S.A." which has formed a provision of approximately € 130k, 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. Of these, the company "ABEA S.A." has chosen to be subject to a Tax Certificate (relevant Tax Compliance Report without notes) for the fiscal years 2018 to 2021.

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

<b>Subsidiary Name</b>	<b>Unaudited years</b>
CRETAN REAL ESTATE SA	2018 – 2023
CRETAN HOLDINGS SA	2018 – 2023
PRIME ENERGY GROUP OF COMPANIES SA	2018 – 2023
CHANIA HOLDINGS SA	2018 – 2020
BIOXYM S.A.	2018 – 2023
ABEA SA	2022 – 2023
CHANIA REIC	2023

#### **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:

<b>Amounts in EUR</b>	<b>Group</b>		<b>Bank</b>	
	<b>31.12.2023</b>	<b>31.12.2022</b>	<b>31.12.2023</b>	<b>31.12.2022</b>
Up to one (1) year	422,679	416,099	407,266	399,499
From one (1) year to five (5) years	670,231	1,060,017	654,818	1,010,217
Over five (5) years	145,098	138,081	145,098	138,081
<b>Total</b>	<b>1,238,007</b>	<b>1,614,197</b>	<b>1,207,181</b>	<b>1,547,797</b>

**NOTE 22: COOPERATIVE CAPITAL AND PREMIUM**

The total paid-up capital and the cooperative capital premium of the Group as at 31 December 2023 and 31 December 2022 are as follows:

Amounts in EUR	No. of shares	Nominal value	Bank			Group	
			Capital	Above par	Total Capital (Bank)	Own cooperative capital	Total Capital (Group)
On 31.12.2022	6,602,937	3	19,808,811	85,178,221	104,987,032	(303,890)	104,683,142
On 31.12.2023	7,009,565	3	21,028,695	87,257,316	108,286,011	(303,890)	107,982,121

The following table shows the movement of cooperative capital and premium for the years 2023 and 2022:

Amounts in EUR	Bank		
	Cooperative capital	Cooperative capital premium	Total
<b>Opening balance as at 1 January 2022</b>	<b>19,789,647</b>	<b>85,100,926</b>	<b>104,890,573</b>
Net increase of cooperative capital	19,164	77,295	96,459
<b>Balance as at 31 December 2022 (Bank)</b>	<b>19,808,811</b>	<b>85,178,221</b>	<b>104,987,032</b>
Net increase of cooperative capital	1,219,884	2,079,095	3,298,979
<b>Balance as at 31 December 2023 (Bank)</b>	<b>21,028,695</b>	<b>87,257,316</b>	<b>108,286,011</b>

Amounts in EUR	Group			
	Cooperative capital	Cooperative capital premium	Own cooperative capital	Total
<b>Opening balance as at 1 January 2022</b>	<b>19,789,647</b>	<b>85,100,926</b>	<b>(303,890)</b>	<b>104,586,683</b>
Net increase of cooperative capital	19,164	77,295	-	96,459
<b>Balance as at 31 December 2022 (Group)</b>	<b>19,808,811</b>	<b>85,178,221</b>	<b>(303,890)</b>	<b>104,683,142</b>
Net increase of cooperative capital	1,219,884	2,079,095	-	3,298,979
<b>Balance as at 31 December 2023 (Group)</b>	<b>21,028,695</b>	<b>87,257,316</b>	<b>(303,890)</b>	<b>107,982,121</b>

**NOTE 23: DEBT SECURITIES IN ISSUE**

Amounts in EUR	Group		Bank	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
<b>Balance as at 1 January</b>	17,273,152	17,275,267	17,273,152	17,275,267
Bond issues	5,160,000	-	5,160,000	-
Expiry of bonds	-	-	-	-
Change in accrued interest	60,119	(2,115)	60,119	(2,115)
<b>Balance as at 31 December</b>	<b>22,493,271</b>	<b>17,273,152</b>	<b>22,493,271</b>	<b>17,273,152</b>

In 2023 the Bank issued a new bond loan of € 5.16 million, with a term of 7 years from the date of issue and the interest payment period was set at six months with an interest rate of 6.75%.

In 2021 the Bank issued a bond of € 3.15 million, with a term of 7 years from the date of issue, the coupon payment period was set at 6 months with an interest rate of 3.5%, while a bond of € 2.5 million issued in 2016 matured and was repaid.

In 2020 the Bank issued a bond of € 4 million, with a term of 7 years from the date of issue, the coupon payment period was set at 6 months with an interest rate of 4.0%, while a bond of € 9 million issued in 2015 matured and was repaid.

In 2019, the Bank issued three bonds of € 10,000 nominal value each for a total amount of € 5.9 million in a private placement. More specifically, the Bank issued a bond in the amount of €1.9 million on 30.06.2019 (General Meeting decision of 17.06.2018), a bond of the amount of € 3 million on 31.10.2019 (General Meeting Decision of 14.07.2019) and finally a bond of € 1 million 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.

