Annual Financial Report

for the year

January 1 - December 31, 2020

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I. Directors Report

MANAGEMENT REPORT OF THE BOARD OF DIRECTORS
FOR THE YEAR THAT ENDED ON DECEMBER 31st 2020

Global economy

The COVID-19 pandemic of 2020 caused an unprecedented health and economic crisis. The emergence and rapid expansion of the coronavirus overturned the growth prospects of the global economy, exacerbated the uncertainty of economic developments and worsened labour market conditions. The emergency measures of social distancing and the unusual uncertainty that prevailed led to a sharp decline in economic activity, the largest since the 1929 crisis. The sharp contraction in economic activity has been more pronounced in the services sector due to the social contact they involve and less so in the sector of goods where the anomalies initially observed in production and exports have been restored more quickly.

Global GDP shrank by -3.5 % in 2020 compared to an increase of + 2.8 % in 2019 according to IMF estimates (January 2021). The fall in GDP was lower than the October 2020 forecasts, according to which there would be a fall of -4.4%. According to the OECD's[1] March 2021 forecast (marginally better than the IMF's forecast), the global GDP is expected to increase by 5.6 % in 2021 as the availability of vaccines against the coronavirus, combined with supportive policies, will boost economic activity, especially in the 2nd half of 2021.

Global **inflation** slowed down in 2020, reflecting the weakening of global demand and the fall in international fuel prices. More specifically in advanced economies inflation fell to 0.7 % in 2020 from 1.4 % in 2019 and is projected to reach 1.3 % in 2021. In developing and emerging economies inflation remained almost unchanged at 5 % in 2020 as exchange rate and other developments offset the effects of the slowdown of economies and is projected to decline to 4.2 % in 2021.

According to the Bank of Greece, there was a significant weakening of **global trade**, the volume of which was expected to decrease by 10.4%[2] in 2020 due to the decline of transactions in both goods and services. It eventually fell by 9.6% in 2020 according to the IMF, better than the above-mentioned estimate, thanks to the smaller than expected global recession in 2020. Trade in goods and services fell sharply in the first half of 2020 as a result of global strict preventive confinement measures, while the branches of the services sector most affected were tourism and transport. In the second half of 2020 trade recovered mainly due to increased demand for IT equipment and medical supplies. Global trade volume is expected to increase by 8 % in 2021 and by 6 % in 2022. Trade in services is expected to recover less quickly compared to goods as movements shall remain limited until the pandemic regresses worldwide.

Euro area

The emergence of the pandemic resulted in significant losses in 2020 in the euro area, reflecting significant negative effects both from the supply and the demand side.

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[1] Economic Outlook, December 2020
[2] Monetary policy Interim Report December 2020

More specifically, following the historical decline in GDP in the first half of 2020 by about 15 %, the easing of social distancing measures and the adoption of support measures for households and businesses temporarily boosted domestic demand in the third quarter of the year by 12.5 %. The reintroduction of restrictions in the fourth quarter of 2020 as a result of the new wave of the pandemic reduced GDP by 0.7 % on a quarterly basis. Overall, the GDP of the euro area fell by 6.6 % in 2020 compared with an increase of 1.3 % in 2019.

The ECB 's estimates (March 2021) for 2021 are linked to developments regarding the tackling of the pandemic and the decrease of uncertainty. In addition, the adaptation of businesses and consumers to the new agreement/commercial reality between the European Union and the United Kingdom, shall hinder the 2021 recovery momentum, with the GDP being expected to increase by 4.0% for the year as a whole. The impact between Member States differs as a result of differences in the measures adopted by each Member State against the health crisis, the structural characteristics of each economy and the domestic policy measures.

The economic impact of the pandemic on the Eurozone led to job losses, especially in the first half of 2020. Total employment fell by 1.6 % on an annual basis in 2020 compared with an increase in 2019 and largely concerned fixed-term contracts. However the measures adopted in order to limit business failures and job losses led to a containment of the decrease in employment. In the case of individual Member States, the unemployment rate ranged between 3.5 % in the Netherlands and 14.1 % in Spain. Overall in the Euro area the unemployment rate stood at 7.8 % on average over the year as against 7.5 % in 2019. According to the European Commission [3] the unemployment rate is expected to rise to 9.4 % in 2021. The ECB's 2021 labour market estimates are also forecast to be negative due to the partial lifting of support measures and the expected shift of employment to more resilient sectors of the economy, which is linked in the short term to a reduction in employment.

Inflation, which in August 2020 was on negative ground, remained at -0.3 % until the end of the year. In average annual terms inflation fell to 0.3 % in 2020 from 1.2 % in 2019, as a result of a fall in the international oil price, the unprecedented decline in demand and the appreciation of the euro.

In order to support the euro area's national economies and banking system, the European Central Bank has adopted a highly expansive monetary policy by implementing non-standard measures. In particular, on March 18, 2020, it announced the implementation of an emergency program of purchase of assets (instruments) due to the pandemic (Pandemic Emergency Purchase Program-PEPP), totalling EUR 750 billion, in addition to EUR 120 billion decided on March 12, 2020. However, this program was further strengthened on June 4, 2020, with the additional amount of EUR 600 billion and on December 10, 2020 with EUR 500 billion, resulting in the total assistance amount reaching EUR 1.85 trillion, while at the same time its duration has been extended from the end of December 2020, which was originally planned, until at least the end of March 2022.

In addition, in spring 2020, the European Central Bank lifted the minimum credit rating requirement for accepting debt securities (issued by the Hellenic Republic) as collateral on Eurosystem credit lines. In December 2020, the lift was extended until June 2022. This resulted in a significant increase in all collateral

[3] European Commission | Autumn 2020 Economic Forecast

for the Greek banking system as well. Greek financial institutions replaced much of the expensive financing through repos with cheaper financing from the European Central Bank by participating in targeted longer-term refinancing operations (TLTRO) held in 2020.

The European Commission has taken important initiatives to address the effects of the Covid-19 pandemic crisis. The adoption in July 2020 of the 'Next Generation EU' program, a Development Fund (or Recovery Fund), amounting to EUR 750 billion, aiming at the recovery and strengthening of the resilience of the European economy after the pandemic crisis, through a combination of subsidies and loans to the Member States of the European Union, is an important step towards European integration. This program is part of the European Union budget for the period 2021-2027, totalling EUR 1.8 trillion. Disbursement of funds under the 'Next Generation EU' program is expected to begin in the second half of 2021, and a significant part of the resources will be directed in actions regarding green and digital transition.

Greek economy (2020)

In 2020 the Greek economy, despite the growth potential which it had showcased since mid-2017 and which was maintained until the first months of 2020, was strongly influenced by the unprecedented conditions of uncertainty caused worldwide by the rapid expansion of the Covid-19 pandemic, which set as a direct priority of economic policy the protection of public health and the containment of large economic losses in terms of income and employment. The main objective of the political leadership was to prevent the risk of a temporary recession turning into a long-term crisis.

According to ELSTAT data, in 2020 the recession stood at 8.2 %, with **GDP** declining at EUR 168.5 billion from EUR 183.6 billion in 2019.

According to ELSTAT data, on an annual basis:

- Total final consumption expenditure decreased by 2.2 %;
- Gross fixed capital formation increased by 1.6 %;
- Exports of goods and services decreased by 13.4 %;
- Imports of goods and services decreased by 9.5 %.

The European Commission, the IMF and the Ministry of Finance envisage a partial recovery in 2021. More specifically: The European Commission (Economic Forecasts, Autumn 2020) forecasts an incomplete recovery in 2021 (5%). Similarly, the latest IMF forecasts[4] predict a partial recovery in 2021 (5.7 %). The forecasts of the Ministry of Finance in the 2021 State Budget predict a moderate recovery by 4.8 % in 2021.

During 2019 and up to the beginning of 2020, Moody's, S&P Global and Fitch credit rating agencies gradually upgraded **Greece's credit rating** to B1 (stable outlook) and BB (positive outlook) respectively. In April 2020, S&P Global and Fitch confirmed Greece's long-term creditworthiness in ratings BB- and BB respectively, but

[4] Report on Greece No. 20/308, November 2020

revised the outlook from positive to stable due to the adverse effects of the pandemic. In November 2020, Moody's upgraded the country's credit rating to Ba3 (stable outlook) taking stock of the country's continued reform orientation in 2020 and its growth prospects for the coming years, while all major credit rating agencies maintain a stable outlook for the country with the distance from the investment grade moving between 2 and 3 ratings[5].

5 **issues of Greek Treasury bonds** took place in 2020, at historically low cost. At the same time, in March 2020, the ECB reinstated the lifting of the minimum credit rating for securities issued by the Greek state, so that these securities could become eligible for purchase under ECB's Pandemic Emergency Purchase Program.

The **general index of the Athens Stock Exchange** recorded a significant decline in 2020 by 11.7 % as the restrictive measures negatively affected the investment climate, leading to a decrease in high risk appetite.

In order to cope with the recessional shock to the economy, the Greek government implemented **expansionary fiscal measures** in 2020 of a total of EUR 18 billion consisting of approximately EUR 10 billion in social benefits, subsidies, tax reliefs and suspensions of taxes and social security contributions and EUR 2.5 billion in the form of state subsidies and guarantees for new bank loans supplemented by the program of recoverable advance to businesses amounting to EUR 5.5 billion[6].

The introduction of employment support and labour subsidy programs, together with the suspension of payments of taxes and social security obligations for affected households and businesses, minimised job losses. The **unemployment** rate rose to 16.7 % in the 3rd quarter and on average to 16.5 % in 2020 compared to 17.3 % in 2019 while employment fell by 0.9 % per annum in 2020[7]. State support minimised the fall in labour income to 0.8 % in 2020. The worsening of pandemic trends resulted in the activation of budgetary support measures of approximately EUR 6 billion in the first quarter of 2021. However, despite alleviation measures, business profits fell by an unprecedented 25.8% in the nine months of 2020, in an environment with an average annual decline in turnover of all businesses of 13.5 % in 2020[8].

The **economic sentiment indicator** remained resilient in the fourth (last) quarter of 2020 improving marginally by 91.8 points on average (from 90.6 in the third quarter of 2020) and stabilised at about 91 points in January-Feb 2021. It should be noted that the same indicator stood at 110.4 points in December 2019, showing a significant deterioration reflecting the impact of the health crisis on all sectors of the Greek economy and consumer expectations.

The **real estate market** is a market that has shown resistance to the shock caused by the pandemic with housing prices increasing annually by 4.2% in 2020, compared to 7.2 % in 2019 and 1.8 % in 2018. On a quarterly basis in 2020, there is a gradual decrease of the annual growth rate in prices, namely: 6.7%, 4.2%, 3.5% and 2.6% according to the data recorded by the Bank of Greece. Similarly, commercial real estate prices (average of office and store prices) increased by 2,5 % annualy in the first half of 2020 from 5.5 % in 2019.

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[5] Moody's press release, November 2020

[6] Ministry of Finance, State Budget 2021, November 2020

[7] ELSTAT data, labour force survey data

[8] ELSTAT data, turnover of businesses with suspended operations due to the COVID-19 pandemic, December 2020

In the 11 months of 2020 residential building activity continued to grow at country level compared to the corresponding period of 2019 both in terms of number and volume of new building permits (15.6% and 19.0% respectively) with the growth rates in Attica being higher. In the 11 months of 2020[9] construction activity for professional uses remained limited and showed negative rates of change for shops and hotels, both in terms of number of permits and in terms of volume. However, the number and volume of new permits for offices are growing (11.8% and 36.8% respectively), reflecting investments for the reconstruction of landmark properties in Attrica from investment portfolios and real estate development companies. It is worth noting that some investments were made by AEEAPs[10] in 2020 but with lower intensity and with returns at lower market limits. Most of their investments were directed to Attica for office uses while an important share was invested in professional warehouses.

The 17-21 July 2020 Summit approved the "Next Generation EU" recovery plan of EUR 750 billion of which EUR 390 billion in the form of grants and EUR 360 billion in the form of loans to Member States. The project prioritises important areas for the future of Europe such as green development and digital transformation. Out of the above amounts, Greece has been allocated EUR 32 billion, of which EUR 19.3 billion in grants and EUR 12.7 billion in loans. These are additional resources from the new Multiannual Financial Framework 2021-2027. In view of these, the Greek economy is expected to show strong growth, which shall be significantly supported by European funds.

The speed with which the Greek economy recovers depends on 3 basic parameters:

a) the acceleration of the course of vaccinations at national and global level;

b) the maintaining until the end of the pandemic and until the establishment of growth, of fiscal interventions and exceptional measures in sectors and employees affected but still economically sound

c) the activation of a national recovery plan that will absorb the capital resources to which Greece is entitled under NGEU. The use of European resources will greatly enhance the growth dynamic and facilitate the restoration of fiscal balance without the need to return to austerity policies that have led the economy to a vicious cycle of recession and stagnation.

2021 outlook

2021 marks the end of the COVID-19 pandemic and the gradual transition to a new economic and health reality. The start of the vaccination in many countries has been one of the milestones in the global effort to control the spread of the disease and resolve the health crisis. The swift completion of the vaccination of the population in 2021 is a crucial parameter for the progressive curbing of the pandemic and for ensuring the stability of recovery.

The recovery of the euro area and the Greek economy is expected to begin later this year and more specifically in the second quarter of 2021, to strengthen in the second half and continue in 2022. This assessment is of course subject to the following conditions: a) the acceleration of vaccination programmes; (b) the lifting of

[9] ELSTAT data

[10] Real Estate Investment Companies

restrictions and bans on activities; c) the maintaining of the expansionist direction of national fiscal policies by selecting measures to stimulate demand until national economies have stabilised and d) the ensuring of favourable financial conditions for the early activation of the resources of the European recovery instrument (NGEU).

The end of the pandemic is expected to shape a new social and economic reality. It is estimated that a new digital world is emerging, in which knowledge, scientific research, technology and innovation will be the main driving forces of economic prosperity. At the same time, the need for global solidarity and cooperation to improve collective resilience to symmetrical disturbances is growing.

The Greek economy, being mainly a service economy with a high share of tourism and retail trade, was hit heavier than other EU countries by the shocks in foreign and domestic demand, which were caused by the successive restrictive measures and the rise in economic uncertainty. In 2020 the size of the recession was 8.2 %. Small and micro-enterprises, mainly of a family nature, were the ones mainly affected, given that they have little capacity to adapt and limited access to bank lending. However, despite the heavy losses, which were inevitable due to the kind of disturbance and the structure of the economy, the Greek economy showed remarkable resilience and ability to adapt to the new reality.

Banking sector developments

The main factors that shaped banks' financial and regulatory aggregates in Greece in 2020 were the recording of significant non-recurring revenues, the provisioning for credit risk, the maintenance of capital adequacy at higher than acceptable ratios and the (further) decrease of non-performing loans.

More specifically and according to the data included in the Bank of Greece Governor's report for 2020, in the period Jan.-Sep. 2020 Greek banks showed a significant increase in their operating income (+ 16.4 %). This increase resulted to a significant extent from the increase in net income from non-interest bearing business (+ 59.4 %), mainly from non-recurring income from financial transactions linked to the Greek Treasury bond portfolio held by the banks. As regards net interest income, these fell mainly due to the decrease in the balance of loans and the decline in the interest rate margin. As noted in the same report, the net interest rate margin of Greek banks for the above mentioned period was 2 % (on an annualised basis) where, despite its decrease compared to 2019, it remains higher than that of corresponding medium-sized banking groups in the European Union (Jan. – June 2020: 1.3%). Moreover, the operating costs of the Greek banks showed a decline due to the exit of bank employees and the closure of branches, resulting in the reduction of related operating expenses. As a result of the above circumstances, Greek banks showed increased net income but taking into account the increased provisions for credit risk coverage, the banks reported losses overall.

In recent years (2017-2019) the demand for **deposits** in Greece has gradually increased in parallel with the accelerated growth of economic activity and the improvement of confidence in the prospects of the domestic economy. Since the beginning of 2020 due to the social distancing measures brought about by the pandemic, economic activity has shrunk sharply, working conditions have worsened and the overall uncertainty about the duration and the impact of the pandemic on the economy has increased. However, the broad package of financial support programs/ measures for employees and businesses as well as the gradual improvement of the confidence of households and businesses, has counterbalanced the negative effects of the pandemic in 2020.

In particular, in 2020 private sector deposits (*1.2 businesses and households*[11]) saw a cumulative increase of just over EUR 20 billion (+ 14 %), which is significantly higher than in 2019 (EUR 8.6 billion or + 6 %). Total domestic deposits (*1. Domestic residents*[12]) stood at EUR 173.6 billion on 31.12.2020 increased by EUR 14.6 billion or + 9 %. The increase in business deposits is mainly due to the accumulation of cash on the part of the most competitive and resilient enterprises, the fewer outflows due to the facilities in the repayment of debts and the suspension of payment of tax liabilities and, finally, the extension of credit limits to businesses. On the other hand, the increase in household deposits is mainly due to the prudential savings carried out mainly in March-May 2020 and state facilities.

Conversely, the reduction in central government deposits in 2020 (EUR -5.5 billion) is mainly the result of extensive financial support measures for enterprises and households due to the pandemic.

As regards **loans** of the domestic private sector of the Greek market, their progress in 2020 was negative (-8.9 %), with the fall mainly due to sales of portfolios of non-performing loans. According to the published data from the Bank of Greece on 31.12.2020, the balance of loans of the domestic sector amounted to EUR 141.4 billion compared to EUR 153.8 billion on 31.12.2019.

However, according to the report of the Governor of the Bank of Greece for 2020, credit expansion in 2020 accelerated compared to 2019. In particular, the report states that the annual rate of credit growth from banks to non-financial corporations has accelerated after March 2020 and then has risen to very high levels in the second half of the year. In particular, this rate stood at 5.6 % compared to 2.2 % in 2019 and was 10.0 % in December 2020, the highest level observed since June 2009. Credit expansion to non-financial corporations was reinforced by the financing programs through the Hellenic Development Bank with guarantees from the Covid-19 Loan Guarantee Fund and interest rate subsidy (TEPIX II) as well as from the financing of the European Investment Bank. With regard to loans to households, the same report states that the annual negative rate of change in consumer loans increased to -2.2 % in December 2020 compared to -1.6 % in December 2019 while the corresponding rate of loans for house purchase was reduced to -2.7 % in December 2020 compared to -3.4 % in December 2019.

The upward trend of credit expansion towards non-financial corporations was decisively influenced by the programs of boosting bank financing to businesses (in sectors of the economy affected by the pandemic), which are managed by the Hellenic Development Bank: a) the guarantee program of the COVID-19 Loan Guarantee Fund and b) the program of co-financing and interest rate subsidy of the Entrepreneurship Fund

[11] Table: https://www.bankofgreece.gr/statistika/nomismatikh-kai-trapezikh-statistiki/katatheseis-twn-pistwtikwn-idrymatwn (deposit breakdown by sector)

[12] Table: https://www.bankofgreece.gr/statistika/nomismatikh-kai-trapezikh-statistiki/katatheseis-twn-pistwtikwn-idrymatwn (deposit breakdown by sector)

(ΤΕΠΙΧ ΙΙ). These programmes encouraged banks to offer loans as they limited the credit risk of their portfolio. They also encouraged firms' demand by offering them an attractive option to finance urgent working capital needs on particularly favourable terms, which would normally not be available. The cumulative flow of loans disbursed in 2020 to non-financial corporations (and freelancers) through the two programs of the Hellenic Development Bank amounted to EUR 6.4 billion (January-February 2021: EUR 0.6 billion). However, it should not be overlooked that although the contribution of these programs was significant, about 3/5 of the cumulative flow of new fixed-term loans to non-financial corporations (and freelancers) in 2020 was channelled into the economy without support of programs in the midst of an economic crisis.

Moreover, in addition to the provision of new loans by the banks, the measure of suspension of payment of instalments by the debtors in agreement with the banks, has had a positive effect. The suspension of debt repayment by the debtors to the banks temporarily increases the amount of the net flow of loans and their annual rates of change respectively.

The **net loan-to-deposit ratio** for the Greek banking market improved further to 73.1 % on 31.12.2020 from 84.3 % respectively at the end of 2019.

According to the Bank of Greece Governor's Report[13], **the capital adequacy** of both Common Equity Tier 1 – CET 1 and the capital adequacy ratio on a consolidated basis declined slightly but remained at a satisfactory level at the end of December 2020 (15.0 % and 16.6 % respectively). This, according to the justification in the same report, is due to: 1) gains from bonds, which when measured at fair value, are recorded in other comprehensive income and increase net position and 2) the reduction of risk-weighted assets due to the reduction of the balance of loans and bonds and to the application of Regulation No. 873/2020 (CRR quick fix) on capital adequacy in order to address the effects of the pandemic. Incorporating the full impact of International Financial Reporting Standard 9 (IFRS 9), the CET 1 ratio stood at 12.5% and the Capital Adequacy Ratio at 14.3%. It should be noted that more than half of the banks' capital corresponds to a deferred tax asset against the Greek State. According to the Report, this is something that needs to be addressed as the percentage represented by the deferred tax asset in the bank's total capital is expected to increase as part of the banks' strategy to reduce non-performing loans.

As regards **non-performing loans**, these amounted to EUR 47.4 billion at the end of 2020, reduced by EUR 21 billion compared to the end of 2019 (EUR 68.5 billion). It is worth noting that they are lower by EUR 60 billion than in March 2016, when the higher level of non-performing loans was recorded. The major part of the decline in 2020 is mainly due to sales of loans of EUR 19.3 billion on an individual basis and write-offs of EUR 2.6 billion and less to collection through active management (loan restructuring/ settling, receipts of arrears, liquidation of collateral, etc.). It is worth noting that the measure of temporary suspension of instalments for performing loans adopted by the Greek government in order to support companies affected by the pandemic, resulted in a containment of the influx of new non-performing loans. According to published

[13] Governor's Report for 2020 (April 2021)

statistics of the Bank of Greece[14] (December 2020), the ratio of non-performing loans to total loans amounted to 30.2 % on an individual basis and in the individual categories amounted to 31 % for housing loans, 27.8% for the business portfolio and 46.2 % for the consumer portfolio. The ratio of non-performing loans to total loans at the end of 2019 was 40.6 %.

Upon completion of the "Heraklis" programme in 2021, it is estimated that the ratio of non-performing loans to the total of loans will decline to about 25 % and the average capital adequacy ratio temporarily below the current level but above the minimum regulatory threshold, while increasing the proportion of deferred tax asset in the banks' capital. However, these ratios do not include new non-performing loans that are expected to be added to the existing volume due to the effects of the health crisis.

It is therefore necessary to take additional steps to facilitate the front-loaded recognition of losses due to increased credit risk because of the pandemic and the consolidation of the banks' balance sheets and to tackle the problem of deferred tax assets. To this end, in addition to the current "Heraklis" program, the Bank of Greece has proposed to the government the creation of an Asset Management Company (AMC), in which non-performing loans will be transferred at their net book value and then securitised in real market terms. The transfer at their net book value provides incentives to banks with a high ratio of non-performing loans, while securitisation in market terms increases the liquidity of banks, enhances core profitability and improves the quality of regulatory capital. More importantly, the Bank of Greece's proposal also solves the problem of deferred tax assets in the capital of credit institutions. It is noted that the Greek State will provide, for a fee from the banks, its guarantee in order to cover the difference between the transfer value and the estimated market value. In addition, banks will pay a special fee (over a five-year period) as entry fee to the scheme. Furthermore, the Greek State will retain the right to participate in profits from higher than expected loan recoveries, through holdings of most of the lower rating securities.

At this stage, the government is considering the feasibility of establishing an asset management company, as proposed by the Bank of Greece, and at the same time has requested from the Directorate-General for Competition of the European Commission for the extension of the "Heraklis" programme. In the event that the Bank of Greece's proposal is not finally selected, an alternative way of dealing with the problem of deferred tax assets should be found, consistent with the applicable capital requirements legislation.

Developments concerning Optima bank

In July 2019, IREON INVESTMENTS LTD (100 % subsidiary of MOTOR OIL (HELLAS) SA, based in Nicosia, Cyprus) and following an international tender, acquired :

- 97.08 % of Optima bank S.A. (former investment Bank of Greece S.A.),
- 94.52% of Optima Asset Management AEDAK (Mutual Fund Management SA) (formerly CPB Asset Management AEDAK (Mutual Fund Management SA)) and
- 100% of Optima Factors SA (formerly LAIKI Factors and Forfaiters SA Business Factoring)

[14] https://www.bankofgreece.gr/statistika/ekseliksh-daneiwn-kai-kathysterhsewn

for a total of EUR 73.5 million. These legal entities were acquired with a view to being resold and classified as 'participations held for sale' in accordance with IFRS 5.11.

Within the year 2020, IREON INVESTMENTS LTD, as part of its divestment from:

- Optima bank S.A.,
- Optima Asset Management AEDAK (Mutual Fund Management S.A.)
- Optima Factors SA,

has carried out the following transactions:

Transfers of shares issued by OPTIMA BANK S.A.

Following its meeting on 26 March 2020, the Board of Directors of MOTOR OIL (HELLAS) SA granted special permission to its subsidiary IREON INVESTMENTS LTD, in order for the latter to carry out a partial divestment with the sale of shares of "OPTIMA BANK Bank S.A." In the period September – December 2020, IREON INVESTMENTS LTD has transferred a total of 2,546,006 existing shares issued by OPTIMA BANK S.A. to persons and third parties related with MOTOR OIL (Hellas) SA.

Based on the announcements (of MOTOR OIL (HELLAS) SA), the following transactions were effected in the Athens Stock Exchange:

Date of disclosure to the Athens Stock Exchange	Number of shares transferred	Sales price/share	Value of Transaction
29.09.2020	1,558,490	18.35	28,598291.50
12.11.2020	366,836	18.35	6,731,440.60
31.12.2020	620,680	18.35	11,389,478.00
Total	**2,546,006**		**46,719,210.10**

Source: *BoD's Management Report MOTOR OIL (HELLAS) SA*

Acquisition of shares issued by OPTIMA ASSET MANAGEMENT AEDAK (Mutual Fund Management SA)

On November 12, 2020, the acquisition transaction by Optima bank S.A. of 94.52% of the share capital of OPTIMA ASSET MANAGEMENT AEDAK (Mutual Fund Management SA) from IREON INVESTMENTS LTD was completed. The total transaction price amounted to EUR 199,870,30.

Acquisition of shares issued by OPTIMA FACTORS SA

On December 11, 2020, the sale transaction of 100 % of the share capital of OPTIMA FACTORS SA from IREON INVESTMENTS LTD to Optima bank SA was completed for a total price of EUR 6,307,000.

In addition, Optima bank's management and then the general meeting of its shareholders, decided in November 2020, the opening of the procedures for a capital increase (in favour of old shareholders) of EUR 80,139,546 with the issuance of 3,762,520 new ordinary registered shares with a share price of EUR 21.30 per share. The share capital increase was deemed necessary at this time in order for the Bank to strengthen its capital and proceed with the implementation of its business plan. The increase was fully covered by the participation of both existing shareholders and the participation of new investors.

Following the above transactions and in combination with the share capital increase, the share of IREON INVESTMENTS LTD in Optima bank on 31.12.2020 amounted to 15.77 % as it did not participate in the Bank's share capital increase.

Furthermore, the direct participation of IREON INVESTMENTS LTD in Optima Asset Management AEDAK (Mutual Fund Management SA) and Optima Factors SA, following the aforementioned transfers, became zero.

Important events that have occurred in 2021

On 13.1.2021 MOTOR OIL (HELLAS) announced that its subsidiary IREON INVESTMENTS LTD transferred another 61,500 shares issued by Optima bank S.A. to natural persons related with the company and 25,000 shares in third parties.

On 15.1.2021 the Board of Directors of Optima bank S.A. certified the Bank's share capital increase with cash payment of EURO 80,139,546.

As a result of these operations, IREON INVESTMENTS LTD's participation in Optima bank was below 15 %.

2020 financial performance (Group)

On 31.12.2020 the **total assets** of Optima bank Group amounted to EUR 991.8 million from EUR 303.5 million, increased by EUR 688.3 million compared to 31.12.2019. This change is further broken down into the increase of cash in hand and cash at central banks and the simultaneous increase in Optima bank's investment portfolio as a result of the increase of financing from deposits.

Total loans and receivables against customers before accumulated impairments amounted to EUR 391.9 million on 31.12.2020 (including loans for margin trading), increased by EUR 298.2 million in total compared to EUR 93.7 million in the consolidated balance sheet on 31.12.2019. The **accumulated impairments** have increased by EUR 5.4 million compared to 31.12.2019 and amounted to EUR 10.4 million for the financial year 2020 against EUR 5.0 million in 2019 due to the growth of the Bank's loan portfolio.

On 31.12.2020, total **liabilities to customers** amounted to EUR 754.3 million (recording an increase of EUR 549.3 million compared to 2019).

The **loans (net of provisions)-to-deposit ratio** on 31.12.2020 stood at 0.51 (compared with 0.43 on 31.12.2019).

At the end **of the 2020 financial year, the total net worth** amounted to EUR 139.3 million compared to EUR 72.8 million in 2019 improved by EUR 66.5 million. The improvement was mainly due to the Bank's share capital increase by EUR 80.1 million, which was ongoing on 31.12.2020- and to the formation of provisions for the financial year amounting to EUR 13.1 million.

Regarding the Group's profit and loss results:

The **net interest income** of Optima bank Group amounted to EUR 7.4 million from EUR 4.1 million, an increase by 81% compared to 2019 mainly due to the increase in interest-income on loans (increase of loans). The **net income from commissions** amounted to EUR 6.7 million from EUR 4.2 million, an increase by 59.4% mainly due to the increase in net commissions associated with the granting/renewal of loans by EUR 1.4 million, and to the increase in stock exchange fees by EUR 0.8 million.

