Eurobank Equities Investment Firm Single Member Societe Anonyme

General Commercial Register No. 003214701000

Financial statements for the period from 1 January to 31 December 2019 in line with the International Financial Reporting Standards as adopted by the European Union.

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MANAGEMENT REPORT OF THE BOARD OF DIRECTORS OF THE COMPANY
EUROBANK EQUITIES INVESTMENT FIRM SINGLE MEMBER SOCIETE ANONYME
FOR THE 20TH ACCOUNTING PERIOD 1.1.2019 - 31.12.2019
TO THE ORDINARY GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders,

It is our honour to submit along with this report the Financial Statements prepared in line with the International Financial Reporting Standards for the 20th accounting period 1.1.2019 to 31.12.2019 which consist of the statement of financial position as at 31.12.2019, the income statement and statement of comprehensive income, statement of changes in equity and the cash flow statement for the period which ended on that date, and a summary of the main accounting policies and methods as well as other explanatory information.
The financial statements provide a detailed picture of the assets, liabilities and equity, the structure of the financial result and the Company's actual financial status at the end of the 20th accounting period to which they relate.

The new standards which apply on 31.12.2019 have been taken into account.

Looking back briefly at 2019, the stock exchange market, viewed from the perspective of the General Index, fell by 51.4% with average daily turnover at € 66.4% million, which was down around 21% compared to 2018. From the start of the year the market was in an upward trend, which became more evident towards the end of the second quarter. Leading the rise, the banking sector recorded performances of more than 100% throughout the year. A key feature of 2019 was the correlation between the Greek market and the international stock exchanges, with the exception of the two-month period May-June, when Greek shares outperformed compared to international stock exchanges.

More specifically,

• During the first half of the year, the stock exchange followed a strong upward trend, with the General Index recording profits of almost 42%. This dynamic was the result of a reduction in the cost of borrowing for the Greek State, especially after the successful issuing of a 5-year bond at the end of January, which was directed to the share market by reducing the risk premium. At the same time, domestic political developments in the 2nd quarter created expectations for a shift in the policy mix towards growth-friendly reforms, providing further support to the stock market.

• During the second half of the year, trading activity increased significantly on an annual basis to around €67 million per day. De-escalation on the trade war front and the willingness of investors to assume greater risk as well as the search for returns in a low interest rate environment were key factors for the increased trading activity. During that period the General Index managed to expand its gains, although they did not exceed 5.5%.

• Total market capitalisation stood at € 61.2 billion at the end of 2019, compared to € 44.9 billion at the end of 2018.
• During 2019 overall, 92% of companies on the Athens Exchange General Index reported a rise whereas 8% reported losses.

In 2019 Eurobank Equities Investment Firm S.A. held second place in terms of market share, accounting for 15.3% of the total volume of transactions on the Athens Stock Exchange on the Equities Market, establishing its position as one of the top choices of the largest and most important institutional investors and thousands of private investors.

In 2019 Eurobank Equities was once again recognised as the leading stock market firm in Greece based on the European-wide EXTEL survey, while the company's Analysis Department was also distinguished as the best company on the Greek stock exchange market. The Analysis Division also won the first prize for leading analyst in the Greek market in that survey.
That Department provides active, ongoing support to all the Company's investment service units, offering well-researched studies and estimates about 23 listed companies which account for 80% of total capitalisation on the Athens Exchange. The Department also has a specialist section dedicated to international markets.

Having held a leading position in the stock exchange sector for 17 years now, the Company offers a comprehensive range of services including transactions in equities, derivatives, bonds and mutual funds traded around the globe. The Company's services are accessible via eurobanktrader, its online trading platform, and through an extensive staff of experts, exclusive tied agents, and associated investment brokers and investment service firms, allowing it to cover almost all of Greece in geographical terms.
Thanks to the new easy-to-use online trading platform customers can trade equities and derivatives directly and with complete security. Just some of the interesting new features offered by the online trading platform are the ability to create lists to monitor equities and derivatives in real time and a wider range of technical analysis tools.

Earnings net of tax stood at € 1,668,439 compared to € 602,144 in the previous period (2018). The increase in net profits in the year ended compared to the previous year (2018) was due to the increased revenues generated by the Special Trading Division as well as an increase in net revenues from transaction commission.

Financial position and growth in Company business

Equity on 31.12.2019 stood at € 74,079,511, compared to € 72,450,573 on 31.12.2018. Assets stood at € 202,552,751 on that date compared to € 134,796,302 the previous year.
Key indices and ratios
The key financial indices and ratios based on the financial statements are presented below.

	Key indices and ratios	2019	2018
1	Current Assets Total assets	94.76%	94.01%
2	Non-Current Assets Total assets	5.24%	5.99%
3	Equity Total Liabilities	57.66%	116.21%
4	Current Assets Short-term liabilities	151.00%	204.52%
5	Earnings before tax Equity	3.16%	1.15%
6	Net results before income tax Total assets	1.16%	0.62%

Financial risk management

The Company calculates its capital adequacy for risks assumed in accordance with the applicable regulatory framework. In 2019 capital adequacy was between 26 % and 41%, which is much higher than the 8% threshold.

Market Risk

The Company measures and manages the level of potential and actual risks due to changes in prices and exchange rates on capital markets and money markets, and the fluctuations in their correlations. There are adequate internal procedures in place to identify and manage and measure them.

Credit Risk

The Company has specific procedures for offering credit to private investors (margin accounts, 2 day credit) and trading limits to institutional investors and monitors the amounts daily which affect credit risk and also effectively determines and suitably manages problematic credit.

Operational risk

The Company has recorded all potential forms of operational risk it is exposed to, and uses specific measures and mechanisms to prevent, evaluate and address those risks to ensure it remains a going concern and to limit losses if there is a disturbance in its operations and in emergencies.

Liquidity Risk

Liquidity risk refers to the Company’s potential inability to meet its cash flow obligations due to a lack of liquid capital or inability to obtain financing from credit institutions.

Such risk is managed by taking into account all short-term and future liabilities, as well as prevailing conditions in the money and capital markets, to set liquid cash limits which are available to cover exposure and achieve business objectives.

Other information

The Company has a limited number of branches.

On 31.12.2019 it had financial assets at fair value through profit and loss of €59,124,884 in its assets accounts.

Group policies have been adopted and there are no labour and environmental problems, social issues or problems with respect for human rights and diversity, anti-corruption and bribery issues. At the Company, respect for human rights, equal opportunities and diversity also extends to customers, suppliers and employees.

Environmental protection

The Company acknowledges the environmental impacts of its operations and encourages customers, suppliers and employees to adopt best environmental practices in line with the Group's guidelines.

Commitment to Staff

Company employees are its most precious capital in its success and growth. The Company has adopted a number of policies to ensure equal, problem-free management of its human resources.

In the context to ensuring continuous briefing, development and training of its human resources, the company implements a cutting edge training and professional development programme. Particular emphasis is place on anti-fraud, Hellenic Capital Market Commission certification, on improving positive attitudes and on collaboration.

Prospects

2020 is expected to be volatile for the Greek stock exchange, especially amid the slowdown in global economic activity, uncertainty about the impact of the coronavirus on global GDP and the historic highs stock exchange indexes have recorded on several international markets. In light of this, accelerating the domestic rate of growth via an optimal policy mix while continuing to reform is vital to further bolster trust in Greece. In turn, restoring investor trust is a necessary condition for creating a dynamic increase in trading activity on the Athens Exchange.

Eurobank Equities' Management team considers that during 2020, provided there are no extraneous conditions which could negatively affect the Greek economy, the Company will perform well, with its market share and organic profit growth rising further, thanks to continued excellence in the provision of all investment services and a constantly expanding clientèle.

