EUROBANK

Private Bank Luxembourg

Annual report 2023

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Introduction

Eurobank Private Bank Luxembourg is a wholly-owned subsidiary of the Eurobank Group SA, incorporated under Luxembourg law and supervised by the Commission de Surveillance du Secteur Financier in Luxembourg (CSSF) and the European Central Bank (ECB). The bank also has a branch in London, United Kingdom supervised by the Prudential Regulation Authority (PRA) and Financial Conduct Authoritiy (FCA) in the United Kingdom and a branch in Athens, Greece supervised by the Bank of Greece. Throughout 2023 our Bank's capital adequacy and liquidity buffers remained very high, with a Liquidity Coverage Ratio (LCR) of 384% (regulatory minimum of 100%) and a strong capital base, and an asset book of EUR 3.1 billion, as of the end of 2023. Our Bank's strong capital, ample liquidity and operational independence, combined with Luxembourg's AAA rating, provide our clients with the necessary peace of mind to pursue their Private Banking and Wealth Management goals. Whether through our headquarters in Luxembourg, our Branch in Athens or our London branch, our highly experienced and dedicated teams offer an array of exclusive services with transparency and discretion.

Luxembourg

Our bank in Luxembourg, with more than thirty years in operation, focuses on private banking and selected corporate banking services. Our comprehensive offering extends beyond traditional wealth management, toalternative investment strategies and financing of various types of assets, from securities to real estate and yachts. Recognising that our clients have diverse needs and aspirations, we take a highly personalised approach in developing individual solutions and fostering long lasting relationships of trust.

United Kingdom

Our London branch, acquired eight years ago, brings our offering to the center of global finance. Through our UK presence, we are addressing private clients with local and international banking needs, as well as companies with international activities. From residential and commercial property lending to wealth management mandates from our Luxembourg Head Office, our London clients enjoy the same high level of individual attention that our Bank has been known for over the years.

Overall, Luxembourg's ranking as Eurozone's top private banking hub and second biggest center for investment funds worldwide, combined with London's global reach, allow our clients to benefit from an ever expanding range of possibilities, while still enjoying the exclusive service that our Bank excels in.

Greece

In July 2023 our Bank established a branch in Athens. Through the branch, we will be able to service our clients locally, thereby enhancing our presence in the Greek market.

Through our Athens branch, our highly experienced and dedicated teams offer an array of exclusive services with transparency and discretion. With specialized products such as Investment Advisory, discretionary portfolio management, Lombard credit facilities and a wide range of markets and securities for execution, we can customize the clients' risk profile and level of personal involvement in managing their wealth.

Our Athens branch team are highly experienced and dedicated professionals who possess deep knowledge of International and the Greek markets and their unique dynamics. Their expertise, coupled with the global reach, resources and know-how of our global resources and the strategic partnership with the Eurobank Group, enables us to deliver exceptional financial services to a wide range of clients, including high net worth individuals, clients of the Eurobank Group, and the broader private banking community.

As of 1 July 2024

Board of Directors

Mr. François RIES
Chairman

Mr. Nikolaos KARAMOUZIS
Vice Chairman

Mr. Charalambos HAMBAKIS (until 24/06/2024)
Managing Director, CEO

Mr. Michalis ATHANASIOU (from 25/06/2024)
Managing Director, CEO

Mr. Michalis LOUIS
Director

Mr. Christos ADAM
Director

Mrs. Lorraine Sedgeswick SCARAMANGAS
Director

Mr. Nicholas John TESSEYMAN
Director

Mr. Théodore ECONOMOU
Director

Mr. Georgios KATSAROS
Director

Mrs. Christina MARGELOU
Director

Ms. Emer MURRAY
Director

Mrs. Helen FOTINEAS
Secretary to the Board

Authorised Management

Mr. Charalambos HAMBAKIS (until 24/06/2024)
Managing Director, CEO

Mr. Michalis ATHANASIOU
Managing Director, CEO (from 25/06/2024)

Mrs. Dimitra SPYROU
Chief Operating Officer

Mr. George CALLIGAS
Head of Global Markets

Executive Committee

The Authorised Management and

Mr. George HATZINIKOLIS
Chief Risk Officer

Mr. George CHANIOTIS
Chief Financial Officer

Mr. Christos LOGARIDIS
Head of Lending Business, Investment Advisory and Client Centralised Services

Mr. Pietro CORPI
Head of Private Banking Luxembourg and Funds Services Business Development

Mrs. Helen FOTINEAS
Secretary to the Executive Committee

Directors’ Report

Looking back at 2023, global markets defied expectations, experiencing a strong year with significant positive returns that propelled major indices to all-time highs within the first couple of months of 2024. However, a closer look reveals the year wasn’t without its challenges.

Geopolitical tensions took centre stage in 2023, with the ongoing conflict in Ukraine, Israel invading the Gaza strip after a surprise attack inside the country from Hamas, and attacks in the Red Sea causing temporary periods of risk aversion. However, as usual with past geographically contained events, markets recovered relatively quickly, and investors soon returned to a “business as usual” mentality.

Anxiety spiked with the collapse of SVB bank in March, sparking fears of broader financial contagion and leading to some of the biggest bond market moves in decades. The banking sector faced significant underperformance, and volatility spiked to levels last seen during the 2008 financial crisis. However, by June, markets had stabilized, and the VIX volatility index reached a post-pandemic low.

Additional concerns arose in Q2 as the US approached another debt ceiling deadline, causing market jitters reflected in wider credit spreads and higher yields on short-term Treasuries. However, a deal was eventually reached, preventing a default.

Another noteworthy development in 2023 was the emergence of powerful artificial intelligence models. Their surprising performance sparked a tech stock rally, spearheaded by Nvidia and the rest of the so called “magnificent 7” companies, further contributing to the overall market surge. Notably, the equal-weighted S&P 500, which doesn’t favour large-cap stocks, significantly underperformed, highlighting the market’s concentration in a few key players.

Inflation and the corresponding monetary policy responses remained a key focus throughout 2023 and continue to be relevant in early 2024. Despite market scepticism towards central banks’ claims of continued rate hikes, the year saw the US Fed raise target rates by 1% and the ECB raise deposit facility rates by 2%. While inflation remained a concern, it showed a downward trend, settling around 3% year-over-year on both sides of the Atlantic. Even though these levels remained too high for comfort, they indicated a path towards more sustainable inflation, potentially allowing central banks to consider rate cuts later in 2024.

The major surprise that provided risk assets with a tailwind during 2023 was the unexpected strength of the US economy within this highly restrictive economic environment.

Most market participants entered 2023 expecting a recession in the US that would pave the way for interest rate cuts. However, the US economy defied these predictions, demonstrating low unemployment and robust GDP growth. This unexpected resilience shifted the consensus view towards a “soft landing” scenario.

The economy of Luxembourg slowed down markedly in 2023, with GDP contracting in the second and third quarters. Overall, economic activity is estimated to have decreased by 0.8% in 2023, slightly more than expected in autumn, mainly affected by a contraction in financial services and in the construction sector. Private consumption, held up by lower inflation and government support measures, and public consumption, drove up domestic demand.

Luxembourg’s ratings reflect an exceptionally high-income per capita economy, with governance indicators above the median of ‘AAA’ rated sovereigns. Low levels of government indebtedness, sound fiscal buffers and a strong external balance sheet help outweigh the economy’s small size and inherent macroeconomic volatility. With tighter monetary policy, financial risks have risen in the real estate market and highly-indebted household sector, although the impact should be absorbed by strong fundamentals, which include a high level of domestic savings, resilient labour market, and well-capitalised banking sector.

Luxembourg in 2023 ranked the number one top country by GDP Per Capita in the World. Luxembourg is a key financial services center in Europe, Ireland is headquarters to many multinational corporations, and Norway is one of the largest energy exporters in the region, explaining their relative prosperity. Luxembourg was able to achieve such results thanks to a regulated financial sector and a tax system that attracts companies from other countries.

In 2023 Eurobank Private Bank Luxembourg focused on securing its operations from any risks related to the geopolitical and economic turmoil, tapping market opportunities, and organically growing its client base. Throughout 2023 our Bank’s capital adequacy and liquidity buffers remained very high, with Basel III solvency ratio at 21.54% and unencumbered liquidity buffers at EUR 0.88 bn, as of the end of 2023. The strong financial position of our Bank, its conservative risk posture, its operational independence and resilience, as well as its stable client base, are the basis for the Bank’s strong performance.

We are pleased to present our report for the year ending December 31, 2023.

2023 Economic Overview
Euro Area and UK Economic Overview:

Europe experienced a year of highs and lows in 2023. The continent wrestled with a sluggish economy throughout, with GDP growth in Eurozone reaching a mere 0.4% by year-end. This marked a sharp contrast to the robust 3.4% growth witnessed in 2022. High inflation remained the primary concern, forcing the European Central Bank to continue raising interest rates. By year-end, the terminal rate had reached 4%. This, coupled with looming fears of a recession, kept the overall sentiment subdued. In the UK, inflation remained significantly higher due to wage pressures and energy prices, prompting the Bank of England to raise rates beyond 5%.

Similar to the US, a shift in market narrative occurred around late-October. Central banks, including the ECB, adopted a more dovish stance, raising expectations of a “soft landing” for the economy. This newfound optimism fuelled a significant year-end rally in cross-asset markets. The STOXX 600 index surged by an impressive 16.6% by year-end, while the FTSE 100 index notched a more modest 7.7% annual return.

Key Financials

Review of financial statements 2023

Balance Sheet

The Bank’s total assets at year-end 2023 were higher (+9.53%) compared to 2022 and amounted to EUR 3 056.6 mn. In a further breakdown of the total assets, the Loans and advances to customers have increased by 0.96% to EUR 1 447.8 mn and the Loans to institutions have increased by 16.35% to EUR 1 218.6 mn. Bonds and other fixed-income transferable securities also increased by 26.98% from EUR 260.3 mn to EUR 330.4 mn. It should also be noted that customer deposits increased by 25% compared to 2022, from EUR 1 842.6 mn to EUR 2 304.3 mn. On the other hand, institutions deposits decreased by 39.5% from EUR 651.1 mn to EUR 393.6 mn mainly following the end of the TLTRO-III refinancing scheme (EUR 245 mn). The total capital base stands at EUR 271.9 mn (all Tier 1).

During 2023, the Company has not acquired any of its own shares and has not carried out any activities in the field of research and development.