Characteristics of bonds	Terms							
	<i>Issue 2017</i>	<i>Issue 2018</i>	<i>Issue 2019</i>	<i>Issue 2019</i>	<i>Issue 2019</i>	<i>Issue 2020</i>	<i>Issue 2021</i>	<i>Issue 2023</i>
	<i>Subordinated Bond (Common)</i>	<i>Subordinated Bond (Common)</i>	<i>Subordinated Bond (Common)</i>	<i>Subordinated Bond (Common)</i>	<i>Subordinated Bond (Common)</i>	<i>Subordinated Bond (Common)</i>	<i>Subordinated Bond (Common)</i>	<i>Subordinated Bond (Common)</i>
	Terms	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	31/10/2023
Expiry date	29/12/2024	15/6/2025	30/6/2026	31/10/2026	15/11/2026	31/12/2027	31/12/2028	31/10/2030
Years	7	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	5,160,000
Nominal value of the bond	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Number of Bonds	207	211	190	300	100	400	315	516
Interest rate	4.75%	4.75%	4.75%	5.30%	5.30%	4.00%	3.50%	6.75%
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	Bi-monthly / 365 days
Recognition in Tier 2 Supervisory Capital	Tier II	Tier II	Tier II	Tier II	Tier II	Tier II	Tier II	Tier II

**NOTE 24: RELATED-PARTY TRANSACTIONS**

<b>Amounts in EUR thousand</b>	<b>Group</b>		<b>Bank</b>	
	<b>31.12.2023</b>	<b>31.12.2022</b>	<b>31.12.2023</b>	<b>31.12.2022</b>
Receivables	12,616.9	12,626.7	71,578.8	50,894.7
Liabilities	5,649.5	4,626.9	20,680.3	5,270.8
Letters of guarantee, contingent liabilities and other memo accounts	507.9	500.1	511.4	503.6

Fees and allowances to executives and board members of the Bank and the Group from 1 January to 31 December 2023 are as follows:

<b>Amounts in EUR thousand</b>	<b>Group</b>		<b>Bank</b>	
	<b>From 1.1 to</b>		<b>From 1.1 to</b>	
	<b>31.12.2023</b>	<b>31.12.2022</b>	<b>31.12.2023</b>	<b>31.12.2022</b>
Income from interest, commissions and other income (Total)	944.3	786.1	4,373.0	3,312.2
Expenses from interest, commissions and other expenses (Total)	27.2	23.0	132.9	101.9

<b>Amounts in EUR thousand</b>	<b>Group</b>		<b>Bank</b>	
	<b>31.12.2023</b>	<b>31.12.2022</b>	<b>31.12.2023</b>	<b>31.12.2022</b>
Board Members' Allowances - Representation to the Board	15.9	22.7	15.9	22.7
BoD Members Fees - SERVICE PROVISION	385.4	346.9	281.2	281.2
Remuneration of Bank Managerial Executives - Payroll	784.2	859.3	784.2	859.3
<b>Amounts in EUR thousand</b>	<b>1,185.5</b>	<b>1,228.9</b>	<b>1,081.3</b>	<b>1,163.2</b>

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 25: CONSOLIDATED COMPANIES**

<b>Subsidiary Name</b>	<b>Group Voting percentage</b>	
	<b>31.12.2023</b>	<b>31.12.2022</b>
CRETAN REAL ESTATE SA	74.46%	74.46%
CRETAN HOLDINGS SA	100.00%	100.00%
BIOXYM S.A.	91.45%	79.88%
ABEA	71.69%	71.69%
PRIME ENERGY Group SA	100.00%	100.00%
REIC	89.94%	-

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 26: HOLDINGS IN ASSOCIATED COMPANIES

Amounts in EUR	Group	
	2023	2022
<b><i>Participation through CRETAN HOLDINGS SA</i></b>		
Participation in "Milk Processing Industry SA"	25.00%	25.00%
Participation in "Chiotaki Bros SA"	48.98%	48.98%
<b><i>Participation through subsidiaries</i></b>		
Participation in "ET.AN.AP. S.A."	27.44%	14.33%

In 2023 the Group, through its subsidiary PRIME ENERGY S.A., increased its stake in ET.AN.AP. S.A. from 14.33% to 27.44%, purchasing 478,025 shares at a cost of approximately € 2.8 million, making it the most associated company for the Group.

The following table shows the movements of holdings in 2023 and 2022:

Amounts in EUR	Group	
	2023	2022
Balance on the 1st of January	14,045	47,534
Additions	2,777,325	-
Change from sales/write-offs	-	-
Profit/(Loss) Ratio	656,949	-
Impairment / impairment reversal	-	-
Other changes	3,229,736	(33,489)
<b>Balance as at 31 December</b>	<b>6,678,056</b>	<b>14,045</b>

## NOTE 27: FEES OF THE INDEPENDENT CERTIFIED PUBLIC AUDITOR/ACCOUNTANT

Amounts in EUR	Group		Bank	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Fees for statutory audit of financial statements	83,576	84,692	49,600	49,600
Fees for other audit services	2,421	11,652	2,421	2,352
<b>Total</b>	<b>85,997</b>	<b>96,344</b>	<b>52,021</b>	<b>51,952</b>

The auditing company "APEX Auditors SA" was the statutory independent auditor for the fiscal year 2023, as well as for the previous fiscal year 2022. The above table shows the total remuneration for the audit and other professional services provided to the Bank and the Group by the above audit firm.