Dear Shareholders, in the face of a particularly demanding environment which has emerged, our priority is to constantly develop operations by keeping operating costs down as much as possible, which have gradually been reduced significantly since 2013 as part of a coordinated rationalisation programme.

The environment will remain tough and demanding, and concerted efforts will be required. We do though have the strategy and means, and above all capable staff who have repeatedly demonstrated that they can handle any adversities and generate the desired results.

We assure you that to date there have been no events which undermine the Company’s financial position as it stood on 31.12.2019 which have not been included in the financial statements attached hereto and the notes thereon.

Dear shareholders, we would therefore call upon you to approve the attached financial statements and the detailed notes contained therein and take a position on the items on the agenda for the forthcoming Ordinary General Meeting of Shareholders.

THE BOARD OF DIRECTORS

Nikolaos Andrianopoulos
Chairman of the Board of Directors

Independent Auditor's Report
(Translated from the original in Greek)

To the Shareholders of
Eurobank Equities Investment Firm Single Member S.A.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of Eurobank Equities Investment Firm Single Member S.A. (the "Company") which comprise the Statement of Financial Position as at 31 December 2019, the Statement of Profit or Loss and Other Comprehensive Income, Changes in Equity and Cash Flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying Financial Statements present fairly, in all material respects, the financial position of Eurobank Equities Investment Firm Single Member S.A. as at 31 December 2019 and its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA), which have been incorporated in Greek legislation. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* and the ethical requirements that are relevant to the audit of the separate and financial statements in Greece and we have fulfilled our ethical responsibilities in accordance with the requirements of the applicable legislation and the aforementioned Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the Financial Statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 which have been incorporated in Greek legislation 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 Financial Statements.

As part of an audit in accordance with ISAs, which have been incorporated in Greek legislation, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

— Identify and assess the risks of material misstatement of the 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 Company's internal control.

— Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

— Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

We communicate with Management 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.

Report on Other Legal and Regulatory Requirements

1. Board of Directors' Report

Taking into consideration that Management is responsible for the preparation of the Board of Directors' Report, pursuant to the provisions of paragraph 5 of Article 2 (part B) of Law 4336/2015, we note that:

(a) In our opinion, the Board of Directors' Report has been prepared in accordance with the applicable legal requirements of Articles 150 and 153 of L. 4548/2018 and its contents correspond with the accompanying Financial Statements for the year ended 31 December 2019.

(b) Based on the knowledge acquired during our audit, relating to Eurobank Equities Investment Firm Single Member S.A. and its environment, we have not identified any material misstatements in the Board of Directors' Report.

Athens,28 February 2020

KPMG Certified Auditors S.A.
AM SOEL 114

Anastasios Kyriacoulis, Certified Auditor Accountant
AM SOEL 39291

Statement of financial position

All amounts are in Euro.

	Note	31-Dec-19	31-Dec-18
ASSETS			
Non-Current Assets			
Intangible assets	16	855,400	783,513
Tangible assets	16	1,535,616	554,522
Other long-term receivables	17	8,097,215	6,045,409
Investment securities portfolio	18	119,821	119,821
Deferred tax assets	11	-	573,304
		10,608,052	**8,076,569**
Current Assets			
Receivables from customers - brokers - stock exchange	15	39,502,786	36,064,100
Receivables from the Greek State	20	2,090,107	723,262
Other short-term receivables	19	401,714	470,199
Financial assets presented at fair value through profit and loss	13	59,124,884	20,581,497
Derivative financial instruments - receivables	14	120,055	74,524
Cash and cash equivalents	12	90,705,152	68,806,151
		191,944,699	**126,719,733**
Total assets		**202,552,751**	**134,796,302**
EQUITY			
Share capital	23	43,865,543	43,865,543
Reserves	24	22,423,727	22,452,359
Retained earnings		7,790,241	6,132,671
Total equity		**74,079,511**	**72,450,573**
LIABILITIES			
Long-term liabilities			
Personnel termination liabilities	21	453,793	387,398
Liabilities from right-of-use assets	16	815,708	-
Deferred tax liabilities	11	91,761	-
		1,361,262	**387,398**
Short-term liabilities			
Loan obligations	27	30,000,000	-
Liabilities to customers - brokers - stock exchange	15	92,843,266	57,427,730
Derivative financial instruments - liabilities	14	391,690	486,291
Financial assets presented at fair value through profit and loss	13	-	124,111
Income tax		-	1,005,391
Liabilities from right-of-use assets	16	181,970	-
Other liabilities	22	3,695,052	2,914,808
		127,111,978	**61,958,331**
Total Liabilities		**128,473,240**	**62,345,728**
Total liabilities & equity		**202,552,751**	**134,796,302**

Athens, 21/02/2020

THE CHAIRMAN OF THE BOARD	THE CEO & 1st VICE CHAIRMAN	THE CFO	THE CHIEF ACCOUNTANT
NIKOLAOS ANDRIANOPOULOS ID Card No. AA 075630	THEODOROS FRANGOPOULOS ID Card No. AI 024384	FOTINI KOULIAKI ID Card No. Π 146458	IOANNA KARKAZI ID Card No. T 506157 Lic. No. 14597 1st Class

The notes on pages 15 to 31 constitute an integral part of these financial statements

Income statement and statement of comprehensive income

All amounts are in Euro.

	Note	01/01-31/12/2019	01/01-31/12/2018
Net income from fees/commission	6	8,133,898	6,853,035
Income from dividends		1,469,228	877,494
Results from financial transactions	5	1,988,889	1,535,707
Other operating income		-	-
Income from operating activities		**11,592,015**	**9,266,236**
Staff salaries and expenses	7	4,664,769	4,600,802
Other operating expenses	8	3,886,461	4,103,390
Depreciation	16	588,722	305,752
Expenses from operating activities		**9,139,953**	**9,009,945**
Financial income	9	868,843	825,002
Financial expenses	9	(977,505)	(247,290)
Earnings before tax		**2,343,401**	**834,004**
Current and deferred tax	10	**(674,962)**	**(231,860)**
Earnings after tax		**1,668,439**	**602,144**
Other total income			
Amounts not reclassified in the income statement			
Actuarial (losses) gains from obligation to compensate staff leaving service (after tax)		**(39,501)**	**22,172**
Total comprehensive income		**1,628,938**	**624,316**

Athens, 21/02/2020

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Statement of changes in equity
All amounts are in Euro.

	Corresponding to Company shareholders			
	Share capital	**Special reserves**	**Retained earnings**	**Total**
Balance on 1.1.2018	43,865,543	22,428,729	5,531,985	71,826,257
Earnings for the year after tax	-	-	602,144	602,144
Other total income	-	22,172	-	22,172
Total comprehensive income for the period	**43,865,543**	**22,450,901**	**6,134,129**	**72,450,573**
Transfer of reserves	-	1,458	(1,458)	-
Balance on 31.12.2018	**43,865,543**	**22,452,359**	**6,132,671**	**72,450,572**

	Share capital	**Special reserves**	**Retained earnings**	**Total**
Balance on 1.1.2019	**43,865,543**	**22,452,359**	**6,132,671**	**72,450,572**
Earnings for the year after tax	-	-	1,668,439	1,668,439
Other total income	-	(39,501)		(39,501)
Total comprehensive income for the period	**43,865,543**	**22,412,858**	**7,801,110**	**74,079,511**
Transfer of reserves	-	10,869	(10,869)	-
Balance on 31.12.2019	**43,865,543**	**22,423,727**	**7,790,241**	**74,079,511**

Athens, 21/02/2020

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Cash flow statement
All amounts are in Euro.