Income Statement

The Bank’s net profit after taxation for the financial year 2023 increased compared to 2022 and amounted to EUR 33.6 mn. The main items contributing to this result are the Net Interest Income which has increased by 83.27%, from EUR 36.3 mn in 2022 to EUR 66.5 mn in 2023, the Net Commission income which has increased by 5.46% compared to 2022 and amounted to EUR 7.5 mn. The above increased core banking profitability was partially offset by the increase of the General Administrative Expenses by 19.26% from EUR 24.4 mn in 2022 to EUR 29.12 mn in 2023.

Distribution of Profits:

The Board of Directors proposes that the 2023 annual accounts are approved, and that the Total Net Profit available for distribution be appropriated as follows:

Profit for the financial year 31/12/2023	EUR	33 537 929
Profit brought forward	EUR	162 271 111
Interim Dividend	EUR	-
Total net profit available for distribution	EUR	195 809 040
Allocation to Legal Reserve	EUR	-
Allocation to Special Reserve	EUR	1 142 825
Dividend Distribution	EUR	10 000 000
Profit carried forward	EUR	184 666 215

Risk Management Overview

The Board of Directors considers Risk Management as an integral part of the Bank’s 3-lines-of defence Model that ensures sound and prudent business management, including the risks inherent in them:

The 1st Line of defence consists of all business units that perform daily operational activities and the support functions needed for the overall operations of the Bank.

The 2nd Line of defence comprises independent risk management and compliance functions / units that facilitate and monitor independently, the implementation of sound risk management throughout the Bank, based on the risk appetite of the Management Body. The 2nd Line of defence is independent of the 1st Line of Defence business and supports activities affected by the policies they develop and oversee.

The 3rd Line of defence consists of the Internal Audit Function that makes an independent, objective and critical assessment of the first two lines of defence and of the internal governance arrangements as a whole.

The aim is to ensure that all risks assumed in the context of the Bank's business are recognised in an appropriate timeframe and are properly managed. This is achieved by fully integrating risk management into daily business activities, developing our business consistently with defined risk appetite, allowing us to achieve sustained growth in a controlled environment.

The main business lines of the bank are the following: Private Banking, Investment Advisory, Fund Services, Banking (Deposits, Corporate Loans and Shipping Loans), and Global Markets. Our Bank continuously identifies the risks inherent in its operations and has adopted processes for how they are to be managed.

The risk process also provides a clear description of the Bank's risk profile, which serves as the basis for the internal capital and liquidity adequacy assessment process. These processes, in turn, are an evaluation based on capital and liquidity needed to support the Bank's overall risk level and business strategy. The aim is to ensure efficient use of capital and liquidity, and at the same time ensure that the Bank, even in adverse market conditions, will meet the minimum regulatory capital and liquidity requirements.

The Bank's risk appetite is determined by the Board of Directors which aims for a balance between risk/return and capital. A structured set of policies and procedures supports the Bank's Risk Appetite Statement, which guides the risk and business positioning of the Bank. These statements applied in 2023, and guided the risk and business positioning of the Bank.

The Bank has adopted a Risk Management Framework that complies with the provisions of Circular CSSF 12/552, as amended by Circular 22/807, on "Central administration, internal governance and risk management".

The Bank is a fully owned subsidiary of Eurobank S.A. Athens, Greece (hereafter, the Group or Eurobank Group) and to that effect all specific Risk Policies must abide by local regulations, be approved by the Board of Directors, but also be compliant with Group Policies. As such, and in order to assist the Board of Directors in approving the Bank's risk-taking and associated capital assessment, the Risk Management, Capital Management and Liquidity Risk Management Policies, as well as the credit approval limits and acceptable collateral, must first be ratified by the Group and then endorsed by the Board Risk Committee and approved by the Board of Directors.

The degree of control and influence exercised by the Group is effective in identifying and mitigating risks, as there are regular controls of all of the Bank's activities (including Risk Management, Compliance, Finance, Investment Strategy and Products). Group standards are implemented and used in all of the activities (including products and services) of the Bank.

The system for measurement of risks is an essential part of risk management. Market risks are quantified by using Value-at-Risk (VaR) complemented by various types of sensitivity measures. Credit risks are quantified through the internal rating system in combination with assessments based on local competence. Liquidity risks are monitored on a daily basis by conducting stress tests on the possibility of significant liquidity outflows and the existence of adequate unencumbered liquid assets to service these. Moreover, the Bank calculates on a monthly basis, and abides with, the regulatory Liquidity Coverage Ratio. As all risks, operational risks are evaluated on the basis of the likelihood that an event will occur, as well as the financial consequence of such an event. The Board of Directors approves on a yearly basis the Internal Capital and Liquidity Adequacy Assessment Processes (ICAAP and ILAAP) of the Bank, which incorporate, among other, analysis, evaluation and stress testing of the aforementioned risks, so as to ensure the continuous maintenance of adequate Capital and Liquidity.

The Risk Management of the Bank is the responsibility of the Chief Risk Officer (CRO), who is supported by a dedicated risk management team. The Risk Management Department reports to the CRO. The CRO reports functionally to the Board Risk Committee and administratively to the Chief Executive Officer and has direct access to the Chairman of the Board Risk Committee whenever the CRO deems necessary. In addition, the CRO reports to the Group Chief Risk Officer.

The remuneration of the Department's staff is not linked to the performance of the activities monitored and controlled. The Bank's risk management function covers the measures for early identification of risk, risk control and risk monitoring with regards to banking risks.

The Bank has in place a contingency plan, where all strategies and actions are in place in order to be able to respond to any extreme adverse scenario coming from a financial turmoil.

Economic Outlook for 2024

Greece's economic recovery gains further traction, with positive indicators continuing to emerge. After navigating through a challenging decade of restructuring, the nation is now witnessing a robust resurgence. Through extending debt maturity and securing low rates for the next 40 years, Greece is reaping the rewards of tough reforms. Its financial management has attracted significant Foreign Direct Investments (FDIs) and keeps boasting a well-established investment program funded by the Recovery and Resilience Facility (RRF). Fuelled by a strong tourism sector and increasing FDIs, Greece has emerged as a standout performer within the EU, poised to sustain its above-average growth trajectory in the coming years, driven by anticipated increases in investments.

The Bank of Greece projects a growth rate of 2.3% for Greece in 2024, well surpassing the Eurozone average. Private consumption and investment will continue to be key drivers of growth, while the contribution of the external sector will be marginally negative, as strong investment activity will significantly increase imports. Despite global uncertainties, the tourism sector is showing promising signs for the year ahead. Fiscal policy forecasts indicate a primary surplus of 2.1% of GDP in 2024, attributed to anticipated rises in tax revenues and income from insurance contributions resulting from robust economic growth. Public debt is also expected to decrease, albeit at a slower pace, reaching 152% of GDP in 2024, with a nominal decrease anticipated for the first time since 2019.

However, while acknowledging these positive developments, it's essential to recognize the ongoing challenges. Sustainable long-term growth hinges on implementing structural reforms aimed at streamlining business regulations, enhancing workforce skills, and expediting legal processes. By remaining committed to this reform agenda, Greece stands well in its way to solidifying its economic recovery and chart a path toward sustainable and inclusive growth.

Buoyed by pro-market reforms and international recognition, the Greek stock market has seen a significant upswing, reflecting a surge in market confidence. However, recent fluctuations, suggest that while the market's medium-term outlook remains strong, its growth might not match the stellar performance of the past few years.

The **United Kingdom's** economic picture is turning around. Fears of recession are fading, replaced by cautious optimism. Inflation is expected to drop significantly during the year, as global supply chain shocks and big jumps in energy and food prices work their way out of the system. Tax cuts and a minimum wage increase are on the way according to the government, bolstering consumer sentiment. That said, there will also be ongoing challenges that need to be acknowledged. Markets are currently expecting interest rate cuts coming in 2024, but at a slower pace than initially anticipated. While the country is likely to avoid a recession, growth won't be stellar. It'll be primarily fuelled by wage increases, modest government spending hikes, and continued business investment.

On the **Luxembourg** front, the economic activity is projected to recover in 2024, with GDP growth forecast at 1.3%. Private consumption is expected to be supported by receding inflationary pressures, rising wages, reduced personal income tax, the impact of the government's support package *Solidaritéitspak 3.0* and a moderate easing of financing conditions over the forecast horizon. In addition, consumers' confidence improved in the latest survey. Investment is expected to remain at relatively low levels as a result of the projected decline in activity in the construction sector, as also indicated by business surveys.

For the year 2024 and 2025, one round of wage indexation is projected. Overall, Harmonised Index of Consumer Prices (HICP) inflation is estimated at 2.6% in 2024 and 2.3% in 2025. Compared to autumn, this is revised down for 2024 but up for 2025. Inflation excluding energy and food is forecast to gradually decrease from its peak in 2023, albeit remaining above HICP inflation.

The Bank’s Corporate Governance Arrangements

The corporate governance of our Bank ensures that we operate with credibility and in a responsible, just and transparent manner. Our governance bodies and practices comply with the strictest requirements of the Luxembourg, European Union and the European legislative and regulatory framework. We safeguard the legal interests of anyone connected with our Bank: our shareholders, customers and human resources.

Board of Directors Composition and Independence

The Bank’s Board of Directors (BoD) operate guided by our vision, our values and the standards we adopt. It is collectively responsible for the long-term success of our Bank.

It is currently comprised of 11 members: 1 Executive Director, 6 Non-Executive Directors and 4 Independent Non-Executive Directors. The composition of the BoD in terms of independent, non-independent and executive directors is considered satisfactory and consistent with regulatory international best and has an appropriate mix of international directors that complements strong governance experience and competencies .

The Bank has in place four specialised committees, Chaired by Independent Non-Executive Directors: 1) Risk Committee, 2) Audit Committee 3) Remuneration Committee and 4) Nomination and Corporate Governance Committee.

The Bank is committed to cultivating and fostering an inclusive culture with practices and policies that support business ethics and our ESG strategy, and enhance our social responsibility commitment.

Finally, our Diversity, Equity and Inclusion Policy outlines our corporate values, principles and commitments that support a diverse, equitable and inclusive work environment, where everyone can have the opportunity to flourish.

Environmental, Social and Governance (ESG)

We invest in sustainable development and consistently design our actions to improve our impact on environmental sustainability, social responsibility and corporate governance.

Our ESG vision

We recognise the need to become a more sustainable bank at our core, to be resilient to future environmental and social shifts and to deliver enhanced social value. We strive to meet standards and conditions that ensure we operate as a responsible business, especially in terms of acting as a responsible employer, giving back to our communities and delivering long-term sustainable performance.