The **total operating expenses** of Optima bank Group stood at EUR 26.3 million from EUR 14.7 million in 2019, an increase of 79.0%. The increase in operating expenses is mainly due to the increase in staff fees and expenses (+ 74.8 %) due to the increase in human resources (the number of employees gradually increased from 283 persons at the end of 2019 to 363 persons at the end of 2020 at Group level), which was necessary to cover the Bank's operational needs, but also to the increase in the overall operating expenses (+37.0%) resulting from the expansion of the branch network (from 4 branches plus 1 stockbroking office at the end of 2019 to 23 branches plus 1 stockbroking office at the end of 2020) and to the general increase of operating expenses due to the implementation of the business plan. Annual depreciation is also increased in 2020 compared to 2019 and amounted to EUR 3.1 million from EUR 440 thousand, mainly due to the construction of the branch network, technological investments and the renovation/expansion of central offices. Investments in fixed assets amounted to EUR 8.7 million at the end of 2020 compared with EUR 2.2 at the end of 2019 at a consolidated level. Accordingly, investment in intangible assets amounted to EUR 2.5 million in 2020 compared with 1.6 million in 2019 at a consolidated level.

As a result of the above, the **profit/ loss before provisions, impairments and taxes** for 2020 amounted to EUR -8.2 million compared to EUR -2.2 million in 2019. Taking into account the increased credit risk provisions due to the growth of Optima bank's loan portfolio in 2020, **the profit/ loss before tax** for the year that ended on 31.12.2020 amounted to EUR -14.0 million compared to **profit/ loss before tax** of the financial year 2019 which amounted to EUR -4.5 million. If taxes are included, the net **results after tax** for the financial year 2020 of Optima bank Group amount to EUR -13.1 million.

Non-current assets held for sale

Non-current assets held for sale appearing in Optima bank's statement of financial position on 31/12/2020 include IBG Global Funds SICAV-SIF, a Special Investment Fund based in Luxembourg and IBG Capital Management S.ar.l, the Luxembourg-based management company of the above mentioned investment fund. The amount represents the residual value in the liquidation process of the two companies, which was decided in the context of utilising the assets that were invested without however contributing to the Bank's business plan.

After exploring alternative options for the use of the aforementioned assets, Optima bank's management considered that these did not contribute to the bank's overall business plan.

As a result, it started a process of selling them without nonetheless achieving the expected result and finally decided to liquidate IBG Global Funds SICAV-SIF and close the company in accordance with the voluntary liquidation procedure, as provided for in the Luxembourg legal framework, and additionally to launch the liquidation of the management company IBG Capital Management S.ar.l.

The management of Optima bank expects that the above will be completed within the current year 2021.

Regulatory ratios

At the end of December 2020, the Bank's Common Equity Tier I (CET-1) capital amounted to EUR 121.8 million (EUR 129.4 million for the Group) while the risk weighted assets (RWAs) amounted to EUR 589.9 million (EUR 597.8 million for the Group) resulting in Optima bank's CET-1 ratio standing at 20.65% (21.64% for the Group) reduced by 3.4 (4.4 for the Group) basis points compared with 31.12.2019, jointly influenced by the share capital increase of EUR 80.1 million made by Optima bank, the extension of the loan and investment portfolio of the Bank and the results of the particular financial year.

At bank level, the liquidity coverage ratio (LCR) was 303.21 % (against the minimum threshold: 100 %) and the net stable funding ratio (NSFR) stood at 133.50% (against the minimum threshold: 100%) on 31.12.2020.

The regulatory ratios for both the Bank and the Group are summarised in the table below for both the year that ended on 31.12.2020 and the previous financial year (expiration 31.12.2019):

	Bank			**Group**	
	31.12.2019	**31.12.2020**		**31.12.2019**	**31.12.2020**
CET-1 (%)	24.01 %	20.65 %		26.06 %	21.64 %
CAR (%)	24.01 %	20.65 %		26.06 %	21.64 %
LCR (%)	190.6 %	303.21 %		199.5 %	319.94 %
NSFR (%)	114.9 %	133.50 %		116.4 %	133.15 %

Source: Finance Direction of Optima bank

Conclusion on the going concern

The Board of Directors concluded that for the Bank and the Optima Bank Group the principle of going concern does apply, given that:

- CET-1 and the total capital adequacy ratio exceed the capital requirements set by regulatory authorities
- The liquidity ratios LCR and NSFR exceed the minimum regulatory threshold of 100 % (for both indicators individually)
- Since the beginning of 2021, the Bank has completed a significant share capital increase of EUR 80 million with the enlargement of its shareholder base due to the participation of new and existing shareholders
- The Bank's management faced in 2020 and continues to face in 2021 the unprecedented crisis caused by the emergence of the COVID-19 pandemic by taking a series of measures to protect both its customers and its employees in accordance with the protection measures announced by the European and Greek authorities

- The measures taken by the Greek Government and other regulatory authorities to mitigate the impact of the COVID-19 pandemic on affected borrowers.

As part of the evaluation, the Board of Directors took into account the key business risks related to Optima bank, which derive mainly from the macroeconomic environment in which Optima bank operates and develops in conjunction with its strategy, liquidity and capital position.

Risk management

The Group recognises that the management of the risks undertaken in the context of its activities is a strategic tool of the business policy and philosophy of its operation. Therefore, its management ensures that risk management is carried out in a clearly defined framework, understandable by all units. In this context, timely risk identification and risk measurement and management methods are compatible with the Group's strategic choices and are translated in day-to-day business decisions.

Following with particular attention the dynamic nature of the economic and institutional environment in which it operates, the Group adapts and develops its risk management mechanisms at the level of organisational structure, policies, processes and computer systems as to ensure that these mechanisms remain effective at the level of daily banking operations, compatible with the principle of independence and operational for internal and institutional oversight purposes.

The process of adapting to the evolving institutional environment and the need to upgrade the functions that determine the level of risk management (policies, systems etc.) require the investment of significant resources, utilised by the Group through transparent evaluation procedures, so that the generated result meets the objective and that the relevant expenditure stays within the framework of the budget.

At the level of credit provision, the Bank assesses the underlying credit risk by identifying the creditworthiness of its customers, both by applying one of the most reliable independent credit rating models and by using a set of techniques and criteria compatible with the current institutional framework. These tools are described and implemented in the context of Credit Risk Management Policy, Credit Policy and Institutional Counterparties Credit Risk Policy & Management. In this context, the approval process and the approval levels are also clearly defined, while the role of the credit committees and the enhanced role of the Bank's Chief Risk Officer since 2018 are clearly delimitated.

A similar management framework, tailored to their nature, applies to market, liquidity and operational risks.

All risks are delimited by the Bank's Risk Tolerance Policy, which (like all policies) has been approved by the Board of Directors. The risk tolerance framework allows to distinguish the levels of maximum risk tolerance, the desired level of risk undertaking and the real risk level, by orienting and coordinating the work of the individual units, so that it may converge in the direction of the management's strategic choices, i.e., the optimum combination of protection and efficiency of the Bank's funds. To serve this objective, the Risk Tolerance Policy envisages respecting specific value levels for an important number of ratios that reflect the structural picture of all high interest areas, both for the Bank and for regulatory authorities (capital adequacy, liquidity, loan portfolio quality, efficiency, e.tc.) This policy shall be regularly updated on an annual basis and exceptionally whenever appropriate.

The Risk Management Committee of the Board of Directors supports the Board of Directors in the task of defining a risk management strategy, based on the current Business Plan and the Risk Undertaking Framework.

The Risk Management Committee submits proposals to the Board of Directors on the current and future risk-taking strategy of the institution, it determines the principles that should govern the management of risks in terms of their recognition, anticipation, measurement, monitoring, auditing and tackling, based on the applicable business strategy and the adequacy of available resources.

Furthermore, the Risk Management Committee provides guidance to the Risk Management Direction regarding the implementation of the risk undertaking strategy, including compliance with the capital adequacy regulatory framework in force, while it also monitors the independence, adequacy and efficiency of the aforementioned Direction.

The Risk Management Committee ensures that the Bank's Board of Directors is adequately updated on all issues pertaining to the risk undertaking strategy, the tolerance level and the risk undertaking level in the performance of its strategic and regulatory tasks.

The relevant regulatory reports shall summarise and systematise the risk management framework, in all its aspects. The financial risk management is described in detail in Note 4 to the Financial Statements and the Consolidated Financial Statements of the year ended December 31, 2020.

Personnel

The employees are particularly important for Optima bank's progress. The Bank shall ensure that it is staffed with the appropriate personnel so that, on the one hand, it may have the critical mass to achieve its operational objectives and, on the other hand, establish long-term and mutually beneficial partnerships.

The number of employees of Optima bank on 31/12/2020 amounted to 348 persons (363 for the Group), compared to 283 for the Group and the Bank on 31/12/2019.

Out of this number, 44% are women and 80% of employees have a higher education and post graduate diploma.

Number of branches / Central offices

On 31.12.2020 the Bank operated 23 branches and 1 stockbroking branch/ office. More specifically, 19 out of the 23 branches operate in Athens, 3 in Thessaloniki and 1 in Corinth. The stockbroking office (branch offering stockbroking services) is based in Heraklion, Crete.

Regarding the central offices, new premises have been leased in 2020 in Maroussi, Attica, which were renovated and in which the following Bank services were transferred: internal audit, legal service, stockbroking services, credit and risks.

The remaining central offices remain in the building at Aigialias 32, Maroussi, whose complete renovation is expected to be completed in 2021.

Share capital structure

All Optima bank shares are ordinary, registered, with voting rights, have not been admitted for trade in any regulated market and have all rights and obligations deriving from Optima bank's Articles of Association and are determined by law.

On 31.12.2020, Optima bank did not hold own shares.

It should be noted that Optima bank completed a share capital increase of EUR 80,139,546 with the issuance of 3,762,540 new shares of a nominal value of EUR 21.30 per share. Prior to the above mentioned increase, a decrease in the share capital of the Bank by EUR 30,287,481 had taken place by a decrease in the nominal value of existing (prior to the increase) shares from EUR 29.35 per share to EUR 21.30 per share combined with an equal (EUR 30,287,481) set off of losses from previous years.

Following this increase, Optima bank's share capital amounts to EUR 160,279,092.00 divided into 7,524,840 ordinary registered shares of a nominal value of EUR 21.30 each and is paid up in full.

Dividends

Based on the profit and loss of the year ended 31.12.2020 and in conjunction with Articles 161 (minimum dividend) and 162 (temporary dividend and subsequent distribution of profits and optional reserves) of the Law 4548/2018 on Societes Anonymes, the distribution of dividend is not allowed.

Assessment on the progress of Optima bank's activities in 2021

Optima bank continues seamlessly the implementation of its strategic plan for the five years 2020-2024 which has as its main priority the collection of deposits mainly from affluent customers through competitive pricing and the granting of loans to companies with an export nature and with significant profitability characteristics from various sectors of the Greek economy.

More specifically, in the retail sector, Optima bank is expected to have completed the creation and operation of the modern banking branch network in Athens, Thessaloniki, Corinth and Crete in 2021 with the main aim of attracting deposits and selling banking and investment products. At the end of 2020, Optima bank's network included 23 branches, out of which (19) in Athens, (3) in Thessaloniki and (1) in Corinth while in 2021 another branch in Athens (Pagrati) was launched and the construction of other branches is under way in accordance with the strategic plan. In particular, a branch in the Kolonaki area was recently leased and its reconstruction works shall begin immediately, while in the area of Heraklion, Crete, the search for a branch continues.

The Bank continues to provide stockbroking services to its customers as well as asset management and investment banking services, in which it had distinguished itself in the past having received prestigious distinctions. In 2021, the Bank's management decided to start the restructuring and modernisation of the stockbroking services offered as well as the support / custodianship of other stockbroking firms.

In the field of business banking, a flexible group of experienced banking executives have undertaken the important role to develop the Bank's loan portfolio, by approaching for either simple or complex financing operations medium-sized and large exporting enterprises with significant profitability characteristics from various sectors of the Greek economy.

The successful course of all the above is expected to further broaden Optima bank's financing sources and to improve its visibility.

At the same time, Optima bank's management in cooperation with its suppliers/partners continues the implementation of its technological plan with investments in the field of modern banking technologies and the development of alternative networks in order to provide its customers with modern banking services and products of the same quality as those already provided by the other banking institutions in Greece, making sure that its customers have a pleasant banking experience. It is worth mentioning that in 2021 an improved version of e-banking was delivered by the Bank's supplier with the addition of several applications, the m-banking service was completed and delivered and the digital onboarding service will be available by the end of this year for the Bank's customers.

At the same time, the Bank is proceeding with the gradual automation of processes in order to be able to offer personalised and high quality services with the appropriate speed and security. The emergence of the COVID-19 pandemic has accelerated the turn towards the field of automation and customer service without the physical presence of a customer and/or employee.

It should be noted that the Bank's business plan in combination with the increase of the share capital that has already taken place, was approved by the Board of Directors of the Bank on 3/11/2020 while the 2021 budget was approved after its presentation to the Board of Directors of the Bank on 2/2/2021.

Transactions with related parties

All transactions with related parties are objective and are conducted on the basis of the arm's length principle and under the usual commercial conditions regarding transactions with third parties. Important transactions with related parties, as these are defined in IAS 24, are detailed also in note 40 to the Financial Statements and the Consolidated Financial Statements of the year ended on 31.12.2020.

Protection of the environment

Given the nature of Optima bank's activities, the actual and potential impact of its activities on the environment is not significant.

Post balance sheet events

In March 2021, the subsidiaries IBG Investments S.A. and IBG Capital S.A. were informed by the managers of the closed-end venture capital mutual funds "IBG Hellenic Fund III" and "THERMI TANEO Venture Capital Fund" respectively that the largest part of the closed-end venture capital mutual funds' portfolio in which they had invested has been liquidated. This shall be reflected in the financial statements for the financial year 2021. According to the provisions of Law 4799/2021, published on 18.5.2021, the income tax rate of Legal Persons in Greece was reduced from 24 % to 22 %. This change concerns the years from 2021 and afterwards.

Apart from the above, there are no events after December 31, 2020 and until the date of approval of the financial statements by the Board of Directors of the Company which could materially affect the financial position or the results of the Company for the financial year ended on that date.

Information on a consolidated basis for the year 2020 according to the provisions of Article 6 of Law 4374/2016

I. Payments on a consolidated basis for the year 2020 due to advertising, or promotion in the Media, in accordance with par. 1 of article 6 of Law 4374/2016.

In 2020 the following payments were made to media enterprises for advertising or promotion purposes:

Company Name	Amount before tax
ATHENS VOICE S.A.	1.000,00
DIO DEKA S.A.	1.000,00
NEWS DOT COM S.A.	2.500,00
PUBLICATIONS FIRST ISSUE PUBLISHING S.A.	5.500,00
HISTORY PUBLISHING ORGANIZATION I.K.E.	600,00
ENIKOS S.A.	2.000,00
ZOUGLA GR S.A. ELECTRONIC MEDIA	2.000,00
H NAYTEMPORIKI -.ATHANASIADIS & SIA S.A.	2.000,00
I. DIONATOS & SIA E.E.	1.000,00
KATHIMERINES PUBLISHING S.A.	5.500,00
CAPITAL G.R. ELECTRONIC INFORMATION SERVICES S.A.	2.000,00
CAPITAL G.R. S.A.	984,80
KARTA EPE	2.250,00
MANESIOTIS - PSOMIADIS O.E.	500,00
MN Marketnews LTD	1.500,00
PARAPOLITIKA PUBLISHING S.A.	2.000,00
PROTAGON S.A.	1.000,00
FILELEFTHEROS PUBLISHING S.A.	2.000,00
24 MEDIA M. EPE	2.500,00
ALTER EGO S.A.	3.000,00
BANKING NEWS A.E.	12.000,00
DIMERA PUBLISHING S.A.	1.500,00
DPG DIGITAM MEDIA S.A.	2.200,00
ETHOS MEDIA S.A.	2.000,00
HTTPOOL HELLAS M.IKE	600,00
Liquid Media S.A.	1.500,00
MCN STUDIOS IKE	5.402,63
Media2Day PUBLISHING S.A.	2.000,00
MEDIHOLD PUBLISHING ADVERTISING S.A.	1.000,00
Monocle Media Lab	2.000,00
New Media Network SYNAPSIS SA	5.500,00
NEWPOST PRIVATE COMPANY	1.000,00
NEWSIT ΕΠΕ	1.500,00
POLITIS OUT OF HOME IKE	21.007,26
PRIME APLICATIONS S.A.	2.000,00
REAL MEDIA S.A.	2.000,00
Total	**102.044,69**

II. Payments on a consolidated basis for the year 2020 for donations, sponsorships, grants or other ex gratia payments (according to par. 2 of article 6 of Law 4374/2016)

In 2020, the following payments were made for donations, sponsorships, grants, or other ex gratia payments:

Company Name	Amount before tax
BLUE GROWTH	2.500,00
ELEPAP	100,00
HELLENIC EXCHANGE S.A.	7.500,00
ELPIS	3.490,00
COMMERCIAL ASSOCIATION OF KIFISIAS	500,00
XAMOGELO TOY PEDIOY	403,22
CAPITAL LINK	3.000,00
Total	**17.493,22**

Maroussi, June 29, 2021

FOR THE BOARD OF DIRECTORS

The Chairman of the Board of Directors	The Chief Executive Officer
Georgios Taniskidis	**Dimitrios Kyparissis**

II. Auditor’s Report

[Translation from the original text in Greek]

Independent auditor's report

To the shareholders of "Optima bank S.A."

Report on the audit of the separate and consolidated financial statements

Our opinion

We have audited the accompanying separate and consolidated financial statements of the Bank "Optima bank S.A." (Bank and Group), which comprise the separate and consolidated statement of financial position as of 31 December 2020, the separate and consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flow statements for the year then ended, and notes to the separate and consolidated financial statements, including a summary of significant accounting policies.
In our opinion, the separate and consolidated financial statements present fairly, in all material respects, the separate and consolidated financial position of the Bank and the Group as at 31 December 2020, their separate and consolidated financial performance and their separate and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union and comply with the statutory requirements of Law 4548/2018.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs), as they have been transposed into Greek Law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the separate and consolidated financial statements section of our report.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

During our audit we remained independent of the Bank and the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) that has been transposed into Greek Law, and the ethical requirements of Law 4449/2017 and of Regulation (EU) No 537/2014, that are relevant to the audit of the separate and consolidated financial statements in Greece. We have fulfilled our other ethical responsibilities in accordance with Law 4449/2017, Regulation (EU) No 537/2014 and the requirements of the IESBA Code.

We declare that the non-audit services that we have provided to the Bank are in accordance with the aforementioned provisions of the applicable law and regulation and that we have not provided non-audit services that are prohibited under Article 5(1) of Regulation (EU) No 537/2014.

The non-audit services that we have provided to the Bank, during the year ended as at 31 December 2020, are disclosed in Note 41 of the separate and consolidated financial statements.

We declare that for the year ended as at 31 December 2020 we have not provided non-audit services to the subsidiaries of the Bank.

Key audit matters

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

<table>
<tr><th>Key Audit Matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2">Impairment allowance for loans and advances to customers under IFRS 9</td></tr>
<tr><td>At 31 December 2020 loans and advances to customers measured at amortised cost of the Bank and the Group amounted to €387 million and €385 million respectively and the accumulated impairment allowance amounted to €10.5 million and €10.4 million respectively.

With the introduction of IFRS 9 in 2018, a number of additional judgements and assumptions are introduced and reflected in the Bank and the Group’s financial statements, including the identification of increases in credit risk.

The Bank and the Group determine an expected credit loss allowance for the loans and advances to customers using impairment models based on key assumptions including probability of default (PD) and loss given default (LGD).

For loans and advances to customers that have been impaired, the impairment allowance for credit risks is determined by taking into consideration the recoverability of exposures and the underlying collaterals.

We focused on this area due the size of loans and advances to customers and the subjective nature of the calculation of impairment allowance. Impairment allowance represents Management’s best estimate of both the timing of recognition of impairment and the measurement of the amount of the impairment required in relation to loss events, which have occurred at the year end.

For more information you can refer to notes 2.4, 2.10, 5.1 and 18 of the separate and consolidated financial statements.</td><td>The audit procedures performed regarding the impairment allowance for loans and advances to customers included the following:

• We assessed the completeness and accuracy of data used in the impairment models by agreeing details to the source systems.

• We assessed the reasonableness of the impairment model methodology applied by management and key modelling judgements to determine the credit risk parameters for the expected credit loss calculation.

• We examined Management’s assessment regarding impairment indicators, uncertainties and assumptions applied in the assessment of the recoverability of exposures and underlying collaterals. We also considered the current financial performance as well as the assumptions commonly used in the industry.

• For a sample of loans, we obtained an understanding of the latest developments in order to verify whether there are indicators of impairment and we examined the reasonableness of key assumptions and impairment allowance, taking into consideration the value of the underlying collaterals.

• For the aforementioned sample, we inspected the relevant agreements and other supporting documentation to confirm the existence and legal right to the collaterals.

Based on the procedures performed, we consider that the key assumptions used for the measurement of impairment allowance for loans and advances to customers were reasonable.</td></tr>
<tr><td colspan="2">Use of IT Systems</td></tr>
<tr><td>The Bank and the Group’s financial reporting processes are highly reliant on information produced by the Bank's Information Technology (IT) systems, and / or automated processes and controls (i.e. calculations, reconciliations) implemented in these systems.
The nature, complexity and the increased use of these information systems combined with the large volume of</td><td>We assessed the information security resilience of the Bank by evaluating the design of key IT processes and controls over financial reporting.

More specifically, we assessed the administration of access, changes and daily IT operations for key layers of</td></tr>
</table>

transactions being processed on a daily basis increase the risk over the effective interconnectivity of the IT systems and data and the risk around the degree of reliability of the financial reporting information. The banking environment is also subject to a number of internal and external threats relating to cyber security.	underlying infrastructure for the systems in scope of the audit. In order to place reliance on the system generated information (i.e. data and reports), we performed additional substantive procedures as part of our audit.

Other Information

The members of the Board of Directors are responsible for the Other Information. The Other Information is the Board of Directors' Report and the information according to article 6 of Law 4374/2016 (but does not include the separate and consolidated financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report.

Our opinion on the separate and consolidated financial statements does not cover the Other Information and except to the extent otherwise, explicitly stated in this section of our Report, we do not express an audit opinion or other form of assurance thereon.

In connection with our audit of the separate and consolidated financial statements, our responsibility is to read the Other Information identified above and, in doing so, consider whether the Other Information is materially inconsistent with the separate and consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.
We considered whether the Board of Directors' Report includes the disclosures required by Law 4548/2018. Based on the work undertaken in the course of our audit, in our opinion:

- The information given in the Board of Directors' Report for the year ended at 31 December 2020 is consistent with the separate and consolidated financial statements.

- The Board of Directors' Report has been prepared in accordance with the legal requirements of articles 150 and 153 of Law 4548/2018.

In addition, in light of the knowledge and understanding of the Bank and Group and their environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Board of Directors' Report and Other Information that we obtained prior to the date of this auditor's report. We have nothing to report in this respect.

Responsibilities of Board of Directors and those charged with governance for the separate and consolidated financial statements

The Board of Directors is responsible for the preparation and fair presentation of the separate and consolidated financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union and comply with the requirements of Law 4548/2018, and for such internal control as the Board of Directors determines is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Bank's and Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the separate and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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 separate and consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate and consolidated financial statements, 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 and Group'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 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 and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank and Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the separate and consolidated financial statements, including the disclosures, and whether the separate and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the separate and consolidated financial statements. We are responsible for the direction, supervision and performance of the Bank and Group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate and consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report.

Report on other legal and regulatory requirements

1. Additional Report to the Audit Committee

Our opinion on the accompanying separate and consolidated financial statements is consistent with our Additional Report to the Audit Committee of the Bank as per article 11 of Regulation (EU) No 537/2014.

2. Appointment

We were first appointed as auditors of the Bank by the decision of the annual general meeting of shareholders on 29.06.2012. Our appointment has been renewed annually by the decision of the annual general meeting of shareholders for a total uninterrupted period of appointment of 9 years.

Athens, 30 June 2021

The Certified Auditor

PricewaterhouseCoopers S.A.
Certified Auditors
268 Kifissias Avenue
152 32 Halandri
SOEL Reg. No 113

Dimitris Sourbis
SOEL Reg. No 16891

III. Financial Statements for the year ended on December 31, 2020

Financial Statements

for the year

January 1 - December 31, 2020

In accordance with the International Financial Reporting Standards (IFRS)

Optima bank

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GROUP

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Amounts in Eur '000	Note	31st December 2020	31st December 2019
Interest income		10.047	4.754
Interest expenses		(2.679)	(676)
Net interest income	6	**7.368**	**4.078**
Fee and commission income		9.535	7.436
Fee and commission expenses		(2.831)	(3.230)
Net fee and commission income	7	**6.704**	**4.206**
Dividend income		193	540
Net trading income	8	3.674	3.379
Other operating income	9	159	335
		4.026	**4.254**
Total operating income		**18.098**	**12.538**
Staff Costs	10	(17.043)	(9.750)
Other operating expenses	11	(6.179)	(4.510)
Depreciation	22	(3.093)	(440)
Total operating expenses		**(26.315)**	**(14.701)**
Profit/(loss) before provisions and taxes		**(8.217)**	**(2.163)**
Provision for loans impairment	18	(5.266)	(3.581)
Other provisions	12	(549)	1.220
Total provisions		**(5.815)**	**(2.360)**
Loss before tax		**(14.032)**	**(4.523)**
Income tax	13	1.059	331
Loss after tax (a)		**(12.973)**	**(4.192)**
Other comprehensive income after tax (b)		**(77)**	**(79)**
Total comprehensive income after tax (a)+(b)		**(13.050)**	**(4.271)**

The enclosed notes (pages 11 to 100) form integral part of the present financial statements.

Optima bank

BANK

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Amounts in Eur '000	Note	31st December 2020	31st December 2019
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The enclosed notes (pages 11 to 100) form integral part of the present financial statements.

GROUP

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in Eur '000	**Note**	**31st December 2020**	**31st December 2019**
ASSETS			
Cash and balances with central banks	14	152.591	27.493
Loans and advances to credit institutions	15	36.775	85.913
Financial assets at fair value through profit or loss	16	41.103	63.177
Derivative financial instruments	17	88	102
Loans and advances to customers	18	381.501	88.710
Financial assets at fair value through other income statement	19	223.348	1.377
Requirements from debt securities at depreciated cost	20	30.698	0
Investments in associates	21	29	54
Property, plant and equipment and intangible assets	22	13.971	4.722
Rights on Use Assets	23	19.498	6.168
Deferred tax assets	24	3.000	1.906
Other stock exchange transactions	25	26.847	10.028
Guarantee Securities for Investment Services	26	12.196	11.192
Current tax assets	27	613	282
Other assets	27	49.116	1.947
		991.377	**303.072**
Assets for Sales	28	434	459
Total assets		**991.811**	**303.531**
LIABILITIES AND EQUITY			
Due to Central Bank	29	12.931	0
Due to credit institutions	30	13.493	9.449
Due to customers	31	754.281	205.004
Stock clearance accounts	32	35.998	1.448
Derivative financial instruments	17	2.628	217
Lease Liability	23	19.872	6.190
Retirement benefit obligations	33	507	401
Other liabilities	34	11.725	7.160
Provisions	35	981	792
		852.416	**230.660**
Liabilities for Sales	28	99	78
Total liabilities		**852.515**	**230.737**
Equity			
Share capital	36	160.279	110.427
Fair value reserves		314	19
Other reserves	37	18.926	18.926
Retained losses		(40.223)	(56.578)
Total equity		**139.295**	**72.794**
Total liabilities and equity		**991.811**	**303.531**

The enclosed notes (pages 11 to 100) form integral part of the present financial statements.

Optima bank

BANK

STATEMENT OF FINANCIAL POSITION

Amounts in Euro '000	Note	31st December 2020	31st December 2019
ASSETS			
Cash and balances with central banks	14	152.591	27.493
Loans and advances to credit institutions	15	35.465	85.907
Financial assets at fair value through profit or loss	16	19.441	43.973
Derivative financial instruments	17	88	102
Loans and advances to customers	18	382.636	96.690
Financial assets at fair value through other income statement	19	223.348	1.377
Requirements from debt securities at depreciated cost	20	30.698	0
Investments in subsidiaries and associates	21	13.099	6.591
Property, plant and equipment and intangible assets	22	13.852	4.722
Rights on Use Assets	23	19.493	6.168
Deferred tax assets	24	5.240	4.011
Other stock exchange transactions	25	26.847	10.028
Guarantee Securities for Investment Services	26	12.196	11.192
Current tax assets	27	506	282
Other assets	27	48.992	1.920
		984.494	**300.456**
Assets for Sales		313	313
Total assets		**984.806**	**300.769**
EQUITY AND LIABILITIES			
Due to Central Bank	29	12.931	0
Due to credit institutions	30	13.493	9.449
Due to customers	31	757.599	208.182
Stock clearance accounts	32	35.998	1.448
Derivative financial instruments	17	2.628	217
Lease Liability	23	19.867	6.190
Retirement benefit obligations	33	460	401
Other liabilities	34	9.632	7.057
Provisions	35	857	792
Total liabilities		**853.466**	**233.735**
Shareholders equity			
Share capital	36	160.279	110.427
Fair value reserve		314	19
Other reserves	37	18.177	18.177
Retained losses		(47.429)	(61.589)
Total equity		**131.340**	**67.034**
Total liabilities and equity		**984.806**	**300.769**

The enclosed notes (pages 11 to 100) form integral part of the present financial statements.