	NOTE:	01/01-31/12/2019	01/01-31/12/2018
Cash flow from operating activities			
Earnings / (losses) before tax		**2,343,401**	**834,004**
Profit/(loss) adjustments in relation to the following transactions:			
Foreign exchange differences		(266,916)	(405,821)
Depreciation	16	588,722	305,752
Provisions for customer credit risks and receivables		(4,841,494)	1,597,004
Other adjustments		844,825	252,824
		(1,331,462)	2,583,763
Changes in accounts related to operating activities			
(Increase) / decrease in receivables from customers and other assets		(41,871,040)	6,030,737
Increase/(decrease) in current liabilities (excluding banks)		34,138,248	(15,524,431)
Net cash flow from / (to) operating activities		(9,064,253)	(6,909,932)
Cash flow from investing activities			
Purchase of intangible and tangible assets	16	(438,335)	(439,842)
Dividends collected		1,365,766	544,650
Net cash flow from / (to) investing activities		927,430	104,808
Cash flow from financing activities			
Net flows from loans	27	70,000,000	7,000,000
Repayment of finance lease liabilities		(236,977)	-
Loan repayments		(40,000,000)	(7,000,000)
Net cash flow from / (to) financing activities		29,763,024	-
Increase/(decrease) in cash assets		**21,626,200**	**(6,805,123)**
Cash assets at beginning of period		**68,817,367**	**75,216,669**
Impact of foreign exchange differences		*266,916*	*405,821*
Cash assets at end of period	12	**90,710,483**	**68,817,367**

Athens, 21/02/2020

THE CHAIRMAN OF THE BOARD	THE CEO & 1st VICE CHAIRMAN	THE CFO	THE CHIEF ACCOUNTANT
NIKOLAOS ANDRIANOPOULOS ID Card No. AA 075630	THEODOROS FRANGOPOULOS ID Card No. AI 024384	FOTINI KOULIAKI ID Card No. Π 146458	IOANNA KARKAZI ID Card No. T 506157 Lic. No. 14597 1st Class

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Notes to the Financial Statements

1 General Information

The company is active in conducting brokerage and investment banking of any kind on stock and derivatives exchanges and in providing main and ancillary investment services in line with the legislation in force from time to time. The company has been incorporated and operates in Greece. The company is a 100% subsidiary of the bank Eurobank Ergasias S.A.

The financial statements were approved by Company Management on 21/02/2020.

2 Basic accounting policies

The basic accounting policies followed in preparing the financial statements, which were consistently applied in all years which are presented unless otherwise stated, are as follows:

2.1 Basis of preparation of the financial statements

The standards applied are those issued by the International Accounting Standards Board and approved by the European Union by 31.12.2019. They are in line with the IFRS, including interpretations by the IFRS Interpretations Committee (IFRIC) issued by the International Accounting Standards Board (IASB) which have been adopted by the European Union.

The financial statements have been prepared based on the historical cost convention which has been modified to include valuation at fair value of financial assets and liabilities (including derivative financial instruments) through profit and loss. The financial statements have been prepared on the assumption that the Company is a going concern, having taken into account the macroeconomic and fiscal developments in Greece.

Preparation of financial statements in line with the IFRS requires the adoption of estimates and assumptions which affect the valuation of assets and liabilities, the recognition of contingent liabilities on the date the financial statements are prepared and the posting of income and expenses in the period under examination. Consequently, the actual results may differ from assessments despite the fact that these are based on Management's best knowledge of current conditions and activities. Areas entailing a high degree of subjectivity or which are complex or where assumptions and estimates are significant for the financial statements are cited in Note 3.

Going concern

The financial statements have been prepared on the basis that the company is a going concern, which was deemed an appropriate choice by the Board of Directors having taken into account the following:

Macroeconomic and financial environment

The Company operates in a positive growth environment. More specifically, the European Commission expects real GDP to increase by 2.2% in 2019 and by 2.4% in 2020. The rate of growth appears to be higher than the 1.9% recorded in 2018. The unemployment rate was also improving, reaching 16.5% in November 2019 (from 18.6% in the same month in 2018) based on ELSTAT data. On the fiscal front, according to the 2020 budget, Greece's primary fiscal surplus is expected to be 3.6% for 2020 while the European Commission's latest estimates refer to a primary surplus of 4% for 2019. At the same time, the first five successive quarterly assessments were successfully completed as part of enhanced supervision, the most recent being completed in February 2020. In addition, the capital controls imposed in July 2015 were fully abolished from 1 September 2019 onwards. In this context, in 2019 the Greek State managed to normalise and achieve continuous access to capital markets by issuing four bonds with different maturity date each. More recently, in January 2020, the Greek Government issued a 15-year bond of € 2.5 billion with a yield of 1.9%. The 10-year reference bond yielded 1.46% on 31.12.2019 compared to 4.40% on 31.12.2018.

As far as the economic prospects for the next 12 months are concerned, the main macroeconomic risks and uncertainty factors in Greece are related to (i) implementation of reforms and privatisations to achieve the targets and milestones in the EU programme, (ii) attracting new investments to the country and (iii) the geopolitical and macroeconomic conditions in the near or wider area, including the impact of maintaining an economic environment with low/negative interest rates and external shocks from a possible slowdown in the regional and/or global economy due to either macroeconomic or external factors (e.g. impacts from a possible spread of the coronavirus). The occurrence of these risks could have negative consequences on the liquidity, capital adequacy and profitability of Greek banks. The Company and Group are closely monitoring developments relating to the macroeconomic environment in Greece and the wider area, taking into account its direct and indirect exposure to the credit risk of the Greek State.

Management constantly monitors developments in the macroeconomic environment and their possible impacts in order to ensure minimal impact on the Company's operations and, taking into account the adequacy of the Eurobank Ergasias Group's capital position which was bolstered after the merger with GRIVALIA in May 2019, the exceedance of the NPEs target and the elimination of financing from the Emergency Liquidity Assistance Mechanism which it achieved, considers that the Company's financial statements can be prepared on the basis of the going concern principle.

2.2. Foreign Exchange differences from conversion

(a) Functional and presentation currency

The figures in the Company's financial statements are measured in the currency of the primary economic environment in which the company operates ('the functional currency'). The financial statements are presented in Euro, which is the Company's functional and presentation currency.

(b) Transactions and balances

Assets and liabilities with balances at the end of the period in a foreign currency are converted to Euro based on foreign exchange prices applicable on the date of the reference period and foreign exchange differences are recognised in the income statement. Transactions in a foreign currency are posted based on the foreign exchange prices which apply on the transaction date. All foreign exchange differences are posted to the income statement.

Transactions in a foreign currency are posted based on the foreign exchange prices which apply on the transaction date. All foreign exchange differences are posted to the income statement.

2.3. Setting off financial instruments

Financial assets and liabilities are set off and the net amount presented in the statement of financial position when there is a legal right to set off the amounts recognised and in parallel the intention is to achieve net settlement, or recognition of the asset and settlement of the liability occur simultaneously.

2.4 Revenue recognition

IFRS 15, Revenue from Contracts with Customers and IFRS 15 Amendment

Fees and commission

The adoption of the standard and its amendment did not have any impact on the Company's financial statements as net commission income, which is a key source of revenue for the Company, is not affected by the adoption of IFRS 15 because, since Company revenues from contracts with customers, including commission income and interest relate to services not performed over time or transactions entered into at a given point in time, there was no change in the accounting method employed as it was consistent with the Company’s current accounting policy.

Fees and commission are recognised on the date the relevant services are provided. Indicatively, the structure of fees and commission is primarily comprised of commission from entering into stock exchange transactions on the Athens Exchange, the Athens Derivatives Exchange and other foreign exchanges. The company's customer base covers the entire range of potential customer categories (foreign institutional investors, Greek institutional investors, foreign investors, listed companies, private customers and customers whose orders are received and processed by associated brokerage firms or other investment firms and credit institutions) or tied agents. The company is also authorised to engage in transactions as a market maker for stocks on the Athens Exchange and is a Type B market maker on the Athens Derivatives Exchange.