Through our strong governance framework, and the new systems and processes we build, we envisage being able to improve our impact. That is, to make a meaningful contribution to society, champion enterprise and help minimise our impact on climate change. More information can be found on the Eurobank Group website Our ESG Strategy | Eurobank and the Bank’s website Investment Services (eurobankpb.lu).

Business Outlook 2024

1. Eurobank Group

The Eurobank Group is a universal banking group offering services and products across all activities: Household lending, Business Lending, Transactional Banking and Payments, Global Markets and Investment Banking, Wealth Management and Bancassurance.

With a balance sheet of €80bn, Eurobank Group has a diversified business model, which includes Greek banking operations, Real estate Investment property operations and presence outside Greece in Bulgaria, Cyprus, and Luxembourg. Eurobank Group’s vision is to be the leading bank in creating prosperity for its customers, employees, shareholders and society by offering pioneering solutions in the communities we serve.

Eurobank aims to capitalize on the Greek growth cycle through its strong franchise, driven by all business units. With the acquisitions of Hellenic Bank in Cyprus and BNP in Bulgaria, Eurobank is becoming a bank with even more diversified sources of income, enhancing its systemic presence in a region of high growth. Eurobank Private Bank Luxembourg remains the centre of Wealth Management & Private Banking services of Eurobank Group.

2. The Bank

Luxembourg is the premier private banking centre in the Eurozone and the second largest fund centre in the world. The success of the financial centre is founded on the social and political stability of the Grand Duchy, its AAA rating, and a modern legal and regulatory framework that is continuously updated, through regular consultation among the government, the legislator and the private sector. The centre's multilingual and multicultural specialist teams have a long tradition of financial expertise and extensive knowledge of the needs of international clients. Furthermore, the country's broader financial sector operates under a strong culture of investor protection and rigorous anti money-laundering policies. These strengths, combined with Luxembourg's openness to the world and strategic location, have attracted international banks, insurance companies, investment fund promoters and specialist service providers. As the post-Brexit reality for financial services continues to evolve, Luxembourg's role in the global financial industry, especially as it relates to accessing the EU economy and markets, is growing further.

In this context, Eurobank Private Bank Luxembourg S.A. acts as the centre of Eurobank Group wealth management and private banking activities. In addition, through its presence in London and Athens, the Bank can better service the Greek and UK markets.

Overall, our Bank is entering 2024 in a resilient position. In particular:

We are an autonomous organization incorporated under Luxembourg law and regulated by the European Central Bank (ECB) and the Commission de Surveillance du Secteur Financier (CSSF), armoured with an exceptionally strong capital position, ample excess liquidity, and a self-sufficient operating model.

Through our experienced bankers, expert teams and robust infrastructure, we offer a comprehensive and up-to-date range of products and services in Private Banking, Wealth Structuring and Management, and Funds Administration, as well as selected Corporate Banking services. Only a few years away from our 40-year history, we have remained committed to our client-centric model, mastering how to convert our offering to tailored solutions that create strong value for our clients and trust in our Bank.

Our Eurobank Group affiliation boosts client access and market insight, particularly in the markets where the Group has a strong presence.

Our presence in Luxembourg and London, two key global financial hubs, offers our clients vast opportunities.

Our London Branch, approved as a Third Country branch in September 2023, will continue to act as a center-pillar in servicing the UK business needs of clientele from Eurobank Group's subsidiaries, of UK-based Greeks and Cypriots and of the shipping community.

Through our Athens Branch, established in July 2023, we are able to service our clients locally, thereby enhancing our presence in the Greek market.

Finally, the extensive upgrade cycle of the Bank's systems and technology landscape, is already underway. This substantial investment and related transformation, will significantly enhance the Bank's strategic position in terms of operational efficiency, digital channels and services, and superior overall client experience.

The Bank is set to enhance its business in 2024, leveraging on its strengths: its premium and client oriented offering, and its robust and risk-averse business model.

(i) We intend to continue to grow our client base and funds under management through our Private Banking and Fund Services platforms, leveraging our exclusive client service and innovative offering, our broad geographical footprint, and our expanding relationship and referral networks. Our Group's strong commitment to Private Banking and Asset Management will remain an additional strategic advantage in this effort.

(ii) We will further develop our Investment advisory and structuring services with new and innovative products and services, ensuring transparency and flexibility to our clients, through our open architecture approach to investing.

(iii Lending will also remain a key pillar of growth, where bespoke investment portfolio and real estate loans, as well as selected shipping loans will deepen our client relationships and increase and diversify our assets profitability. As in past years, conservative lending standards will guide this activity, as per the detailed metrics set in our Risk Policy, and our insights from our (and our Group's) local presence in various markets.

(iv) We remain dedicated to our strategic bank-wide transformation project transitioning to a new state-of-the art core banking system, alongside advanced multi-channel technology. Simultaneously, we will continue delivering targeted enhancements to our current systems and platforms to ensure superior client service and operational efficiency.

(v) We will uphold our robust record of regulatory compliance, transparency towards our clients, and commitment to the highest ethical standards. Additionally, both our investment offerings and lending will increasingly prioritize sectors compliant with Environmental, Social, and Governance (ESG) criteria.

On behalf of the Board of Directors, we extend our heartfelt appreciation to our clients for their loyalty to the Bank. We also express our gratitude to the management and staff for their enthusiasm, consistency, and dedication.

25 April 2024

François Ries
Chairman

Charalambos Hambakis
Chief Executive Officer

Report on the audit of the annual accounts

Opinion

We have audited the annual accounts of Eurobank Private Bank Luxembourg S.A. (the “Bank”), which comprise the balance sheet as at 31 December 2023, and the profit and loss account for the year then ended, and notes to the annual accounts, including a summary of significant accounting policies.

In our opinion, the accompanying annual accounts give a true and fair view of the financial position of the Bank as at 31 December 2023 and of the results of its operations for the year then endedin accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

Basis for opinion

We conducted our audit in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 on the audit profession (“Law of 23 July 2016”) and with International Standards on Auditing (“ISAs”) as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier (“CSSF”). Our responsibilities under the EU Regulation N° 537/2014, the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the «Responsibilities of “réviseur d’entreprises agréé” for the audit of the annual accounts» section of our report. We are also independent of the Bank in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (“IESBA Code”) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the annual accounts, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts of the current period. These matters were addressed in the context of the audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of loans and advances to customers (value adjustment process)

Description

Loans and advances to customers are one of the significant items on the Bank’s balance sheet representing 47% of total assets. The Bank’s customer lending operations primarily consist of corporate loans that are focused on companies, which are already customers of the Eurobank Group and loans to Private Banking clients which are granted internationally and supported by mortgages and/or financial securities. 40% of loans to customers is guaranteed, in total or partially, by Letter of Guarantee (LG) and/or Pledge on Funding (PF) by Eurobank Ergasias Services and Holdings S.A. (the “Parent Bank”) and its subsidiaries, 60% of the Bank’s loan portfolio is therefore retained at the Bank’s own credit risk.

The majority of the Bank’s borrowers are exposed to the Greek and UK specific sector conditions including shipping industry considerations. Adverse market conditions in those aforementioned countries as well as in the shipping sector may substantially worsen the quality of credit and in particular those not covered by LG or PF.

The identification of an impairment event and the determination of specific valuation allowances involve estimation uncertainty and discretionary power resulting from the borrower’s financial position and performance, as well as from the valuation of collateral and the amount and timing of expected future payments.

For this reason, we identified the determination of impairment on loans to corporate customers and institutional clients as a particularly significant topic in the Bank’s annual accounts.

The Bank's disclosures on the accounting policy for value adjustments in respect of loans and advances are provided in Note 2.3 within the notes to the annual accounts.

How our audit addressed the area of focus

Our audit approach included audit procedures relating to the Bank's internal control system for identifying and quantifying a need for value adjustment, as well as substantive audit procedures on impaired and unimpaired loans and advances to customers.

Our audit procedures relating to the Bank's internal control system focused on key controls within the framework of the credit approval and credit monitoring process, as well as the identification of impaired assets and the determination of the necessary value adjustment requirements, which were tested for their design, implementation and effectiveness.

Regarding substantive testing, the following audit procedures were performed:

- For loans guaranteed in total or partially, by LG and/or PF by the parent Bank and its subsidiaries, obtaining evidence on the existence and accuracy of respective collaterals (e.g. pledged funding, letter of guarantees, etc.) provided by the Parent Bank and assessing the creditworthiness of the Parent Bank to honour its commitments towards the Bank.
- Credit risk assessment for a sample of own credit risk loan portfolio, reviewing the clients' files, the late payment reports, the relevant agreements, and independent valuations of the underlying collaterals.
- Assessing the impairment allowances for all individually impaired loans and advances.
- Considering the adequacy of disclosures in the annual accounts of the Bank with reference to the requirements of the prevailing accounting standards.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information stated in the annual report including the Directors' report but does not include the annual accounts and our report of the "réviseur d'entreprises agréé" thereon.

Our opinion on the annual accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the annual accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and Those Charged with Governance for the annual accounts

The Board of Directors is responsible for the preparation and fair presentation of the annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts, and for such internal control as the Board of Directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the Board of Directors is responsible for assessing the Bank'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 the Board of Directors either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the réviseur d'entreprises agréé for the audit of the annual accounts

The objectives of our audit are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF 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 annual accounts.

As part of an audit in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide 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's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in theannual accounts 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 report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual accounts of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter.

Report on other legal and regulatory requirements

We have been appointed as "réviseur d'entreprises agréé" by the Shareholders on 16 May 2023 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is six years.

The Directors' report is consistent with the annual accounts and has been prepared in accordance with applicable legal requirements.

We confirm that the prohibited non-audit services referred to in the EU Regulation N° 537/2014 were not provided and that we remained independent of the Bank in conducting the audit.

Luxembourg, 25 April 2024

KPMG Audit S.à r.l.

Cabinet de révision agréé

M. Weber
Partner

Balance sheet as at December 31, 2023

(expressed in euro)

ASSETS	Note(s)	2023 EUR	2022 EUR
Cash in hand, balances with central banks and post office banks	3.2, 4	640.658.784	629.904.013
Loans and advances to credit institutions			
- repayable on demand	2.3, 3.2, 6	94.787.961	28.430.583
- other loans and advances	2.3, 3.2, 5.3, 6	483.211.546	389.001.575
		577.999.507	**417.432.158**
Loans and advances to customers	2.3, 3.2, 5.3, 6	1.447.888.192	1.434.094.717
Bonds and other fixed-income transferable securities:			
- issued by public bodies	2.4, 3.2, 5.1,7	105.788.138	77.419.128
- issued by other borrowers	2.4, 3.2, 5.1,7	224.686.068	182.829.170
		330.474.206	**260.248.298**
Participating interests	2.5, 3.2, 5.2, 7	4.958	4.958
Shares in affiliated undertakings	2.5, 3.2, 5.2, 7	8.741.739	8.741.739
Intangible assets	2.7, 7	9.982.053	9.642.266
Tangible assets	2.7, 7	1.353.208	1.596.559
Other assets	6	88.937	45.839
Prepayments and accrued income	6	39.479.893	28.895.415
Total assets		**3.056.671.477**	**2.790.605.962**

The accompanying notes form an integral part of these annual accounts.