GROUP

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in Eur '000	Share capital	AFS reserves	Other reserves	Retained earnings	**Total**
Balance at 1 January 2019	**110.427**	**15**	**18.926**	**(52.304)**	**77.065**
Profits/(losses) from the valuation at fair value through other income statement	0	3	0	0	3
Tax related to profits/(losses) recognised in equity	0	1	0	0	1
Net profit/(loss) for the year 01/01-31/12/2019	0	0	0	(4.192)	(4.192)
Other comprehensive income	0	0	0	(82)	(82)
Equity balances as at 31 December 2019	**110.427**	**19**	**18.926**	**(56.578)**	**72.794**

Amounts in Eur '000	Share capital	AFS reserves	Other reserves	Retained earnings	**Total**
Balance at 1 January 2020	**110.427**	**19**	**18.926**	**(56.578)**	**72.794**
Share Capital Reduction with offsetting losses of previous years	(30.287)	0	0	30.287	0
Amounts intended for Share Capital increase	80.140	0	0	0	80.140
Share Capital Increase Expenses	0	0	0	(882)	(882)
Profits/(losses) from the valuation at fair value through other income statement	0	295	0	0	295
Net profit/(loss) for the year 01/01-31/12/2020	0	0	0	(12.973)	(12.973)
Other comprehensive income	0	0	0	(77)	(77)
Equity balances as at 31 December 2020	**160.279**	**314**	**18.926**	**(40.223)**	**139.295**

The enclosed notes (pages 11 to 100) form integral part of the present financial statements.

BANK

STATEMENT OF CHANGES IN EQUITY

Amounts in Euro '000	Share capital	Revaluation reserve	Other reserves	Retained earnings	**Total**
Balance at 1 January 2019	**110.427**	**16**	**18.177**	**(56.332)**	**72.288**
Fair value losses on available for sale financial assets	0	3	0	0	3
Tax related to profits/(losses) recognised in equity	0	0	0	0	0
Net profit/(loss) for the year 01/01-31/12/2019	0	0	0	(5.175)	(5.175)
Other comprehensive income	0	0	0	(82)	(82)
Equity balances as at 31 December 2019	**110.427**	**19**	**18.177**	**(61.589)**	**67.034**

Amounts in Euro '000	Share capital	Revaluation reserve	Other reserves	Retained earnings	**Total**
Balance at 1 January 2020	**110.427**	**19**	**18.177**	**(61.589)**	**67.034**
Share Capital Reduction with offsetting losses of previous years	(30.287)	0	0	30.287	0
Amounts intended for Share Capital increase	80.140	0	0	0	80.140
Share Capital Increase Expenses	0	0	0	(882)	(882)
Fair value losses on available for sale financial assets	0	295	0	0	295
Net profit/(loss) for the year 01/01-31/12/2020	0	0	0	(15.174)	(15.174)
Other comprehensive income	0	0	0	(72)	(72)
Equity balances as at 31 December 2020	**160.279**	**314**	**18.177**	**(47.429)**	**131.340**

The enclosed notes (pages 11 to 100) form integral part of the present financial statements.

GROUP

CONSOLIDATED CASH FLOW STATEMENT

Amounts in Eur '000	**Note**	**31st December 2020**	**31st December 2019**
Cash Flows from Operating Activities			
Loss before tax		**(14.032)**	**(4.523)**
Adjustments for:			
Depreciation	22	3.093	440
Fair value (profits)/losses on financial assets		(2.442)	(1.101)
(Profits)/losses on revaluation of derivatives		2.425	(5.246)
Retirement benefit obligations	33	65	17
Impairment of investments in subsidiaries		0	(138)
Loan and other investments provision	18	5.266	3.581
Other provisions		39	(365)
Profit / loss of fair value of financial assets		(43)	84
Cash flows from operating activities before changes in operating assets and liabilities		*(5.629)*	*(7.250)*
Changes in operating assets and liabilities			
Trading Portfolio		24.518	2.431
Loans and advances to customers		(298.007)	(56.274)
Investments available for sale		(252.375)	0
Other assets		(78.843)	90
Due to credit institutions		16.975	(32.483)
Due to customers		570.114	129.680
Other liabilities		45.002	13.993
Cash flows from operating activities before income tax		*21.755*	*50.187*
Income tax paid		(21)	0
Net cash flows from operating activities		**21.734**	**50.187**
Investing activities			
Participation in subsidiaries and associates		(6.508)	2.477
Purchases of PPE		(8.638)	(2.207)
(Acquisition)/disposal and maturity of investment securities		1.934	(4.354)
Purchases of intangible assets		(1.875)	(1.627)
Net cash flows from investing activities		**(15.087)**	**(5.711)**
Financing activities			
Increase of Share Capital		69.312	0
Net cash flows from financing activities		**69.312**	**0**
Net increase/(decrease) in cash and cash equivalents		75.959	44.476
Cash and cash equivalents at beginning of year		113.406	68.931
Cash and cash equivalents at end of year	38	**189.366**	**113.406**

The enclosed notes (pages 11 to 100) form integral part of the present financial statements.

BANK

CASH FLOW STATEMENT

Amounts in Euro '000	**Note**	**31st December 2020**	**31st December 2019**
Cash flows from operating activities			
Loss before tax		**(16.403)**	**(5.482)**
Adjustments for:			
Depreciation	22	1.316	440
Fair value (profits)/losses on financial assets		14	(247)
(Profits)/losses on revaluation of derivatives		2.425	(5.246)
Retirement benefit obligations	33	59	17
Loan and other investments provision	18	5.389	3.602
Other provisions		65	(88)
Cash flows from operating activities before changes in operating assets and liabilities		*(7.135)*	*(7.003)*
Changes in operating assets and liabilities			
Trading Portfolio		24.518	174
Loans and advances to customers		(291.335)	(55.233)
Other assets		(330.820)	185
Due to credit institutions		16.975	(32.483)
Due to customers		569.920	129.680
Other liabilities		40.174	10.526
Cash flows from operating activities before income tax		*22.297*	*45.845*
Net cash flows from operating activities		**22.297**	**45.845**
Investing activities			
Participation in subsidiaries and associates		(6.508)	2.477
Purchases of PPE		(8.576)	(2.207)
Purchases of intangible assets		(1.869)	(1.627)
Net cash flow from investing activities		**(16.954)**	**(1.357)**
Financing activities			
Increase of Share Capital		69.312	0
Net cash flow from financing activities		**69.312**	**0**
Net increase/(decrease) in cash and cash equivalents		**74.656**	**44.488**
Cash and cash equivalents at beginning of year		113.401	68.912
Cash and cash equivalents at end of year	38	**188.056**	**113.401**

The enclosed notes (pages 11 to 100) form integral part of the present financial statements.

1. General Information

Optima Bank S.A. was the result of the renaming of the INVESTMENT BANK OF GREECE S.A.

The Bank offers a wide range of banking and brokerage services as well as investment banking services. It operates under the supervision of the Bank of Greece and the Single Supervisory Mechanism (SSM), while being a member of the Athens Exchange and the Cyprus Stock Exchange. It employs 348 persons in total and its registered office is located in the Municipality of Maroussi, Attica (32 Aigialias Street).

The Investment Bank of Greece was established in 2000; since 2012 its majority shareholder was Cyprus Popular Bank, the remaining assets of which have been passed to the National Resolution Authority (NRA) of Cyprus and went into special liquidation.

In 2013, within the context of the plan to rescue the banks of Cyprus, all banking operations of Cyprus Popular Bank in Greece were transferred to Piraeus Bank, while the Investment Bank of Greece was excluded and remained an independent banking, investment and financial institution which continued its operation as a Greek financial institution holding a banking permit.

In March 2018, Cyprus Popular Bank hired an advisor marking the beginning of the procedure to sell the Investment Bank of Greece by conducting an international tender; such procedure was completed in October 2018 with the signature of the SPA between the seller (Cyprus Popular Bank) and the buyer (Ireon Investments, a 100% subsidiary of Motor Oil Hellas Group). The transfer procedure was completed in July 2019, following the receipt of the relevant approvals of the regulatory authorities. The participation percentage of Ireon Investments amounted to 97.08%

Following its acquisition by Ireon Investments, Investment Bank of Greece SA was renamed Optima Bank S.A., in August 2019.

Historically, Investment Bank was established under the act ref. 55401/18.1.2000 of the Athens Notary Ms. Anna Tsafara, daughter of Panagiotis, approved by the Decision ref. K2-881/24.1.2000 of the Minister of Development, published in the Government Gazette ref. 533/26.1.2000 (SA & LTD Issue). It operated as a bank société anonyme in accordance with the Greek legislation and in particular the provisions of Law 4548/2018 on sociétés anonymes, as in force since January 1, 2019, as well as the provisions of Law 4601/2019 on the transformation of companies.

On December 29, 2003 the extraordinary General Meeting of its Shareholders decided the merger of the Bank by absorption of the company "MARFIN - HELLENIC SA", in accordance with the provisions of the Cod. Law 2190/1920, Laws 2515/1997 and 2166/1993, and with Transformation Balance Sheets as of June 30, 2003. The above merger has been approved by the Decision ref. K2/2369/27.2.2004 of the Prefecture of Athens.

On June 29, 2006 the Boards of Directors of "INVESTMENT BANK OF GREECE S.A" and "EGNATIA FINANCE S.A" decided to initiate the merger by absorption procedures of the second by the first with transformation date the date of June 30, 2006.

The Boards of Directors of the Bank and the société anonyme under the corporate name "EGNATIA FINANCE ANONIMI CHRIMATISTIRIAKI ETERIA PAROCHIS EPENDITIKON IPIRESION S.A.", with the distinctive title "EGNATIA FINANCE SA" with registered office in Athens (8 Dragatsaniou Street) and Registration Number 23105/06/B/90/34 (hereinafter the "Absorbed Bank"), announced that in accordance with the provisions of article 68, para. 2, articles 69-77 of Cod. Law 2190/1920, article 16 of Law 2515/1997, articles 1-5 of Law 2166/1993 and the trade legislation in general, they have entered into the Draft Merger Agreement dated 26.03.2007 by which the above companies will merge by absorption of the second by the first. The said Draft was subject to the publication formalities of the Cod. Law 2190/1920 and was registered on the Companies Register of the Ministry of Development, Direction of Companies and Credit, on April 20, 2007. The above merger was also approved by the Decision ref. K2/9485/22.6.2007 of the Prefecture of Athens.

The Credit and Related Financial Institutions Department (CRFID) of the Bank of Greece approved the Merger by absorption of "EGNATIA FINANCE S.A." by the Bank by its resolution minutes ref. 245/1/08.06.2007.

On June 6, 2008 the Boards of Directors of "INVESTMENT BANK OF GREECE S.A." and "LAIKI ATTALOS S.A.", member of "CYPRUS POPULAR BANK" Group, which was under a resolution scheme since 25.03.2012, decided the merger by absorption of "LAIKI ATTALOS S.A." by the "INVESTMENT BANK OF GREECE S.A.". The transformation date was set on 31.12.2007. The above merger was also approved by the Decision ref. K2/14014/28.11.2008 of the Prefecture of Athens. As a result of the merger and the exchange ratio, the share of "Laiki Bank" in the share capital of "INVESTMENT BANK S.A." was increased from 92.04% to 97.08%.

The Credit and Related Financial Institutions Department (CRFID) of the Bank of Greece approved the Merger by absorption of "LAIKI ATTALOS S.A." by the Bank by its resolution minutes ref. 270/21.10.2008.

On March 26, 2020, the Board of Directors of Motor Oil (Hellas) SA granted a special permit to its subsidiary IREON INVESTMENTS LTD so that the latter could proceed with a partial disinvestment by selling shares of "Optima Bank S.A.". From September to December 2020, IREON INVESTMENTS LTD transferred in total 2,546,006 shares issued by OPTIMA BANK S.A. that it held to parties related to MOTOR OIL (HELLAS) and third parties.

Following the above transactions and in association with the share capital increase conducted by Optima Bank S.A., in accordance with the resolution dated 25.11.2020 of the Extraordinary General Meeting of its Shareholders, the participation percentage of IREON INVESTMENTS LTD in Optima Bank amounted to 15.77% on 31.12.2020.

On 13.1.2021, MOTOR OIL (HELLAS) S.A. announced that its subsidiary IREON INVESTMENTS LTD transferred another 61,500 shares issued by Optima Bank SA to natural persons related to the company and 25,000 shares to third parties.

On 15.1.2021, the Board of Directors of Optima Bank SA certified the Bank's share capital increase with cash of EUR 80,139,546, in which IREON INVESTMENTS LTD did not participate.

As a result of the above corporate acts, the participation of IREON INVESTMENTS LTD in Optima Bank amounted to less than 15%.

The Bank's term is set to ninety nine (99) years and its purpose, according to its Articles of Association, is the provision of all banking services allowed by the Law either for its own account or for the account of third parties.

Branches operating in Greece:

No	BRANCH	POSTAL ADDRESS
1.	HERAKLION, CRETE (stockbroker)	46 25th Avgoustou St, 712 02
2.	PSYCHIKO	Olympionikon & 1 El. Venizelou St. - 154 51
3.	ILIOUPOLI:	A. Papandreou & 1 Gladstonos St. - 163 45
4.	AGHIA PARASKEVI	4 D. Gounari & 6 Chalandriou St. - 153 43
5.	MAROUSSI	46 Thisseos & 2 D. Rali St.- 151 24
6.	ABELOKIKPI, ATHENS	124 Vas. Sofias Ave, 115 26
7.	NEA SMIRNI	55 El. Venizelou St. - 171 23
8.	PALEO FALIRO	4 Ag. Alexandrou St. - 175 61
9.	KALITHEA	2 Fornezi & El. Venizelou St - 176 75
10.	KALAMARIA - THESSALONIKI	51 Ethnikis Antistasseos St - 551 34
11.	PANEPISTIMIOU, ATHENS	15 El. Venizelou Ave. - 105 64
12.	CHALANDRI	1 Kosta Varnali St. - 152 33
13.	NIKEA	232 Petrou Rali St. - 184 53
14.	KORINTHOS	21 Ethnikis Antistasseos St - 201 00
15.	ANO PATISSIA	376 Patission St. - 111 41
16.	GLYFADA	8-10 Andrea Papandreou St. - 166 75
17.	TSIMISKI - THESSALONIKI	17 I. Tsimiski St. - 546 24
18.	KIFISSIA	242 Kifissias Ave. & 1 Panagitsas St. - 145 62
19.	PIRAEUS - Vas. Georgiou	11 Vas. Georgiou St. - 185 32
20.	MAROUSSI - ANAVRYTA	221 Kifissias Ave., 151 24
21.	NEA IONIA	346 Irakliou Ave. - 142 31
22.	EVOSMOS - THESSALONIKI	31 28th Oktovriou St. - 562 24
23.	PERISTERI	16-20 Panagi Tsaldari St. - 121 34
24.	EGALEO	259 Iera Odos & 25 Martiou St. -122 44

The consolidated and individual financial statements as of 31.12.2020 were approved by the BoD dated 29.06.2021 and are subject to the final approval of the General Meeting of the Shareholders, while they are available to the public at the offices of the Group (32 Aigialias & Paradissou St, Maroussi) and on the website of the Group (www.optimabank.gr).

2. Summary of significant accounting policies

2.1. Basis of preparation

The Group's consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS) and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC), as adopted by the European Union.

The financial statements have been prepared in accordance with the historical cost basis, except the financial assets and liabilities (including the derivative financial instruments) that are measured at fair value and under the going concern principle.

The preparation of the financial statements in accordance with the IFRS requires the use of some important accounting estimates and the judgment of the Management for the implementation of the accounting principles. The points that pertain to complex transactions and are highly subjective or the affairs and estimates that are particularly important for the financial statements are presented in Note 3.

2.1.1. Going concern

The Board of Directors concluded that as regards the Bank and the Group of Optima Bank, the going concern does apply since:

- The CET-1 ratio and the capital adequacy index exceed the capital requirements set by the regulatory authorities;
- The liquidity coverage ratio (LCR) and the Net stable funding ratio (NSFR) exceed the minimum Tier limit of 100% (for both ratios separately).
- In early 2021, the Bank completed an important share capital increase of EUR 80.1 million euros, by broadening its shareholder base thanks to the participation of new and existing shareholders.
- In 2020 and still in 2021 the management of the Bank faced the unprecedented crisis caused by the outbreak of the COVID-19 pandemic, taking a series of measures to protect both its customers and its employees, always in accordance with the protection measures taken by the European and Greek authorities.
- The measures taken by the Greek Government and other regulatory authorities to mitigate the impacts of the COVID-19 pandemic on the affected borrowers.

For the evaluation, the BoD took into consideration the major business risks pertaining to Optima Bank, which mainly arise from the macroeconomic environment in which Optima Bank operates and develops, in association with its strategy, liquidity and capital position.

2.1.2. New standards, amendments to standards and interpretations

Standards and Interpretations compulsory to the current financial year

The following amendments to existing standards and to the Conceptual Framework as well as to interpretations have been issued by the International Accounting Standards Board (IASB) and approved by the European Union on the date the present financial statements have been published and are in force since January 1, 2020.

Amendments to the Conceptual Framework for Financial Reporting, including the amendments to the International Financial Reporting Standards (IFRS) regarding the references to the Conceptual Framework

The Conceptual Framework sets out the fundamental concepts for financial reporting and is the basis for the IFRS, but is not a standard and does not supersede the existing standards. Moreover, the Framework is used as reference in developing accounting policies when no IFRS Standard applies to a particular transaction.

The adoption of the revised Framework had no impact on the financial statements of the Group and the Bank.

IFRS 3 (Amendments) "Definition of Business Combinations"

The new definition focuses on the sense of outputs on goods and services provided to customers as opposed to the previous definition that focused on the provision of dividends or other economic benefits directly to investors and other parties or lowering costs, and aims at assisting the entities to assess whether a set of acquired economic activities of group of assets is a business. Moreover, to facilitate this procedure, the amendment introduces an optional test to identify concentration of fair value.

The adoption of the amendments had no impact on the financial statements of the Group and the Bank.

IAS 1 and IAS 8 (Amendments) "Definition of Material"

The amendments clarify the definition of material and how it shall be applied, thus supplementing the definition with guidance that until now has featured elsewhere in IFRS Standards. The new definition provides that an information is considered material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the users of the financial statements make. The amendment clarifies that materiality will depend on the nature or magnitude of information or on both of them, and whether the information is material shall be assessed either individually or in combination with other information. In addition, the explanations accompanying the definition have been improved. Finally, the amendments ensure that the definition of material is consistent across all IFRS Standards.

The adoption of the amendments had no impact on the financial statements of the Group and the Bank.

IFRS 9, IAS 39 and IFRS 7 (Amendments) "Interest Rate Benchmark Reform" - Phase 1

The impacts on financial reporting due to the interest rate benchmarks reform have been examined in two phases. The above amendments constitute the first phase and aim at modifying some requirements regarding the hedge accounting in order to provide certain relief in connection with the possible impacts of the uncertainty to be caused by the modification of the reference interest rates. Moreover, the amendments require the companies to provide additional disclosures regarding their hedging relationship which are directly affected by the said uncertainty.

Since the Group and the Bank do not apply any hedging relationship, the above amendments had no impact on their financial statements.

Standards and Interpretations compulsory to future financial years

IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (Amendments) "Interest Rate Benchmark Reform" - Phase 2 (adopted by the European Union; apply to annual periods beginning on or after 1.1.2021)

Phase 2 provides guidance on how to treat issues that affect the financial statements where an existing interest rate benchmark is replaced by a risk-free alternative benchmark rate, and provides for specific disclosure requirements in the financial statements.

The amendments provide for a practical expedient provided that a contractual change arises from the interest rate benchmark reform and is made on a economically equivalent basis, while they also introduce additional disclosures on the risks that arise from the interest rate reform and the way they are treated by the entity.

The adoption of the amendments is expected to have no impact on the financial statements of the Group and the Bank.

IFRS 16 (Amendment) "Leases" - Covid-19-Related Rent Concessions (adopted by the European Union; apply to annual periods beginning on 1.1.2021)

The amendment offers a practical expedient to lessees as regards the accounting treatment of concessions and changes to the rents caused due the COVID-19 pandemic, i.e. they do not need to assess whether a lease concession is a modification or not. The expedient is offered only for lease payments occurring as a direct consequence of the COVID-19 pandemic and only if no other material changes in the lease terms have occurred.

The adoption of the amendments is expected to have no impact on the financial statements of the Group and the Bank.

The following amendments have not been adopted by the European Union at the time the present financial statements have been published and are compulsory to future financial periods, as detailed here below:

IAS 1 (Amendments) "Classification of Liabilities as Current or Non-current" (applies to annual periods beginning on or after 1.1.2023)

The amendment clarifies that the liabilities are classified as current or non-current depending on the rights that are in force at the end of the reference period. The classification made at the end of the reporting period is unaffected by the expectations about whether an entity will exercise its right to defer settlement of a liability or by events after the reporting date. Moreover, the amendment clarifies the definition of the term "settlement" of a liability under IAS 1. The adoption of the amendments is expected to have no impact on the financial statements of the Group and the Bank.

IAS 37 (Amendment) "Onerous Contracts / Cost of Fulfilling a Contract" (applies to annual periods beginning on 01.01.2022)

The amendment clarifies what costs an entity considers in assessing whether a contract is onerous.

The adoption of the amendments is expected to have no impact on the financial statements of the Group and the Bank.

IFRS 3 (Amendments) "Business Combinations" (applies to annual periods beginning on 01.01.2022)

The amendments update references to the Conceptual Framework and clarify that the identifiably assets do not meet the recognition criteria in the event of a business combination on the acquisition date.

The adoption of the amendments is expected to have no impact on the financial statements of the Group and the Bank.

IAS 8 (Amendments) "Definition of Accounting Estimates"(apply to annual periods beginning on 01.01.2023)

The amendments introduce the definition of accounting estimates as a valuation technique or an estimation technique for monetary amounts in financial statements that are subject to measurement uncertainty. Accounting estimates are used when the accounting policies require measurements that are subject to uncertainty. It is clarified that changes in the accounting estimates that result from new information are not considered as errors.

The adoption of the amendments is expected to have no impact on the financial statements of the Group and the Bank.

IAS 1 (Amendments) "Presentation of Financial Statements" and IFRS Practice Statement 2 "Accounting Policy Disclosures"(apply to annual periods beginning on 01.01.2023)

The amendments require entities to disclose their material accounting policy information rather than their significant accounting policies. Moreover, the amendment to IAS 1 clarifies that immaterial information need not be disclosed, but if the entity decides to disclose it, it should not obscure material accounting policy information. The adoption of the amendments is expected to have no impact on the financial statements of the Group and the Bank.

IAS 16 (Amendments) "Property, Plant and Equipment"

The amendment prohibits deducting from the cost of tangible assets any proceeds from selling items produced while preparing that asset for its use. If such amounts arise, they shall be recognized in profit or loss instead of being capitalized.

The adoption of the amendments is expected to have no impact on the financial statements of the Group and the Bank.

IAS 12 (Amendments) "Deferred Tax related to Assets and Liabilities arising from a Single Transaction" (apply to annual periods beginning on or after 1.1.2023)

The amendments require entities to recognize deferred tax on specific transactions which on initial recognition give rise to equal and offsetting temporary differences.

The adoption of the amendments is expected to have no impact on the financial statements of the Group and the Bank.

IFRS 16 (Amendment) "Leases" - Covid-19-Related Rent Concessions – Extension of the availability of the practical expedient (apply to annual periods beginning on or after 1.1.2022)

The amendment expends the availability of the practical expedient for rent concession for another year, to cover the reduction in lease payments due on or before 30 June 2022.

The adoption of the amendments is expected to have no impact on the financial statements of the Group and the Bank.

Annual Improvements to IFRS Standards (cycle 2018-2020)(apply to annual periods beginning on or after 1.1.2022)

The improvements introduce significant changes in various standards, and the following ones are relevant to the activities of the Group and the Bank:

IFRS 9 "Financial Instruments" (Amendment)

The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognize a financial liability. The fees include only those paid or received between the entity and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

IFRS 16 "Leases" (Amendment)

The amendment removes from the standard the illustration of the reimbursement of leasehold improvements in order to resolve any potential confusion regarding the treatment of lease incentives that might arise.

The adoption of the amendments is expected to have no impact on the financial statements of the Group and the Bank.

2.2. Principles of Consolidation and Equity Method

(i) Subsidiaries

Subsidiaries are all entities (including the unconsolidated structured entities) which are controlled by the Group. The Group controls an entity where the Group is exposed or has rights to variable consideration from its participation in the entity and has the possibility to affect such consideration through its capacity to affect the activities of the entity. Subsidiaries are fully consolidated as of the date when the control is transferred to the Group. The consolidation ceases on the date when such control ceases.

The Group uses the acquisition method to recognize all business mergers, regardless of whether participation titles or other assets are acquired. The consideration for the acquisition of a subsidiary consists of the following:

- The fair value of the assets that are transferred;
- The liabilities undertaken by the acquirer from the previous owners;

- The participation rights issued by the Group;
- The fair value of the assets or liabilities that arise from agreements on possible consideration, and
- The fair value of any interests in the subsidiary that existed before the take-over.

The acquired recognizable assets and liabilities and any liabilities undertaken under a merger of undertakings are initially recognized, with only a few exceptions, at their fair value on the date of acquisition. Depending of the take-over, the Group recognizes any non-controlling interest in a subsidiary either at fair value or at the value of the share of the non-controlling interest in the equity of the acquired subsidiary.

The expenses relevant to the take-over are recognized in the profit or loss.

The excess amount between the sums of

- The take-over consideration,
- The amount recognized as non-controlling interests, and
- The fair value of any interests of the Group in the subsidiary that existed before the take-over, and

The fair value of the equity of the acquired subsidiary is recognized as goodwill. If these amounts are lower than the fair value of the equity of the acquired subsidiary, the difference is directly recognized in the profit or loss as gain on a bargain purchase.

Intercompany transactions, balances and unrealized profits from transactions between the companies of the Group are eliminated. The unrealized losses are also eliminated, unless the transaction includes any indications of impairment of the transferred asset.

(ii) Associates

Associates are entities over which the Group has significant influence but not control either individually or jointly. Generally, this applies where the Group holds 20% to 50% of the voting rights. Investments in associates are recognized using the equity method (see (iv) below) and are initially recognized at their acquisition cost.

(iii) Equity method

According to the equity method, the interests in an entity are initially recognized at the acquisition cost and are then increased or decreased in order to recognize in the profit or loss the share of the Group in the profits or losses realized after the take-over, as well as to recognize in the other comprehensive income the share of the Group in the variation of the other comprehensive income of the entity. The dividends collected or receivable from associates and joint ventures are recognized by reducing the book value of the investment.

In the event that the share of the Group on the losses of an investment recognized using the equity method is equal or exceeds the value of the investment in the entity, including any other long-term unsecured receivables, the Group does not recognize any additional losses, unless payments have been made or additional liabilities have been undertaken on the account of the investment.

The unrealized profits from transactions between the Group and associates are eliminated proportionally to the Group's participation percentage in the said associates. The unrealized losses are also eliminated, unless the transaction includes any indications of impairment of the transferred asset. The accounting principles governing the investments recognized using the equity method have been modified, where necessary, to be in line with the policies adopted by the Group.

The book value of the investment recognized using the equity method is examined for impairment in accordance with the policy described in Section 2.8 below.

(iv) Changes in the interests

The Group handles the transactions with the non-controlling interests that do not entail any loss of control in the same way as it handles the transactions with the major shareholders of the Group. Any change in the interests entails adjustment of the book value of the controlling and non-controlling interests in order to reflect the correlation of the interests in the subsidiary. Any difference between the adjustment amount of the non-controlling interests and any consideration paid or collected is recognized in a separate reserve account within the equity that corresponds to the owners of the Group.

Where the Group ceases to consolidate or incorporate using the equity method an investment due to loss of control, either individually or jointly, or due to loss of significant influence, any remaining interest is anew measured at its fair value, while any differences that arise are recognized in the profit or loss. The asset is recognized as associate, joint venture or financial asset at the said fair value. Moreover, the relevant amounts that have been recorded in the other comprehensive income are recognized in the same way as if the said assets and liabilities were sold. This means that the amounts that have already been recognized in the other comprehensive income may be reclassified in the profit or loss.

In the event that the interest in an associate over which, however the Group continues to exercise significant influence or joint control, is reduced then only a part of the amounts that have already been recorded in the other comprehensive income will be reclassified in the profit or loss.

The Company records the investments in subsidiaries and associates with the individual financial statements at the acquisition cost less any impairment.

2.3. Foreign currency conversion

(i) Functional and presentation currency

The Group's items on the financial statements are measured with the currency of the primary economic environment in which the Group operates ("functional currency"). The financial statements are presented in Euro, which is the functional currency as well as the presentation currency of the Group.

(ii) Transactions and balances

Transactions in foreign currencies are converted to the functional currency at the exchange rate valid on the dates these transactions were made. Monetary assets and liabilities denominated in foreign currencies are converted to Euro in accordance with the exchange rate valid on the date the financial statements were drafted. The arising exchange differences are recognized in the profit or loss. The profits and losses from exchange differences are recognized on a net basis in the profit or loss, on the line of the trading income (Note 8).

The non-monetary assets measured at their fair value in foreign currencies are converted in accordance with the exchange rates valid on the date the fair value is defined. The exchange differences from assets and liabilities measured at fair value are recognized as part of the fair value profit or loss.

2.4. Financial assets and liabilities

Methods of measurement

The financial assets measured at amortized cost are:

- Cash and balances with central banks;
- Loans and advances to financial institutions;
- Loans and advances to customers
- Other receivables included in the "Other assets".