2.5. Intangible assets

Software

Software licences are valued at acquisition cost less depreciation. Depreciation is recorded using the straight line method over the useful life of the assets which has been estimated at between 5 and 7 years. Expenses required to develop and maintain software are posted as expenses when incurred.

2.6. Tangible assets

Real estate property, facilities and equipment are presented at acquisition cost having deducted accumulated depreciation and accumulated value decline losses. The cost of acquisition includes expenses relating directly to the acquisition of tangible assets. Subsequent expenditure is either included in the book value of the tangible assets or, if necessary, is recognised as a separate fixed asset only where it is considered likely that future financial benefits will flow to the company, provided that the cost of the fixed assets can be reliably allocated. Property, plant and equipment is tested periodically for impairment and any impairment loss is recognised directly in the income statement.

Depreciation on these assets has been calculated on the basis of the fixed line depreciation method over their useful lifespan as follows:

Improvements to third party property	during the lease or estimated useful life if shorter
Computers and software	4 - 7 years
Other furniture and equipment:	4 - 20 years

Expenses related to in-house development and maintenance of existing software and other fixed assets are charged to the income statement when they arise. Expenses payable to third parties related to the development and implementation of new software and other fixed assets are recognised as capital improvements, are added to the cost of new software and other fixed assets and are treated in the same way.

2.7. Financial assets

Financial assets - classification and measurement

The Company classifies all financial assets based on its business model for managing them and the features of their contractual cash flows. Consequently, the financial assets fall into the following two measurement categories: amortised cost and fair value through profit and loss.

Financial assets measured at amortised cost (AC)

The Company classifies and measures a financial asset at amortised cost only if both the following conditions are met:(a) the financial asset is held in the context of a business model whose objective is to hold financial assets in order to collect contractual cash flows (hold-to-collect business model) and (b) under the contractual terms governing the financial asset, cash flows are generated on specific dates which consist solely of payments of principal and interest (SPPI) on the principal outstanding.

These financial assets are initially recognised at fair value plus direct and additional transaction costs and are subsequently measured at amortised cost using the effective interest rate method (EIR) after making provision for expected credit losses (ECL). Interest income, realised gains and losses due to derecognition and changes in impairment losses of assets classified as measured at amortised cost are included in the profit and loss statement.

Financial assets measured at fair value through profit & loss (FVTPL)

The Company classifies and measures all financial assets that are not classified at amortised cost at fair value through profit & loss. Consequently, this measurement category includes loans and other debt instruments held based on hold to collect (HTC) models but fail in the SPPI rating, assets held for commercial purposes and derivative financial instruments.In addition, for a financial asset which meets the above conditions to be classified as amortised cost, it can be designated by the Company as measured at fair value through profit and loss upon initial recognition, if this eliminates or significantly reduces an accounting mismatch which would otherwise arise. Financial assets at FVTPL are initially recognised at fair value and any unrealised profits or losses which arise due to changes in fair value are included in the profit and loss statement.

Credit and advance payments to customers are non-derivative financial assets with fixed or specified payments which are not traded on an active market. Credit and advance payments occur when the Company provides money or services directly to a creditor.

Purchases and sales of financial assets at fair value presented in the income statement are posted on the transaction date, in other words the date on which the Company undertakes to purchase or sell the said assets. Financial assets not presented at fair value in the income statement are initially recognised at fair value plus transaction costs. Financial assets cease to be recognised when cash flow collection rights expire or when the Company has in effect transferred the risks and rewards associated with ownership.

Dividends from investments are recognised in the income statement when the right to collect a dividend is approved by shareholders.

The fair value of investments traded on active markets is determined by the current offer price on the stock exchange. The fair value of non-listed securities and other financial assets in cases where purchase is not active is determined using valuation techniques. These techniques include the use of recent transactions entered into on a purely commercial basis, reference to the current price of comparable assets traded and discounted cash flow methods, the valuation of options and other valuation methods frequently used on the market.

Interest income and expenses are recognised in the income statement on an accrued basis for all interest-bearing instruments using the actual interest rate method. The actual interest rate is the interest rate which precisely discounts the estimated future cash payments or receipts over the expected life of the financial instrument.

2.8. Impairment of financial assets

The Company recognises the expected credit loss (ECL) that reflects changes in credit quality from the initial recognition of financial assets measured at amortised cost, including loans, finance lease receivables, debt securities, financial collateral and loan commitments. No expected credit loss is recognised for equity instruments. Expected credit losses are a probability-weighted average estimate of credit losses that reflects the value of money over time. Upon initial recognition of the financial instruments that are subject to the impairment policy, the Company forms an impairment provision equal to the expected credit losses over their lifetime, which arise from default events that are probable during the expected duration of the instrument. Therefore, the Company applies the simplified approach in IFRS 9 to calculate expected credit losses, according to which the impairment provision is always measured at the amount of expected lifetime losses of customer receivables.

2.9 Fixed asset impairment

Assets with an indefinite useful life are not depreciated and are subject to annual or more frequent impairment testing, when some events indicate that the book value may not be recoverable. Assets subject to depreciation are tested for impairment, when there are indications that their book value cannot be recovered. The recoverable value is either the fair value less the amount required for the cost of sale or the usage value of the asset whichever is higher. To assess impairment losses assets are placed in the smallest possible cash-generating units. Impairment losses are presented as expenses in the income statement when they arise.

2.10 Sell- buy back agreements

(a) Sell- buy back agreements

Securities sold on the basis of re-purchase agreements (repos) are posted to the financial statements as pledged assets when the recipient is entitled under the agreement to sell or re-assign the pledged assets. The obligation to the counterparty includes the amounts owed to the bank or to customers, as suitably determined. Securities purchased via reverse repos are recognised as loans and advances to the bank or customers accordingly. The difference between the sale price and the repurchase price is recognised as interest during the repo's term using the effective interest rate method.

(b) Lending of securities

Securities lent by the Company to third parties remain in the financial statements. Securities borrowed by the Company are not recognised in the financial statements unless sold to third parties in which case the purchase and sale are posted and the profit or loss included in the transaction portfolio results. The obligation to return securities is posted at fair value as a trading liability.

2.11 Borrowing

Borrowing-related obligations are initially recognised at fair value determined from the incoming capital including issue expenses. Subsequent borrowing-related liabilities are valued at non-depreciated cost and the difference between the initial incoming capital and the value at the end of the loan is posted to the income statement during the term of borrowing using the effective interest rate method. If the Company redeemed its liabilities these are deleted from the financial reporting statements and the difference between the current level of liabilities and the amount paid is included in the results.

2.12 Leased Assets

Leases where substantially the risks and rewards incidental to the ownership remain with the lessor are classified as operating leases. Payments made under operating leases (net of any incentives offered by the lessor) are recognised in the profit and loss statement on a pro rata basis over the lease term as depreciation and operating lease interest - Note 2.20 (IFRS 16, leases).

2.13 Current and deferred taxation

Deferred tax is calculated on the basis of the full liability method for all interim differences which arise between the taxation basis for assets and liabilities and their corresponding book value as shown in the financial statements using the expected future tax rates. The main interim differences arise from pensions and other staff retirement benefits and from the revaluation of certain financial assets and liabilities.

Deferred tax liabilities are recognised to the extent that it is possible that there will be future taxable profits in respect of which interim differences can be used. The taxation impact of tax losses carried forward is recognised as an asset when it is likely that there will be adequate future taxable profits against which these losses can be used.
Income tax on profits is calculated based on current Greek taxation legislation and is recognised as an expense in the period for which the profits arose.

2.14 Employee benefits

(a) Pension obligations

Post-employment benefits include both defined contribution plans and defined benefit plans. The accrued cost of defined contribution plans is posted as an expense in the period to which the cost relates.
The liability recorded in the statement of financial position for defined benefit plans is the current value of the defined benefit obligation less the fair value of the plan's assets. The defined benefit obligation is calculated each year by independent actuaries using the projected unit credit method.