LIABILITIES	Note(s)	2023 EUR	2022 EUR
Amounts owed to credit institutions:			
- repayable on demand	3.2, 6	635.933	1.065.827
- with agreed maturity dates or periods of notice	3.2, 4, 6	393.000.839	650.130.353
		393.636.772	**651.196.180**
Amounts owed to customers:			
- other debts			
• repayable on demand	3.2, 6	581.379.608	1.012.695.770
• with agreed maturity dates or periods of notice	3.2, 6	1.722.986.718	829.894.315
		2.304.366.326	**1.842.590.085**
Other liabilities	6	1.547.328	1.797.649
Accruals and deferred income	6	22.234.183	4.872.078
Provisions:			
- provisions for taxation	13.9	21.945.037	13.714.183
- other provisions	2.9	7.467.861	4.499.746
		29.412.898	**18.213.929**
Subscribed capital	8, 10	70.000.000	70.000.000
Reserves	9, 10	39.664.930	40.231.784
Profit brought forward	10	162.271.111	148.145.863
Profit for the financial year		33.537.929	13.558.394
Total liabilities		**3.056.671.477**	**2.790.605.962**

The accompanying notes form an integral part of these annual accounts.

Off balance sheet as at December 31, 2023

	Note(s)	2023 EUR	2022 EUR
Contingent Liabilities	**12.1**	**40.103.349**	**26.645.964**
of which:			
- guarantees and assets pledged as collateral security		40.103.349	26.645.964
Commitments	**12.2**	**508.031.372**	**535.638.195**
of which:			
- commitments arising from sale and repurchase transactions		301.116.341	281.428.917
Fiduciary Transactions	**12.2**	**7.202.896**	**324.785.248**

The accompanying notes form an integral part of these annual accounts.

Profit and **loss** account
for the year ended December 31, 2023

	Note(s)	2023 EUR	2022 EUR
Interest receivable and similar income	13.1, 13.2	139.782.723	52.255.898
of which:			
arising from fixed-income transferable securities		10.676.734	3.632.578
Interest payable and similar charges	13,3	(73.329.910)	(15.997.418)
Commissions receivable	13.1, 13.4	13.516.057	13.398.649
Commissions payable	13.5	(6.004.275)	(6.276.307)
Net profit on financial operations	13.6	969.438	709.627
Other operating income	13.7	428.676	318.935
General administrative expenses			
- staff costs	15	(16.202.062)	(13.085.942)
of which:			
• wages and salaries		(13.517.050)	(10.719.579)
• social security costs		(2.070.921)	(1.782.271)
of which: pension costs		(1.288.233)	(1.288.233)
- other administrative expenses		(12.915.844)	(11.330.581)
Value adjustments in respect of intangible and tangible assets	7	(1.181.118)	(1.269.834)
Other operating charges	13.8	(930.749)	(456.022)
Value adjustments in respect of financial assets and of investments held as current assets	5,1	334.950	(372.540)
Value adjustments in respect of loans and advances and provisions for contingent liabilities and commitments		(1.181)	(15.007)
Value re-adjustments in respect of loans and advances and provisions for contingent liabilities and commitments		(25.308)	19.211
Tax on profit on ordinary activities	13.9, 13.10	(10.903.468)	(4.340.275)
Profit on ordinary activities after tax		***33.537.929***	***13.558.394***
Profit for the financial year		**33.537.929**	**13.558.394**

The accompanying notes form an integral part of these annual accounts.

Notes
to the annual accounts

Note 1
General

Eurobank Private Bank Luxembourg S.A. (the “Bank”) was incorporated in Luxembourg on August 26, 1986, as a “Société Anonyme” under the name of Banque de Dépôts (Luxembourg) S.A. On September 18, 2012 following a rebranding project of the Group, the Bank was renamed Eurobank Private Bank Luxembourg S.A. which is the name it holds until today. The Bank is engaged in the business of providing private banking, investment and advisory services for corporate and private clients as well as administrative and custody services for investment funds. The Bank is active in the money markets, deposit taking and lending and engages in spot and forward foreign exchange business as well as undertaking transactions in securities and off balance sheet instruments, both for its own account and on behalf of customers.

At the beginning of June 2015, the Bank acquired the former Eurobank Ergasias S.A. London Branch in the United Kingdom, Eurobank Private Bank Luxembourg - London Branch (“Eurobank London”). Eurobank London provides an array of services to companies with international activities, especially in Central and South-Eastern Europe and to individual clients with local and international banking needs. Furthermore, Eurobank London serves as an extension of the Bank’s Private Banking platform to London based clients.

Eurobank Private Bank Luxembourg S.A. is included in the consolidated financial statements of Eurobank Ergasias Services and Holdings S.A., whose registered office is in Athens (8 Othonos Street, 10557 Athens, Greece) where the consolidated financial statements are available.

In July 2023 the Bank established a Branch in Athens, Eurobank Private Bank Luxembourg SA, Athens Branch (“Eurobank Athens”). Through our Athens Branch, the Bank is able to service its clients locally, thereby enhancing its presence in the Greek market.

Eurobank Ergasias Services and Holdings S.A. prepares the consolidated financial statements for the largest body of undertakings of which the Bank forms part as a subsidiary undertaking.

Note 2
Summary of significant accounting policies

2.1 Basis of presentation

These annual accounts have been prepared in conformity with accounting principles generally accepted in the banking sector in the Grand Duchy of Luxembourg. The accounting policies and the principles of valuation are determined and applied by the Board of Directors, except those which are defined by Luxembourg law and regulations.

On the basis of the criteria set out by the Luxembourg law, the Bank is exempted from preparing consolidated annual accounts. In accordance with the amended law of June 17, 1992, the present annual accounts are consequently prepared on an unconsolidated basis for approval by the Annual General Meeting of Shareholders.

2.2 Foreign currencies

The Bank has adopted a multicurrency accounting system, as a result of which assets and liabilities are recorded in the currencies in which they have occurred. For the preparation of the annual accounts, amounts in foreign currencies are translated into euro (EUR) on the following basis:

2.2.1 Spot transactions

Assets and liabilities in foreign currencies (apart from fixed assets) are translated into euro at exchange rates applicable at the balance sheet date.

Income, charges and purchases of fixed assets are recorded in the currency in which they are collected or disbursed and are translated into euro at rates approximating those ruling at the time of the transaction.

Exchange gains and losses arising from the Bank’s net open currency spot position are taken to the profit and loss account in the caption ‘Net profit on financial operations’ in the current year.

Unsettled spot foreign exchange transactions are translated into euro at the spot rate of exchange prevailing on the balance sheet date.

Foreign exchange gains and losses resulting from spot transactions hedged by forward transactions are neutralised through “prepayments and accrued income” and “accruals and deferred income” accounts. Premiums or discounts arising due to the difference between spot and forward exchange rates are amortised in the profit and loss account on a pro-rata basis.

2.2.2 Forward transactions

Unsettled forward exchange transactions are translated into euro at the forward rate prevailing on the balance sheet date for the remaining maturity.

Unrealised exchange losses on un-hedged forward exchange contracts are recognised in the profit and loss account, in the caption 'Net profit on financial operations', at the forward rate prevailing on the balance sheet date for the remaining term of the contract. Unrealised exchange gains on forward exchange contracts are not included, and are only recognised in the caption 'Net profit on financial operations', when ultimately realised, except when such contracts form an economic unit with offsetting foreign exchange transactions.

2.2.3 Swap transactions

Interest income and expense generated from currency swap transactions are accrued on a straight-line basis over the period of the swap contract and are included in interest receivable or payable in the profit and loss account, as appropriate.

2.3 Loans and advances

Loans and advances are stated at disbursement value less repayment made and any value adjustments required. Accrued interest is recorded in the balance sheet caption "Prepayments and accrued income".

The policy of the Bank is to establish specific value adjustments for doubtful debts in accordance with the circumstances and for amounts specified by the Board of Directors. These value adjustments are deducted from the appropriate asset account balances. These values adjustments are not continued if the reasons, for which they were made, have ceased to apply.

2.4 Valuation of bonds and other fixed income transferable securities

The Bank has divided its portfolio of bonds and other fixed-income transferable securities into three categories for valuation purposes:

2.4.1 Investment portfolio of financial fixed assets

This portfolio comprises bonds and other fixed-income transferable securities, which are intended to be held on a continuing basis in the normal course of the Bank's activities.

Principle of valuation at acquisition cost

Bonds and other fixed-income transferable securities are recorded at historical acquisition cost. The acquisition cost includes the costs to purchase the asset.

A value adjustment is made where the market value at the balance sheet date is lower than the acquisition cost and when the Board of Directors considers the depreciation to be permanent.

The premium/discount resulting from the acquisition of bonds and other fixed-income transferable securities having the characteristics of financial fixed assets at a price more/less than the amount repayable at maturity, is amortised against profit and loss account, in the caption 'Interest receivable and similar income arising from fixed-income transferable securities', on a straight line basis over the period remaining until final repayment.

2.4.2 Trading portfolio

This portfolio comprises bonds and other fixed-income transferable securities purchased with the intention of selling them in the short term. These securities are traded on a market whose liquidity can be assumed to be certain and their market price is at all times available to third parties. These securities are valued at the lower of their acquisition cost and their market value.

During the year, the Bank did not hold any trading portfolio.

2.4.3 Structural portfolio

This portfolio comprises bonds and other fixed-income transferable securities and asset swaps purchased for their investment return or yield or held to establish a particular asset structure or a secondary source of liquidity. It also includes bonds and other fixed-income transferable securities not contained in the other two categories.

Securities in this portfolio are valued at the lower of their amortised acquisition cost and their market value. The value adjustment is recorded in the profit and loss account in Value adjustments in respect of financial assets and of investments held as current assets respectively.

Premiums / discounts included in the acquisition cost and resulting from the purchase of bonds and other fixed-income transferable securities included in this portfolio at a price exceeding / lower than the amount repayable at maturity are amortised in the profit and loss account on a straight line basis over the period remaining until final repayment.