The financial liabilities measured at amortized cost are:

- Due to credit institutions;
- Due to customers;
- Customer balances to stock exchange accounts;
- Other liabilities included in the "Other Liabilities".

Amortized cost and effective interest rate

The amortized cost is the amount that measures the financial asset or liability at its initial recognition less the repayments of principal, plus or minus the accumulated depreciation using the effective interest rate method for any differences between the said initial amount and the amount at the end and, in the event of financial assets, readjusted with any provision for losses.

Effective interest rate is the rate that accurately discounts future payments or receipts throughout the expected life of the financial asset or financial liability at the book value before impairment of a financial asset or at the amortized cost of a financial liability. To calculate the effective interest rate the expected credit losses are not taken into account, while all fees paid or received between the contracting parties and forming integral part of the effective interest rate, the transactions cost and any increase or discount are taken into consideration.

When the Group revises the estimates for the payments and receipts, the book value of the relevant financial assets and liabilities is readjusted in order to reflect the actual and revised estimated contractual cash flows, using as discount rate the initial effective rate for the financial instrument. The adjustment is recognized in the profit or loss as income or expense.

Initial recognition

An entity recognizes a financial asset or financial liability in its statement of financial position if, and only if, the entity becomes a contracting party in the financial instrument. Any usual purchases and sales of investments are recognized on the date the transaction is made, which is the date when the Group undertakes to buy or sell the asset. Any loans and receivables are recognized at the time of their disbursement.

At the initial recognition, the Group measures a financial asset at fair value plus, in the event of a financial asset not measured at fair value through profit or loss, the cost of the transactions directly attributed to the acquisition of the financial asset. The transaction costs for the financial assets measured at fair value through profit or loss are recognized directly in the profit or loss.

Where the fair value of the financial assets and liabilities is different than the transaction price, the Group recognizes the difference as follows:

a) if the said fair value is proven by an official market price in an active market for a similar asset or liability (i.e. a 1st level input) or according to a technical assessment using only data from observable market prices, the difference is recognized as profit or loss;

b) in all other cases, the difference is transferred and recognized as profit or loss only to the extent that it arises from the variation of a factor (including time) that the participants in the market would have taken into account to assess the asset or liability.

2.4.1 Financial assets

(i) Classification and subsequent measurement

Investments in debt instruments

Investments in debt instruments refer to titles that fall within the definition of the financial liability on the side of the issuer, such as loans, sovereign and corporate bonds.

The classification and subsequent measurement of the investments in debt instruments depends on the following:

(i) The business model of the Group and their management, and

(ii) The features of their contractual cash flows.

According to the above factors, the Group classifies the investments in debt instruments in one of the following three measurement categories:

- Amortized cost: The financial assets are measured at their amortized cost, if they are held as part of a business model aiming at holding the financial assets to collect their contractual cash flows and such contractual cash flows concern solely payments of principal and interest (SPPI), and if they have not been irrevocably defined, at their initial recognition as measured at fair value through profit or loss. The interest income, the realized profits and losses due to the suspension of the recognition and the changes in the expected credit losses from assets classified at the amortized cost, are included in the profit or loss statement.

- Fair value through other comprehensive income: The financial assets are measured at fair value through other comprehensive income if they are held as part of a business model aiming at both collecting the contractual cash flows and at selling financial assets and such contractual cash flows concern solely payments of principal and interest. After the initial recognition, they are anew measured at their fair value through the other comprehensive income, except income revenue, relevant profits or losses from foreign exchange differences and the expected credit losses, which are recognized in the profit or loss statement. The accumulated profits or losses previously recognized in the other comprehensive income are transferred to the profit or loss statement, when the debt instrument is no more recognized.

- Fair value through profit and loss: The financial assets that do not meet the classification criteria as measured at the amortized cost or at fair value through other comprehensive income are measured at fair value through profit and loss. Moreover, the Group may, at the initial recognition, define a financial asset as measured at fair value through profit and loss if this asset eliminates or significantly reduces an accounting discrepancy. After the initial recognition, any profits or losses that arise due to variations to the fair value are recorded on the profit and loss statement.

According to IFRS 9, the separation of an incorporated derivative from its main contract does not apply when this main contract is a financial asset subject to the scope of the Standard. Instead, the evaluation regarding the classification of the hybrid financial instrument shall be performed on the entire instrument.

The Group reclassifies the financial assets if, and only if, it modifies the business model it applies to manage the said financial assets. The reclassification takes place at the beginning of the first reference period that follows the modification. Such modifications are not often expected.

Investments in equity instruments

Investments in equity instruments refer to titles that fall within the definition of the participation on the side of the issuer, i.e. do not entail any contractual obligation to pay and prove a right to the remaining balance, if the obligations of the issuer are deducted from its assets.

The Group measures all equity instruments at fair value. When the Group chooses to recognize any profits/losses arising from the measurement at fair value of the equity instruments in the other comprehensive income, any profits or losses shall not be reclassified in the profit and loss statement once the investment is no more recognized. The dividends are recognized in the Other Income of the profit and loss statement when the Group acquires the right to collect.

The variations in the fair value of the financial assets measured at fair value through profit or loss are recognized in the trading income of the profit and loss statement as they arise. The impairment losses (and any impairment losses reversal) from equity instruments measured at fair value through other comprehensive income are not presented separately from the other variations in the fair value.

Note 5 provides information about the definition of the fair value of the financial assets.

(ii) Impairment

The Group measures the expected credit losses relevant to the financial assets measured at the amortized costs, to the investments in debt instruments measured at fair value through comprehensive income, the financial guarantee contracts and the loan commitments, as well as the irrevocable unutilized credit limits taking into consideration the forecasts for the future economic conjuncture. The Group recognizes impairment losses in every reference period. The calculation of the expected credit losses reflects:

- An impartially defined and probability-weighted amount defined thanks to the evaluation of a series of possible outcomes;
- The time value of money, and
- Reasonable and founded information available on the reporting date at no unreasonable cost or effort, pertaining to past events, current conditions and forecasts for the future economic conjuncture.

The accounting policy of the Group regarding the financial assets impairment is detailed in Note 2.10.

(iii) Debt modifications

The Group may modify the contractual loan flows either by granting more favorable terms to a customer who faces or is to face economic problems or due to various other factors such as modification of the market conditions, competition or for keeping the customers.

In the above cases, the Group evaluates whether the new terms are materially different from those of the initial contract. The new terms in the contractual loan flows are considered to be materially different in the following cases: change in the borrower, change in the debt denomination currency, introduction or cancellation of convertibility rights or profit sharing mechanisms.

When the modification of a financial asset results in ceasing to be recognized as existing financial asset and entails the subsequent recognition of the modified financial asset, the modified financial asset is considered to be a "new" financial asset and is recognized at fair value by redefining the effective interest, while the difference between the carrying amount of the old financial asset and the fair value of the new one is recognized in the profit & loss statement as profit or loss from derecognition. Relevantly, the date of modification is dealt with as the date of the initial recognition of the specific financial asset to apply the calculation of the expected credit losses requirements on the modified financial asset. The new financial asset is recognized in Stage 1 or very rarely it may be recognized as POCI (Purchased or Originated Credit-Impaired Assets) when considered to be impaired on its initial recognition.

Where the contractual cash flows are not materially modified, the renegotiation or modification does not result in the derecognition of the said financial asset and the Group calculates anew the carrying amount before amortization in accordance with the new flows, recognizing a modification profit or loss in the profit or loss and relevantly adapting the carrying amount before amortization after the modification. The new carrying amount before amortization is calculated by discounting the amended cash flows at the initial effective interest rate of the financial asset (or the effective interest rate adjusted to the credit risk, in the event of credit-impaired financial assets that have been bought or created).

(iv) Derecognition, except the recognition arising from a modification

The Group shall derecognize a financial asset only when:

a) The contractual rights to the cash flows from the financial asset expire, or

b) Transfers the financial asset and such transfer qualifies for derecognition.

When the Group retains the contractual rights to receive the cash flows of a financial asset (the "original asset"), but assumes a contractual obligation to pay those cash flows to one or more entities (the "eventual recipients"), the Group handles the transaction as a transfer of a financial asset if, and only if, all of the following three conditions are met:

a) The Group has no obligation to pay amounts to the eventual recipients unless it collects equivalent amounts from the original asset;

b) The Group is prohibited by the terms of the transfer contract from selling or pledging the original asset;

c) The Group has an obligation to remit any cash flows it collects on behalf of the eventual recipients without material delay.

(v) Derecognition

The Group derecognizes financial assets, in total or in part, when it has expanded all efforts for recovery and has concluded that there is no reasonable expectation for recovery. Derecognitions and partial derecognitions correspond to events where recognition has ceased or partially ceased. The Derecognition impair the liability amount and the provision formed for credit losses. Any derecognized balances that have been recovered at a subsequent stage impair the amount of the impairment loss on the profit & loss statement.

2.4.2 Financial liabilities

(i) Classification and subsequent measurement

The financial liabilities of the Group pertain mainly to due to credit institutions and customers. The Group classifies all financial liabilities as subsequently measured at amortized cost, with the exception of:

- Derivatives (see Note 2.24)
- Financial guarantee contracts (see Note 2.11).

(ii) Derecognition

A financial liability is derecognized when extinguished, canceled or expired.

2.5. Repurchase agreements

The Group enters into agreements to purchase (sell) securities and resell (repurchase) substantially the same securities on a certain date in the future, and at a fixed price. The purchased securities subject to a commitment to resell them in future dates (reverse repos) are not recognized as investments. The amounts paid for such purchase are recognized in loans and advances to banks or customers. The receivables are presented in the statement of financial position as collateralized by the underlying security. Investments sold under repurchase agreements (repos) continue to be recognized in the statement of financial position, given that the Group essentially continues to undertake all their risks and benefits, and are measured depending on their classification. The proceeds from the sale of these investments are reported as liabilities to banks or customers.

The difference between the sale and repurchase price is recognized as interest during the term of the repurchase or resale agreement, using the effective interest rate method.

2.6. Owner-occupied property and equipment

Tangible assets are recognized at acquisition cost less the accumulated amortization and any impairments. The acquisition cost includes all expenses directly related to the acquisition of the assets.

Plots are not amortized.

The amortization of other categories of tangible assets is calculated in accordance with the straight-line method to allocate their cost less their residual values during their useful life. The useful life has been defined as follows:

- Buildings and plants: 30-50 years
- Machinery and equipment: 4-7 years
- Vehicles: 9-10 years

Leasehold improvements are depreciated over the useful life of the improvement or the duration of the lease whichever is the shorter.

The residual value and the useful life of a tangible asset shall be reviewed and readjusted, if necessary, at the end of each reference period.

The book value of an asset is impaired to its recoverable amount when its book value exceeds its estimated recoverable amount (Note 2.8).

Profits and losses on disposals are defined by comparing the proceeds with the book value and are presented in the profit or loss.

2.7. Intangible assets

Intangible assets include software and are recognized at acquisition cost less the accumulated amortizations and any impairments. They are amortized using the straight-line method throughout their useful life ranging from 1 to 5 years.

2.8. Impairment of non-financial assets

Amortized fixed assets are assessed for impairment when events or changes in conditions suggest that their book value may not be recoverable. Where the book value of an asset exceeds its recoverable amount, its relevant impairment loss is recognized on profit or loss. Recoverable amount is the higher of the fair value less the selling expenses and its value in use. To define the impairment, the assets are classified to the lowest level where the cash flows may be individually defined (cash generating units). Impairments recognized in previous periods as non-financial assets are examined at each reporting date for any reversal.

2.9. Cash and cash equivalents

Cash and cash equivalents include monetary assets with a maturity shorter than three months from the acquisition date, such as cash balances, unrestricted balances held at the Central Bank and amounts due from financial institutions, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents are recognized at amortized cost.

2.10. Impairment of financial assets

The expected credit losses are recognized using a three-stage approach based on the extent of the rating downgrade compared to the initial recognition of the financial asset and is summarized as follows:

- A non credit-impaired financial asset which at the initial recognition is classified in "Stage 1", and its credit risk is constantly monitored by the Group;
- A financial asset that was purchased impaired or was already credit-impaired on its initial recognition is classified in the "POCI – purchased or originated credit-impaired stage" and the expected credit losses represent the expected credit losses throughout the lifetime of the assets;
- If the credit risk significantly increases after the initial recognition of the financial asset, but is not considered to be in a state of default, is transferred to "Stage 2";
- If the financial asset is credit-impaired, then it is transferred to "Stage 3";
- For the "Stage 1" financial assets, the expected credit losses correspond to part of the losses that would have been recognized throughout the lifetime of the asset, which arise from default events that may occur during the next 12 months after the reporting date;
- For the "Stage 2" and "Stage 3" financial assets, the expected credit losses correspond to the expected credit losses throughout the lifetime of the assets;
- The fundamental principle for calculating the expected credit losses in accordance with IFRS 9 is the measurement taking into consideration information about reasonable and founded forecasts for future events and macroeconomic conditions.

The major estimates adopted by the Group regarding the implementation of the Standard's requirements are detailed here below:

A) Significant increase in credit risk

The Group examines whether a financial asset has suffered a significant increase in its credit risk when one or more of the following quantitative, qualitative and "backstop" criteria are met.

The assessment of the significant increase in credit risk is important to identify the point where the forecast calculation will pass from a 12-month period to the entire lifetime of the loan. In the event of significant increase of credit risk, the Bank recognizes a loss provision amount equal to the expected credit losses throughout the lifetime of the specific financial instrument.

To perform such assessment, the Bank compares the risk of default of the financial instrument on the reporting date with the relevant risk of default on the date of the initial recognition.

The allocation of the financial instruments to the various Stages is based on the following criteria:

- During the initial recognition, all instruments are classified in Stage 1 and the expected credit losses are calculated over a 12-month period, except for financial instruments that have been purchased or were credit-impaired on initial recognition and then classified as "POCI".
- If on the reporting date a significant increase of the risk has occurred compared to the initial recognition, then the instrument is classified in Stage 2 and the expected credit losses are calculated for the entire lifetime of the instrument.
- The instruments qualified as non-performing are classified in Stage 3, while the expected credit losses are calculated for the entire lifetime of the instrument. The probability of default (PD) of the assets classified in Stage 3 is set to 100%.

The qualitative and quantitative criteria according to which the Bank assesses whether there is a significant increase in credit risk of an exposure are the following:

- Significant increase of the probability of default (PD) of a financial instrument;
- Significant change in the value of collaterals;
- Important delays to repayment;
- Debt settling/restructuring;
- Other reasons, e.g. debtor goes bankrupt, important adverse developments in the sector of activity of the debtor, etc.

The backstop criterion to define the significant increase in credit risk is a 30-day or longer delay.

B) Definition of default and credit-impaired financial assets

According to the Credit Policy, the Provision Policy of the Bank and in application of the definition of default of the European Banking Authority (EBA), a financial instrument is considered impaired and classified in Stage 3 when qualified as Non Performing Exposure (NPE).

C) Measurement of the expected credit losses

The expected credit losses are measured either based on the likelihood that the default event will occur within the next 12 months, or throughout the lifetime of the financial asset, depending on whether a significant increase of the credit risk has occurred and on whether the items are considered as credit-impaired. The expected credit losses are defined as the discounted product of the probability of default (PD), the exposure at default (EAD) and the loss given default (LGD).

- The probability of default (PD) corresponds to the likelihood of the liability to default (according to the above definition), which is assessed on the basis of the economic conditions prevailing on the reporting date, adjusted in such a way to take into consideration the estimate regarding the future economic conditions that may affect the risk of default over a particular time horizon.
- The exposure at default (EAD) is an estimate of the financing exposure at a future default date, taking into consideration the expected changes in the exposure after the reporting date, including the repayments of principal and interests and the expected disbursements of loan commitments. EAD includes both the balance sheet and the off-balance sheet exposures. The balance sheet exposure corresponds to the total amount disbursed and payable, which includes the principal due, the accrued interests and the overdue amounts. The off-balance sheet exposure corresponds to the credit available for disbursement, in addition to the balance sheet exposure.
- The loss given default (LGD) expresses the extent of the loss that the Group expects for exposures that are at default and is defined as the difference between the contractual cash flows and those that the Group expects to receive, including the amounts from the liquidation of collaterals. The LGD which is usually expressed as an EAD percentage, differs depending on the type of the counterparty, the type and the priority of the liability, the existence of collaterals and other credit enhancements.

The Bank, according to the Provision Policy and the methodology for calculating the expected loss in accordance with the IFRS 9, regarding the business grants, assesses and calculates the expected loss separately per credit exposure.

For exposures classified in Stage 1, the assessment of the expected loss is made for the next 12 months. For exposures classified in Stage 2, the assessment of the expected loss is based on the lifetime of the exposure, while for Stage 3 exposures, the expected loss is calculated on the 100% of the residual risk.
As regards the calculation of the expected loss for the other retail banking loans, the Bank applies the collective assessment per Stage, with a different probability of default per stage. For Stage 3 exposures, the expected loss is calculated on the 100% of the residual risk.

D) Forward looking information

For assessing the significant increase of credit risk and for defining the expected credit losses information on the reasonable and founded forecasts for future events and macroeconomic conditions are taken into consideration. The assessment and use of information regarding the future requires informed decision.

E) Criteria for exposure clustering depending on the joint features of the credit risk

The Bank applies the exposure clustering only to retail banking exposures.

2.11. Financial guarantees

Financial guarantees are contracts under which the issuer undertakes to compensate the holder of the contract for a loss that he suffers, in the event that a specific debtor fails to fulfill his obligations in accordance with the terms of a debt instrument.

Financial guarantees are recognized as financial liabilities initially at fair value. After the initial recognition, the financial guarantees are measured at the highest value between:

(i) The amount of the provision for impairment according to the model of the future credit losses of IFRS 9, and

(ii) The value initially recognized less the accumulated amount of the commission recognized as income according to IFRS 15, if any.

The liabilities arising from financial guarantee contracts are presented in the item "Other liabilities".

2.12. Staff benefits

(i) Short-term staff benefits

Liabilities for wages and salaries that are to be fully settled within 12 months from the end of the period when the employees provide the relevant service are recognized for the services of the employees until the end of the reporting period and are measured at the amounts that are expected to be paid during the settlement of the liabilities. The liabilities are presented in "other liabilities" of the statement of financial position.

(ii) Post-employment liabilities

The Group's liabilities for post-employment pertain to both defined contribution plans and defined benefit plans.

The liability recognized in the statement of financial position for defined benefit plans is the present value of the liability for the defined benefit on the reporting date. The defined benefit liability is calculated annually by an independent actuary using the projected unit credit method.

The present value of the defined benefit liability is calculated by discounting the estimated future cash outflows using as discount rate interest rates of high ranking corporate bonds in the same currency and with the same term to maturity as those of the liability.

The financial cost is calculated by applying the discount rate on the balance of the defined benefits liability. This cost is included in the employee benefits of the profit and loss statement.

Gains or losses arising from experience adjustments and changes in actuarial assumptions are recognized over the period in which they arise, directly to the other comprehensive income. Are included in the other reserves of the statement of changes in equity and the statement of financial position.

The changes in the present value of the defined benefit liability that arise from modifications or cuts of the plan are recognized right away in the profit or loss, as past service cost.

As regards the defined contribution plans, the Group pays contributions to public or private pension plans on a compulsory, contractual or optional basis. Except the payment of the contributions, the Group has no further obligations. Contributions are recognized as personnel expenses whenever they become payable. Contributions paid in advance are recognized as an asset item, provided that it is possible to refund the money or to offset future payments.

(iii) Employment termination benefits

The employment termination benefits become payable when the Group terminates employment before the regular retirement date or when the employee accepts the voluntary termination of service against such benefits. The Group recognizes these benefits on the earlier of the following dates: a) when the Group cannot recall the offer of the benefits anymore, and b) when the Group recognizes a restructuring cost falling within the scope of application of IAS 37 and includes the payment of the employment termination benefits. In the event of an offer made to boost voluntary termination of service, the termination benefits are calculated on the basis of the number of employees who are expected to accept the said offer. Any employment termination benefits that will become payable 12 months after the end of the reporting period are discounted at their present value.

2.13. Provisions

Provisions are recognized when there is a current legal or deemed obligation as a result of past events, where an outflow of resources is possible to settle the obligation and the relevant amount can be reliably evaluated.

2.14. Offsetting financial instruments

Financial assets and liabilities are set off and the net amount is reported in the statement of financial position only when there is a legal right to set off the recognized amounts and there is an intention to either settle the net amount arising from the offset or to simultaneously settle the total amount of both the financial asset and the liability.

2.15. Leases

The Group as Lessee

The agreements of the Group pertain to building and offices rentals, as well as to long-term leasing of vehicles and machinery.

The assets and liabilities that arise from the lease are initially recognized at present value. The lease liabilities include the net present value of the following rents:

- Fixed rents (including the "essentially" fixed payments);
- Variable rents that depend on a ratio or interest rate, which are initially measured using the ratio or the interest rate on the commencement date of the lease term;
- Amounts expected to be paid on the basis of guaranteed residual values;
- Price at which the right to buy is exercised, if it is rather certain that the Group will exercise such right, and
- Payment of a penalty for termination of the lease, if the term of the lease reflects the exercise of the Group's right to terminate the lease.

The measurement of the lease liability includes also the payment of rents during the lease extension period, if it is rather certain that the Group will exercise the right to extend.

Rent payments are discounted at the deemed interest rate of the rental or in the event that such interest rate cannot be defined in the contract, at the lessee's incremental borrowing rate, i.e. the rate the lessee would have paid to borrow the necessary funds in order to acquire a asset of similar value with that of the leased asset over a similar period of time, with similar collaterals and in a similar economic environment.

The Group is exposed to possible future increase of the variable rents which depend on a ratio or interest rate, which are only included in the lease liability when accrued. When the above changes occur, the lease liability is redefined and adjusted by relevantly adjusting the right to use the asset.

Any rent payment is allocated between the lease liability and the financial cost. The interests on the liability arising from the lease for each lease period equal the amount that arises from the application of a fixed, periodic interest rate on the outstanding balance of the lease liability.

After their initial measurement, the lease liabilities are increased by the financial cost and decreased by the payment of rents. The lease liability is remeasured to reflect any reassessments or modifications of the lease.

The cost of the asset with right to use consists of:

- The amount of the initial measurement of the lease liability;
- Any rents paid on the lease period commencement date or before it, less any lease incentives already collected, and
- Any initial direct costs suffered by the lessee.

The rights to use assets are measured at cost and amortized by the straight-line method during the shorter period of time between the useful lifetime of the asset and the term of the lease.

The Group chose to use the recognition exceptions provided for in the Standard for the short-term leases, i.e. leases with a term shorter than 12 months without any right of redemption, as well as for leases where the subject asset presents a low value. For the above leases, the Group recognizes the rents as expenses in the profit or loss statement using the straight-line method throughout the term of the lease.

2.16. Interest income and expense

Interest income and expense include coupon payments from the securities of the investment and trading portfolios, the interests on loans and placements and the depreciation of the premium/discount amounts of the securities.

Interest income and expense are recognized in the income statement for all interest bearing instruments on an accruals basis, using effective interest rate method or the relevant floating interest rate. The effective interest method is a method to calculate the amortized cost of a financial asset or liability and to allocate the interest income or expense over the reference period. Effective interest rate is the rate that discounts just the estimated future payments or receipts throughout the expected life of the financial instrument, or during a shorter period, when necessary, so that the discounted value would equal its book value, including any transaction costs.

In particular, as regards the financial assets, to calculate the effective interest rate, the Group calculates the cash flows taking into consideration all contractual terms for the financial asset, excluding the expected credit risk losses.

2.17. Fee and commission income

Fee and commission income mainly include commissions on financial transactions, commissions on investment banking and commissions on trade and other transactions.

Fee and commission income is recognized in the income statement throughout the period in which the relevant services were provided, unless they influence the effective interest rate.

2.18. Net trading income

The net trading income on financial transactions includes the gains and losses that arise from liquidations and changes in the fair value of the trading financial assets and liabilities.

2.19. Dividend income

Dividend income is recognized in the profit & loss statement on the date the right to collect dividends is established.

2.20. Income tax and deferred tax

The income tax of the fiscal period is the tax calculated on the taxable income of the current period based on the tax rate applicable in each country, adjusted to any changes in the deferred tax assets and liabilities due to provisional differences and unutilized tax losses. The fiscal year tax includes any tax audit differences pertaining to additional income taxes and additional charges attributed by the tax authorities due to the redefinition of the Group's taxable income within the framework of an ordinary or extraordinary tax audit.

The liability arising from the current income tax is calculated according to the legislation in force or the legislation that in fact applies at the end of the closing year in the countries where the Bank, and the subsidiaries and associates of the Group have activities and produce taxable income. The Management periodically assesses the positions in the tax returns in the event that the tax legislation is subject to any interpretation. Moreover, it forms provisions, where necessary, for the amounts that are expected to be paid to the tax authorities.

The deferred income tax is defined using the liability method; such liability is defined by the temporary differences between the tax assessment base and the carrying amount of the assets and liabilities presented on the consolidated financial statements. However, the deferred tax liabilities are not recognized if they arise at the initial recognition of goodwill. Moreover, the deferred income tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction did not affect either the accounting or the taxable profit or loss. Deferred tax is measured at the tax rates expected to apply on the financial year when the liability will be settled, considering the tax rates (and tax laws) that have been enacted or are substantively in force at the end of the closing year.

Deferred income tax assets are recognized to the extent that there will be a future taxable profit in order to utilize the temporary difference generated by the deferred income tax asset.

Deferred tax receivables and liabilities are not recognized for any temporary differences between the carrying amount and the tax base of investments in businesses abroad where the Bank controls the reversal of temporary differenced and it is likely that the temporary differences will not be reversed in the foreseeable future.

Deferred tax receivables and liabilities are offset when there is an applicable legal right to offset the current tax receivables and liabilities and when the deferred income taxes involve the same tax authority. The current tax receivables and liabilities are offset when there is an applicable legal right to offset and an intention to settle on a net basis or to acquire the asset and to settle the liabilities at the same time.

The current and deferred taxes are recognized in the profit or loss, unless they pertain to assets that are recognized in the other comprehensive income or directly in equity. In such a case, the tax is also recognized in the other comprehensive income or directly in equity, respectively.

2.21. Share capital

The share capital includes the Bank's ordinary shares. The ordinary shares are presented under equity. Additional expenses required for the issue of shares appear upon deduction of the relevant income tax, to the reduction of the issue proceeds.

2.22. Distribution of dividend

The distribution of dividend to the Company's shareholders is recognized as liability in the financial statements of the Group over the period during which the distribution is approved by the General Meeting of the Shareholders.

2.23. Non-current assets held for sale and discontinued operations

The Group classifies a non-current asset or a group of assets and liabilities as items held for sale if their value is expected to be recovered mainly due to the sale of the said items and not through their use, while their sale is considered very likely. They are measured at the lowest value between their book and fair value decreased by the direct costs of sale, except from assets such as deferred tax liabilities and financial assets that are explicitly excluded from the measurement requirements of the Standard.

The arising impairment losses are recognized in the profit or loss. Any possible increase of the fair value at a subsequent valuation is recognized in the profit or loss but not for an amount higher than the initially recognized impairment loss. Any profits or losses not recognized on the date of sale of the non-current asset (or the group of assets) are recognized on the date of the derecognition.

As of the date when a non-current (amortized) asset (or the non-current assets that are included in a group of assets and liabilities) is classified as held for sale, no amortizations are calculated on the said non-current assets.

The non-current assets and groups of assets classified as held for sale are presented separately in the financial position statement. The liabilities relevant to the groups of assets classified as held for sale are presented separately from the other liabilities in the financial position statement.

2.24. Derivative Financial Instruments

The derivative financial instruments mainly include futures, options and FX Swaps.

The derivatives are initially recognized in the financial position statement at fair value on the date of conclusion of the contract and then are measured at their fair value. When the fair value is positive, the derivatives are included in the assets, while when the fair value is negative they are included in the liabilities.

The fair value of the derivative financial instruments is defined on the basis of the market price, taking into consideration recent transactions on the market or using other appropriate measurement techniques (see Note 5).

The Group does not apply any hedge accounting. Consequently, all derivatives held serve trading purposes and are recognized and measured at their fair value through profit or loss.

2.25. Rounding

Any differences that arise between the amounts reported in the financial statements and the relevant amounts in the Notes, are due to rounding.

3. Critical accounting estimates and assumptions for the implementation of the accounting principles

To apply the accounting principles of the Group and the Bank, the Management makes estimates and assumptions that may affect the amounts of the assets and liabilities reported on the consolidated and individual financial statements. The estimates and assumptions are reviewed on every financial statements reporting date and are based on historic data and other factors, including estimates about future events, which assumptions are considered reasonable under the current circumstances. The estimates and assumptions for the implementation of the accounting principles pertain mainly to the following fields:

A. Impairment provisions for credit risks from loans and advances to customers

The Group and the Bank, on every financial statements reporting date examines whether there is objective evidence that loans and advances to customers have been impaired due to credit risk. In the event of such evidence, the recoverable amount of the receivables is calculated and relevant impairment provisions are formed (estimated as non-recoverable amount).

The impairment provision is based on the assumptions of the Management regarding the recoverability of the exposure and the guarantees received. The Management makes assumptions on the financial position of the counterparty, the credit risk, the recoverability of any collaterals and guarantees, as well as to define the timing when the impairment will be recognized.

Because of the great uncertainty due to the Covid-19 pandemic and considering the announcements of the International Accounting Standards Board (IASB) and the European Central Bank, which underlined the need for the credit risk models to be adjusted, the Management exercised the appropriate degree of judgment about how the crisis is expected to evolve and the size and extent of the negative prospects for the Greek economy.