Under Greek labour law when employees remain in service until the normal retirement age they are entitled to lump sum compensation which is calculated based on their length of service and their pay at the date of retirement. A provision has been formed on the actuarial value of the compensation lump sum using the projected unit credit method. Under this method the cost for termination compensation is recognised in the income statement over the employees' length of service based on actuarial valuations made each year. The obligation to pay retirement compensation is calculated as the present value of expected future cash outflows using the interest rate for government bonds with terms to maturity approximating the terms of the related obligation. In countries where there is not a large market in such bonds, government bond rates at year-end are used. The currency and maturity date of the bonds used matches the currency and estimated duration of the pension obligations. Actuarial gains or losses which result from calculating the retirement compensation for the Company are recognised directly in Other Comprehensive Income in the year they are incurred and are not transferred to the income statement in subsequent periods.

The cost of current service and interest expenses are recognised directly in the results.

(b) Personnel termination compensation

The Company has improved this forecast by taking into account possible personnel terminations before the normal retirement date based on the terms of previous voluntary retirement schemes. The Company recognises termination compensation when it has specific commitments either based on detailed official plans announced which cannot be withdrawn or as a result of mutually agreed termination terms. The compensation payable after the passage of 12 months from the date of the statement of financial position is discounted at present value.

(c) Profit-sharing and benefit schemes

Management may periodically pay cash bonuses to employees who perform well. Cash bonuses through the payroll are recognised as accrued personnel expenses. Profit-sharing with employees is recognised as a personnel expense in the year in which it is approved by Company shareholders.

2.15 Transactions with related parties

Related parties include companies associated with the Company, directors, close relatives, companies held or controlled by them and companies over which significant influence can be asserted over their financial and operational policy. Transactions of a similar nature are presented overall. All transactions entered into with related parties are within the normal business of the company and are entered into on purely commercial terms.

2.16 Provisions

Provisions are recognised when the Company has a current legal or substantiated obligation as a result of events in the past and it is likely that a resource outflow will be required to settle the liability, the level of which can be reliably assessed.

2.17 Share capital

Ordinary shares are posted as equity.
Share capital increase expenses are presented (net of taxes) deducted from equity as a reduction to the proceeds of the issue.

The distribution of dividends from ordinary shares is recognised as reducing Company equity when approved by Company shareholders.

2.18 Cash and cash equivalents

Cash and cash equivalents include cash on hand, sight deposits in banks, and other short-term highly-realisable, low-risk investments with maturity dates of three months or less.

2.19 Derivative Financial Instruments and Hedging

Derivative financial instruments include futures and options, and are entered in the statement of financial position at fair value and are subsequently valued at fair value. Actual and valuation gains and losses are entered in the income statement.

2.20 New standards, amendments to standards and interpretations

New standards, amendments to standards and interpretations adopted by the Company on 1.1.2019

The following new standards, amendments to standards and new interpretations issued by the International Accounting Standards Board (IASB) and the IFRS Interpretations Committee (IFRIC) and adopted by the European Union (EU) are in effect from 1.1.2019:

Amendments to standards adopted by the Company

IFRS 9, Amendments - Prepayment Features with Negative Compensation.

This amendment changes the requirements of IFRS 9 to allow a financial asset to be measured at amortised cost or at fair value through other comprehensive income (FVOCI) depending on the business model, even in the case of prepayment entitlements which could result in the party terminating early having to pay compensation to the other party (negative compensation). Consequently, these financial assets can now be measured at amortised cost or at FVOCI, irrespective of the event or circumstance which caused early termination of the contract and irrespective of which party pays or receives fair compensation for early termination. Applying IFRS 9 before the specific amendments would most likely result in those financial assets not meeting the evaluation criteria relating solely to payments of principal and interest (SPPI) and consequently being measured at fair value through profit and loss.

The amendment also confirms how financial liabilities are to be accounted for in accordance with IFRS 9. In particular, when a financial liability measured at amortised cost is modified without it leading to derecognition, then the gain or loss calculated as the difference between the original contractual cash flows and the changed cash flows discounted at the original effective interest rate, should be recognised in the income statement.

Adoption of this amendment is not expected to have an effect on the Company's financial statements.

IFRIC 23, Uncertainty over Income Tax Treatments

The interpretation provides clarifications about the application of recognition and measurement requirements in IAS 12 Income Tax when there is uncertainty over income tax treatments.

In this case, recognition and measurement of current or deferred tax assets or liabilities in accordance with IAS 12 is based on taxable profit (tax loss), tax base, unused tax losses, and unused tax credits and tax rates determined by applying IFRIC 23.

According to the interpretation, any uncertainty about tax treatment is examined separately or in combination with others, depending on which approach best provides for removing uncertainty. The economic entity must take it for granted that the tax authority which will examine those uncertain amounts of tax, is entitled to examine tax treatments and will be fully aware of all relevant information when making that assessment.

If an economic entity concludes that it is likely that the tax authority will accept an uncertain tax treatment, it must determine the taxable profit, the tax base, tax losses, tax credits and tax rates in accordance with that tax treatment. If it concludes that it is not likely that the treatment will be accepted, the result of the uncertainty in how income tax is accounted for will be captured in the period in which the determination was made, using the method which provides for the removal of uncertainty to a greater degree (i.e. the only most likely amount or the expected value method followed by a weighted probability approach).
Judgements and estimates made in order to recognise and measure uncertain tax treatments must be reassessed if circumstances change or there is new information which affects those assumptions (such as measures taken by the tax authority, information that the authority has taken a specific stance in relation to a similar issue or that its right to examine a specific tax treatment has expired).

Adoption of this interpretation had no impact on the Company's financial statements.

IFRS 16 Leases

IFRS 16, which supersedes IAS 17 and the relevant interpretations, introduces a single accounting model for leases in the balance sheet according to which the classification of leases by the lessee as either operating or finance leases is done away with, and all leases are treated the same as finance leases in accordance with IAS 17.
The definition of a lease under IFRS 16 primarily relates to the concept of control. The new standard separates leases from service agreements based on the extent to which use of a specific asset is controlled by the customer. Control is considered to exist when the customer has:

The right to substantively acquire all financial benefits from use of the specified asset and

The right to directly use the specified asset

IFRS 16 provides for recognition of a right-of-use asset and a lease liability, when the lease commences where there is a contract or part of a contract which gives the lessee the right to use an asset for a period of time in return for the price paid. The right-of-use asset is initially measured at cost, which consists of the lease amount plus the rent paid to the lessor on or before the date of the lease, less any incentives to the lessee received, the original estimate of remediation costs and initial direct costs incurred by the lessee, and then is subsequently measured at cost, minus accumulated depreciation and impairment. The lease obligation is initially recognised at the present value of the lease payments during the lease term which have not yet been paid. Consequently the straight-line recognition method for operating lease expenses under IAS 17 is replaced by depreciation of the right to use the leased assets and the interest-expenses from the lease liability. Recognition of assets and liabilities by lessees, as described above, is not required for certain short-term leases and leases for low value assets. Accounting for lessors is not substantially affected by the requirements of IFRS 16.

Adoption of IFRS 16

The Company applied the requirements of IFRS 16 on 1.1.2019. The Company has opted for the amended retrospective application of IFRS 16, therefore, comparative information has not been adjusted.

During the transition, the Company made use of the practical solution available for transitioning to IFRS 16, not to re-evaluate to what extent a contract is or contains a lease. Consequently, existing contracts previously classified as service contracts were not classified as leases in accordance with IFRS 16, while the definition in IFRS 16 applies to all contracts entered into or amended on or after 1.1.2019.
According to IFRS 16, on the effective date of the lease, the Company as lessee recognises in the balance sheet right-of-use assets and lease liabilities which are initially measured at the present value of future lease payments.