Asset swaps held in this portfolio are packaged deals made of a bond or other fixed-income transferable security and an interest rate swap, swapping the respective interest rates (floating/fixed) received and paid. Consequently, asset swaps held in the structural portfolio are booked at their par and subsequently measured at the lower of cost or Market value.

2.5 Valuation of variable yield transferable securities

Companies in which the Bank directly and indirectly exercises a significant influence are considered to be affiliated undertakings. Participating interests comprise rights in the capital of other undertakings, the purpose of which is to contribute to the activity of the company through a durable link.

Participating interests and shares in affiliated undertakings are recorded in the balance sheet at their acquisition cost in their original currency. The acquisition cost includes the costs to purchase the assets.

By nature, participating interests belong to the investment portfolio of financial fixed assets. As at December 31, 2023, shares in affiliated undertakings also belong to the investment portfolio.

A value adjustment is made if the Board of Directors considers that a permanent impairment exists in their carrying value at the balance sheet date.

2.6 Sale and repurchase agreements

In case of sale and repurchase agreements, the assets transferred are clients' assets and therefore are shown in the off balance sheet position of the Bank.

2.7 Intangible and tangible fixed assets

Fixed assets other than financial fixed assets are valued at historical acquisition cost. The acquisition cost includes the costs to purchase the assets. The acquisition cost of intangible and tangible assets, of which the use is limited in time, are depreciated on a straight-line basis over the estimated useful life or at the rates specified in notes 2.7.1 and 2.7.2.

In case of permanent reduction in value, intangible and tangible assets are subject to value adjustments, regardless of whether their useful life is limited. The valuation at the inferior value is not maintained if the reasons for which the value adjustments were made no longer exist.

2.7.1 Intangible assets

The core banking system is amortized on a straight line basis over 10 years whereas the remaining intangible assets over 4 years.

During 2020, the Group initiated the "Salamis Project", which comprises the implementation of a new core system and overall IT architecture landscape, in more than one country. This implementation in ERB LUX will allow the Bank to proceed with its growth business plan:

- Reducing operating risks: automations, control mechanisms, etc.
- Increasing efficiencies and freeing FTE capacity for business development
- Standardized, high quality service
- State of the art digital offering

The external costs related to this project as well as the Bank's internal efforts are capitalized during the implementation period and will be amortized over the useful life when the asset is ready for use.

2.7.2 Tangible assets

Tangible assets are used by the Bank for its own operations. Tangible assets are valued at cost less depreciation to date. Depreciation is calculated on a straight-line basis over the life of the assets concerned. The rates used for this purpose are:

	2023 %	2022 %
Furniture	18	18
Machinery and equipment	25	25
Vehicles	20	20
Hardware and software	25	25
Premises fixtures	10	10
Core banking system	10	10

Premises fixtures in leased offices are amortized over the lower of their useful life or the remaining lease period.

2.8 Derivative instruments

2.8.1 Interest rate swaps

Interest on interest rate swaps is included in the balance sheet captions "prepayments and accrued income" and "accruals and deferred income". It is credited or charged to interest receivable or payable in the profit and loss account.

Interest rate swaps, which are not held for hedging purposes, are marked-to-market. Provisions are made for unrealised valuation losses whereas unrealised valuation gains are not taken into account until maturity. Interest rate swaps entered into for hedging purposes are subject to the principle of symmetry with the hedged item. Hedging inefficiencies are recognised in profit or loss when they result in a net unrealised loss. They are ignored when they result in a net unrealised gain.

2.8.2 Forward exchange transactions

Valuation rules for forward exchange contracts are explained in note 2.2.2.

2.8.3 Options

For the options traded over the counter and unallocated to given assets or liabilities, the premiums received or paid appear on the balance sheet until the exercise or the expiration date of the option, if the option is not exercised before that date. Commitments on written options are booked off-balance sheet.

Options not used for hedging purposes are marked-to-market. The unrealised losses are booked in the profit and loss account whereas unrealised gains are ignored.

Option contracts entered into for hedging of a balance sheet item (asset or liability) are booked as follows: unrealised result on the premiums is accounted for in the profit or loss account in "Net profit or net loss on financial operations". Unrealised results arising from the revaluation of the hedged item (asset or liability) is accounted for in the profit or loss in "Net profit or net loss on financial operations". These bookings are presented net in profit or loss.

Option contracts traded on a regulated market and entered into for the purpose of hedging identical reverse options also traded on a regulated market are booked as follows: as the position on these instruments is closed, the result arising from premiums received and paid is accounted for in the profit and loss account. These bookings are presented net in profit or loss.

2.9 Lump sum provision

A general reserve for potential risks arising from on-balance sheet and off-balance sheet items has been booked. This tax-deductible provision is deducted from the corresponding assets. The lump sum provision calculated on off balance sheet items is booked under line "Provision: other provisions".

Note 3
Analysis of financial instruments

3.1 Strategy in using financial instruments

The Bank's treasury activities are primarily related to the use of financial instruments including derivatives. Since the end of the year 2012 all treasury activities of the Bank are carried out internally in Luxembourg.

Asset/Liability Management of the Bank is taking into account other banking activities including private banking client accounts, investment funds and inter-bank activity mainly with Eurobank Ergasias Services and Holdings S.A.

The Bank aims to use funds from customer operations, investment funds operations and other market deposits that have been raised at fixed and floating rates and for various periods seeking to earn profitable margins by investing these funds in high quality assets. Such operations are only executed following the limits, as well as defined products determined with the approval of the Board of Directors. Limits are currently set in such a way that restricts the Treasury and Foreign Exchange department of the Bank from taking large exposures and/or holding a Trading Book.

Related issues and decisions are taken by the Asset and Liability Committee (ALCO) of the Bank.

The monitoring of limits is carried out by the Risk department of the Bank on the basis of the daily positions provided by the Finance department or downloaded directly from the Bank's operating system. These reports are communicated daily amongst others to Local Management and the Head of Group Treasury in Athens.

In the event that the limits are breached and the margins are not respected, Local Management as well as ALCO are informed for immediate action. The excesses are also reported to Group Risk on a monthly basis and the Bank's Risk Committee on a quarterly basis.

The Bank may hedge part of its existing interest rate risk resulting from any potential decrease in the fair value of fixed rate assets denominated both in local and foreign currencies using interest rate swaps.

The Bank may hedge a proportion of foreign exchange risk it expects to assume as a result of cash flows from debt securities using forward exchange transactions.

3.2 Analysis of financial instruments

3.2.1 Information on primary financial instruments

The table here after analyses the level of primary financial instruments (primary non-trading instruments) of the Bank, in terms of carrying amounts, into relevant maturity groupings based on the remaining period at balance sheet date to the contractual maturity date. Additional indication of aggregate fair values of trading instruments is disclosed where they differ materially from the amounts at which they are included in the accounts.

"Fair value" is understood as being the amount at which an asset could be exchanged or a liability settled as part of an ordinary transaction entered into under normal terms and conditions between independent, informed and willing parties, other than in a forced or liquidation sale.

Analysis of financial instruments – Primary non-trading instruments (at carrying amount – EUR)

Figures as at December 31, 2023	Less than 3 months	> 3 months to 1 year	> 1 year to 5 years	> 5 years	Total
Instrument class (financial assets)					
Cash in hand, balances with central banks and post office banks	640.658.784	-	-	-	640.658.784
Loans & advances to credit institutions	571.150.607	6.848.900	-	-	577.999.507
Loans & advances to customers	381.153.327	184.376.914	493.936.978	388.420.973	1.447.888.192
Bonds and other fixed-income transferable securities	4.990.139	3.051.960	220.490.356	101.941.751	330.474.206
Shares in affiliated undertaking and participating interests	8.746.697	-	-	-	8.746.697
Total financial assets	**1.606.699.554**	**194.277.774**	**714.427.334**	**490.362.724**	**3.005.767.386**
Non financial assets	**50.904.091**	-	-	-	**50.904.091**
Total Assets	**1.657.603.645**	**194.277.774**	**714.427.334**	**490.362.724**	**3.056.671.477**
Instrument class (financial liabilities)					
Amounts owed to credit institutions:					
- Repayable on demand	635.933	-	-	-	635.933
- With agreed maturity dates or periods of notice	171.856.497	1.777.436	105.143.454	114.223.452	393.000.839
Amounts owed to customers:					
- Repayable on demand	581.379.608	-	-	-	581.379.608
- Repayable at term or with notice	1.288.859.055	434.127.663	-	-	1.722.986.718
Total financial liabilities	**2.042.731.093**	**435.905.099**	**105.143.454**	**114.223.452**	**2.698.003.098**
Non financial liabilities	**358.668.379**	-	-	-	**358.668.379**
Total Liabilities	**2.401.399.472**	**435.905.099**	**105.143.454**	**114.223.452**	**3.056.671.477**

As at December 31, 2023, the Bank held no primary trading financial instruments.

Figures as at December 31, 2022	Less than 3 months	> 3 months to 1 year	> 1 year to 5 years	> 5 years	Total
Instrument class (financial assets)					
Cash in hand, balances with central banks and post office banks	629.904.013	-	-	-	629.904.013
Loans & advances to credit institutions	414.279.158	3.153.000	-	-	417.432.158
Loans & advances to customers	507.148.861	120.287.258	380.028.261	426.630.337	1.434.094.717
Bonds and other fixed-income transferable securities	-	-	159.684.103	100.564.195	260.248.298
Shares in affiliated undertaking and participating interests	8.746.697	-	-	-	8.746.697
Total financial assets	**1.560.078.729**	**123.440.258**	**539.712.364**	**527.194.532**	**2.750.425.883**
Non financial assets	**40.180.079**	**-**	**-**	**-**	**40.180.079**
Total Assets	**1.600.258.808**	**123.440.258**	**539.712.364**	**527.194.532**	**2.790.605.962**
Instrument class (financial liabilities)					
Amounts owed to credit institutions:					
- Repayable on demand	1.065.827	-	-	-	1.065.827
- With agreed maturity dates or periods of notice	285.034.795	231.565.479	40.701.191	92.828.888	650.130.353
Amounts owed to customers:					
- Repayable on demand	1.012.695.770	-	-	-	1.012.695.770
- Repayable at term or with notice	608.321.356	221.406.959	166.000	-	829.894.315
Total financial liabilities	**1.907.117.748**	**452.972.438**	**40.867.191**	**92.828.888**	**2.493.786.265**
Non financial liabilities	**296.819.697**	**-**	**-**	**-**	**296.819.697**
Total Liabilities	**2.203.937.445**	**452.972.438**	**40.867.191**	**92.828.888**	**2.790.605.962**

As at December 31, 2022, the Bank held no primary trading financial instruments.