The most important assumptions and estimates about the expected credit losses refer to how the Management assesses the significant increase of the credit risk, the use of future information in measuring the expected credit losses and the definition of the macroeconomic scenarios and their relevant weighting.

Within the context of assessing the increased credit risk, the Group took into consideration the effect of the IFRS 16 models procyclical assumptions and the fact that all loan portfolios are not impacted to the same extent and in the same way by the pandemic. At the same time, the Group continued to rate its borrowers based on the evidence of financial difficulties and the possibility of a default, in accordance with its policy in force.

The SICR potential (significant) increase is monitored through the evolution of the SICR value (Loans moving from stage 1 to stage 2 as a percentage of the total exposure) included in the Bank's Risk Appetite Framework (RAF). On 31.12.2020, the SICR (consol) amounted to 0.13%, with a trigger level 1 (<=4%), trigger level 2 (>4%) and trigger level 3 (>6%). This means that in 2020 the SICR was extremely low and does not record any material change compared to 2019.

Moreover, as recommended by the regulatory authorities, since any Covid-19 moratoria are not provided depending on the specific features of the borrowers but are intended for everybody, were not assessed as automatic classification either as default (stage 3) or as significant increase of the credit risk (stage 2) and were not classified as settlement due to financial difficulties of the borrower.

The Group and the Bank ensure that future information used to assess the expected credit losses complies with the relevant information used for the budget, business planning and regulatory tests purposes.

Additional information on the impairment provisions for credit risks from loans and advances to customers is included in Notes 2.4, 2.10, 5.1 and 18.

B. Recoverability of deferred tax assets

The Group recognizes deferred tax assets to the extent that it assumes that it will have sufficient future tax profits available.

The recognition of the above deferred tax assets requires estimates regarding the future financial performance of the Group's companies to which the deferred tax assets have been recognized. In particular, the definition of the deferred tax assets that may be recognized requires important estimates about the time the future taxable profits will be achieved and their amount.

Further information about the deferred tax assets of the Group can be found in Note 24.

C. Financial assets fair value

The fair value of the financial assets for which there are no market prices in an active market is defined using valuation models.

The valuation methodology used includes discounted cash flow methods mainly based on observable elements, wherever available. The fair value of the investments in closed-type business holdings mutual funds depends on major assumptions including future income, operating expenses and discount rates. The closed-end venture capital mutual funds (AKES) invest in renewable energy sources (wind farms and solar parks).

Further information about the fair value of financial assets can be found in Notes 5, 16, 17, 18 and 19.

D. Subsidiaries impairment

The Bank examines for impairment the value of its investments in subsidiaries by comparing the recoverable amount of each investment (the higher value between the value for use and the fair value less the disposal cost) with its carrying amount.

The Management proceeds with estimates to define the recoverable amount of the investments in subsidiaries the fair value of which is set by the fair value of the investments made by these companies in closed-end venture capital mutual funds.

The fair value of the closed-end venture capital mutual funds for which no observable prices on an active market (Level 3) exist is defined by using evaluation models (discounted cash flows), and depends on basic assumptions including the future income, the operating expenses and the discount rates. The closed-end venture capital mutual funds (AKES) invest in renewable energy sources (wind farms and solar parks).

Further information about the investments of the Bank into subsidiaries can be found in Note 21.

Because of the uncertainty about the evolution of the Covid-19 pandemic in terms of its duration and the extent of the recovery of the Greek and global economy, the Management continuously monitors the impacts of the pandemic in all economic sectors, taking into consideration the expected positive effect of the actions taken by the Government, in order to update its key estimates and assumptions.

4. Financial Risk Management

The Group, as any credit institution is exposed to risks. Such risks are constantly monitored in different ways to avoid the excessive accumulation of risks. The nature of these risks as well as their management are explained below. Moreover, further financial information is given to describe the extent and the nature of the financial risks faced by the Group, with relevant comparative information on the previous financial year.

4.1. Credit risk

Credit risk is the risk of loss due to possible failure or unwillingness of the counterparty to fulfill its contractual obligations, thus resulting in the loss of funds and profit. Credit risk management focuses on ensuring a certain disciplined mentality, transparency, and calculated risk undertaking based on internationally recognized practices.

As regards the specific conditions generated by the Covid-19 pandemic and the particularly adverse financial impacts on global entrepreneurship, in the context of recognizing, classifying and measuring the credit risk that arises from its advances and loans, Optima Bank has proceeded with additional measures and procedures so that its decision making would ensure, to the maximum extent, the prevention of any exposure to potential doubtful borrowers and the consequent further increase of the portfolio of non-performing loans that burdens the Greek economy.

It is pointed out that Optima Bank, because of its recent establishment a) does not suffer from any doubtful receivables, except a few cases of delays mainly due to the late payment of subsidized interests in accordance with the official measures to support the sectors affected by the pandemic, and b) the larger part of its advances and loans has been granted during the health crisis due to the Covid-19 pandemic and therefore has been de facto rated based on enhanced credit risk weighting procedures because of the extraordinary conditions that prevail both at quantitative and qualitative levels.

Exactly because of the recent development of the Banks advances and loans portfolio, in addition to the moratoria, there was no need, to date, to settle any debt because of the failure of the borrowers to respond to their contractual obligations.

It is worth noting that as regards the rating of the loan collaterals, the Bank during the pandemic still attributes a great importance to real estate. During the Covid-19 period, some fields of the real estate market have experienced lower levels of trading activity and liquidity, both at local and international levels. Important differences are however recorded per real estate sectors and per region, while some sectors have benefited from the new conditions prevailing on the domestic economy whereas others have recorded an important decrease.

For accredited companies to rate its mortgage portfolio, the Bank takes into account the specific area where the real estate is located as well as the sector in which the same belongs.

As regards the professional property, the discount and capitalization rates fully reflect the current situation of the market, as valuated by investors and including both the systemic and the specific risks arising from each property.

As regards the property for housing uses, the values present variations and all specific conditions that govern each case are serious taken into account and presented in the valuations.

In any case, the Bank and its competent external associates closely monitor the developments in the domestic real estate market and the global economic climate and promptly respond to any changes by adjusting the relevant evaluation criteria and methods.

Note that according to the international valuation standards (VPS 3 and VPGA 10), and given the unknown future impact that Covid-19 may have on the real estate market, the Bank sees to strictly observe the guidelines in force for the annual and 3-year revaluation, as set by the ECB.

It is understood that for the other collateral categories, both before and during the financial crisis caused by the pandemic, the Bank strictly observes the weighting factors set by its Credit Policy, while at the same time it adjusts the other terms that govern it in order to ensure the smoother and to the extent possible trading course of its credit relationship, aiming mainly at preventing any possible risk.

As regards the rating of its borrowers, the Bank has taken the relevant necessary measures to protect its loans from the additional credit risk run during the current adverse economic conjuncture, by quantifying the Covid-19 impacts through the rating systems it uses.

As regards the practices for assessing the applications for financing used by the approving bodies of the Bank during a phase where the economic balance has been reversed because of the pandemic, it is pointed out that all competent divisions are in a state of increased vigilance and strictly observe the current evaluation and approval procedures in order to timely diagnose any possible difficulties in the trade relation between the Bank and the customers.

Moreover, a more frequent revaluation (e.g. every semester) of the credit relations with the borrowers that have been affected is considered and decided on a case-by-case basis.

Credit Risk Management

Credit risk management methodologies are adjusted to reflect the each time economic environment. Various methods are used which are annually reviewed, or whenever necessary, and are adjusted depending on the Group's strategy and its short- and long-term goals.

The various analyses of sectors and sub-sectors of the economy, in association with the financial forecasts offer guidance to define the credit policy.

The credit limits per borrower are defined by having in view the minimization of the credit risk and considering the credit rating of the borrower, the offered collaterals and guarantees that reduce the Group's exposure to credit risk, the type and the term of the facility. The creditworthiness analysis for each borrower is conducted by taking into account the country risk as well as the business sector in which such borrower is active, as well as his qualitative and quantitative characteristics.

At the same time, credit approval limits have been established, while tasks during the financing procedure have been set to ensure the objectivity, independence and control of the new and existing credit facilities.

During the approval procedure, the overall credit risk for each counterparty or group of counterparties is examined, and all risks are then related to each another, while the credit limits approved by various companies of the Group are added up.

The creditworthiness of the counterparties as well as their credit exposure are systematically monitored, in association with the relevant approved limits. At the same time, any concentration is continuously analyzed and monitored in view of limiting any possible large exposures and risky concentrations.

Credit risk concentration may be generated per economy sector, counterparty or group of counterparties, country, currency and type of collaterals.

Balancing the profit-risk relation is vital to the ongoing Group's profitability. This relation is analyzed at customer and product levels through profitability measurement analysis and pricing definition, in order to combine the undertaken risk with the expected profits.

In addition, within the framework of the credit risk management policy, the effect of extreme but feasible scenarios on the quality of the loan portfolio and on the available funds is evaluated by conducting stress tests.

Internal rating systems

The methods to evaluate the creditworthiness are classified in the following categories, depending on the type of the counterparty: central governments (for purchase and holding of bonds), financial institutions, large and small & medium-sized entities (SMEs) and natural persons.

As regards the governments' and financial institutions rating, it is detailed in the following sections "Counterparty Bank risk" and "Country risk".

Natural persons are rated following a research conducted in the TIRESSIAS bank information system presenting the background of the transaction activity of the customer and their income. In particular, for issuing a credit card, customers are evaluated with the scoring/rating system based both on demographic factors and objective financial information (e.g. income, assets).

To rate large and SME businesses, a risk classification system is used. The first aspect concerns the classification of the borrower's creditworthiness to a ten-scaled rating system based on qualitative and quantitative criteria, thus defining the probability failing to meet its obligations. The weighting coefficients for the different criteria varies depending on the nature and the size of the borrower's activity. The second aspect of the transaction risk rating is the evaluation of the quality and sufficiency of the collaterals, thus defining the expected loss in case of default.

The customer's degree of creditworthiness is used in association with the degree of the collaterals' sufficiency (i.e. the unsecured risk) during the credit approval stage and the definition of the relevant limits. In particular, the creditworthiness rating of the business portfolio is systematically monitored in order to internally calculate the probability of default and to timely diagnose any adverse drifting to the various portfolio quality/risk stages, in view of elaborating the appropriate strategies to hedge the risks undertaken.

Maximum exposure to credit risk prior to offered collaterals and other credit upgradings

The following table presents the maximum exposure to credit risk arising from financial instruments presented in the statement of financial position of the Group and the Bank, without taking into consideration any received collaterals or other credit upgradings. As far as the financial instruments presented in the statement of financial position are concerned, the exposure to credit risk equals their book value.

Group

Amounts in Eur '000	Maximum exposure	
	2020	**2019**
Exposure to credit risk from items on the SOFP:		
Loans and advances to credit institutions	36.775	85.913
Financial assets at fair value through profit or loss	41.103	63.177
Derivative financial instruments	88	102
Loans and advances to customers (net of provisions)		
Retail	21.811	11.550
Wholesale:		
Large Corporate	131.397	23.226
Small and medium business	221.625	49.973
Loans and advances to customers measured at fair value through profit and loss:	6.669	3.962
Investment portfolio securities:		
Financial assets at fair value through other income statement	223.348	1.377
Requirements from debt securities at depreciated cost	30.698	0
Other assets	88.159	23.167
Total balance sheet items	**801.674**	**262.447**
Exposure to credit risk from off balance sheet items:		
Letters of guarantee	57.064	7.487
Total	**858.738**	**269.935**

Bank

Amounts in Euro '000	Maximum exposure 2020	Maximum exposure 2019
Exposure to credit risk from items on the SOFP:		
Loans and advances to credit institutions	35.465	85.907
Financial assets at fair value through profit or loss	19.441	43.973
Derivative financial instruments	88	102
Loans and advances to customers (net of provisions)		
Retail	21.811	11.550
Wholesale:		
Large Corporate	131.397	23.226
Small and medium business	222.759	57.952
Loans and advances to customers measured at fair value through profit and loss:	6.669	3.962
Investment portfolio securities:		
Financial assets at fair value through other income statement	223.348	1.377
Requirements from debt securities at depreciated cost	30.698	0
Other assets	88.036	23.140
Total balance sheet items	**779.713**	**251.189**
Exposure to credit risk from off balance sheet items:		
Letters of guarantee	57.064	7.487
Total	**836.777**	**258.677**

Loans and advances

The following table presents the quality of the loans and advances of the Group and the Bank.

Group

Loans and advances to customers and impairment provisions per IFRS 9 Stage

Amounts in ,000 Euro 31/12/2020	Stage 1: Loans and advances to customers without significant increase in credit risk after initial recognition		Stage 2: Loans and advances to customers with significant increase in credit risk after initial recognition		Stage 3: Credit-impaired loans and advances to customers		Total: Loans and advances to customers		Loans and advances to customers net value
	Loans and advances to customers	Impairments	Loans and advances to customers	Impairments	Loans and advances to customers	Impairments	Loans and advances to customers	Impairments	
Individuals									
Consumer, Personal & Other loans	6.228	202	16	1	67	67	6.311	270	6.041
Mortgages Loans	5.511	11	0	0	0	0	5.511	11	5.500
Margin/Brokerage	10.270	0	0	0	296	296	10.566	296	10.270
Corporate									
Corporate Business	135.980	4.582	0	0	0	0	135.980	4.582	131.397
Small Business	215.169	3.758	509	1	1.256	1.256	216.934	5.015	211.919
Margin Corporate/SMEs	9.915	0	0	0	0	0	9.915	0	9.915
Total	**383.074**	**8.554**	**525**	**2**	**1.619**	**1.619**	**385.217**	**10.174**	**375.043**
Commitments relevant to credit risk									
Letters of Guarantee	56.164	165	900	45	0	0	57.064	210	56.854
Loan commitments	130.158	0	13	0	0	0	130.171	0	130.171
Total	**186.322**	**165**	**913**	**45**	**0**	**0**	**187.235**	**210**	**187.025**

Loans and advances to customers and impairment provisions per IFRS 9 Stage

Amounts in ,000 Euro 31/12/2019	Stage 1: Loans and advances to customers without significant increase in credit risk after initial recognition		Stage 2: Loans and advances to customers with significant increase in credit risk after initial recognition		Stage 3: Credit-impaired loans and advances to customers		Total: Loans and advances to customers		Loans and advances to customers net value
	Loans and advances to customers	Impairments	Loans and advances to customers	Impairments	Loans and advances to customers	Impairments	Loans and advances to customers	Impairments	
Individuals									
Consumer, Personal & Other loans	1.405	68	7	7	42	42	1.454	118	1.336
Mortgages Loans	70	0	0	0	0	0	70	0	70
Margin/Brokerage	10.144	0	0	0	283	283	10.427	283	10.144
Other loans	0	0	0	0	0	0	0	0	0
Corporate									
Corporate Business	23.580	354	0	0	0	0	23.580	354	23.226
Small Business	45.584	2.855	458	0	1.256	1.256	47.298	4.111	43.187
Margin Corporate/SMEs	6.938	0	0	0	0	0	6.938	0	6.938
Total	**87.720**	**3.278**	**466**	**7**	**1.581**	**1.581**	**89.767**	**4.867**	**84.901**
Commitments relevant to credit risk									
Letters of Guarantee	6.587	120	900	32	0	0	7.487	152	7.335
Loan commitments	54.898	0	0	0	0	0	54.898	0	54.898
Total	**61.485**	**120**	**900**	**32**	**0**	**0**	**62.385**	**152**	**62.233**

Loans and advances to customers on 31.12.2020 based on their quality (impairments under IFRS 9)

Amounts in ,000 Euro 31/12/2020	Loans and advances to customers: Not past due	Past due	Individual assessment	Collective assessment	Total value before impairment	Accumulated impairment provisions: Individual assessment	Collective assessment	Total net value after impairment	Value of collaterals
Individuals									
Consumer, Personal & Other loans	5.914	397	5.145	1.166	6.311	118	152	6.041	3.225
Mortgages Loans	4.658	853	5.511	0	5.511	11	0	5.500	11.270
Margin/Brokerage	10.270	296	296	10.270	10.566	296	0	10.270	31.123
Corporate									
Corporate Business	121.856	14.124	135.980	0	135.980	4.582	0	131.397	57.964
Small Business	195.013	21.921	216.934	0	216.934	4.917	0	212.017	211.031
Margin Corporate/SMEs	9.915	0	0	9.915	9.915	0	0	9.915	28.012
Total	**347.627**	**37.590**	**363.865**	**21.352**	**385.217**	**9.925**	**152**	**375.141**	**342.626**
Commitments relevant to credit risk									
Letters of Guarantee	56.164	900	56.164	0	57.064	210	0	56.854	11.545
Loan commitments	130.158	0	130.975	0	130.158	0	0	130.158	0
Total	**186.322**	**900**	**187.139**	**0**	**187.222**	**210**	**0**	**187.012**	**11.545**

Loans and advances to customers on 31.12.2019 based on their quality (impairments under IAS 39)

Amounts in ,000 Euro	Loans and advances to customers				Total value before impairment	Accumulated impairment provisions		Total net value after impairment	Value of collaterals
31/12/2019	Not past due	Past due	Individual assessment	Collective assessment		Individual assessment	Collective assessment		
Individuals									
Consumer, Personal & Other loans	1.405	50	655	799	1.454	63	56	1.336	611
Mortgages Loans	70	0	70	0	70	0	0	70	1.233
Margin/Brokerage	10.144	283	283	10.144	10.427	283	0	10.144	28.335
Corporate									
Corporate Business	23.580	0	23.580	0	23.580	354	0	23.226	9.463
Small Business	35.668	11.630	47.298	0	47.298	4.111	0	43.187	37.685
Margin Corporate/SMEs	6.938	0	0	6.938	6.938	0	0	6.938	21.647
Total	**77.804**	**11.963**	**71.886**	**17.881**	**89.767**	**4.811**	**56**	**84.901**	**98.973**
Commitments relevant to credit risk									
Letters of Guarantee	7.487	0	0	0	7.487	152	0	7.487	2.262
Loan commitments	54.898	0	0	0	54.898	0	0	54.898	0
Total	**62.385**	**0**	**0**	**0**	**62.385**	**152**	**0**	**62.385**	**2.262**

The balances do not include the amount of EUR 6,669,000 dated 31.12.2020 and of EUR 3,962,000 dated 31.12.2019 of the BUSINESS ENERGY loan.

Loans and advances to customers on 31.12.2020 and impairment provisions per IFRS 9 Stage

Amounts in ,000 Euro	Consumer loans			Mortgages Loans			Margin/ Brokerage Retail		
	Stage 1	**Stage 2**	**Stage 3**	**Stage 1**	**Stage 2**	**Stage 3**	**Stage 1**	**Stage 2**	**Stage 3**
Performing	5.914	0	0	4.658	0	0	10.270	0	0
From 1 to 30 days	314	0	0	853	0	0	0	0	0
From 31 to 60 days	0	15	2	0	0	0	0	0	0
From 61 to 90 days	0	0	0	0	0	0	0	0	0
From 91 to 180 days	0	0	2	0	0	0	0	0	0
From 181 to 365 days	0	0	19	0	0	0	0	0	0
More than 365 days	0	0	44	0	0	0	0	0	296
Denounced	0	0	0	0	0	0	0	0	0
Total	**6.228**	**16**	**67**	**5.511**	**0**	**0**	**10.270**	**0**	**296**
Impairments	202	1	67	11	0	0	0	0	296
Net value	6.026	14	0	5.500	0	0	10.270	0	0
Collaterals	3.225	0	0	11.270	0	0	31.123	0	0

Loans and advances to customers on 31.12.2020 and impairment provisions per IFRS 9 Stage

Amounts in ,000 Euro	Corporate loans			Margin Corporate/SMEs		
	Stage 1	**Stage 2**	**Stage 3**	**Stage 1**	**Stage 2**	**Stage 3**
Performing	315.613	0	0	9.915	0	0
From 1 to 30 days	35.536	463	0	0	0	0
From 31 to 60 days	0	46	0	0	0	0
From 61 to 90 days	0	0	0	0	0	0
From 91 to 180 days	0	0	0	0	0	0
From 181 to 365 days	0	0	0	0	0	0
More than 365 days	0	0	0	0	0	0
Denounced	0	0	1.256	0	0	0
Total	**351.149**	**509**	**1.256**	**9.915**	**0**	**0**
Impairments	8.243	1	1.256	0	0	0
Net value	342.906	508	0	9.915	0	0
Collaterals	261.344	7.651	0	28.012	0	0

Loans and advances to customers on 31.12.2019 and impairment provisions per IFRS 9 Stage

Amounts in ,000 Euro	Consumer loans			Mortgages Loans			Margin/ Brokerage Retail		
	Stage 1	**Stage 2**	**Stage 3**	**Stage 1**	**Stage 2**	**Stage 3**	**Stage 1**	**Stage 2**	**Stage 3**
Performing	1.405	0	0	70	0	0	10.144	0	0
From 1 to 30 days	0	0	0	0	0	0	0	0	0
From 31 to 60 days	0	0	0	0	0	0	0	0	0
From 61 to 90 days	0	7	0	0	0	0	0	0	0
From 91 to 180 days	0	0	3	0	0	0	0	0	0
From 181 to 365 days	0	0	13	0	0	0	0	0	0
More than 365 days	0	0	27	0	0	0	0	0	283
Denounced	0	0	0	0	0	0	0	0	0
Total	**1.405**	**7**	**42**	**70**	**0**	**0**	**10.144**	**0**	**283**
Impairments	68	7	42	0	0	0	0	0	283
Net value	1.336	0	0	0	0	0	10.144	0	0
Collaterals	611	0	0	1.233	0	0	28.335	0	0

Loans and advances to customers on 31.12.2019 and impairment provisions per IFRS 9 Stage

Amounts in ,000 Euro	Corporate loans			Margin Corporate/SMEs		
	Stage 1	**Stage 2**	**Stage 3**	**Stage 1**	**Stage 2**	**Stage 3**
Performing	67.308	0	0	6.938	0	0
From 1 to 30 days	1.856	458	0	0	0	0
From 31 to 60 days	0	0	0	0	0	0
From 61 to 90 days	0	0	0	0	0	0
From 91 to 180 days	0	0	0	0	0	0
From 181 to 365 days	0	0	0	0	0	0
More than 365 days	0	0	0	0	0	0
Denounced	0	0	1.256	0	0	0
Total	**69.164**	**458**	**1.256**	**6.938**	**0**	**0**
Impairments	3.210	0	1.256	0	0	0
Net value	65.954	458	0	6.938	0	0
Collaterals	42.068	5.080	0	21.647	0	0

Analysis of collaterals and guarantees received

Amounts in ,000 Euro	Real estate collaterals	Financial collaterals	Government guarantees	Other collaterals	Total collaterals
31/12/2020					
Individuals	10.226	1.936	724	32.733	**45.619**
Corporate	145.252	22.445	28.795	107.721	**304.213**
Total	**155.478**	**24.381**	**29.519**	**140.455**	**349.832**
31/12/2019					
Individuals	1.233	611	0	28.335	**30.178**
Corporate	37.024	2.245	0	31.788	**71.057**
Total	**38.257**	**2.856**	**0**	**60.122**	**101.235**

Total credit risk: Exposures and weighting under Regulation 575/2013

Amounts in ,000 Euro

Exposures	31/12/2020 Total amount	Impairment	Amount after impairment	Weighted amount	31/12/2019 Total amount	Impairment	Amount after impairment	Weighted amount
Central governments or central banks	190.884	6	190.878	7.099	27.242	0	27.242	1.187
Regional governments or local authorities	0	0	0	0	0	0	0	0
Public sector entities	4.794	0	4.794	4.794	4.793	0	4.793	4.793
Multilateral development banks	0	0	0	0	0	0	0	0
International organizations	0	0	0	0	0	0	0	0
Financial institutions	42.396	22	42.374	18.616	88.211	0	88.211	25.862
Corporate entities	455.492	2.831	452.661	290.626	119.210	2.895	116.315	68.676
Retail banking	34.847	71	34.776	3.522	27.100	68	27.032	884
Secured on property collateral	74.352	0	74.352	33.904	11.104	129	10.975	5.382
In default	1.619	1.619	0	0	1.581	1.581	0	0
High risk	21.663	0	21.663	32.494	19.205	0	19.205	28.807
Covered bonds	0	0	0	0	0	0	0	0
Short term credit assessment	0	0	0	0	0	0	0	0
Collective investment undertakings CIU	0	0	0	0	0	0	0	0
Shares	348	0	348	392	472	0	472	552
Other	86.439	0	86.439	70.005	27.966	0	27.966	17.101
Total	**912.832**	**4.548**	**908.284**	**461.452**	**326.884**	**4.673**	**322.211**	**153.244**

Total credit risk: Exposure-based classification

Amounts in ,000 Euro

Exposures	31/12/2020 Total amount	Impairment	Amount after impairment	Weighted amount	31/12/2019 Total amount	Impairment	Amount after impairment	Weighted amount
On balance sheet	722.691	4.479	718.212	412.712	259.665	4.536	255.129	141.628
Off-balance sheet	187.235	70	187.165	45.953	62.386	137	62.249	8.102
Counterparty risk	2.906	0	2.906	2.787	4.833	0	4.833	3.514
Total	**912.832**	**4.548**	**908.284**	**461.452**	**326.884**	**4.673**	**322.211**	**153.244**

Total credit risk: Off-balance sheet items classification

Amounts in ,000 Euro

Exposures	31/12/2020 Total amount	31/12/2020 Impairment	31/12/2020 Amount after impairment	31/12/2020 Weighted amount	31/12/2019 Total amount	31/12/2019 Impairment	31/12/2019 Amount after impairment	31/12/2019 Weighted amount
Medium-risk letters of guarantee	34.907	55	34.852		3.389	43	3.346	
High-risk letters of guarantee	22.157	15	22.142		4.098	12	4.086	
Approved loan agreements and credit lines*	130.171	0	130.171		54.899	82	54.817	
Total	**187.235**	**70**	**187.165**	**45.953**	**62.386**	**137**	**62.249**	**8.102**

* 31 Dec. 2019 - Approved credit lines that may be unconditionally canceled, **€38,080** ths (0% weighting)
* 31 Dec. 2019 - Approved L/G limits; **€14,789** ths (20% weighting)
* 31 Dec. 2019 - Approved Credit Card and Loan of set maturity, **€2,030** ths

* 31 Dec. 2020 - Approved credit lines that may be unconditionally canceled, **€84,631** ths (0% weighting)
* 31 Dec. 2020 - Approved L/G limits; **€37,226** ths (20% weighting)
* 31 Dec. 2020 - Approved Credit Card and Loan of set maturity, **€8,314** ths

Bank

Loans and advances to customers and impairment provisions per IFRS 9 Stage

Amounts in ,000 Euro **31/12/2020**	**Stage 1** Loans and advances to customers without significant increase in credit risk after initial recognition		**Stage 2** Loans and advances to customers with significant increase in credit risk after initial recognition		**Stage 3** Credit-impaired loans and advances to customers		**Total** Loans and advances to customers		Loans and advances to customers net value
	Loans and advances to customers	Impairments	Loans and advances to customers	Impairments	Loans and advances to customers	Impairments	Loans and advances to customers	Impairments	
Individuals									
Consumer, Personal & Other loans	6.228	202	16	1	67	67	6.311	270	6.041
Mortgages Loans	5.511	11	0	0	0	0	5.511	11	5.500
Margin/Brokerage	10.270	0	0	0	296	296	10.566	296	10.270
Corporate									
Corporate Business	135.980	4.582	0	0	0	0	135.980	4.582	131.397
Small Business	216.408	3.862	509	1	1.256	1.256	218.172	5.118	213.054
Margin Corporate/SMEs	9.915	0	0	0	0	0	9.915	0	9.915
Total	**384.312**	**8.657**	**525**	**2**	**1.619**	**1.619**	**386.456**	**10.278**	**376.178**
Commitments relevant to credit risk									
Letters of Guarantee	56.164	165	900	45	0	0	57.064	210	56.854
Loan commitments	130.975	0	13	0	0	0	130.987	0	130.987
Total	**187.139**	**165**	**913**	**45**	**0**	**0**	**188.051**	**210**	**187.841**

Loans and advances to customers and impairment provisions per IFRS 9 Stage

Amounts in ,000 Euro 1/1/2020	Stage 1: Loans and advances to customers without significant increase in credit risk after initial recognition		Stage 2: Loans and advances to customers with significant increase in credit risk after initial recognition		Stage 3: Credit-impaired loans and advances to customers		Total: Loans and advances to customers		Loans and advances to customers net value
	Loans and advances to customers	Impairments	Loans and advances to customers	Impairments	Loans and advances to customers	Impairments	Loans and advances to customers	Impairments	
Individuals									
Consumer, Personal & Other loans	1.405	68	7	7	42	42	1.454	118	1.336
Mortgages Loans	70	0	0	0	0	0	70	0	70
Margin/Brokerage	10.144	0	0	0	283	283	10.427	283	10.144
Other loans	0	0	0	0	0	0	0	0	0
Corporate									
Corporate Business	23.580	354	0	0	0	0	23.580	354	23.226
Small Business	53.644	2.936	458	0	1.256	1.256	55.358	4.192	51.166
Margin Corporate/SMEs	6.938	0	0	0	0	0	6.938	0	6.938
Total	**95.780**	**3.359**	**466**	**7**	**1.581**	**1.581**	**97.827**	**4.947**	**92.880**
Commitments relevant to credit risk									
Letters of Guarantee	6.587	120	900	32	0	0	7.487	152	7.335
Loan commitments	54.898	0	0	0	0	0	54.898	0	54.898
Total	**61.485**	**120**	**900**	**32**	**0**	**0**	**62.385**	**152**	**62.233**

Loans and advances to customers on 31.12.2020 based on their quality (impairments under IFRS 9)

Amounts in ,000 Euro 31/12/2020	Loans and advances to customers				Total value before impairment	Accumulated impairment provisions		Total net value after impairment	Value of collaterals
	Not past due	Past due	Individual assessment	Collective assessment		Individual assessment	Collective assessment		
Individuals									
Consumer, Personal & Other loans	5.914	397	5.145	1.166	6.311	118	152	6.041	3.225
Mortgages Loans	4.658	853	5.511	0	5.511	11	0	5.500	11.270
Margin/Brokerage	10.270	296	296	10.270	10.566	296	0	10.270	31.123
Corporate									
Corporate Business	121.856	14.124	135.980	0	135.980	4.582	0	131.397	57.964
Small Business	196.251	21.921	218.172	0	218.172	5.118	0	213.054	175.380
Margin Corporate/SMEs	9.915	0	0	9.915	9.915	0	0	9.915	28.012
Total	**348.866**	**37.590**	**365.103**	**21.352**	**386.456**	**10.126**	**152**	**376.178**	**306.975**
Commitments relevant to credit risk									
Letters of Guarantee	56.164	900	56.164	0	57.064	210	0	56.854	11.545
Loan commitments	130.975	0	130.975	0	130.975	0	0	130.975	0
Total	**187.139**	**900**	**187.139**	**0**	**188.039**	**210**	**0**	**187.828**	**11.545**

Loans and advances to customers on 31.12.2019 based on their quality (impairments under IAS 39)

Amounts in ,000 Euro	Loans and advances to customers				Total value before impairment	Accumulated impairment provisions		Total net value after impairment	Value of collaterals
31/12/2019	Not past due	Past due	Individual assessment	Collective assessment		Individual assessment	Collective assessment		
Individuals									
Consumer, Personal & Other loans	1.405	50	655	799	1.454	63	56	1.336	611
Mortgages Loans	70	0	70	0	70	0	0	70	1.233
Margin/Brokerage	10.144	283	283	10.144	10.427	283	0	10.144	28.335
Corporate									
Corporate Business	23.580	0	23.580	0	23.580	354	0	23.226	9.463
Small Business	43.728	11.630	55.358	0	55.358	4.192	0	51.166	37.685
Margin Corporate/SMEs	6.938	0	0	6.938	6.938	0	0	6.938	21.647
Total	**85.864**	**11.963**	**79.946**	**17.881**	**97.827**	**4.892**	**56**	**92.880**	**98.973**
Commitments relevant to credit risk									
Letters of Guarantee	7.487	0	7.335	0	7.487	152	0	7.487	2.262
Loan commitments	54.898	0	54.898	0	54.898	0	0	54.898	0
Total	**62.385**	**0**	**62.233**	**0**	**62.385**	**152**	**0**	**62.385**	**2.262**

The balances do not include the amount of EUR 6,669,000 dated 31.12.2020 and of EUR 3,962,000 dated 31.12.2019 of the BUSINESS ENERGY loan.