The Company applied that initial measurement to all leases, apart from those with a 12-month or shorter lease period, and low value leases (i.e. less than € 5,000) making use of the relevant exceptions for short-term leases and leases where the underlying asset is of low value. The Company also adopted the practical solution of not separating items that do not meet the definition of a lease from those that meet it.

When implementing the amended retrospective approach, the Company used the following main estimates and assumptions:
• In order to determine the lease period for leases in which the Company is the lessee, including open-ended leases, regard was had to all relevant facts and conditions such as future housing needs and expected use, and judgement was made. In addition, regard was had to rights to extend or terminate the lease which are substantially considered certain to be exercised. These estimates will be re-examined on a regular basis during the term of each lease. The present value of lease liabilities was measured using the differential borrowing rate on the transition date since the interest rate contained in leases could not be easily determined. For the Company the differential borrowing rate arose from the estimated yield curve for the covered bonds, which is generated based on the observable yields on Greek Treasury bonds. (weighted discount rate of 2.6%) The discount rate used to determine lease liabilities will be recalculated on a regular basis using updated data. • The applicable stamp duty and taxes were excluded from the scope of the calculations in IFRS 16. The quantitative impact of applying IFRS 16 from 1.1.2019 is presented in note 16.

IAS 28, Amendments - Long-term Interests in Associates and Joint Ventures

The amendments clarify that IFRS 9 “Financial Instruments”, including impairment requirements, applies to long-term interests in an associate or joint venture which are part of the company’s net investment in an associate or joint venture but are not accounted for using the equity method.
Under the amendment, an economic entity must not take into account any adjustments to the book value of long-term holdings (net investment in an associate or joint venture) as a result of applying IAS 28 “Investments in associates and joint ventures” when applying IFRS 9.

Adoption of this amendment is not expected to have an effect on the Company’s financial statements.

IAS 19, Amendments - Amendment, Curtailment or Settlement of the Benefits Plan

This amendment clarifies that if there is a change to a defined benefit plan, namely an amendment, curtailment or settlement, the net obligation or defined benefit requirement must be remeasured and the revised actuarial assumptions must be used in the remeasurement in order to calculate the cost of current employment and the net interest for the period remaining after the change in the plan. In addition, the changes include clarifications about the impact of an amendment, curtailment or settlement of the plan on the standard’s requirements for the asset ceiling. The amendments apply with future effect to amendments, curtailments or settlements of the plan made on or after 1 January 2019.

Adoption of this amendment is not expected to have an effect on the Company’s financial statements.

Annual improvements to the IFRS 2015-2017

The improvements introduce major changes to various standards as follows:

The amendments to IFRS 3 “Business Combinations” and IFRS 11 “Joint Arrangements” clarified the way in which an economic entity recognises an increase in its participation in a joint activity that meets the definition of business. To be more specific, where an economic entity acquires control of a business which is a joint activity, then the transaction is a business combination which is achieved in stages, and the acquiror remeasures the entire participation previously held in the assets and liabilities of the joint activity at fair value. Where an entity participates in a joint activity (joint undertaking) without having joint control of it, and it acquires joint control of the undertaking, the holding previously held is not re-measured.

The improvements to IAS 12 “Income Tax” clarified that all effects on income tax from dividends, including payments from financial instruments recorded in equity, must be recognised in results in the statement of comprehensive income or equity, depending on where the initial transaction or event which gave rise to the distributed profits that resulted in the dividend had been recognised.

The amendments to IAS 23 Borrowing Costs made it clear that any borrowing initially made to develop an asset which met the conditions must be treated as part of the capital the entity borrowed in general when in effect all necessary activities to prepare the asset for the intended use or sale have been completed.

Adoption of these amendments had no impact on the Company's financial statements.

New standards, amendments to standards and interpretations not yet adopted by the Company

A range of new standards, amendments to existing standards and interpretations will take effect after 2019, given that they have not yet been adopted for use by the European Union or the Company has not adopted them earlier than the mandatory adoption date.

Reform of the Benchmark Rates: Amendments to IFRS 9, IAS 39 and IFRS 7 (effective from 1.1.2020)

In September 2019 the IASB issued amendments to IFRS 9 "Financial Instruments" and IAS 39 "Financial Instruments: Recognition and Measurement and IFRS 7 "Financial instruments: Disclosures" to address the impacts on specific receivables related to hedge accounting arising from the uncertainty created by the reform of benchmark rates across the entire market (referred to as the "IBOR reform"). As a result of the IBOR reforms, there may be uncertainties about: a) the benchmark rate specified as the hedged risk and/or b) the time or amount of cash flows based on the benchmark rates for the assets hedged or the hedging instrument, during the period until a type of benchmark rate is replaced with an alternative risk-free rate (RFR) as a benchmark. The amendments provide a temporary exemption from the possible impacts of uncertainty during the specific period, by amending specific hedge accounting criteria in accordance with IAS 39 or IFRS 9. These temporary exemptions relate primarily to the requirement of a high probability of performance in terms of the cash flows being hedged, compliance with the criterion of the distinct nature of the risk component and the application of a future and retrospective assessment of the effectiveness of a hedge accounting relationship. The IASB addresses the reform of IBOR and the possible impact on financial reporting in two phases. These amendments complete the first phase which focused on issues affecting financial reporting in the period before the benchmark rate was reformed. The second phase focuses on possible issues which may arise when existing interest rates are replaced by RFR.

Amendments to the Financial Reporting Conceptual Framework, including amendments relating to references to the Conceptual Framework within the IFRS (effective from 1.1.2020)

In March 2018 the IASB issued the revised Conceptual Framework. This revised framework replaces the previous version, which was issued in 2010. The revisions made by the Board relate to guidelines on the concepts of measurement, presentation and disclosure and derecognition. In addition, the revision includes new definitions of assets, liabilities and recognition criteria, as well as clarifications about other important fields. In parallel with the revised Conceptual Framework, the IASB published an accompanying document entitled "Amendments to References to the Conceptual Framework in IFRS Standards", which includes subsequent changes to the standards so that they are referred to in the new Framework.

Adoption of this amendment is not expected to have an effect on the Company's financial statements.

IFRS 3 "Business Combinations" (effective from 1.1.2020, not yet adopted by the EU)

The IASB issued amendments relating to the definition of a business in IFRS 3 "Business Combinations" to help economic entities determine whether a set of acquired activities and assets constitute a business or not. The amendments clarify the minimum requirements for the definition of a business, remove the assessment as to whether market participants can replace the missing elements, and add guidelines to help economic entities evaluate whether the processes acquired are considered important. In addition, they specify the definitions of a business and its outputs and introduce an optional control regarding the fair value concentration test.

Adoption of this amendment is not expected to have an effect on the Company's financial statements.

Amendments to IAS 1 and IAS 8 regarding the definition of "material" (effective from 1.1.2020)

The amendments to IAS 1 "Presentation of Financial Statements" and IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" seek to bring all standards into line with the definition of "material" and clarify specific aspects of it. The new definition states that "Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements". The amendments clarify that the concept of materiality will depend on the nature, size of the information or both.

The Company is examining any impact from adoption of this amendment on its financial statements.

IAS 1, Amendments, classification of liabilities in current or non-current assets (effective from 1.1.2020, not yet adopted by the EU)

The amendments only affect the presentation of liabilities in the balance sheet and provide clarifications about the definition of the right to defer settlement of a liability, while also clarifying that the classification of liabilities as current or non-current assets should be based on rights that are in existence at the end of the reporting period. In addition, it should be clarified that the assessment carried out at the end of the reporting period regarding classification of liabilities is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. The IASB also clarified that the classification of liabilities into current or non-current assets by an economic entity should not take into account the conversion rights recognised in equity.