Description of derivative financial instruments

The Bank may enter into the following derivative financial instruments:

- **Forward exchange transactions** represent commitments to purchase foreign and domestic currency, including undelivered spot transactions.
- **Interest rate swaps** are commitments to exchange one set of cash flows for another. Swaps result in an economic exchange of interest rates (for example, fixed rate for floating rate).
- **Options** are financial derivatives representing a contract sold by one party (option writer) to another party (option holder). The contract offers the buyer the right, but not the obligation, to buy (call) or sell (put) a security or other financial asset at an agreed-upon price (the strike price) during a certain period of time or on a specific date (exercise date).

Analysis of derivative financial instruments

The table below analyses the level of derivative financial instruments of the Bank, broken down in terms of notional amount, into relevant maturity groupings based on the remaining period at balance sheet date to the contractual maturity date. The Bank held only OTC derivative financial instruments as at December 31, 2023.

The notional amounts of certain types of financial instruments provide a basis for comparison with instruments recognised on the balance sheet but do not necessarily indicate the amounts of future cash flows involved or the current fair value of the instruments and, therefore, do not indicate the Bank's exposure to credit or price risks. The derivative instruments become favourable or unfavourable as a result of fluctuations in market interest rates or foreign exchange rates relative to their terms. The aggregate contractual or notional amount of derivative financial instruments on hand, the extent to which instruments are favourable or unfavourable and, thus the aggregate fair values of derivative financial assets and liabilities can fluctuate significantly from time to time.

Derivatives instruments OTC as at December 31, 2023 (in EUR)

	Nominal amounts					Net fair value
Figures as at December 31, 2023	Less than 3 months	> 3 months to 1 year	> 1 year to 5 years	> 5 years	Total	Total
Interest rate:						
- Swaps	-	-	-	60.134.112	60.134.112	75.243
Foreign exchange:						
- Forwards, Spots, Swaps	354.297.310	42.326.521	-	-	396.623.831	460.108
Options:						
- Options	-	-	-	-	-	-
Total	**354.297.310**	**42.326.521**	**-**	**60.134.112**	**456.757.943**	**535.351**

The Bank held no exchange-traded derivative financial instruments as at December 31, 2023.

Derivatives instruments OTC as at December 31, 2022 (in EUR)

	Nominal amounts					Net fair value
Figures as at December 31, 2022	Less than 3 months	> 3 months to 1 year	> 1 year to 5 years	> 5 years	Total	Total
Interest rate:						
- Swaps	-	-	-	20.000.000	20.000.000	966.935
Foreign exchange:						
- Forwards, Spots, Swaps	116.480.336	42.566.675	-	-	159.047.011	1.336.398
Options:						
- Options	137.000	-	-	-	137.000	(415)
Total	**116.617.336**	**42.566.675**	**-**	**20.000.000**	**179.184.011**	**2.302.918**

The Bank held no exchange-traded derivative financial instruments as at December 31, 2022.

3.3 Credit risk

3.3.1 Description of credit risk

The Bank takes on exposure to credit risk. The Bank structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower or groups of borrowers, and to geographical segments. Such risks are monitored on a revolving basis and subject to monthly reviews.

- Country and Counterparty Limits are approved by Group Risk and the Board of Directors and reviewed at least annually.
- Client Limits are approved by specific Committees, as per approval limits set by Group Risk and the Board of Directors. Client limits are reviewed at least annually. There are four levels of approval of credit facilities: Local Credit Committee 1 (LCC1), Local Credit Committee 2 (LCC2), Board of Directors (BoD) and jointly Eurobank Central Credit Committee or Regional Credit Committee with respective Local Committees. Depending on the amount, tenor and type of the requested credit facility, the proposal is submitted for approval at the appropriate level.

The exposure to any borrower including banks and brokers is further restricted by sub-limits covering on and off-balance sheet exposures. Actual exposures against limits are monitored daily.

Exposure to credit risk is managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing these lending limits where appropriate. Exposure to credit risk is primarily managed by obtaining collateral and corporate and personal guarantees.

The Group Risk Unit is setting types of collateral as well as minimum margins. The Bank imposes strict collateral rules based on careful analysis, internal policies and the market environment. The Bank has a clear procedure to approve “eligible” collateral and it periodically reviews approved collateral.

On currency and interest rate swaps, the Bank’s credit risk represents the potential cost to replace the swap contracts if counterparties fail to perform their obligation. This risk is monitored on an ongoing basis with reference to the current fair value and the liquidity of the market. To control the level of credit risk taken, the Bank assesses counterparties using the same techniques as for its lending activities.

3.3.2 Measures of credit risk exposure

Information on credit risk as it relates to financial instruments is disclosed on the basis of the carrying amount that best represents the maximum credit risk exposure at the balance sheet date without taking account of any collateral.

With respect to derivative instruments not dealt on a recognised, regulated market (OTC), the carrying amount (principal or notional amount) does not reflect the maximum risk exposure. The maximum exposure to credit risk is determined by the value of the overall replacement cost.

The table below discloses the level of credit exposure on OTC derivative instruments in terms of notional amounts, replacement cost, potential future credit exposure and net risk exposure adjusted for any collateral, broken down by the degree of creditworthiness of the counterparty based on internal or external ratings.

Credit Risk Exposure on OTC derivative instruments (use of market risk method) as at December 31, 2023 (in EUR)

Counterparty solvency (based on external/ internal ratings)	Notional amount (1)	Current Replacement cost (2)	Potential future replacement cost (3)	Overall replacement cost (4) = (2) + (3)	Collateral (5)	Net risk exposure (6) = (4) - (5)
External rating (Fitch):						
A	332.312.048	2.327.460	3.323.120	5.650.580	-	5.650.580
B+	60.134.112	75.243	-	75.243	-	75 243
					Sub - total 1	**5.725.823**
Internal Rating:						
- Customer & Fund						
2	31.239.624	-	312.398	312.398	-	312.398
2,1	1.993.797	961	19.938	20.899	-	20.899
2,2	623.707	32.030	6.237	38.267	-	38.267
2,3	53.205	110	532	642	-	642
2,5	342.248	-	3.422	3.422	-	3.422
2,7	144.035	575	1.440	2.015	-	2.015
2,8	30.069.998	-	300.700	300.700	-	300.700
3	352.608	300	3.526	3.826	-	3.826
					Sub - total 2	**682.169**
					TOTAL	**6.407.992**

Credit Risk Exposure on OTC derivative instruments (use of market risk method) as at December 31, 2022 (in EUR)

Counterparty solvency (based on external/ internal ratings)	Notional amount (1)	Current Replacement cost (2)	Potential future replacement cost (3)	Overall replacement cost (4) = (2) + (3)	Collateral (5)	Net risk exposure (6) = (4) - (5)
External rating (Fitch):						
A	130.548.434	1.606.034	1.305.484	2.911.518	-	2.911.518
C	20.000.000	985.002	-	985.002	-	985.002
					Sub - total 1	**3.896.520**
Internal Rating:						
- Customer & Fund						
2	728.602	2.603	7.286	9.889	-	9.889
2,2	920.349	-	9.203	9.203	-	9.203
2,5	7.657.144	5.825	76.571	82.396	-	82.396
2,7	158.977	10.151	1.590	11.741	-	11.741
3	19.887.634	-	198.876	198.876	-	198.876
3,8	91.941	-	919	919	-	919
5,1	313.028	-	3.130	3.130	-	3.130
					Sub - total 2	**316.154**
					TOTAL	**4.212.674**

The internal credit rating for “Customer & Fund” goes from 1 (best rating) to 10 (worst rating)

3.3.3 Concentration of credit risk

The table below shows credit risk concentration which relates to financial instruments from on- and off balance sheet exposures by geographic location and economic sector. In order to enhance the true and fair view of the financial position the tables present the OTC derivatives by the value of the overall replacement cost and to that extent the comparative figures have been adjusted accordingly.

Geographic credit risk concentrations (in EUR)

Geographical zone (by country or zone)	Credits and other balance sheet items		OTC derivatives		Commitments	
	2023	2022	2023	2022	2023	2022
Luxembourg	883.199.631	403.341.931	613.096	198.876	60.660.319	3.965.282
Other European Monetary Union (EMU) countries	565.972.126	843.077.416	98.340	1.089.262	106.253.092	98.036.002
Other countries	933.385.620	881.618.192	5.696.556	2.924.536	40.001.620	152.207.994
Total	**2.382.557.377**	**2.128.037.539**	**6.407.992**	**4.212.674**	**206.915.031**	**254.209.278**

As the Bank is mainly active on the European markets, it has a significant concentration of credit risk with other European financial institutions. In total, credit risk exposure is estimated to EUR 2 595 880 400 at December 31, 2023 (2022: EUR 2 386 459 491) of which EUR 6 407 992 (2022: EUR 4 212 674) consisted of derivative financial instruments.

Economic sector credit risk concentrations (in EUR)

The table here after discloses the concentration of the credit risk linked to financial instruments, for both on and off balance sheet exposures, by economic sector.

Economic sector	Credits and other balance sheet items		OTC derivatives		Commitments	
	2023	2022	2023	2022	2023	2022
Credit institutions	941.202.768	704.054.502	5.725.824	3.896.519	-	-
Households	278.825.936	126.759.992	69.072	117.279	49.532.074	42.057.317
Investment funds	49.348.068	54.377.193	507.474	198.876	-	2.000.000
Activity ancillary to financial intermediation and insurance	31.259.102	239.331.019	-	-	33.717.500	86.562.787
Non financial corporations	605.138.412	799.562.059	-	-	53.728.635	52.473.528
Governments	-	-	-	-	-	-
Central banks	-	-	-	-	-	-
Financial holding companies	336.167.383	190.850.881	105.622	-	65.821.695	52.520.000
Others	140.615.708	13.101.893	0	0	4.115.127	18.595.646
Total	**2.382.557.377**	**2.128.037.539**	**6.407.992**	**4.212.674**	**206.915.031**	**254.209.278**

3.4 Market risk

The Bank does not enter into Equity or FX Trading. Thus, any FX risk exists solely due to the execution of client deals. The existing FX limits for the Bank, as per Board decision 015/2014 are:

1. FX Overall limit EUR 1.0mn,
2. Limit per Currency:
   (i) Majors (USD, GBP, CHF, JPY) EUR 0.5mn,
   (ii) Minors (any other) EUR 0.2mn,
3. The VaR limit is EUR 0.25mn.