Loans and advances to customers on 31.12.2020 and impairment provisions per IFRS 9 Stage

Amounts in ,000 Euro	Consumer loans			Mortgages Loans			Margin/ Brokerage Retail		
	Stage 1	**Stage 2**	**Stage 3**	**Stage 1**	**Stage 2**	**Stage 3**	**Stage 1**	**Stage 2**	**Stage 3**
Performing	5.914	0	0	4.658	0	0	10.270	0	0
From 1 to 30 days	314	0	0	853	0	0	0	0	0
From 31 to 60 days	0	16	2	0	0	0	0	0	0
From 61 to 90 days	0	0	0	0	0	0	0	0	0
From 91 to 180 days	0	0	2	0	0	0	0	0	0
From 181 to 365 days	0	0	19	0	0	0	0	0	0
More than 365 days	0	0	44	0	0	0	0	0	296
Denounced	0	0	0	0	0	0	0	0	0
Total	**6.228**	**17**	**67**	**5.511**	**0**	**0**	**10.270**	**0**	**296**
Impairments	202	1	67	11	0	0	0	0	296
Net value	6.026	14	0	5.500	0	0	10.270	0	0
Collaterals	3.225	0	0	11.270	0	0	31.123	0	0

Loans and advances to customers on 31.12.2020 and impairment provisions per IFRS 9 Stage

Amounts in ,000 Euro	Corporate loans			Margin Corporate/SMEs		
	Stage 1	**Stage 2**	**Stage 3**	**Stage 1**	**Stage 2**	**Stage 3**
Performing	316.851	0	0	9.915	0	0
From 1 to 30 days	35.536	463	0	0	0	0
From 31 to 60 days	0	46	0	0	0	0
From 61 to 90 days	0	0	0	0	0	0
From 91 to 180 days	0	0	0	0	0	0
From 181 to 365 days	0	0	0	0	0	0
More than 365 days	0	0	0	0	0	0
Denounced	0	0	1.256	0	0	0
Total	**352.387**	**509**	**1.256**	**9.915**	**0**	**0**
Impairments	8.444	1	1.256	0	0	0
Net value	343.943	508	0	9.915	0	0
Collaterals	225.694	7.651	0	28.012	0	0

Loans and advances to customers on 31.12.2019 and impairment provisions per IFRS 9 Stage

Amounts in ,000 Euro	Consumer loans			Mortgages Loans			Margin/ Brokerage Retail		
	Stage 1	**Stage 2**	**Stage 3**	**Stage 1**	**Stage 2**	**Stage 3**	**Stage 1**	**Stage 2**	**Stage 3**
Performing	1.405	0	0	70	0	0	10.144	0	0
From 1 to 30 days	0	0	0	0	0	0	0	0	0
From 31 to 60 days	0	0	0	0	0	0	0	0	0
From 61 to 90 days	0	7	0	0	0	0	0	0	0
From 91 to 180 days	0	0	3	0	0	0	0	0	0
From 181 to 365 days	0	0	13	0	0	0	0	0	0
More than 365 days	0	0	27	0	0	0	0	0	283
Denounced	0	0	0	0	0	0	0	0	0
Total	**1.405**	**7**	**42**	**70**	**0**	**0**	**10.144**	**0**	**283**
Impairments	68	7	42	0	0	0	0	0	283
Net value	1.336	0	0	0	0	0	10.144	0	0
Collaterals	611	0	0	1.233	0	0	28.335	0	0

Loans and advances to customers on 31.12.2019 and impairment provisions per IFRS 9 Stage

Amounts in ,000 Euro	Corporate loans			Margin Corporate/SMEs		
	Stage 1	**Stage 2**	**Stage 3**	**Stage 1**	**Stage 2**	**Stage 3**
Performing	67.308	0	0	6.938	0	0
From 1 to 30 days	9.916	458	0	0	0	0
From 31 to 60 days	0	0	0	0	0	0
From 61 to 90 days	0	0	0	0	0	0
From 91 to 180 days	0	0	0	0	0	0
From 181 to 365 days	0	0	0	0	0	0
More than 365 days	0	0	0	0	0	0
Denounced	0	0	1.256	0	0	0
Total	**77.223**	**458**	**1.256**	**6.938**	**0**	**0**
Impairments	3.290	0	1.256	0	0	0
Net value	73.933	458	0	6.938	0	0
Collaterals	42.068	5.080	0	21.647	0	0

Analysis of collaterals and guarantees received

Amounts in ,000 Euro	Real estate collaterals	Financial collaterals	Government guarantees	Other collaterals	Total collaterals
31/12/2020					
Individuals	10.226	1.936	724	32.733	**45.619**
Corporate	145.252	22.445	28.795	76.410	**272.902**
Total	**155.478**	**24.381**	**29.519**	**109.143**	**318.520**
31/12/2019					
Individuals	1.233	611	0	28.335	**30.178**
Corporate	37.024	2.245	0	31.788	**71.057**
Total	**38.257**	**2.856**	**0**	**60.122**	**101.235**

Total credit risk: Exposures and weighting under Regulation 575/2013

Amounts in ,000 Euro

Exposures	31/12/2020 Total amount	Impairment	Amount after impairment	Weighted amount	31/12/2019 Total amount	Impairment	Amount after impairment	Weighted amount
Central governments or central banks	189.979	6	189.973	5.078	29.402	0	29.402	6.587
Regional governments or local authorities	0	0	0	0	0	0	0	0
Public sector entities	4.794	0	4.794	4.794	4.793	0	4.793	4.793
Multilateral development banks	0	0	0	0	0	0	0	0
International organizations	0	0	0	0	0	0	0	0
Financial institutions	40.822	22	40.800	18.286	87.860	0	87.860	25.792
Corporate entities	457.643	2.897	454.746	293.745	127.269	2.926	124.343	76.703
Retail banking	34.847	71	34.776	3.522	27.100	67	27.033	885
Secured on property collateral	74.352	0	74.352	33.904	11.104	127	10.977	5.383
In default	1.619	1.619	0	0	1.581	1.581	0	0
High risk	6.537	0	6.537	9.806	0	0	0	0
Covered bonds	0	0	0	0	0	0	0	0
Short term credit assessment	0	0	0	0	0	0	0	0
Collective investment undertakings CIU	0	0	0	0	0	0	0	0
Shares	7.192	0	7.192	7.237	6.863	0	6.863	16.529
Other	86.110	0	86.110	69.098	27.826	0	27.826	16.961
Total	**903.895**	**4.615**	**899.280**	**445.470**	**323.798**	**4.701**	**319.097**	**153.633**

Total credit risk: Exposure-based classification

Amounts in ,000 Euro

Exposures	31/12/2020 Total amount	Impairment	Amount after impairment	Weighted amount	31/12/2019 Total amount	Impairment	Amount after impairment	Weighted amount
On balance sheet	712.937	4.545	708.392	396.730	256.579	4.566	252.013	142.016
Off-balance sheet	188.052	70	187.982	45.953	62.386	135	62.251	8.103
Counterparty risk	2.906	0	2.906	2.787	4.833	0	4.833	3.514
Total	**903.895**	**4.615**	**899.280**	**445.470**	**323.798**	**4.701**	**319.097**	**153.633**

Total credit risk: Off-balance sheet items classification

Amounts in ,000 Euro

Exposures	31/12/2020 Total amount	Impairment	Amount after impairment	Weighted amount	31/12/2019 Total amount	Impairment	Amount after impairment	Weighted amount
Risk-free letters of guarantee	0	0	0		0	0	0	
Medium-risk letters of guarantee	34.907	55	34.852		3.389	42	3.347	
High-risk letters of guarantee	22.157	15	22.142		4.098	12	4.086	
Approved loan agreements and credit lines*	129.355	0	129.355		54.899	81	54.818	
Total	**186.419**	**70**	**186.349**	**45.953**	**62.386**	**135**	**62.251**	**8.103**

* 31 Dec. 2019 - Approved credit lines that may be unconditionally canceled, **€38,080** ths (0% weighting)
* 31 Dec. 2019 - Approved L/G limits; **€14,789** ths (20% weighting)
* 31 Dec. 2019 - Approved Credit Card and Loan of set maturity, **€2,030** ths

* 31 Dec. 2020 - Approved credit lines that may be unconditionally canceled, **€83,815** ths (0% weighting)
* 31 Dec. 2020 - Approved L/G limits; **€37,226** ths (20% weighting)
* 31 Dec. 2020 - Approved Credit Card and Loan of set maturity, **€8,314** ths

Covid-19 moratoria

The Group participates in the Covid-19 support measures for eligible borrowers, by deferring the payment of interests and/or principal and at the same time extending the maturity of loans as well as renewing the credit lines. The total book value before provisions of the loans under the moratoria amounted to EUR 20.05 million in 2020 representing, in its entirety, the value of business loans. Out of them, the book value before provisions of the active loan accounts on December 31, 2020 amounted to EUR 4.15 million (consisting in its entirety in business loans).

The eligible borrowers are professionals active in the sectors that were most affected by the pandemic, as these have been defined by the Greek Government, as well as private individuals who were eligible for State grants programs.

In accounting terms, the moratoria are treated as modifications not made due to financial difficulties. Given that these measures and moratoria applied to a very small part of loans and since the payments are only differed with a simultaneous extension of the loan maturity without any change in their terms, there is no impact, due to modification, on the profit or loss of the Group.

Moreover, in cooperation with the Hellenic Development Bank, the Group granted loans to small and medium-sized businesses as well as to large corporations under its coverage, in order to meet the increased need of the business for liquidity. The total value of the loans disbursed in two phases amounted to EUR 37 million on 31.12.2020.

Counterparty banks risk

The Group is exposed to the risk of capital losses due to contingent delayed payments of outstanding and contingent liabilities of counterparty banks. Thanks to its daily activities, the Group transacts with other banks and financial institutions. By conducting such activities, the Group runs the risk of capital losses due to contingent delayed payments to the Group of outstanding and contingent liabilities of counterparty banks.

The limits of counterparty banks reflect the admissible risk level and are further divided into Foreign Exchange and Cash Services or other services that undertake and manage such a risk, depending on their internal and institutional role. In general, the maximum limits are set by the counterparty banks evaluation models and the instructions given by the regulatory authorities.

The credit limit granted to each counterparty is divided into sub limits, thus covering placements, investments, foreign currency acquisitions, as well as the daily settlement limit. The actual positions are compared to the limits on a daily basis.

Country risk

The Group is exposed to the risk of capital loss due to possible political, economic and other events that occur in a specific country where the capitals or cash of the Group have been placed or invested through various local banks and financial institutions.

All countries are assessed with reference to size, economic data and prospects of the country, as well as its credit rating by international credit rating agencies (Moody's, Standard & Poor's). The actual positions per country are compared to their limits on a daily basis. The limits are reviewed at the discretion of the Group, while countries with the smaller size and lower solvency ratio are subject to a more thorough and frequent analysis and evaluation, where considered necessary.

4.2. Market risk

Market risk means the risk of losses that the portfolio of the Bank may run due to unexpected variations to the market value in different sections of the said portfolio. The portfolios facing this possibility are those exposed to an interest rate risk and/or currency risk and/or price risk. In many cases, the market risk may not be separated from other types of risk or arise out of them and of their correlation.

The Group operates mainly in the stock exchange transactions sector and therefore its major portfolio running a market risk is the Equities/Equity and Index Derivatives Book, listed mainly on the Hellenic Exchanges.

The Group's Risk Management Committee (RMC) approves the market risk management procedures and has set the relevant limits for undertaking such a risk per product and portfolio. The limits in question are systematically monitored and checked, while they are reviewed at least once a year; they are modified, if necessary, depending on the Group's strategy and current market conditions.

According to the Institutional Counterparties Credit Risk Policy and Management responsible for approving the relevant limits for the counterparty, issuer and country risk is the Executive Committee or the Board of Directors of the Bank (depending on the value of the limit) upon relevant recommendation of the competent unit handling the relation, based on internal and/or external financial analyses.

The RMD measures, checks and monitors the Market Risk on a daily basis and conducts measurements to estimate the said risks for the different portfolios.

(i) Market risk of commercial and available-for-sale portfolios

Measurements are conducted using various methodologies and measurement techniques such as Value At Risk – VAR. The measurement of the Value At Risk defines the maximum possible portfolio loss with a confidence level of 99% and a one day of hold period, using the variance - covariance method. The measurements cover all trading and available for sale portfolios of the Group's companies.

The market risk of the Group and the Bank, in terms of VaR, for the aforementioned positions as of December 31, 2020, amounted to EUR 1,540.06K as broken down in the following table.

Group and Bank

Amounts in Eur '000	**31st December 2020**	**31st December 2019**
Foreign exchange risk	13,38	6,50
Bond portfolio interest rate risk	1.489,98	181,37
Stock market portfolio market risk	19,07	13,09
Commodities	121,35	
Decrease due to correlation	-103,63	-17,70
Net market risk	**1.540,15**	**183,26**

Apart from the above measurements, the portfolios market risk is monitored by a series of additional limits such as the maximum open position limit for every product, and stop-loss limits for every portfolio.

Finally, at regular intervals and in any case by the end of each semester, measurements of various stress test scenarios are conducted regarding the market risk in order to more efficiently manage the said risk and to inform the Management and the supervisory authorities.

(ii) Interest Rate Risk

The interest rate risk is the risk due to the fluctuations in interest rates which affect the exposure of the bank portfolio and impacts both the capital and the profits of the Bank. The fluctuations in interest rates result in changes in the Present Value (PV) and the future cash flows of the assets, the liabilities and the off-balance sheet exposures of the Bank and consequently in the economic value of its equity (EVE). The fluctuations in interest rates also affect the profit of the Bank, thus changing the income and expenses which are sensitive to the said fluctuations. Consequently, the net interest income (NII) is affected.

The following tables present the Group's and the Bank's exposure to the interest rate risk. The tables present the assets and liabilities of the Group and the Bank at their carrying amounts, classified according to the interest rate revaluation date, for floating interest rates or maturity date, for fixed interest rates.

Group

Amounts in Eur '000	Up to 1 month	1-3 months	3-12 months	1-2 years	2-5 years	Over 5 years	Non-interest bearing	Total
Balance at 31th December 2020								
Assets								
Cash and balances with Central Banks	0	0	0	0	0	0	152.591	**152.591**
Advances to credit institutions	28.012	5.385	0	0	0	0	3.379	**36.775**
Financial assets at fair value through profit or loss	0	0	0	0	8.911	6.600	25.591	**41.103**
Loans and advances to customers (net of provisions)	7.071	62.081	102.796	22.095	85.894	101.564	0	**381.501**
Financial assets at fair value through other income statement	54.099	93.037	20.004	1.446	10.796	43.569	397	**223.348**
Requirements from debt securities at depreciated cost	0	0	0	2.798	6.641	21.259	0	**30.698**
Other assets	9.755	12.197	0	0	0	0	103.842	**125.794**
Total assets	**98.937**	**172.700**	**122.800**	**26.339**	**112.243**	**172.992**	**285.801**	**991.811**
Liabilities								
Due to Central Bank	12.931	0	0	0	0	0	0	**12.931**
Due to credit institutions	4.849	8.149	495	0	0	0	0	**13.493**
Due to customers	282.385	194.269	224.362	0	0	0	53.265	**754.281**
Other liabilities	0	0	0	0	0	0	70.829	**70.829**
Provisions	0	0	0	0	0	0	981	**981**
Total liabilities	**300.165**	**202.418**	**224.857**	**0**	**0**	**0**	**125.076**	**852.515**
Total interest rate gap	**(201.228)**	**(29.718)**	**(102.057)**	**26.339**	**112.243**	**172.992**	**160.725**	**139.295**
Balance at 31th December 2019								
Total Assets	46.615	82.673	80.033	8.589	10.834	17.480	57.308	**303.531**
Total Liabilities	84.758	58.279	50.913	0	0	0	36.787	**230.737**
Net position	**(38.143)**	**24.394**	**29.120**	**8.589**	**10.834**	**17.480**	**20.521**	**72.794**

For the loans pertaining to IBG SA and ACTIVE SA, a provision has been formed for their entire amount, while their interest period has been suspended.

Bank

Amounts in Euro '000	Up to 1 month	1-3 months	3-12 months	1-2 years	2-5 years	Over 5 years	Non-interest bearing	Total
At 31st December 2020								
Assets								
Cash and balances with Central Banks	0	0	0	0	0	0	152.591	**152.591**
Advances to credit institutions	28.012	4.075	0	0	0	0	3.379	**35.465**
Financial assets at fair value through profit or loss	0	0	0	0	8.911	6.600	3.929	**19.441**
Loans and advances to customers (net of provisions)	7.071	62.081	99.591	22.095	85.894	105.903	0	**382.636**
Financial assets at fair value through other income statement	54.099	93.037	20.004	1.446	10.796	43.569	397	**223.348**
Requirements from debt securities at depreciated cost	0	0	0	2.798	6.641	21.259	0	**30.698**
Other assets	9.755	12.197	0	0	0	0	118.675	**140.627**
Total assets	**98.937**	**171.390**	**119.595**	**26.339**	**112.243**	**177.331**	**278.971**	**984.806**
Liabilities								
Due to Central Bank	12.931	0	0	0	0	0	0	**12.931**
Due to credit institutions	4.849	8.149	495	0	0	0	0	**13.493**
Due to customers	282.385	197.587	224.362	0	0	0	53.265	**757.599**
Other liabilities	0	0	0	0	0	0	68.585	**68.585**
Provisions	0	0	0	0	0	0	857	**857**
Total liabilities	**300.165**	**205.737**	**224.857**	**0**	**0**	**0**	**122.708**	**853.466**
Total interest rate gap	**(201.228)**	**(34.346)**	**(105.261)**	**26.339**	**112.243**	**177.331**	**156.263**	**131.340**
At 31st December 2019								
Total assets	46.609	82.673	68.807	8.589	10.834	17.480	65.777	**300.769**
Total liabilities	87.936	58.279	50.913	0	0	0	36.607	**233.735**
Net position	**(41.327)**	**24.394**	**17.894**	**8.589**	**10.834**	**17.480**	**29.170**	**67.034**

Moreover, to estimate the interest rate risk the Group and the Bank calculate the negative impact on the annual net interest income based on the "Guidelines on the management of interest rate risk arising from non-trading book activities" of EBA/GL/2018/02 where six interest rate shock scenarios are run regarding the impact on the Economic Value of Equity (EVE):

1. Parallel shock up;
2. Parallel shock down;
3. Steepener shock (short rates down and long rates up);
4. Flattener shock (short rates up and long rates down);
5. Short rates shock up; and
6. Short rates shock down.

As regards the impact on the Net Interest Income (NII) and depending on the rating of the Bank, the standard scenarios of standard interest rate change by +/-200 basis points under a constant balance sheet are run.

This change, in the event of an interest rate increase by 200 bps, will have a negative impact on the Bank's equity by EUR 45.01k, while it will reduce the income by EUR 8,641.11k. Therefore, it will entail a total impact of EUR 8,686.13k.

(iii) Interest Rate Benchmark Reform

The Working Group on risk-free rates formed by the European Central Bank (ECB), the Financial Services and Markets Authority (FSMA), the European Securities and Markets Authority (ESMA), and the European Commission aims at ensuring a smooth transition from the euro overnight index average (EONIA) to the euro short-term risk-free rate (STR). EONIA will be discontinued on 3 January 2022. Relevantly, other regulatory authorities have announced the dates until which the relevant interest rates to be replaced will be used.

The Group and the Bank hold financial assets that will be affected from the interest rate benchmark reform and therefore there is uncertainty about the transition to the new interest rates as well as about the contractual amendments to be required.

The Group monitors the guidelines and the developments and does not expect that the transition to the new interest rate benchmark will have any significant impact on its activities.

(iv) Foreign currency risk

Foreign currency risk is the risk of fluctuation of the value of the financial instruments and assets and liabilities due to changes in exchange rates. Foreign currency transactions risk arises from an open position, positive or negative, which exposes the Group to exchange rates changes. Such a risk could arise in the event of assets being carried in one currency while financed by liabilities in another, or from forwards and swaps, as well as derivatives, including options.

The following tables present the Group’s and the Bank’s exposure to the foreign currency risk. The following tables present the carrying amount of the assets and liabilities of the Group and the Bank, classified per currency.

Group

Amounts in Eur '000	**EUR**	**USD**	**GBP**	**CHF**	**JPY**	**Other currencies**	**Total**
Balance at 31th December 2020							
Foreign exchange risk from assets							
Cash and balances with central banks	152.068	370	52	81	1	19	**152.591**
Loans and advances to credit institutions	27.177	7.086	838	251	103	1.319	**36.775**
Financial assets at fair value through profit or loss	41.103	0	0	0	0	0	**41.103**
Derivative financial instruments	88	0	0	0	0	0	**88**
Loans and advances to customers (net of provisions)	376.613	4.863	0	20	0	5	**381.501**
Financial assets at fair value through other income statement	223.348	0	0	0	0	0	**223.348**
	30.698	0	0	0	0	0	**30.698**
Investments in subsidiaries and associates	29	0	0	0	0	0	**29**
Property, plant and equipment and intangible assets	13.971	0	0	0	0	0	**13.971**
Other assets	110.952	733	20	0	0	0	**111.705**
Total Assets	**976.049**	**13.052**	**910**	**351**	**104**	**1.344**	**991.811**
Foreign exchange risk from liabilities							
Due to Central Bank	12.931	0	0	0	0	0	**12.931**
Due to credit institutions	13.493	0	0	0	0	0	**13.493**
Due to customers	716.203	34.910	1.503	202	89	1.375	**754.281**
Derivative financial instruments	2.628	0	0	0	0	0	**2.628**
Other liabilities	67.646	48	0	0	0	0	**67.694**
Provisions	981	0	0	0	0	0	**981**
Retirment benefit obligations	507	0	0	0	0	0	**507**
Total Liabilities	**814.389**	**34.958**	**1.503**	**202**	**89**	**1.375**	**852.515**
Net Position	**161.659**	**(21.905)**	**(593)**	**150**	**16**	**(31)**	**139.295**
Balance at 31th December 2019							
Total Assets	299.264	2.550	532	107	113	965	**303.531**
Total Liabilities	202.874	26.199	482	107	89	986	**230.737**
Net Position	**96.391**	**(23.649)**	**50**	**0**	**23**	**(21)**	**72.794**

Moreover, the Group, for measuring the foreign currency risk, calculates the negative impact on the annual results from a fluctuation of the exchange rates.

Bank

Amounts in Euro '000	EUR	USD	GBP	CHF	JPY	Other currencies	Total
As at 31st December 2020							
Foreign exchange risk for assets							
Cash and balances with central banks	152.068	370	52	81	1	19	**152.591**
Loans and advances to credit institutions	25.868	7.086	838	251	103	1.319	**35.465**
Financial assets at fair value through profit or loss	19.441	0	0	0	0	0	**19.441**
Derivative financial instruments	88	0	0	0	0	0	**88**
Loans and advances to customers (net of provisions)	377.748	4.863	0	20	0	5	**382.636**
Financial assets at fair value through other income statement	223.348	0	0	0	0	0	**223.348**
Requirements from debt securities at depreciated cost	30.698	0	0	0	0	0	**30.698**
Investments in subsidiaries and associates	13.099	0	0	0	0	0	**13.099**
Property, plant and equipment and intangible assets	13.852	0	0	0	0	0	**13.852**
Other assets	112.834	733	20	0	0	0	**113.587**
Total assets	**969.044**	**13.052**	**910**	**351**	**104**	**1.344**	**984.806**
Foreign exchange risk of liabilities							
Due to Central Bank	12.931	0	0	0	0	0	**12.931**
Due to credit institutions	13.493	0	0	0	0	0	**13.493**
Due to customers	719.521	34.910	1.503	202	89	1.375	**757.599**
Derivative financial instruments	2.628	0	0	0	0	0	**2.628**
Other liabilities	65.450	48	0	0	0	0	**65.498**
Provisions	857	0	0	0	0	0	**857**
Retirment benefit obligations	460	0	0	0	0	0	**460**
Total liabilities	**815.340**	**34.958**	**1.503**	**202**	**89**	**1.375**	**853.466**
Net Position	**153.704**	**(21.905)**	**(593)**	**150**	**16**	**(31)**	**131.340**
As at 31st December 2019							
Total assets	296.502	2.550	532	107	113	965	**300.769**
Total liabilities	205.871	26.199	482	107	89	986	**233.735**
Net position	**90.631**	**(23.649)**	**50**	**0**	**23**	**(21)**	**67.034**

Furthermore, the Bank, in the process of measuring foreign exchange risk, conducts a crisis simulation, thus examining the negative effect on the Bank's annual profit or loss using possible scenarios of the fluctuation of the international exchange rates. The examined scenarios include the following fluctuations: Eur/Usd -5.4%, Eur/Gbp +9.6%, Eur/Chf -8.2%, Eur/Jpy +11.4%, Eur/Aud +9.7%, Eur/Nok +15.3%,Eur/Cad +11.9%, Eur/Sek +15.1%, Eur/Try +15.7%, Eur/Rub +19.3%, Eur/Dkk +5%, Eur/Ron +7.4%, Eur/Hkd +0.6%.
With closing balances as of 31.12.2020, the simulation entails Profit of EUR 27.83k.

(v) Risk arising from share and other securities price changes

Group

The risk pertaining to shares and other securities held by the Group arises from possible adverse fluctuations of the current prices of shares and other securities. The Group invests mainly in shares in the Athens Stock Exchange (ASE) and Cyprus Stock Exchange (CSE), and depending on the investment goal, they are allocated to the appropriate portfolio (assessment at the fair value through profit or loss or available for sale). Investments are also made aiming at taking advantage of short-term fluctuations in share/ratio prices or at hedging open positions with the use of derivatives on shares or ratios.

The Group, in assessing the price risk, calculates the negative impact on its annual results after taxes from a change in share prices.

Bank

The risk of share prices has to do with the adverse fluctuations of the share prices and derivatives on shares and stock exchange ratios held by the Bank that are recorded on the transaction portfolios and available for sale.

The said risk is monitored through limits set for each share and/or share category while, in addition, techniques for mitigating it are applied through derivatives on the relevant shares and ratios. Consequently, no particular exposure to the said risk has been observed in 2020 beyond the risk undertaking levels set by the net of levels dully approved on the basis of the Bank's strategy.

The following table presents the results of the crisis simulation regarding the share price risks conducted on the transaction portfolios and available for sale using balances as of 31.12.2020.

The examined scenarios are the following:

As regards the shares risk (since the exposure of the portfolios focuses on the Greek market), the FTSE/ASE Large Cap. +/-31.7% fluctuation scenario was examined.

Risk factors *(Amounts in € ,000)*	**Markets**	**Scenario**	**Loss due to the drifting of risk factors**	**Profit due to the drifting of risk factors**
Share prices	Hellenic Exchanges, fluctuation of FTSE/ASE Large Cap.	-31.7%	282.65.	-
		31.7%		3.51.