Adoption of this amendment is not expected to have an effect on the Company's financial statements.

3 Important accounting estimates and assumptions in implementing the accounting policies

In implementing the Company's accounting policies, Management makes estimates and assumptions which affect the amounts shown in asset and liability accounts in the statement of financial position during the next financial year. These estimates and assumptions are constantly evaluated and are based on historical experience and on other factors including expected future events which, under current conditions, are expected to occur.

3.1 Provision for bad debt

Customer debit balances are valued at amortised cost less expected credit losses. The amount of the expected credit loss provision is recognised as an expense in the provisions in the income statement for the period.

4 Financial risk management

4.1 Use of financial instruments

By their nature, Company activities are primarily related to the use of financial instruments, including derivatives.

The Company primarily trades in financial instruments and from time to time acquires exposure to over-the-counter instruments including derivatives to exploit short-term fluctuations in the equity market and due to its leading role as a Type B market maker in the domestic listed derivatives market. Company Management in cooperation with the Management Committees of the Eurobank Ergasias Group specify the transaction limits for the size of exposure that can be accepted.

4.2 Financial risk factors

Company activities expose it to various financial risks: credit risk, market risk, liquidity risk and concentration risk. General Company risk management policy focuses on the uncertainty of financial markets and seeks to minimise possible negative impacts on financial performance, financial status and Company cash flows.

4.2.1 Credit Risk

The Company is exposed to credit risk which is the risk that the counterparty is unable to fully pay the amounts it owes when these become due. Provisions for impairment are recognised for losses incurred on the date of the statement of financial position. Consequently, Management carefully manages its exposure to credit risk in the context of the regulatory provisions laid down by the supervisory authority (the Hellenic Capital Market Commission).

(a) Derivatives

The Company imposes limits to control net exposure to derivatives, in other words the difference between purchase and sale agreements, in terms of amount and terms. At any point the amount subject to credit risk is limited to the current fair value of instruments which are favourable for the Company (in other words derivatives with a positive fair value) which -in relation to derivatives- are only a small part of the theoretical amount of contracts used to express the volume of outstanding instruments. Managing exposure to credit risk is done by taking into account possible exposure to market fluctuations. Collateral or other securities are not usually included for exposure to credit risk for these instruments unless the Company requires a margin deposit from counterparties.

(b) Credit-related commitments

These are maintained in line with the regulatory provisions of the supervisory authorities from time to time.
The ability of members of ATHEX to grant credit to customers to enable stock exchange transactions to be carried out (via a margin account) was regulated for the first time by Law 2843/2000 and is now provided for by Law 4141/2013 and decision No. 6/675/27.02.2014 of the Hellenic Capital Market Commission.

The loan provision model is based on the general principle that credit is extended only on the basis of a written agreement between the member and the customer where the latter provides the member with corresponding collateral for the loan over which the member maintains a lawful pledge.
The margin account enables investors to purchase more shares than those which their available capital would permit by utilising leverage techniques. However, the purchase of shares on credit is a technique used by investors skilled in handling this tool and who know how it operates.

The specific terms and conditions for members of ATHEX to grant credit are laid down by law and in the regulatory decisions of the Hellenic Capital Market Commission and Acts of the Governor of the Bank of Greece issued pursuant to such laws. Consequently, the Company is not exposed to significant credit risk from its activities.
The debt balance of customers with a margin on 31.12.2019 amounted to € 13,063,309 and the current value of the margin portfolio is € 30,633,708.

(c) Credit risk for 2-day credit up to the time of settlement

Pursuant to Law 4141/2013 and Hellenic Capital Market Commission Decision No. 6/675/27.02.2014 the customer should have paid the purchase price by the end of T+2. If this is not done the ATHEX Member may make necessary sales to minimise risk on T+3 or make advances for part of the purchase price and in general is not exposed to significant credit risk. Alternatively, after signing an additional agreement with the Company, the customer may obtain 2-day credit which relates to operations and the risks entailed by the margin account.

The debt balance of customers with 2- day credit on 31.12.2019 amounted to € 964,968 and the current value of the margin portfolio is € 162,288,257.

(d) Deposits with mature loan balance financial institutions

In order to safeguard the unencumbered cash assets of customers, in decision No.2/452/01.11.2007, as in force, the Hellenic Capital Market Commission required members of the Athens Exchange to keep their customers' monies in special bank accounts with credit institutions of recognised repute.

4.2.2. Market Risk

The Company is exposed to market risk. Market risk arises from exposure to securities, which are exposed to general and specific fluctuations in the market and to exposure risk, FX risk and interest rate risk. The Company takes position for commercial reasons in shares, derivatives where the underlying securities are shares or share indexes. These assets are listed on regulated markets, are directly realisable and suitable for market risk hedging.

(i) Exposure risk

On 31.12.2019 the Company's total exposure (Delta equivalent exposure) was € 612,047. (The amount can be broken down into: Derivatives with an underlying security on FTSE/ATHEX Large Cap Index: € -9,389,869.00, Derivatives with underlying equities: € -49,122,968 and Shares: €59,124,884). Market risk based on the in-house value at risk (VaR) model and with VaR parameters at 10 days / 99% confidence interval, was € 51,898. If the Company needed to fully realise its portfolio (the hedged positions will be closed at the contract maturity date) the potential loss from such realisation was calculated based on the internal model at € 6,248.48 which was then entered in the books.

(ii) Foreign exchange risk

The Company's financial status and cash flows are exposed to risk from the impact of fluctuations in current exchange rates.

(iii) Interest rate risk

The Company's financial status and cash flows are exposed to risk from the impact of fluctuations in exchange rates that currently apply on the market. Interest rate risk for cash flows is the risk that future cash flows from a loan which has been granted will fluctuate due to changes in market rates. In the case of credit granted via margin accounts or 2-day credit lines, the interest rate risk is rolled over to customers in most cases by contract. Overall Company exposure to interest rate risk is considered to be negligible.

4.2.3. Liquidity Risk

The Company is exposed to daily liquidity risk. The Company does not have cash assets to cover all its needs since experience shows that the minimum level of capital reinvestment upon maturity can be forecast with a high degree of certainty. Management sets limits on the minimum amount of capital to mature which is available to cover such liquidity gaps using stress tests.
The maturity of assets and liabilities and the ability to replace interest-bearing liabilities at acceptable cost upon maturity are factors in determining company liquidity and its exposure to interest rate fluctuations (note 25).

4.2.4 Concentration risk

Concentration risk refers to the case where the loan portfolio or company exposure correspond to a large degree to a single counterparty or a group of associated counterparties with common characteristics or the same collateral issuer in relation to the credit risk. As far as retail customers with similar characteristics are concerned, the company's loan portfolio is diversified across a wide range of customers. In the case of institutional customers or groups of associated companies, where exposure is particularly short-term, the most important form of risk is considered to be the risk related to the size of the exposure or the overall exposure of associated companies, and other risks (such as country risk) are considered to be not very important.

4.2.5 Capital adequacy

The initial capital management objectives were to ensure that the Company maintains satisfactory capital adequacy ratios in order to allow it to continue its operations and maximise the benefits for shareholders.

The Company manages its capital structure and adjusts it depending on economic conditions and the risk characteristics of its activities. The Company can adjust its capital structure by adjusting the level of dividend distributed to shareholders, by returning capital to shareholders or by issuing equity instruments.

On 31.12.2019 the Company's capital adequacy indicator was 32 %. The minimum limit is 8%.

Amounts are expressed in € '000.