**NOTE 28: OTHER RESERVES**

Amounts in EUR	Group		Bank	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Legal reserve*	2,614,059	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*	255,546	375,488	49,008	124,175
<b>Total</b>	<b>4,540,130</b>	<b>4,660,072</b>	<b>4,333,592</b>	<b>4,408,759</b>

\* As restated

**NOTE 29: NET INCOME FROM NON-BANKING OPERATIONS**

Amounts in EUR	Group		Bank	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Rental of buildings	585,349	590,208	295,521	485,339
Safe-deposit box rentals	14,521	13,080	14,521	13,080
POS rentals	117,338	106,793	117,338	106,793
Grants for programs and NSRF program fees	36,773	-	36,773	-
Other income	324,270	297,189	52,937	4,416
Results from other non-banking operations	6,559,485	5,113,696	152,185	-
<b>Total</b>	<b>7,637,735</b>	<b>6,120,965</b>	<b>669,275</b>	<b>609,628</b>

The Group's "Results from other non-banking operations" for the fiscal year 2023 totalling around € 6,6 million (2022: € 5.1 million) mainly include the gross profit of the consolidated subsidiaries ABEA, BIOXYM and PRIME ENERGY.

**NOTE 30: INCOME TAX**

The burden of the income statement is taxed as follows:

Amounts in EUR	Group		Bank	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Current Tax	(700,111)	(455,704)	(73,579)	(126,000)
Deferred Tax revenue/(expense)	(430,554)	(3,516,136)	(568,910)	(3,034,430)
<b>Total</b>	<b>(1,130,666)</b>	<b>(3,971,840)</b>	<b>(642,489)</b>	<b>(3,160,430)</b>

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

Amounts in EUR	Group		Bank	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Difference in depreciation of fixed assets (tangible - intangible)	(258,424)	(150,740)	(159,331)	(80,391)
Result of the sale of Securities at fair value	-	(72,824)	-	(82,424)
Credit Risk Forecasting Loans	(94,149)	(2,214,026)	(93,697)	(2,214,026)
Reversal of interest income on loans	(3,002,324)	(909,076)	(3,002,324)	(909,076)
Credit risk provisions and other receivables	879,842	843,594	827,042	878,367
Real estate investment Valuation	(201,008)	(554,091)	(47,606)	(465,871)
Real Estate Inventory Valuation	-	62,738	-	1,325
Provision for staff compensation	45,212	19,020	42,973	21,979
Change of deferred tax claim from unpaid debit difference under Article 27 of Law 4172/13	(135,824)	(135,824)	(135,824)	(135,824)



Sale (contribution in kind) of Investment properties	1,631,518	-	1,125,592	-
Sale (in-kind contribution) of owner-occupied properties	836,525	-	836,525	-
Loss/(Profit) share from Subsidiaries	119,803	132,169	119,803	132,169
Loss/(Profit) share from Associates	(162,536)	7,368	-	-
Investment Securities Valuation	(12,200)	(371,710)	(84,155)	(145,732)
Change in Tax Rate	-	-	-	-
Impact from recognition of rights of use (based on IFRS 16)	1,349	1,364	2,283	1,364
Current Income Tax	(700,111)	(455,704)	(73,579)	(126,000)
Tax Identification Recognition	(84,694)	(75,900)	-	-
Other adjustments from temporary differences	6,355	(98,198)	(192)	(36,289)
<b>Income tax</b>	<b>(1,130,666)</b>	<b>(3,971,840)</b>	<b>(642,489)</b>	<b>(3,160,430)</b>

For the unaudited tax years of the Bank and the Group companies see Note 21b.

### NOTE 31: EVENTS AFTER THE BALANCE SHEET DATE

Events after the balance sheet date are as follows:

- 1) In April 2024, the Bank acquired from its subsidiary Kritika Akinita its stake in the REIC, increasing it from 60.62% (89.94% indirect Group stake) to 100%.
- 2) At the beginning of 2024, the Bank participated in the capital increase of BIOXYM, covering all the shares of the increase, namely by purchasing 800,000 shares, thus increasing its stake in this subsidiary from 91.45% to 95.25%. It should be noted that the subsidiary "BIOXYM" is, based on the decision 799/30.4.2024 of its Board of Directors, in the merger stage through the absorption of the subsidiary "ABEA", which is expected to be completed within 2024.
- 3) Finally, it should be pointed out that the Group is in the process of a merger through the absorption of the company CRETAN HOLDINGS S.A. by the Bank, in the context of effective management and divestment of the Group's less profitable subsidiaries. The merger is expected to be completed in 2024.

### Chania, 13 June 2024

Chairman of the BoD	Deputy Chairman of the BoD	Treasurer of the BoD	Manager of Financial Services
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