In 2020 the Bank was also involved in the trading of emissions. In 2020 the emissions management generated profits of a value of EUR 205.29k

Within the context of the test exercise for its position, the Bank also examined the scenario of a -35.04% variation of the ICEDEU3 Index and a one day of hold period over the larger part of the last decade. The test resulted in losses of EUR 338.28k.

4.3. Liquidity risk

Liquidity risk means the risk of failing to raise sufficient cash to cover the direct obligations of the Group or to do so the Group shall suffer significant financial cost.

The said risk is controlled through a developed liquidity management structure comprising various types of controls, procedures and limits. This ensures compliance with the regulations on liquidity ratios set by the competent supervisory authorities, as well as with internal limits.

Control and management of the liquidity risk are achieved by using and controlling the following ratios:

(a) Liquidity coverage ratio (LCR): defined as the quotient of the high quality liquid assets to the net 30-day cash outflows as these are defined in the Regulation EU 575/2013;

(b) Net stable funding ratio (NSFR): defined as the quotient of the available stable funding to the required stable funding, as these are defined in the Regulation EU 575/2013.

An important part of the assets is financed by customer deposits. Short-term cash requirements are financed mainly through current and savings deposits. Long-term investments are mainly covered by bonds and time deposits.

Although these deposits can be withdrawn on demand without prior notice, their highly diversified nature both in number and in type of deposits, ensures the absence of major fluctuations and, therefore, in their majority, constitute a stable deposit basis.

The Group conducts liquidity stress tests.

The following liquidity risk tables analyze liabilities to other banks, customer deposits and other liabilities to the Group's and the Bank's customers for the corresponding periods depending on the period from the reporting date to maturity. The referred amounts correspond to the contractual non-discounted cash flows.

Group

Amounts in Eur '000	**Up to 1 month**	**1-3 months**	**3-12 months**	**1-2 years**	**2-5 years**	**Over 5 years**	**Total**
Balance at 31th December 2020							
Liabilities							
Due to credit institutions	4.396	8.149	13.879	0	0	0	**26.424**
Due to customers	332.332	197.587	224.362	0	0	0	**754.281**
Other liabilities	39.395	11.194	1.613	1.317	18.291	0	**71.811**
Total liabilities	**376.123**	**216.930**	**239.853**	**1.317**	**18.291**	**0**	**852.515**
Total assets	**563.750**	**75.128**	**96.076**	**24.622**	**122.882**	**109.353**	**991.811**
Balance at 31th December 2019							
Liabilities							
Due to credit institutions	46	8.902	500	0	0	0	**9.449**
Due to customers	95.812	58.279	50.913	0	0	0	**205.004**
Other liabilities	2.442	6.453	724	1.193	5.472	0	**16.284**
Total liabilities	**98.300**	**73.635**	**52.138**	**1.193**	**5.472**	**0**	**230.737**
Total assets	**203.282**	**1.522**	**35.869**	**20.362**	**25.017**	**17.480**	**303.531**

Bank

Amounts in Euro '000	Up to 1 month	1-3 months	3-12 months	1-2 years	2-5 years	Over 5 years	Total
As at 31st December 2020							
Liabilities							
Due to credit institutions	4.396	8.149	13.879	0	0	0	**26.424**
Due to customers	335.651	197.587	224.362	0	0	0	**757.599**
Other liabilities	39.395	8.826	1.613	1.317	18.291	0	**69.442**
Total liabilities	**379.441**	**214.562**	**239.853**	**1.317**	**18.291**	**0**	**853.466**
Total assets	**563.750**	**63.098**	**96.076**	**24.622**	**122.882**	**114.378**	**984.806**
As at 31st December 2019							
Liabilities							
Due to credit institutions	46	8.902	500	0	0	0	**9.449**
Due to customers	98.990	58.279	50.913	0	0	0	**208.182**
Other liabilities	2.262	6.453	724	1.193	5.472	0	**16.104**
Total liabilities	**101.298**	**73.635**	**52.138**	**1.193**	**5.472**	**0**	**233.735**
Total assets	**200.520**	**1.522**	**35.869**	**20.362**	**25.017**	**17.480**	**300.769**

4.4. Capital adequacy

The Group is subject to supervision of the Bank of Greece that sets and monitors the capital adequacy requirements of the Group.

To calculate the capital adequacy starting from 01.01.2014 the new regulatory framework (Basel III) that was incorporated into the Greek Law pursuant to Law 4261/2014 base, is applied; it substantially modifies the credit risk calculation and introduces capital requirements for the operational risk. No significant changes occurred to the calculation of the market risk. In particular, the credit risk of the investment portfolio is calculated using the standard method, while the operational risk is calculated using the Basic Indicator Approach.

The capital adequacy of the Group is monitored at regular intervals by the Financial Department of the Group and the results are submitted on a quarterly basis to the Bank of Greece.

The regulatory capitals of the Group exclusively derive from the Core Equity (Tier I). They mainly include the share capital, the reserves and results carried forward. Furthermore, they are adjusted in accordance with the provisions of the Decision ref. ΕΠΑΘ 114-1/04.08.2014. The Group has no Tier II additional regulatory capital.

The Capital Adequacy ratio of the Group and the Bank as of 31.12.2020 and 31.12.2019 was the following:

Group

Amounts in Euro '000	31st December 2020	31st December 2019
Share Capital	160.279	110.427
Other Reserves	19.240	18.945
Retained Earnings	(40.223)	(56.578)
Share Capital Coverage Account	(10.827)	0
Goodwill and other intangible assets	(3.327)	(1.809)
Other adjustments	4.211	(1.115)
Total Tier I	**129.352**	**69.870**
Total supervisory capitals	**129.352**	**69.870**
Weighted assets		
- on-SFP items	400.588	141.372
- off-SFP items	48.740	11.616
- transaction portfolio items	122.646	94.612
- operatinal risk	25.834	20.550
Total	**597.808**	**268.150**
Capital Adequacy Ratio	**21,64%**	**26,06%**

In 2020, the Capital Adequacy ratio of the Group amounted to 21.64%, recording a decrease compared to 2019, mainly due to the increase of the weighted assets.

Bank

Amounts in Euro '000	**31st December 2020**	**31st December 2019**
Share Capital	160.279	110.427
Other Reserves	18.490	18.196
Retained Earnings	(47.429)	(61.589)
Share Capital Coverage Account	(10.827)	0
Goodwill and other intangible assets	(3.231)	(1.808)
Other adjustments	4.543	(1.324)
Total Tier I	**121.825**	**63.902**
Total supervisory capitals	**121.825**	**63.902**
Weighted assets		
- on-SFP items	396.730	142.016
- off-SFP items	48.740	11.617
- transaction portfolio items	122.646	94.612
- operatinal risk	21.811	17.898
Total	**589.927**	**266.143**
Capital Adequacy Ratio	**20,65%**	**24,01%**

In 2020, the Capital Adequacy ratio of the Bank amounted to 20.65%, recording a decrease compared to 2019, mainly due to the increase of the weighted assets.

Moreover, the Bank within the framework of the "Procedure to Evaluate the Internal Capital Adequacy" takes into account a range of risks as well as is capacity regarding their management. The said Procedure intends to ensure that the Bank will have sufficient capital to cover all important risks to which it is exposed, over the next three years.

5. Fair value of financial assets and liabilities

5.1 Financial assets and liabilities not carried at fair value

The fair value represents the amount for which an asset could be replaced or a liability settled through an arm's length transaction on the core or the most advantageous market on the date of the measurement and under the each time current conditions prevailing on the market (output price). Differences may arise between the carrying amount and the fair value of financial assets of the statement of financial position and liabilities. The items of the transaction portfolio, the derivatives and the securities available-for-sale are presented in the financial statements at their fair value. Loans and other advances, securities held to maturity and financial liabilities are presented at amortized cost. The carrying amount of these items, as presented in the financial statements, does not significantly differ from their fair value. In particular:

(a) Loans and advances to credit institutions

Due from other banks include mainly short-term interbank placements and other collectibles. The vast majority of the placements have a one-month maturity and therefore their fair value is quite similar to their carrying amount.

(b) Loans and advances to customers

Loans to customers are presented after deduction of the corresponding provision for impairment. The vast majority of the above refer to floating interest loans and therefore their carrying amount is quite similar to their fair value.

(c) Deposits

The fair value of deposits without fixed maturity (saving and current accounts) is the amount that the Group should pay upon customer demand, which value is equal to their carrying amount. The customer deposits and placements from other banks have an average maturity shorter than three months. Therefore, their estimated fair value does not materially differ from their carrying amount.

5.2 Fair Value Hierarchy

IFRS 7 defines the valuation models hierarchy regarding the objectivity of the data used by these models. The observable data are based on active markets and derive from independent sources, while non-observable information refers to the Management assumptions and valuation models. These two methods for retrieving information generate the following hierarchy:

Level 1 - Quoted prices in active markets for identical assets or liabilities. This level includes listed shares and borrowed funds on stock exchanges (such as London, Frankfurt and New York) and derivatives such as Futures (Nasdaq, S&P 500).

Level 2 - includes inputs other than the quoted prices included in Level 1 and considered to be directly or indirectly observable. This level includes the majority of OTC derivatives and various issued debts. The sources of such data are the LIBOR curve, Bloomberg and Reuters.

Level 3 - Inputs that are not based on observable market data (unobservable inputs). This level includes capital investments and borrowed funds that are not traded on an active market, and there are no similar traded products.

Group

Hierarchy as of December 31, 2020:

Amounts in Eur '000	**31th December 2020**			
Financial assets at fair value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss	19.441	0	21.663	**41.103**
Derivative financial instruments	88	0	0	**88**
Loans and advances to customers	0	0	6.669	**6.669**
Financial assets at fair value through other income statement	223.348	0	0	**223.348**
Requirements from debt securities at depreciated cost	30.698	0	0	**30.698**
Total	**273.576**	**0**	**28.331**	**301.907**

Financial liabilities at fair value	**Level 1**	**Level 2**	**Level 3**	**Total**
Derivative financial instruments	2.628	0	0	**2.628**
Total	**2.628**	**0**	**0**	**2.628**

Hierarchy as of December 31, 2019:

Amounts in Eur '000	**31th December 2019**			
Financial assets at fair value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss	43.973	0	19.205	**63.177**
Derivative financial instruments	102	0	0	**102**
Loans and advances to customers	0	0	3.962	**3.962**
Financial assets at fair value through other income statement	418	959	0	**1.377**
Total	**44.493**	**959**	**23.166**	**68.618**

Financial liabilities at fair value	**Level 1**	**Level 2**	**Level 3**	**Total**
Derivative financial instruments	217	0	0	**217**
Total	**217**	**0**	**0**	**217**

Bank

Hierarchy as of December 31, 2020:

Amounts in Euro '000	**31st December 2020**			
Financial assets at fair value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss	19.441	0	0	**19.441**
Derivative financial instruments	88	0	0	**88**
Loans and advances to customers	0	0	6.669	**6.669**
Financial assets at fair value through other income statement	223.348	0	0	**223.348**
Requirements from debt securities at depreciated cost	30.698	0	0	**30.698**
Total	**273.576**	**0**	**6.669**	**280.244**

Financial liabilities at fair value	**Level 1**	**Level 2**	**Level 3**	**Total**
Derivative financial instruments	2.628	0	0	**2.628**
Total	**2.628**	**0**	**0**	**2.628**

Hierarchy as of December 31, 2019:

Amounts in Euro '000	**31st December 2019**			
Financial assets at fair value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss	43.973	0	0	**43.973**
Derivative financial instruments	102	0	0	**102**
Loans and advances to customers	0	0	3.962	**3.962**
Financial assets at fair value through other income statement	418	959	0	**1.377**
Total	**44.493**	**959**	**3.962**	**49.413**

Financial liabilities at fair value	**Level 1**	**Level 2**	**Level 3**	**Total**
Derivative financial instruments	217	0	0	**217**
Total	**217**	**0**	**0**	**217**

6. Net interest income

The net interest income is broken down as follows:

Group

Amounts in Eur '000	31st December 2020	31st December 2019
Interest and similar income		
Interest from fixed yield securities	1.547	1.157
Interest from loans	8.310	3.283
Interest from interbank transactions	71	312
Other interest income	119	1
Total	**10.047**	**4.754**
Interest and similar expenses		
Interest on deposits	(1.754)	(418)
Interbank transactions	(218)	(183)
Other interest expense	(706)	(75)
Total	**(2.679)**	**(676)**
Net interest income	**7.368**	**4.078**

Bank

Amounts in Euro '000	31st December 2020	31st December 2019
Interest and similar income		
Interest from fixed yield securities	1.547	1.157
Interest from loans	8.522	3.514
Interest from interbank transactions	72	274
Other interest income	119	1
Total	**10.260**	**4.947**
Interest and similar expenses		
Interest on deposits	(1.754)	(418)
Interbank transactions	(183)	(165)
Other interest expense	(706)	(75)
Total	**(2.644)**	**(658)**
Net interest income	**7.616**	**4.290**

The increase of the interest expenses and interest on deposit depends on how the relevant portfolios would develop.

7. Net fee and commission income

The net fee and commission income is broken down as follows:

Group

Amounts in Eur '000	31st December 2020	31st December 2019
Net income from commissions on commercial transactions	302	155
Net income from investment banking	418	207
Net income from stock market transactions	3.940	3.174
Net commission from Credits	2.044	670
Net fee and commission income	**6.704**	**4.206**

Bank

Amounts in Euro '000	31st December 2020	31st December 2019
Net income from commissions on commercial transactions	326	162
Net income from investment banking	135	207
Net income from stock market transactions	3.940	3.174
Net commission from Credits	2.044	670
Net fee and commission income	**6.446**	**4.212**

The increase of the loan portfolio and the general development of bank transactions resulted in the increase of the relevant commissions.

8. Net trading income

The gain and losses on financial transactions of the Group and the Bank are broken down as follows:

Group

Amounts in Eur '000	31st December 2020	31st December 2019
Profit/(loss) from foreign exchange	1.970	148
Profit/(loss) from derivatives held for trading	(1.740)	(5.220)
Profit/(loss) from investments in shares and mutual funds	944	6.494
Profit/(loss) from bonds	2.499	1.957
Total	**3.674**	**3.379**

The net trading income has been affected by the valuation of the investments of the subsidiary IBG Investments in venture capital mutual funds.

Bank

Amounts in Euro '000	**31st December 2020**	**31st December 2019**
Profit/(loss) from foreign exchange	1.970	148
Profit/(loss) from derivatives held for trading	(1.740)	(5.220)
Profit/(loss) from investments in shares and mutual funds	944	5.502
Profit/(loss) from bonds	51	1.912
Total net trading income	**1.225**	**2.342**

The outcome of the financial acts has been reduced due to the aggravation of the price of the corporate bonds because of the COVID-19 pandemic, thus resulting in losses due to liquidations and valuations. These losses have been offset against other financial activities and mainly those of foreign exchange and shares.

9. Other operating income

The Group's and the Bank's other income is broken down as follows:

Group

Amounts in Eur '000	**31st December 2020**	**31st December 2019**
Rental income	16	16
Unused provisions reversed	20	0
Other income	123	318
Total	**159**	**335**

Bank

Amounts in Euro '000	**31st December 2020**	**31st December 2019**
Rental income	16	16
Unused provisions reversed	20	0
Other income	145	299
Total	**181**	**316**

The other income mainly pertain to income from IT support to the companies of Optima Group.

10. Staff costs

The total charge to the profit and loss of the Group and the Bank for employee benefits is broken down as follows:

Group

Amounts in Eur '000	**31st December 2020**	**31st December 2019**
Salaries and wages	12.183	6.964
Social security cost	2.954	1.739
Pension costs - defined benefit plans	1.104	352
Other employee benefit expenses	803	695
Total	**17.043**	**9.750**

Bank

Amounts in Euro '000	**31st December 2020**	**31st December 2019**
Salaries and wages	12.118	6.964
Social security cost	2.941	1.739
Pension costs - defined benefit plans	1.099	352
Other employee benefit expenses	800	695
Total	**16.957**	**9.750**

The total staff of the Group on 31.12.2020 amounted to 363 persons, while that of the Bank to 348 persons. (31/12/2019: Group and Bank: 283 persons)

11. Other operating expenses

The Group's and the Bank's "Other operating expenses" item is broken down as follows:

Group

Amounts in Eur '000	**31st December 2020**	**31st December 2019**
Fees to lawyers, advisors, auditors etc.	779	927
IT applications	1.027	646
Subscriptions	318	323
Building expenses	877	822
Advertisement and promotion expenses, sponsorships, etc.	514	204
Taxes and duties	1.131	705
Office supplies	106	46
Other operating expenses	1.427	838
Total	**6.179**	**4.510**

Bank

Amounts in Euro '000	**31st December 2020**	**31st December 2019**
Fees to lawyers, advisors, auditors etc.	702	788
IT applications	1.020	646
Subscriptions	306	322
Building expenses	877	822
Advertisement and promotion expenses, sponsorships, etc.	508	204
Taxes and duties	1.109	680
Office supplies	105	46
Other operating expenses	1.456	825
Total	**6.083**	**4.334**

The increased operating expenses are in step with the expansion of the Network and the other infrastructure of the Bank.

12. Other provisions

The Group's and the Bank's "Other provisions" item is broken down as follows:

Group

Amounts in Eur '000	**31st December 2020**	**31st December 2019**
Provision for legal cases and letters of guarantee (Note 35)	(65)	(16)
Provision IFRS 9 - for Bonds	(483)	0
Performance fees provision	0	1.236
Other Provisions	(1)	0
Total	**(549)**	**1.220**

Bank

Amounts in Euro '000	**31st December 2020**	**31st December 2019**
Impairment and reversal of impairment of participations (Note 21)	0	(277)
Provision for legal cases and letters of guarantee (Note 35)	(65)	(16)
Provision IFRS 9 - for Bonds	(483)	0
Performance fees provision	0	1.236
Total	**(549)**	**943**

The fee provision of EUR 1,236,000 that was formed pertains to a contractual right to pay the venture capital mutual funds administrators in which the companies IBG CAPITAL S.A and IBG INVESTMENT S.A. participate in, because of the increase in value for the shareholders, and has not been modified because of the liquidation of the larger part of the venture capital mutual funds' portfolios in March 2021.

13. Income Tax

The charge to the profit and loss of the financial year for income tax for the Group and the Bank is broken down as follows:

Group

Amounts in Eur '000	**31st December 2020**	**31st December 2019**
Deferred tax	1.080	331
Current income tax	(21)	0
Total	**1.059**	**331**

Bank

Amounts in Euro '000	**31st December 2020**	**31st December 2019**
Deferred tax	1.229	307
Total	**1.229**	**307**

According to Law 4172/2013, in force until and including the year 2018, the Greek tax rate was 29%. For the year ended on 31.12.2020, the applicable tax rate was 24%. For the unaudited years refer to Note 39.

For the financial year 2020, the audit is in progress and the relevant tax certificate is expected to be issued after the publication of the financial statements for the year 2020. Upon completion of the tax audit the Group's Management does not expect any significant tax liabilities beyond those already reported and presented in the financial statements.

14. Cash and balances with Central Banks

The cash and balances of the Group and the Bank with the Central Bank are broken down as follows:

Group and Bank

Amounts in Eur '000	31st December 2020	31st December 2019
Cash	5.796	726
Deposits with central bank	146.795	26.767
Total	**152.591**	**27.493**

The average amount of minimum cash to be placed by the Group and the Bank with the Bank of Greece in December 2020 amounted to EUR 5,942,000 .

15. Loans and advances to credit institutions

The loans and advances of the Group and the Bank to credit institutions arising from deposits and transactions are current ones and are broken down as follows:

Group

Amounts in Eur '000	31st December 2020	31st December 2019
Interbank deposits	4.075	40.000
Placements from foreign banks	10.232	13.400
Placements from domestic banks and other receivables	22.468	3.513
Time deposits	0	29.000
Total	**36.775**	**85.913**
Current	***36.775***	***85.913***
Non-current	***0***	***0***

Bank

Amounts in Euro '000	31st December 2020	31st December 2019
Interbank deposits	4.075	40.000
Placements from foreign banks and other receivables	10.232	13.400
Placements from domestic banks	21.158	3.507
Time deposits	0	29.000
Total	**35.465**	**85.907**
Current	***35.465***	***85.907***
Non current	***0***	***0***

16. Financial assets at fair value through profit or loss

The Group's and the Bank's trading securities portfolio is broken down as follows:

Group

Amounts in Eur '000	31st December 2020	31st December 2019
Shares and other securities with variable yield		
Equity securities listed on ASE	3.929	10.316
Mutual Funds	21.663	19.205
Other bonds	14.117	26.355
Other government bonds	0	5.267
Bank bonds	1.395	2.034
Total	**41.103**	**63.177**

The major assumptions for the valuation of the Mutual Funds (investments in closed-type business holdings mutual funds) are presented in Note 2.4.

Bank

Amounts in Euro '000	31st December 2020	31st December 2019
Shares and other securities with variable yield		
Equity securities listed on ASE	3.929	10.316
Other bonds	14.117	26.355
Other government bonds	0	5.267
Bank bonds	1.395	2.034
Total	**19.441**	**43.973**

17. Derivative Financial Instruments

Group and Bank

	31st December 2020			31st December 2019		
		Estimated fair value			Estimated fair value	
Amounts in Eur '000	Nominal value	Assets	Liabilities	Nominal value	Assets	Liabilities
Derivatives on indices/securities:						
Futures	4.527	0	0	6.520	0	0
Options	148	88	2.482	143	102	70
Futures on indices	1.547	0	0	6.907	0	0
Foreign exchange swaps	0	0	146	0	0	146
Total derivative financial instruments		**88**	**2.628**		**102**	**217**

The valuation of the futures contracts on December 31, 2020 and 2019, due to the daily clearing of these derivatives is included in the exchange-traded derivatives margin account which has been included in Other Assets.

18. Loans and advances to customers

The Group's and the Bank's loans portfolio is broken down as follows:

Group

Amounts in Eur '000	31st December 2020	31st December 2019
Loans and advances to customers measured at amortzed cost		
Consumer, Personal & Other loans	6.311	1.454
Mortgages Loans	5.511	70
Loans to individuals (stock market)	10.566	10.427
Corporate loans (stock market)	9.915	6.938
Corporate loans	352.914	70.878
	385.217	**89.767**
Less: Provisions for impairment of loans and advances to customers	(10.385)	(5.019)
Book value of loans and advances to customers measured at amortzed cost after provision	**374.833**	**84.749**
Loans and advances to customers measured at fair value through profit and loss	6.669	3.962
Total loans and advances to customers	**381.501**	**88.710**
Current	***164.680***	***51.807***
Non-current	***216.821***	***36.903***

Bank

Amounts in Euro '000	**31st December 2020**	**31st December 2019**
Loans and advances to customers measured at amortzed cost		
Consumer, Personal & Other loans	6.311	1.454
Mortgages Loans	5.511	70
Loans to individuals (stock market)	10.566	10.427
Corporate loans (stock market)	9.915	6.938
Corporate loans	354.152	78.938
	386.456	**97.827**
Less: Provisions for impairment of loans and advances to customers	(10.488)	(5.099)
Book value of loans and advances to customers measured at amortzed cost after provision	**375.967**	**92.728**
Loans and advances to customers measured at fair value through profit and loss	6.669	3.962
Total loans and advances to customers	**382.636**	**96.690**
Current	***165.815***	***59.787***
Non-current	***216.821***	***36.903***

The Group's and the Bank's provisions for impairment losses are broken down as follows:

Group

Amounts in Eur '000	**31st December 2020**	**31st December 2019**
Balance at the beginning of the year	(5.019)	(1.457)
Balance at the beginning from affiliate transfer	(100)	0
Provisions for the year	(5.266)	(3.581)
Loans written-off	0	18
Balance at the end of year	**(10.385)**	**(5.019)**

Bank

Amounts in Euro '000	**31st December 2020**	**31st December 2019**
Balance at the beginning of the year	(5.099)	(1.500)
Provisions for the year	(5.389)	(3.602)
Loans written-off	0	3
Balance at the end of year	**(10.488)**	**(5.099)**

In 2018, the Bank granted a syndicated bond loan to the company Business Energy, the balance of which amounts to EUR 6.7 million on 31.12.2020. The loan did not fulfill the SPPI valuation criteria and therefore it has been compulsorily measured at fair value through profit and loss (Note 5.2).

19. Financial assets at fair value through other income statement

The investment portfolio of the Group and the Bank includes bonds and shares.

Group and Bank

Amounts in Eur '000	**31st December 2020**	**31st December 2019**
Financial assets at fair value through other income statement		
Government bonds	203.714	0
Other bonds	15.062	959
Bank bonds	4.253	0
Total fixed yield securities	*223.030*	*959*
Equity securities listed on ASE	306	406
Non-listed securities	12	12
Total equity securities with variable yield	*318*	*418*
Total	**223.348**	**1.377**

20. Debt securities at amortized cost

The debt securities at amortized cost of the Group and the Bank are broken down as follows:

Group and Bank

Amounts in Euro '000	**31st December 2020**	**31st December 2019**
Requirements from debt securities at depreciated cost		
Greek Government Bonds	11.633	0
Corporate bonds	14.352	0
Bank bonds	4.904	0
Provision IFRS 9	(190)	0
Total fixed yield securities	*30.698*	*0*
Total	**30.698**	**0**

21. Investments in subsidiaries and associates

Name	% interest held at 31/12/2020	Country	Business activity
IBG CAPITAL S.A.	100,00%	Greece	Venture capital firm
IBG INVESTMENTS S.A.	90,00%	British Virgin Islands	Investment services
IBG CAPITAL MANAGEMENT S.AR.L.	100,00%	Louxembourg	Mutual fund management firm
IBG GLOBAL FUNDS SICAV-SIF	100,00%	Louxembourg	Mutual fund
OPTIMA FACTORS S.A.	100,00%	Greece	Factoring Firm
OPTIMA ASSET MANAGEMENT A.E.D.A.K.	99,44%	Greece	Mutual fund management firm
IBG S.A.	79,31%	Greece	Provision of investment services
HELLENIC CAPITAL PARTNERS S.A.	20,00%	Greece	Venture capital mutual fund management firm

Name	% interest held at 31/12/2019	Country	Business activity
IBG CAPITAL S.A.	100,00%	Greece	Venture capital firm
IBG INVESTMENTS S.A.	90,00%	British Virgin Islands	Investment services
IBG CAPITAL MANAGEMENT S.AR.L.	100,00%	Louxembourg	Mutual fund management firm
IBG GLOBAL FUNDS SICAV-SIF	100,00%	Louxembourg	Mutual fund
OPTIMA ASSET MANAGEMENT A.E.D.A.K.	4,40%	Greece	Mutual fund management firm
IBG S.A.	79,31%	Greece	Provision of investment services
HELLENIC CAPITAL PARTNERS S.A.	20,00%	Greece	Venture capital mutual fund management firm

Company		**31st December 2020**		
Amount in Euro '000	**Assets**	**Liabilities**	**Revenue**	**Profit/(loss) before tax**
IBG CAPITAL S.A.	4.310	116	0	10
IBG INVESTMENTS S.A.	21.254	8.900	2.458	2.125
IBG CAPITAL MANAGEMENT S.AR.L.	93	63	2	(30)
IBG GLOBAL FUNDS SICAV-SIF	214	13	0	(16)
OPTIMA FACTORS S.A.	19.505	13.131	192	90
OPTIMA ASSET MANAGEMENT A.E.D.A.K.	1.134	841	186	71
IBG S.A.	310	833	0	(4)
HELLENIC CAPITAL PARTNERS S.A.	2.405	580	1.120	190

Company		**31st December 2019**		
Amount in Euro '000	**Assets**	**Liabilities**	**Revenue**	**Profit/(loss) before tax**
IBG CAPITAL S.A.	4.393	205	0	(652)
IBG INVESTMENTS S.A.	18.783	8.555	1.706	1.371
IBG CAPITAL MANAGEMENT S.AR.L.	103	66	18	(20)
IBG GLOBAL FUNDS SICAV-SIF	282	12	83	(4)
OPTIMA ASSET MANAGEMENT A.E.D.A.K.	1.426	858	693	11
IBG S.A.	313	833	0	(7)
HELLENIC CAPITAL PARTNERS S.A.	1.853	390	1.438	301

The financial statements of the above subsidiaries of the Group and the Bank, except "IBG BROKERAGE S.A" which is under liquidation, are consolidated under the full consolidation method in the consolidated financial statements of the Group.

The "Investments in subsidiaries and associates" of the Group and the Bank item is broken down as follows:

Group - Investments in associates

Amounts in Eur '000	**31st December 2020**	**31st December 2019**
Balance at the beginning of the year	**54**	**54**
- Decrease of shares in investments in associates	(24)	0
Balance at end of the year	**30**	**54**

Bank- Investments in subsidiaries and associates

Amounts in Euro '000	31st December 2020	31st December 2019
Balance at the beginning of the year	**6.591**	**6.868**
- New investments in associates	6.307	0
- Reversal of impairment of investments in subsidiary	0	(277)
- Increase of shares in investments in associates	201	0
Balance at end of the year	**13.099**	**6.591**

In 2020, the Bank acquired the company Optima Factors SA for the amount of EUR 6,307 and increased its participation in Optima Asset Management SA by EUR 201,000. At Bank level, in 2019 the write-down pertains to the impairment of the subsidiary IBG CAPITAL SA. The impairment arose from the decreased fair value of the venture capital mutual funds in which the subsidiary has invested. The key assumptions for the valuation of the venture capital mutual funds are presented in Note 2.4.