The Risk Department prepares and monitors on a daily basis the FX position, which is compared against set limits. Any Excesses are escalated to Senior Management and Eurobank GMR&CS. The Risk Department uploads on a weekly basis, to Eurobank GMR&CS Market Risk web site, the FX report, that includes the daily exposures per currency vs. the approved limits. On a monthly basis, the Bank applies a "Value at Risk" (VaR) methodology to estimate the market risk of positions held and the maximum losses expected, based on a number of assumptions for various changes in market conditions. The Board of Directors sets limits on the value of risk that may be accepted, which is monitored as deemed appropriate. VaR is calculated with a 99% confidence interval and a 10 day holding period.

Note 4 Cash in hand, balances with central banks and post office banks

	2023 EUR	2022 EUR
Cash in Hand	87.632	88.060
Mandatory Minimum Reserve	20.571.152	17.815.953
Balances with central banks and post office banks	620.000.000	612.000.000
	640.658.784	**629.904.013**

In accordance with the requirements of the European Central Bank, Luxembourg Central Bank has implemented, effective January 1, 1999, a system of mandatory minimum reserves which applies to all Luxembourg credit institutions. The minimum reserve balance as at December 31, 2023 held by the Bank with the Luxembourg Central Bank amounted to EUR 20 571 152 (2022: EUR 17 815 953).

Note 5 Transferable securities

5.1 Listed securities

Bonds and other fixed-income transferable securities:	2023 EUR	2022 EUR
Investments portfolio		
- issued by public bodies	105.788.138	77.419.128
- issued by other borrowers	214.820.548	173.298.600
	320.608.686	**250.717.728**
Structural portfolio		
- issued by public bodies	-	-
- issued by other borrowers	9.983.390	9.983.390
- value adjustment	(117.870)	(452.820)
	9.865.520	9.530.570
	330.474.206	**260.248.298**

The market value of bonds eligible for refinancing with a central bank of the Euro zone included in the heading “bonds and other fixed-income transferable securities” is EUR 201 087 128 (2022: EUR 151 022 247).

5.2 Unlisted securities

	2023 EUR	2022 EUR
Participating interests	4.958	4.958
Shares in affiliated undertakings	8.741.739	8.741.739
	8.746.697	**8.746.697**

On January 30, 2018, the Bank acquired 100% of the shares (EUR 8 741 639) of BHF Lux Immo S.A., whose registered office is in 534 rue de Neudorf, 2220 Luxembourg, Luxembourg and was subsequently renamed to ERB Lux Immo S.A. As at December 31, 2023, the unaudited Shareholders’ equity is EUR 3 623 543 (2022: EUR 3 409 804) and the result of the financial year is EUR 213 739 (2022: EUR 556 669).

5.3 Sale and Repurchase transactions

As at December 31, 2023, the Bank is committed in reverse repurchase agreements for a total amount of EUR 273 405 114 (2022: EUR 254 119 039).

Note 6 Assets and Liabilities balances with Affiliated Undertakings and Key Management Personnel

	Eurobank Group Companies		Key Management Personnel	
	2023 EUR	2022 EUR	2023 EUR	2022 EUR
Assets				
Loans and advances to credit institutions	271.502.527	248.959.696	-	-
Loans and advances to customers	9.000.000	215.141.215	167.870	189.725
Prepayments and Accrued Income	1.201.572	724.512	753	333
Other Assets	-	-	-	-
	281.704.099	**464.825.423**	**168.623**	**190.058**
Liabilities				
Amounts owed to credit institutions	293.334.532	375.435.682	-	-
Amounts owed to customers	28.946.666	26.985.368	600.888	599.700
Accruals and Deferred Income	1.563.250	535.032	1.219	152
Other Liabilities	271.597	359.709	-	-
	324.116.045	**403.315.791**	**602.107**	**599.852**
Off Balance Sheet				
Contingent Liabilities	-	6.450	35.700	35.700
Commitments	239.758.093	285.856.494	-	-
Fiduciary Transactions	-	-	-	-
	239.758.093	**285.862.944**	**35.700**	**35.700**
Profit and Loss				
Interest receivable and similar income	9.952.751	6.250.270	6.921	1.419
Interest payable and similar charges	(11.048.908)	(5.730.073)	(8.815)	(716)
Commissions receivable	306.304	366.709	2.006	1.875
Commissions payable	(5.192.074)	(5.467.692)	(822)	(853)
Net profit on financial operations	-	-	111	128
Other Operating Income	96.244	96.244	-	-
General administrative expenses	(1.150.951)	(1.058.001)	-	-
	(7.036.634)	**(5.542.543)**	**(599)**	**1.852**

Key management personnel include the Members of the Board of Directors, the Members of the Executive Committee and the Chief of Internal Audit.

Note 7 Movements in fixed assets

2023 Movement	Cost				Value adjustments				Net
Amounts in EUR	Gross value at the beginning of the financial year 2023	Additions	Disposals	Gross value at the end of the financial year 2023	Cumulative value adjustments at the beginning of the financial year 2023	Value adjustments	Reversal of value of adjustments	Cumulative value adjustments at the end of the financial year 2023	Net book value at the end of the financial year 2023
Debt Securities including fixed income transferable securities	260.701.118	69.890.958	-	330.592.076	(452.820)	-	334.950	(117.870)	330.474.206
	260.701.118	**69.890.958**	**-**	**330.592.076**	**(452.820)**	**-**	**334.950**	**(117.870)**	**330.474.206**
Long term investments including:									
Participating interests	8.058	-	-	8.058	(3.100)	-	-	(3.100)	4.958
Shares in affiliated undertaking	8.741.739	-	-	8.741.739	-	-	-	-	8.741.739
	8.749.797	**-**	**-**	**8.749.797**	**(3.100)**	**-**	**-**	**(3.100)**	**8.746.697**
Intangible fixed assets									
Software and Consultancy	9.726.903	117.850	-	9.844.753	(8.330.048)	(630.478)	-	(8.960.526)	884.227
Salamis Project	8.245.413	852.413	-	9.097.826	-	-	-	-	9.097.826
	17.972.316	**970.263**	**-**	**18.942.579**	**(8.330.048)**	**(630.478)**	**-**	**(8.960.526)**	**9.982.053**
Tangible fixed assets including:									
Other fixtures and fittings, tools and equipment	7.360.199	273.010	(4.525.428)	3.107.781	(6.928.217)	(288.164)	4.525.428	(2.690.953)	416.828
Technical equipment and machinery	2.465.885	34.277	(225.329)	2.274.833	(1.301.306)	(262.476)	225.329	(1.338.453)	936.380
	9.826.084	**307.287**	**(4.750.757)**	**5.382.614**	**(8.229.523)**	**(550.640)**	**4.750.757**	**(4.029.406)**	**1.353.208**

2022 Movement	Cost				Value adjustments				Net
Amounts in EUR	Gross value at the beginning of the financial year 2022	Additions	Disposals	Gross value at the end of the financial year 2022	Cumulative value adjustments at the beginning of the financial year 2022	Value adjustments	Reversal of value of adjustments	Cumulative value adjustments at the end of the financial year 2022	Net book value at the end of the financial year 2022
Debt Securities including fixed income transferable securities	144.708.974	115.992.144	-	260.701.118	(80.280)	(372.540)	-	(452.820)	260.248.298
	144.708.974	**115.992.144**	**-**	**260.701.118**	**(80.280)**	**(372.540)**	**-**	**(452.820)**	**260.248.298**
Long term investments including:									
Participating interests	8.058	-	-	8.058	(3.100)	-	-	(3.100)	4.958
Shares in affiliated undertaking	8.742.049	-	(310)	8.741.739	(307)	-	307	-	8.741.739
	8.750.107	**-**	**(310)**	**8.749.797**	**(3.407)**	**-**	**307**	**(3.100)**	**8.746.697**
Intangible fixed assets									
Software and Consultancy	9.135.171	591.731	-	9.726.902	(7.605.614)	(724.435)	-	(8.330.049)	1.396.853
Salamis Project	6.049.177	2.196.236	-	8.245.413	-	-	-	-	8.245.413
	15.184.348	**2.787.967**	**-**	**17.972.315**	**(7.605.614)**	**(724.435)**	**-**	**(8.330.049)**	**9.642.266**
Tangible fixed assets including:									
Other fixtures and fittings, tools and equipment	7.666.079	77.294	(383.175)	7.360.198	(6.992.242)	(319.150)	383.175	(6.928.217)	431.981
Technical equipment and machinery	2.941.874	40.715	(516.704)	2.465.885	(1.591.762)	(226.249)	516.704	(1.301.307)	1.164.578
	10.607.953	**118.009**	**(899.879)**	**9.826.083**	**(8.584.004)**	**(545.399)**	**899.879**	**(8.229.524)**	**1.596.559**

Note 8 Subscribed capital

The authorised and paid-up share capital of the Bank amounts to EUR 70 000 000. The Bank's capital is comprised of 500 000 shares with Nominal value EUR 140 at the end of the year.

Note 9 Reserves

9.1 Legal reserve

In accordance with Luxembourg law, the Bank is required to transfer at least 5% of its annual profit to the legal reserve until this equals 10% of subscribed capital. The legal reserve is not available for distribution to shareholders.

9.2 Special reserve

In accordance with the tax law, the Bank reduces the Net Wealth Tax liability by deducting it from itself. In order to comply with the tax law, the Bank allocates under non-distributable reserves (item "special reserve") an amount that corresponds to five times the amount of reduction of the Net Wealth Tax. This reserve is non-distributable for a period of five years from the year following the one during which the Net Wealth Tax was reduced.

9.3 Interim dividend

No Interim dividend has been distributed during the financial year 2023.

Note 10 Changes in Shareholders' equity

The movements of shareholders' equity of the Bank may be summarized as follows:

	Subscribed Capital EUR	Reserves			Profit brought forward EUR	Total EUR
		Legal Reserve EUR	Special Reserve EUR	Total Reseve EUR		
Balance at December 31, 2022	**70.000.000**	**7.000.000**	**33.231.784**	**40.231.784**	**161.704.257**	**271.936.041**
Profit for the year ended December 31, 2022	-	-	-	-	13.558.394	13.558.394
Appropriation of profit	**-**	**-**	**-**	**-**	**(13.558.394)**	**(13.558.394)**
Interim Dividend	-	-	-	-	-	-
Transfer to legal reserve	-	-	-	-	-	-
Transfer from special reserve	-	-	(566.854)	(566.854)	566.854	-
Current year Profit	-	-	-	-	33.537.929	33.537.929
Balance at December 31, 2023	**70.000.000**	**7.000.000**	**32.664.930**	**39.664.930**	**195.809.040**	**305.473.970**

The appropriation of the 2022 result was approved by the Annual General Meeting of Shareholders on May 16, 2023.