22. Property, plant and equipment and intangible assets

The variations of the tangible assets during the financial year 2020 are the following:

Group

	Property, plant and equipment			
Amounts in Eur '000	**Land and buildings**	**Vehicles & machinery**	**Furniture and other equipment**	**Total**
Acquisition cost at 1 January 2020	6.731	559	3.579	10.868
less: Accumulated depreciation	(4.783)	(85)	(3.087)	(7.954)
Net book value at 1 January 2020	**1.948**	**474**	**492**	**2.914**
Additions	6.332	601	1.736	8.669
Depreciation for the year	(497)	(238)	(204)	(939)
Acquisition cost at 31 December 2020	13.063	1.160	5.314	19.537
less: Accumulated depreciation	(5.280)	(323)	(3.290)	(8.893)
Net book value at 31 December 2020	**7.783**	**836**	**2.024**	**10.643**

Amounts in Eur '000	**Property, plant and equipment**			
	Land and buildings	**Vehicles & machinery**	**Furniture and other equipment**	**Total**
Acquisition cost at 1 January 2019	5.481	11	3.308	8.800
less: Accumulated depreciation	(4.716)	(2)	(3.080)	(7.798)
Net book value at 1 January 2019	**765**	**9**	**228**	**1.002**
Additions	1.250	634	285	2.169
Disposals/write-offs	0	(1)	0	(1)
Transfers	0	(86)	(14)	(100)
Depreciation for the year	(67)	(84)	(7)	(157)
Depreciation of assets sold/written off	0	1	0	1
Acquisition cost at 31 December 2019	6.731	559	3.579	10.868
less: Accumulated depreciation	(4.783)	(85)	(3.087)	(7.954)
Net book value at 31 December 2019	**1.948**	**474**	**492**	**2.914**

Bank

Amounts in Euro '000	**Property, plant and equipment**			
	Land and buildings	**Vehicles & machinery**	**Furniture and other equipment**	**Total**
Acquisition cost on 1st January 2020	6.731	559	3.579	10.868
Less: Accumulated depreciation	(4.783)	(85)	(3.087)	(7.954)
Net book value at 1 January 2020	**1.948**	**474**	**492**	**2.914**
Additions	6.332	601	1.643	8.576
Depreciation for the year	(497)	(238)	(134)	(869)
Acquisition cost at 31 December 2020	13.063	1.160	5.222	19.444
less: Accumulated depreciation	(5.280)	(323)	(3.221)	(8.824)
Net book value at 31 December 2020	**7.783**	**836**	**2.001**	**10.621**

Amounts in Euro '000	**Property, plant and equipment**			
	Land and buildings	**Vehicles & machinery**	**Furniture and other equipment**	**Total**
Acquisition cost on 1st January 2019	5.481	11	3.308	8.800
Less: Accumulated depreciation	(4.716)	(2)	(3.080)	(7.798)
Net book value at 1 January 2019	**765**	**9**	**228**	**1.002**
Additions	1.250	634	285	2.169
Disposals/write-offs	0	(1)	0	(1)
Transfers	0	(86)	(14)	(100)
Depreciation for the year	(67)	(84)	(7)	(157)
Depreciation of assets sold/written off	0	1	0	1
Acquisition cost at 31 December 2019	6.731	559	3.579	10.868
less: Accumulated depreciation	(4.783)	(85)	(3.087)	(7.954)
Net book value at 31 December 2019	**1.948**	**474**	**492**	**2.914**

The variation of the other intangible assets during the financial year 2020 is the following:

Group

Amounts in Eur '000	**Software**
Acquisition cost at 1 January 2020	3.300
Less: Accumulated amortisation	(1.491)
Net book value at 1 January 2020	**1.809**
Additions	2.528
Amortisation for the year	(1.009)
Acquisition cost at 31 December 2020	5.828
Less: Accumulated amortisation	(2.501)
Net book value at 31 December 2020	**3.327**

Amounts in Eur '000	**Software**
Acquisition cost at 1 January 2019	1.673
Less: Accumulated amortisation	(1.346)
Net book value at 1 January 2019	**327**
Additions	1.627
Amortisation for the year	(146)
Acquisition cost at 31 December 2019	3.300
Less: Accumulated amortisation	(1.491)
Net book value at 31 December 2019	**1.809**

Bank

Amounts in Euro '000	**Software**
Acquisition cost at 1 January 2020	3.298
Less: Accumulated depreciation	(1.491)
Net book value at 1 January 2020	**1.808**
Additions	1.869
Amortisation for the year	(446)
Acquisition cost at 31 December 2020	5.168
Less: Accumulated amortisation	(1.937)
Net book value at 31 December 2020	**3.231**

Amounts in Euro '000	**Software**
Acquisition cost at 1 January 2019	1.671
Less: Accumulated depreciation	(1.345)
Net book value at 1 January 2019	**326**
Additions	1.627
Amortisation for the year	(146)
Acquisition cost at 31 December 2019	3.298
Less: Accumulated amortisation	(1.491)
Net book value at 31 December 2019	**1.808**

23. Right-of-use assets and lease liabilities

Group

As a result of the enactment, as of 1.1.2019, of the new accounting standard IFRS 16, right-of-use assets of EUR 19,498,000 have been recognized, EUR 18,906,000 out of which concern property leases.

As a result of the application of IFRS 16, the Group and the Bank recognized lease liabilities of EUR 19,872,000 on 31.12.2020.

(i) Amounts recognized in the balance sheet

Property use on rights

Amounts in Eur '000	**31st December 2020**	**31st December 2019**
Buildings	18.906	5.861
Transportation equipment	592	306
Balance of year end	**19.498**	**6.168**
Lease Liability		
Short-term Liability	1.576	718
Long-term Liability	18.297	5.472
Balance of year end	**19.872**	**6.190**

(ii) Amounts recognized in the Profit & Loss

Amounts in Eur '000	*Note*	**31st December 2020**	**31st December 2019**
Depreciation of property rights			
Buildings		1.614	120
Transportation equipment		173	17
Total	22	**1.786**	**138**
Interest expense	6	600	35
Short-term rental expenses	11	2.018	150

Bank

(i) Amounts recognized in the balance sheet

Property use on rights

Amounts in Eur '000	31st December 2020	31st December 2019
Buildings	18.906	5.861
Transportation equipment	587	306
Balance of year end	**19.493**	**6.168**
Lease Liability		
Short-term Liability	1.576	718
Long-term Liability	18.291	5.472
Balance of year end	**19.867**	**6.190**

(ii) Amounts recognized in the Profit & Loss

Amounts in Eur '000	*Note*	31st December 2020	31st December 2019
Depreciation of property rights			
Buildings		1.614	120
Transportation equipment		157	17
Total	22	**1.771**	**138**
Interest expense	6	600	35
Short-term rental expenses	11	2.018	150

24. Deferred tax

The variation of the temporary differences within the financial year 2020 for the Group and the Bank is broken down as follows:

Group

Amounts in Eur '000	Balance as at 1st January 2020	Recognised in profit or loss	Recognised in equity	Balance as at 31st December 2020
PPE and investment property	138	(20)	0	118
Other provisions	3.072	1.248	0	4.320
Retirement benefit obligations	96	14	0	111
Financial assets at fair value through other income statement	85	0	(1)	84
Financial assets at fair value through profit or loss	(2.862)	(214)	0	(3.076)
Tax losses	1.392	51	0	1.443
Total	**1.921**	**1.080**	**(1)**	**3.000**

Amounts in Eur '000	Balance as at 1st January 2019	Recognised in profit or loss	Recognised in equity	Balance as at 31st December 2019
PPE and investment property	169	(31)	0	138
Other provisions	2.753	305	0	3.057
Retirement benefit obligations	88	9	0	96
Financial assets at fair value through other income statement	(7)	0	92	85
Financial assets at fair value through profit or loss	(2.815)	(47)	0	(2.862)
Tax losses	1.296	96	0	1.392
Total	**1.484**	**331**	**92**	**1.906**

Bank

Amounts in Euro '000	Balance as at 1st January 2020	Recognised in profit or loss	Recognised in equity	Balance as at 31st December 2020
PPE and investment property	126	(20)	0	106
Other provisions	2.532	1.397	0	3.929
Retirement benefit obligations	96	14	0	110
Financial assets at fair value through other income statement	(6)	0	(0)	(6)
Financial assets at fair value through profit or loss	50	(214)	0	(164)
Tax losses	1.214	51	0	1.265
Total	**4.011**	***1.229***	***(0)***	**5.240**

Amounts in Euro '000	Balance as at 1st January 2019	Recognised in profit or loss	Recognised in equity	Balance as at 31st December 2019
PPE and investment property	157	(31)	0	126
Other provisions	2.251	281	0	2.532
Retirement benefit obligations	87	9	0	96
Financial assets at fair value through other income statement	(7)	0	0	(6)
Financial assets at fair value through profit or loss	97	(47)	0	50
Tax losses	1.118	96	0	1.214
Total	**3.703**	***307***	***0***	**4.011**

25. Other stock exchange transactions

The other stock exchange transactions of the Group and the Bank are broken down as follows:

Group and Bank

Amounts in Eur '000	31st December 2020	31st December 2019
Margin derivative trading account	8.950	7.700
Clearing accounts for securities transactions of ASE, Greek derivatives market of the ASE and foreign stock markets	15.201	1.137
Clearing accounts for securities transactions of Bonds	0	162
Customers' demands for securities transactions of ASE, ADEX and foreign stock exchanges	2.696	1.029
Total	**26.847**	**10.028**

26. Investment Services Guarantee Securities

These items are broken down as follows:

Group and Bank

Amounts in Eur '000	**31st December 2020**	**31st December 2019**
Hellenic Deposit and Investment Guarantee Fund	4.794	4.793
Guarantee fund	4.012	3.903
Auxiliary fund	2.390	2.497
Energy Athens Exchange	1.000	0
Total	**12.196**	**11.192**

27. Current tax assets and Other assets

The current tax receivables of the Group and the Bank are broken down as follows:

Group

Amounts in Eur '000	**31st December 2020**	**31st December 2019**
Income tax prepaid	107	0
Other receivables from the Greek State	506	282
Total	**613**	**282**

Bank

Amounts in Euro '000	**31st December 2020**	**31st December 2019**
Other receivables from the Greek State	506	282
Total	**506**	**282**

The other assets of the Group and the Bank are broken down as follows:

Group

Amounts in Eur '000	31st December 2020	31st December 2019
Prepaid expenses and income receivables	616	333
Other receivables	109	160
Guarantees	444	298
Other receivables except loans	872	366
Carbon emission reserve	33.549	612
Advances and other receivables accounts	2.922	401
Share Capital Coverage Account	10.827	0
Total	**49.338**	**2.169**
Less: Provisions	(223)	(223)
Total	**49.116**	**1.947**
Current	***48.058***	***1.648***
Non-current	***1.057***	***298***

Bank

Amounts in Euro '000	31st December 2020	31st December 2019
Prepaid expenses and income receivables	606	333
Guarantees	444	298
Advances and other receivables accounts	2.807	374
Share Capital Coverage Account	10.827	0
Carbon emission reserve	33.549	612
Other receivables	981	526
	49.215	**2.142**
Less: Provisions	(223)	(223)
Total	**48.992**	**1.920**
Current	***48.548***	***1.621***
Non-current	***444***	***298***

28. Assets available for sale

On 31.12.2020, the non-current assets held for sale include the companies **IBG Global Funds SICAV-SIF**, a Luxembourg-based Specialized Investment Fund, and **IBG Capital Management S.ar.l**, the managing company of the above Fund domiciled in Luxembourg.

The Management of the Group, after having investigated various alternatives for exploiting the above assets, considered that they do not generate the estimated contributions in the general business plan of the Group.

Consequently, it initiated a procedure to sell them while since the expected outcome could not be reached it decided to liquidate the **IBG Global Funds SICAV-SIF** Investment Fund and to close the business in accordance with the voluntary liquidation procedure, as provided for in the relevant legal framework of Luxembourg, and also to launch the liquidation of the managing company **IBG Capital Management S.ar.l.**

The Group expects that all the above would be completed during the current year 2021.

Analysis of the assets available for sale and liabilities relevant to the assets available for sale

Amounts in Euro '000	**31st December 2020**	**31st December 2019**
ASSETS		
Loans and advances to other financial institutions	265	346
Financial assets at fair value through other income statement	127	74
Other assets	42	39
Assets available for sale	**434**	**459**
LIABILITIES		
Other liabilities	76	74
Provissions	23	4
Liabilities related to assets held for sale	**99**	**78**

29. Due to Central Bank

The due to the Central Bank is broken down as follows:

Group and Bank

Amounts in Euro '000	**31^{n} December 2020**	**31^{n} December 2019**
Due to Central Bank - time deposits	12.931	0
Total	**12.931**	**0**
Current	***12.931***	***0***
Non-current	***0***	***0***

30. Due to banks

The due to other banks is broken down as follows:

Group and Bank

Amounts in Euro '000	**31st December 2020**	**31st December 2019**
Due to credit institutions - current accounts	4.396	46
Due to credit institutions - time deposits	948	500
Interbank deposits	8.149	8.902
Total	**13.493**	**9.449**
Current	***13.493***	***9.449***
Non-current	***0***	***0***

31. Due to customers

The deposits and other customers' accounts are broken down as follows:

Group

Amounts in Eur '000	**31st December 2020**	**31st December 2019**
Sight deposits	272.029	72.283
Savings accounts	1.722	1.430
Time deposits	395.175	103.427
Blocked deposits	26.774	5.766
Other deposits	53.265	20.502
Cheques payable	5.316	1.596
Total	**754.281**	**205.004**
Current	***754.281***	***205.004***
Non-current	***0***	***0***

Bank

Amounts in Euro '000	**31st December 2020**	**31st December 2019**
Sight deposits	275.347	75.461
Savings accounts	1.722	1.430
Time deposits	395.175	103.427
Blocked deposits	26.774	5.766
Other deposits	53.265	20.502
Cheques payable	5.316	1.596
Total	**757.599**	**208.182**
Current	***757.599***	***208.182***
Non-current	***0***	***0***

32. Other stock exchange transactions

The customer balances from stock exchange transactions are broken down as follows:

Group and Bank

Amounts in Eur '000	**31st December 2020**	**31st December 2019**
Settlement accounts from securities transactions of ASE, Greek derivatives market and foreign stock exchanges	2.455	1.063
Settlement accounts for securities transactions of Bonds	33.098	176
Due to customers from transactions in the ASE, the Greek derivatives market of the ASE and other foreign stock markets	445	209
Total	**35.998**	**1.448**

33. Retirement benefit obligations

The amounts recorded on the statement of financial position are the following:

Group

Amounts in Eur '000	**31st December 2020**	**31st December 2019**
Balance sheet obligations for:		
Lump-sum payments upon retirement		
– Unfunded	507	401
	507	**401**

The amounts recorded on the income statement are the following:

Amounts in Eur '000	**31st December 2020**	**31st December 2019**
Current service cost	76	30
Finance cost	5	5
Cost of settlement	1.024	317
Total included in employee benefits	**1.104**	**352**

Changes in liabilities in the Statement of Financial Position are as follows:

Amounts in Eur '000	**31st December 2020**	**31st December 2019**
Net liability in opening balance sheet	**401**	**301**
Transfer from subsidiaries	36	0
Employer contributions paid	(1.111)	(335)
Expenditure to be recorded in the income statement	1.104	352
Amount recorded in Other comprehensive income	77	82
Net liability in closing balance sheet	**507**	**401**

Bank

Amounts in Euro '000	**31st December 2020**	**31st December 2019**
Balance sheet obligations for:		
Lump-sum payments upon retirement		
– Unfunded	460	401
	460	**401**

The amounts recorded on the income statement are the following:

Amounts in Euro '000	**31st December 2020**	**31st December 2019**
Current service cost	70	30
Finance cost	5	5
Cost of settlement	1.024	317
Total included in employee benefits	**1.099**	**352**

Changes in liabilities in the Statement of Financial Position are as follows:

Amounts in Euro '000	**31st December 2020**	**31st December 2019**
Net liability in opening balance sheet	**401**	**301**
Employer contributions paid	(1.111)	(335)
Expenditure to be recorded in the income statement	1.099	352
Amount recorded in Other comprehensive income	72	82
Net liability in closing balance sheet	**460**	**401**

34. Other liabilities

The other liabilities are broken down as follows:

Group

Amounts in Eur '000	**31st December 2020**	**31st December 2019**
Liabilities arising from taxes	838	457
Accrued interest and other expenses	126	24
Other payables	10.047	6.091
Social insurance cost	714	588
Total	**11.725**	**7.160**
Current	***11.725***	***7.160***
Non-current	***0***	***0***

Bank

Amounts in Euro '000	**31st December 2020**	**31st December 2019**
Liabilities arising from taxes	838	457
Accrued interest and other expenses	126	24
Other payables	7.954	5.988
Social insurance cost	714	588
Total	**9.632**	**7.057**
Current	***9.632***	***7.057***
Non-current	***0***	***0***

35. Provisions

The provisions are broken down as follows:

Group

Amounts in Eur '000	**31st December 2020**	**31st December 2019**
Provision for legal cases	537	471
Other provisions	445	321
Total	**981**	**792**

Bank

Amounts in Euro '000	**31st December 2020**	**31st December 2019**
Provision for legal cases	537	471
Other provisions	321	321
Total	**857**	**792**

36. Share capital

On 31.12.2020 the share capital amounts to EUR 160,279,000. The above amount includes the amount of EUR 10,827,000 pertaining to the Share Capital due (Note 27), which has been paid up by 15.01.2021.

37. Other reserves

The other reserves are broken down as follows:

Group

Amounts in Eur '000	**31st December 2020**	**31st December 2019**
Statutory reserve	11.719	11.719
Special reserves	5.672	5.672
Other reserves	1.535	1.535
Other reserves	**18.926**	**18.926**

Bank

Amounts in Euro '000	**31st December 2020**	**31st December 2019**
Statutory reserve	11.719	11.719
Special reserves	4.924	4.924
Other reserves	1.534	1.534
Other reserves	**18.177**	**18.177**

Legal Reserve: According to the Greek Trade Law, the Group is required to withhold from its net accounting profits a minimum of 5% per year as legal reserve. Such withholding ceases to be compulsory when the total legal reserve exceeds 1/3 of the paid up share capital. This taxed reserve is non-distributable throughout the Group's lifetime and is intended to cover any debit balances of the profit or loss carried forward item

Extraordinary Reserves: The extraordinary reserves have been formed from taxed profits, and therefore no additional tax liability will be imposed in case of their distribution.

38. Cash and cash equivalents

For the preparation of the cash flow statement of the Group and the Bank, cash and cash equivalents include short-term placements with other banks which are immediately available or have a 90-day maturity.

Group

Amounts in Eur '000	**31st December 2020**	**31st December 2019**
Cash and balances with central bank (Note 14)	152.591	27.493
Loans and advances to credit institutions (Note 15)	36.775	85.913
Total	**189.366**	**113.406**

Bank

Amounts in Euro '000	**31st December 2020**	**31st December 2019**
Cash and balances with central banks (Note 14)	152.591	27.493
Loans and advances to credit institutions (Note 15)	35.465	85.907
Total	**188.056**	**113.401**

Cash flows from operating activities of the Group and the Bank include trading portfolio transactions. Investment portfolio transactions are included in the cash flows from investing activities.

39. Commitments, contingent liabilities and assets

a) Contingent liabilities from guarantees

The nominal values of the contingent and undertaken liabilities are broken down as follows:

Group and Bank

Amounts in Eur '000	31st December 2020	31st December 2019
Contingent liabilities		
Letters of Guarantee (Bid and Performance books)	31.957	3.389
Letters of Guarantee (Advance Payment, Prompt Payment)	25.107	4.098
Total	**57.064**	**7.487**

b) Contingent tax liabilities

According to Law 4174/2013 (Article 65A as in force and according to article 82 of Law 2238/1994), Greek companies the financial statements of which are compulsorily audited are bound to get an "Annual Tax Certificate" up to the financial year 2015, the issuance of which requires the conduct of a tax audit by the auditors who audit their annual financial statements. For the years starting on 01.01.2016 and henceforth, the Annual Tax Certificate will be optional, but the Bank continues to get it.

The Group has been audited by the tax authorities up to the financial year 2009. It has not been audited by the tax authorities for the year 2010 to which the Annual Tax Certificate was not compulsory and therefore the Group may be liable to pay additional taxes, if they are imposed.

The Bank has obtained a tax certificate by the Auditors without qualifications for the years 2011, 2012, 2015, 2016, 2017, 2018 and 2019. For the years 2013 and 2014, it has obtained a tax certificate from its Auditors without qualifications, but with an emphasis of matter based on the inquiry submitted by the Bank to the Ministry of Finance regarding the tax handling of the loss from the transfer of assets and liabilities to Piraeus Bank. For the financial year 2020, the Bank is currently audited by its Auditors. This audit is in progress and the relevant tax certificate is expected to be issued after the publication of the financial statements for the year 2020. We consider that until the completion of the tax audit, no additional tax liabilities will arise that will have a significant impact on the financial statements.

IBG CAPITAL SA has obtained a tax certificate without qualifications from its Auditors for the financial years 2011 to and including 2013, while for the years 2014 to and including 2019 it is not required to obtain any tax certificate in accordance with Law 4174/2013, article 65. For the year 2020, the audit to issue a tax certificate is in progress.
We consider that until the completion of the audit, no additional tax liabilities would arise that would have a significant impact on the financial statements.

OPTIMA FACTORS S.A. has been tax audited for the years until and including 2008 and has closed, in terms of taxation, the year 2009, in accordance with the provisions of Law 3888/2012. For the year 2010, the provisions on limitation of Article 72, para. 11 of Law 4174/2013 do apply. For the years 2011, 2012 and 2013 it has been audited by the Statutory Auditors and has received the annual tax certificate of paragraph 5, Article 82 of the Income Tax Code (Law 2238/1994), while for the years 2014 to 2019 it has received the annual tax certificate provided for in Article 65A of Law 4174/2013.

Moreover, OPTIMA MANAGEMENT S.A. has been tax audited for the years 2011 to and including 2013 and the said tax audit is conducted in accordance with Article 82, para. 5 of Law 2238/1994 and the Decision ref. POL 1159/22.7.2011 of the Minister of Finance. The years 2014 to and including 2019 have been audited in accordance with Article 65A of Law 4174/2013.

According to the Greek tax legislation and the relevant ministerial decisions, the companies for which a tax certificate without remarks about infringements of the tax legislation is issued are not exempted from the infliction of additional taxes and fines by the tax authorities within the framework of the legal restrictions (five years from the end of the financial year in which the relevant tax return shall be submitted). In the light of the above, generally it is considered that the right of the Greek State to inflict taxes up to the financial year 2015 is exhausted as regards the Group.

c) Contingent legal obligations

There are no pending legal liabilities or obligations that could materially affect the financial position of the Group on December 31, 2020, except the cases for which a relevant provision has been formed (Note 35).

40. Related party transactions

All transactions are objective, are conducted at arm's length and fall within the scope of the normal activities of the Group. The volume of transactions per category is shown here below.

40.1 Transactions with subsidiaries of Optima Bank Group and Motor Oil Hellas Group

Group

Amounts in Eur '000	**31st December 2020**	**31st December 2019**
a) Receivables		
Loans net of provisions	31.326	12.917
Other receivables	82	58
Total	**31.408**	**12.975**
b) Payables		
Deposits	13.095	23.829
Other liabilities	22	1
Total	**13.117**	**23.830**
c) Income		
Interest and similar income	435	472
Commission income	1	1.076
Other income	43	179
Total	**479**	**1.728**
d) Expenses		
Commission expenses	83	83
Λοιπά έξοδα	2.508	139
Total	**2.590**	**223**

Bank

Amounts in Euro '000	31st December 2020	31st December 2019
a) Receivables		
Loans net of provisions	28.394	20.897
Other receivables	82	58
Total	**28.476**	**20.954**
b) Payables		
Deposits	13.095	27.007
Other liabilities	22	1
Total	**13.117**	**27.008**
c) Income		
Interest and similar income	410	794
Commission income	1	1.076
Other income	43	185
Total	**454**	**2.056**
d) Expenses		
Commission expenses	83	83
Other expenses	2.508	139
Total	**2.590**	**223**

40.2 Transactions with Management and members of the Board of Directors

Group and Bank

Amounts in Eur '000	31st December 2020	31st December 2019
a) Receivables		
Loans	412	29
Total	**412**	**29**
b) Payables		
Deposits	1.046	102
Total	**1.046**	**102**
c) Income		
Interest and similar income	3	1
Total	**3**	**1**
d) Expenses		
Interest and similar expenses	6	0
Total	**6**	**0**

40.3 Remuneration of Management and members of the Board of Directors

Group

Amounts in Eur '000	31st December 2020	31st December 2019
Salaries	2.353	333
Directors compensation	119	367
Total	**2.472**	**700**

Bank

Amounts in Euro '000	31st December 2020	31st December 2019
Salaries	1.884	333
Directors compensation	70	367
Total	**1.954**	**700**

41. External auditors

The total fees paid by the Group to the independent auditor "PricewaterhouseCoopers Auditors" for their audit and other services are broken down as follows:

Amounts in Eur '000	31st December 2020	31st December 2019
Statutory Audit	74	82
Tax Audit Certificate	39	49
Other Audit Services	4	6
Non Audit Services	4	13
Total	**121**	**150**

42. Business combinations

(a) Acquisition of OPTIMA FACTORS S.A.

On December 11, 2020, OPTIMA BANK acquired 100% of the share capital of OPTIMA FACTORS SA from IREON INVESTMENTS LTD. The purchase consideration, less any expenses, amounted to EUR 6.3 million and was paid in cash. At acquisition date, OPTIMA BANK and OPTIMA FACTORS SA were undertakings under joint control. Considering a concentration of undertakings under joint control at the acquisition date and taking into account the transaction data, the most appropriate reporting method is its recognition at fair values according to IFRS 3.

The fair values of OPTIMA FACTORS S.A. receivables and liabilities at the acquisition date are shown here below:

Amounts in Eur '000	**31st December 2020**
ASSETS	
Loans and advances to other financial institutions	1.003
Loans and advances to customers	18.348
Property, plant and equipment and intangible assets	32
Deferred tax asset	4
Current tax assets	107
Other assets	10
Total assets	**19.505**
LIABILITIES	
Due to other financial institutions	11.692
Retirement benefit obligations	19
Other liabilities	1.297
Provissions	124
Total liabilities	**13.131**
NET EQUITY	
Share capital	10.870
Revaluation reserve	629
Retained earnings	(5.192)
Total net equity	**6.307**
Redemption price	**6.307**
Goodwill	**0**

The fair value of the following assets is preliminary and will be finalized within one year from the acquisition date, when the acquisition final effect will be defined.

The purchase consideration consists of 3,710,000 ordinary shares of OPTIMA FACTORS S.A. (of a nominal value of EUR 2.93 each), which have been valuated by an independent company at a fair value of EUR 1.70 per share at the acquisition date.

The acquisition effect on the profit or loss of the Group and on the equity from the acquisition date to December 31, 2020 amounted to EUR 66.08k. Had the acquisition occurred in the beginning of the year, the effect on the profit or loss and on equity would have been EUR 601.5k.

(b) Acquisition of OPTIMA ASSET MANAGEMENT S.A.

On November 12, 2020, OPTIMA BANK acquired 94.52% of the share capital of OPTIMA ASSET MANAGEMENT SA from IREON INVESTMENTS LTD. The purchase consideration, less any expenses, amounted to EUR 0.2 million and was paid in cash. At acquisition date, OPTIMA BANK and OPTIMA ASSET MANAGEMENT SA were undertakings under joint control. Considering a concentration of undertakings under joint control at the acquisition date and taking into account the transaction data, the most appropriate reporting method is its recognition at fair values according to IFRS 3.

The fair values of OPTIMA ASSET MANAGEMENT SA receivables and liabilities at the acquisition date are shown here below:

Amounts in Eur '000	**31st December 2020**
ASSETS	
Loans and advances to other financial institutions	889
Property, plant and equipment and intangible assets	87
Deferred tax asset	10
Other assets	148
Total assets	**1.134**
LIABILITIES	
Retirement benefit obligations	29
Other liabilities	812
Total liabilities	**841**
NET EQUITY	
Share capital	572
Revaluation reserve	837
Retained earnings	(1.209)
Total net equity	**200**
Redemption price	**200**
Goodwill	**0**

The fair value of these assets is preliminary and will be finalized within one year from the acquisition date, when the acquisition final effect will be defined.

The purchase consideration consists of 270,095 ordinary shares (of a nominal value of EUR 2.0 each), which have been valuated by an independent company at a fair value of EUR 0.74 per share at the acquisition date. The acquisition effect on the profit or loss of the Group and on the equity from the acquisition date to December 31, 2020 amounted to EUR 67.6k (upon exercise of minority rights). Had the acquisition occurred in the beginning of the year, the effect on the profit or loss and on equity would have been EUR 410.9k.

43. Events after the financial statements date

In March 2021, the subsidiaries IBG Investments S.A. and IBG Capital S.A. were informed by the administrators of the venture capital mutual funds "IBG Hellenic Fund III" and "THERMI TANEO Venture Capital Fund" respectively that the liquidation of the larger part of the portfolio of the venture capital mutual funds in which they have invested has been completed. The above will be reported in the financial statements of the year 2021.

According to the provisions of Law 4799/2021 published on 18/05/2021, the corporate income tax rate in Greece has been reduced to 22% from 24%. This change will be effective from 2021 and thereafter.

Maroussi, June 29, 2021

The Chairman of the Board of Directors	**The Chief Executive Officer**
Georgios Taniskidis	**Dimitrios Kyparissis**
The Head of Financial Affairs	**The Head of Accounting and Tax Affairs**
Angelos Sapranidis	**Konstantinos Kalliris**