Note 11 Assets and liabilities denominated in foreign currencies

	2023 EUR	2022 EUR
Total assets in foreign currencies	753.190.303	565.651.952
Total liabilities in foreign currencies	**784.156.851**	**480.225.434**

Note 12 Contingent liabilities and commitments

12.1 Contingent liabilities

As at December 31, 2023 the contingent liabilities include guarantees and other direct substitutes for credits and amount to EUR 40 103 349 (2022: EUR 26 645 964).

12.2 Other off balance sheet commitments

	2023 EUR	2022 EUR
Assets held on behalf of third parties	4.659.174.393	3.890.714.976
Credits confirmed but not used	206.915.031	254.209.278
Repurchase agreements	301.116.341	281.428.917
Interest rate swaps	60.134.112	20.000.000
Forward foreign exchange transactions	396.623.831	159.047.011
Fiduciary transactions	7.202.896	324.785.248
Options	-	137.000
	5.631.166.603	**4.930.322.430**

12.3 Deposit Guarantee Scheme

The law related to the resolution, reorganisation and winding-up measures of credit institutions and certain investment firms and on deposit guarantee and investor compensation schemes (“the Law”), transposing into Luxembourgish law the directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms and the directive 2014/49/EU related to deposit guarantee and investor compensation schemes, was passed on 18 December 2015.

The deposit guarantee and investor compensation scheme through the “Association pour la Garantie des Dépôts Luxembourg” (AGDL) was replaced by a new contribution based system of deposit guarantee and investor compensation scheme. This new system covers eligible deposits of each depositor up to an amount of EUR 100 000 and investments up to an amount of EUR 20 000. The Law also provides that deposits resulting from specific transactions or fulfilling a specific social or other purpose are covered for an amount above EUR 100 000 for a period of 12 months.

The funded amount of the “Fonds de résolution Luxembourg” (FRL) shall reach by the end of 2024 at least 1% of covered deposits, as defined in article 1 number 36 of the Law, of all authorized credit institutions in all participating Member States. This amount is collected from the credit institutions through annual contributions during the years 2015 to 2024.

The target level of funding of the “Fonds de Garantie des Dépôts Luxembourg” (FGDL) is set at 0.8% of covered deposits, as defined in article 163 number 8 of the Law, of the relevant credit institutions and was reached by the end of 2018 through annual contributions. The contributions were made in the form of annual payments during the years 2016 to 2018. After the level of 0.8% was reached, the Luxembourgish credit institutions continue to contribute for 8 additional years in order to constitute an additional safety buffer of 0.8% of covered deposits as defined in article 163 number 8 of the Law.

The law of 23 December 2016 on the tax reform 2017 has introduced a tax neutral reversal of the existing AGDL provisions in successive annual tranches from 2016 to 2026, under the condition that each annual tranche is at least equal to the contributions to the FGDL and FRL for that fiscal year. Any remaining balance of the AGDL provision not yet reversed at the end of this transitional period will have to be reversed and added to the taxable income of the year 2026.

On 18 January 2017, CSSF issued a circular letter relating to the abrogation of the AGDL and to the consequent accounting treatment of the AGDL reversal to enable the banks to follow from an accounting point view the tax treatment foreseen in the law of 23 December 2016.

The cash contribution amounts to EUR 189 346 (2022: EUR 163 052) and recorded in the caption 'General administrative expenses'. Additionally, the 2023 FRL contribution for an amount of EUR 862 651 (2022: EUR 701 575) was paid by the Bank and recorded in the caption 'General administrative expenses'.

12.4 Management and fiduciary services

The Bank has provided the following management and fiduciary services to third parties in the course of the financial year:

- Investment management and advice;
- Safekeeping and administration of securities;
- Fiduciary services;
- Agency services.

Note 13 Profit and loss account

13.1 Sources of income by geographical region

By application of Article 69 (2) of the amended law of June 17, 1992 on the annual accounts of credit institutions, sources of income have not been analyzed by geographical region.

Nevertheless the break down between the Bank and its United Kingdom branch is the following:

	2023 EUR	2022 EUR
Interest income		
Luxembourg entity	129.366.398	47.949.293
United Kingdom branch	10.416.325	4.306.605
	139.782.723	**52.255.898**
Commission income		
Luxembourg entity	13.175.024	13.015.063
United Kingdom branch	341.033	383.586
	13.516.057	**13.398.649**

13.2 Interest receivable and similar income

	2023 EUR	2022 EUR
Interest receivable on loans and advances to credit institutions	32.271.471	3.672.358
of which: affiliated credit institutions	7.556.578	1.236.005
Interest receivable on balances with central banks	18.700.584	2.213.318
Interest receivable on loans and advances to clients	78.133.934	42.737.644
of which: affiliated customers	2.396.173	5.014.265
Interest receivable on debt securities and other	10.676.734	3.632.578
	139.782.723	**52.255.898**

The above amounts are presented based on the nature of the original transaction. Thus, they also include transactions with negative interest rates.

13.3 Interest payable and similar charges

	2023 EUR	2022 EUR
Interest payable on amounts owed to credit institutions	23.735.041	8.526.517
of which: affiliated credit institutions	10.695.891	5.676.226
Interest payable on amounts owed to customers	49.049.952	7.076.842
of which: affiliated customers	353.017	53.847
of which: liabilities with agreed maturity dates or period of notice	49.021.239	7.049.242
Interest payable on balances with central banks	544.917	394.059
	73.329.910	**15.997.418**

The above amounts are presented based on the nature of the original transaction. Thus, they also include transactions with negative interest rates.

13.4 Commissions receivable

	2023 EUR	2022 EUR
Fiduciary operations	66.382	91.955
Asset Management	2.157.938	2.360.615
Foreign exchange, precious metals and securities transactions on behalf of third parties	2.033.081	2.624.480
Safekeeping of assets belonging to third parties	1.208.725	844.271
Other commission receivable	8.049.931	7.477.328
Of which: Funds Fees	3.929.234	3.840.928
Of which: Distribution Ageement Fees	982.890	922.975
Of which: Loans Fees	644.882	380.684
	13.516.057	**13.398.649**

13.5 Commissions payable

	2023 EUR	2022 EUR
Asset Management Fees	1.160.818	1.277.674
Safekeeping Fees	1.961.713	2.021.641
Loan Fees	2.563.121	2.917.330
Other commissions payable	318.623	59.662
	6.004.275	**6.276.307**

13.6 Net profit on financial operations

Net profit on financial operations for the year ended December 31, 2023 mainly includes gain and loss on foreign exchange transactions.

13.7 Other operating income

	2023 EUR	2022 EUR
Income from affiliated undertakings	96.244	96.244
Tax previous year	293.286	128.072
Other income	39.146	60.537
United Kingdom branch other operating income	-	34.082
	428.676	**318.935**

13.8 Other operating charges

	2023 EUR	2022 EUR
Withholding taxes	645.805	311.627
Other expenses	284.944	144.347
United Kingdom branch other expenses	-	48
	930.749	**456.022**

13.9 Tax charge

The Bank is liable to taxes on income, capital and net assets. The Luxembourg tax authorities have issued assessments for the years up to and including 2019. Tax liabilities, net of tax advances, are recorded under "provisions for taxation" in the balance sheet.

13.10 Pillar II

The Luxembourg law of December 22, 2023 has implemented the EU Minimum Taxation Directive ("Council Directive (EU) 2022/2523") into domestic law ("Luxembourg Pillar II law") to ensure a global minimum level of taxation for multinational groups and large-scale domestic groups in the EU, commonly known as Pillar 2. As per the Law, the Income Inclusion Rule ("IIR") as well as the qualified domestic minimum top-up tax ("QDMTT") will be applicable in Luxembourg as from January 1, 2024. A tax levied based on the Undertaxed Profits Rule ("UTPR") will be applicable in Luxembourg as from January 1, 2025 with some exceptions. In order to comply with this law, the Bank should assess the impact from Pillar 2. As per the current assessment, the Bank does not have any tax credits or deferred tax asset as of December 31, 2023.

13.11 Return on assets

The return on assets of the Bank for the year ended December 31, 2023 stands to 1.10% (2022: 0.49%). The return on assets is calculated as being the net profit divided by the total assets.

Note 14 Independent Auditor's fees

For the year ended December 31, independent auditor's fees are as follows:

	2023 EUR	2022 EUR
Audit fees	172.400	145.000
Audit related fees	64.000	96.965
	236.400	**241.965**

Note 15 Staff and directors

15.1 Staff

The number of the Bank's employees (including London Branch & Athens Branch) as of 31 December is as follows:

	2023	2022
Senior Management and Management	7	6
Employees	114	99
	121	**105**

15.2 Information relating to Management Body

The emoluments, in respect of their duties, received by Senior Management and Executive Committee Members are totaling to EUR 2 271 555 (2022: EUR 1 304 878) and by the Board members to EUR 434 365 (2022: EUR 449 478).

As at December 31, 2023, loans totaling EUR 165 269 were granted to 2 members of the Senior Management and Executive Committee members (2022: EUR 189 725) and EUR 0 (2022: EUR 0) were granted to the Board members and their close relatives.

Guarantees (EUR 35 700) for the rent of apartments have been given on behalf of the Bank to 4 members of the Management and Executive Committee members (2022: EUR 35 700).

Note 16 International Conflicts

In 2023, the Bank's management closely monitored developments in the Russia/Ukraine conflict and the conflict between Israel and Palestine, assessing their potential impact on the Bank's operations.

No material impacts were identified for the following reasons:

- The Bank does not conduct operations or have a business presence in Ukraine/Russia or Palestine/Israel, nor in any neighbouring countries. Therefore, there is no immediate impact on the Bank's activities and employees;
- Economic sanctions imposed on Russia appear to have had no impact on the Bank's clients, suppliers, or investor relationships;
- There is no expected impact on the carrying amount of assets and liabilities, and no restrictions on assets have occurred due to the sanctions imposed on Russia;
- There is no expected impact on borrowing covenants, liquidity, or solvency;
- No cyber-attacks have occurred thus far; however, the management remains vigilant against the increased risk of such attacks.

Note 17 Post-balance sheet events

The Bank is not aware of any other significant events after reporting date which would have a material impact on the 2023 financial statements.

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