	31-Dec-19	31-Dec-18
Tier 1 capital		
Share capital	43,866	43,866
Statutory reserve and other reserves	22,424	22,452
Retained earnings	7,790	6,133
Total Tier 1 Capital	74,080	72,451
Less: Total regulatory adjustments to intrinsic equity	(1,439)	(766)
Total regulatory capital	72,640	71,685
Total weighted assets	227,852	165,591
Basel III capital adequacy index	31.88%	43.29%

4.3 Fair value of financial assets and liabilities

Fair value is the amount for which an asset could be exchange or a liability settled by informed and willing parties in a purely commercial transaction. The market price (where there is an active market such as a recognised exchange) is the best indicator of fair value for a financial instrument. In cases where there are no indicative market prices, the fair value of financial assets and liabilities is computed using their present value or other valuation methods, where all significant variables are observable in the market.

The values resulting using these methods are significantly affected by assumptions about the level and timing of future cash flows and discounting rates used. The fair values of financial assets and liabilities approximate their book value for the following reasons:

a. Financial assets held for commercial purposes, derivatives and other transactions entered into for commercial reasons, and interest-bearing notes, investment instruments available for sale and financial assets and liabilities valued at fair value through profit and loss are valued at fair value by reference to stock exchange prices, if they are available. If stock exchange prices are not available, the fair values are computed using valuation methods.

b. All financial assets valued at fair value are categorised at year end into one of the three fair value ranking levels depending on whether valuation is based on data observable or non-observable in the market.

Level 1 - Stock exchange prices on active markets for financial assets with the same characteristics. These prices must be available from a stock exchange or active index / market directly and at regular intervals and must represent real, frequent transactions on a purely commercial basis. This level includes listed shares, debt instruments and negotiable derivatives.
Level 2 - Financial assets valued using valuation methods where all the most important data comes from observable values. This level includes OTC derivatives and complex financial assets and liabilities.

Level 3 - Financial assets valued using valuation methods where the most important data comes from non-observable values.

The remaining financial assets which are short-term or are valued again at regular time intervals their book value approximates their fair value.

	31-Δεκ-19			
	Stock exchange prices on active markets (Level 1)	Valuation model, observable values (Level 2)	Valuation model, non-observable values (Level 3)	Total
	€ '000	€ '000	€ '000	€ '000
Financial assets presented at fair value through profit and loss	59,125	-	-	59,125
Derivatives	120	-	-	120
Investment securities portfolio	-	-	120	120
Total financial assets	**59,245**	**-**	**120**	**59,365**
Financial assets presented at fair value through profit and loss				
Open sales of shares on ATHEX	-	-	-	-
Derivatives	392	-	-	392
Total Liabilities	**392**	**-**	**-**	**392**

	31-Dec-18			
	Stock exchange prices on active markets (Level 1) € '000	Valuation model, observable values (Level 2) € '000	Valuation model, non-observable values (Level 3) € '000	Total € '000
Financial assets presented at fair value through profit and loss	20,581	-	-	20,581
Derivatives	75	-	-	75
Investment securities portfolio	-	-	120	120
Total financial assets	**20,656**	**-**	**120**	**20,776**
Financial assets presented at fair value through profit and loss				
Open sales of shares on ATHEX	486	-	-	486
Derivatives	124	-	-	124
Total Liabilities	**610**	**-**	**-**	**610**

5 **Results from financial transactions**

	1/1 - 31/12/2019	1/1 - 31/12/2018
Profits/ (losses) from financial transactions - shares	18,460,067	(10,774,209)
Profits/ (losses) from financial transactions - derivatives	(16,657,389)	11,197,542
Profits/ (losses) from financial transactions - derivatives	-	877,964
Gains/(losses) from foreign exchange differences	186,212	234,410
	1,988,889	**1,535,706**

6 **Net income from fees/commission**

	1/1 - 31/12/2019	1/1 - 31/12/2018
Share purchase/sale commission	6,916,949	5,923,842
Derivatives commission	896,535	610,279
Other income	320,414	318,914
	8,133,898	**6,853,035**

7 **Staff salaries and expenses**

	1/1 - 31/12/2019	1/1 - 31/12/2018
Employee salaries, wages and benefits	3,126,713	3,194,461
Social security contributions	754,066	771,733
Retirement pay and other post-service benefits (note21)	517,494	261,643
Other staff expenses	266,495	372,965
	4,664,769	**4,600,802**

The number of staff employed on 31.12.2019 was 70 compared to 75 on 31.12.2018.

8 **Other operating expenses**

	1/1 - 31/12/2019	1/1 - 31/12/2018
Third party fees and expenses	1,345,037	1,345,873
Subscriptions and contributions	1,329,599	1,221,301
Other benefits	815,239	911,215
Miscellaneous other expenses	396,587	347,568
Operating leases rents	-	193,745
Provisions for extraordinary and general risks	-	83,688
	3,886,461	**4,103,390**

9 **Financial results**

Financial income

	1/1 - 31/12/2019	1/1 - 31/12/2018
Interest on deposits and other interest	868,843	825,002
	868,843	**825,002**

Financial expenses	1/1 - 31/12/2019	1/1 - 31/12/2018
Interest on loans	802,102	149,531
Negative interest (Bank of Greece) on Auxiliary Fund levies	71,793	48,755
Operating lease interest	31,302	-
Other interest	72,309	49,004
	977,505	**247,290**

10 Income tax

	1/1 - 31/12/2019	1/1 - 31/12/2018
Income tax for the period	-	(1,381,627)
Income tax for prior periods	2,128	18,573
Deferred tax (Note 11)	(677,089)	1,131,194
Total	**(674,962)**	**(231,860)**

Total provision for income tax shown in results

The tax rate in Greece is 2019 was 24% (2018: 29%) The reconciliation between income tax on EBT based on current rates and tax expenses is as follows:

	1/1 - 31/12/2019	1/1 - 31/12/2018
Results before tax	2,343,401	**834,004**
Tax at applicable rate (2019: 24%, 2018: 29%	562,416	241,861
Tax impact:		
Untaxed income / Untaxed deductible expenditure	94,419	107,121
Impact of change in income tax rate	32,488	36,470
Income tax for prior periods	(2,128)	(18,573)
Other tax adjustments	(12,223)	(135,019)
Total	**674,972**	**231,860**
Effective tax rate	**28.80%**	**27.80%**

The company has been audited for taxation purposes up to and including 2010.

Under Greek tax law and the relevant Ministerial Decisions, the tax administration may issue an administrative decision levying tax (estimated amount or corrective assessment) within 5 years of the end of the year in which the deadline for submitting a tax return expires. Due to the 5-year period elapsing on 31.12.2019, the financial years which ended up 31.12.2013 became statute-barred.

From the period ending 31.12.2011 onwards, Article 65A of Law 4174/2013 (which is in force now, and as Article 82 of Law 2238/1994 previously in force also required), Greek societes anonyme and limited liability companies whose annual financial statements are audited of necessity are obliged from fiscal years commencing before 1.1.2016 to obtain an annual tax certificate issued after a tax audit is carried out by the statutory auditor or auditing firm which audits the annual financial statements. For periods commencing from 1.1.2016 onwards the annual tax certificate is optional but the Company has opted to obtain it.

The Company has obtained unconditional tax certificates for the periods 2014 to 2018. For 2019 the tax audit to obtain the tax certificate is under way. Upon completion of the tax audit, Company Management does not expect there to be major tax liabilities other than those entered in and already presented in the financial statements.

Under the provisions of Article 22 of Law 4646/2019 (Government Gazette 201/A) profits from business activity acquired by legal persons and legal entities which keep double-entry books, apart from credit institutions which have been included in the special provisions of Article 27A of the Hellenic Income Tax Code on deferred tax assets, are taxed at a rate of 24% for income for the 2019 tax year onwards.
Deferred income tax is calculated on deductible interim differences and on unused tax losses at the tax rate expected to apply in the period in which the asset or liability is settled.

11 Deferred tax

Deferred income tax is calculated for all interim differences based on the full liability method with an expected effective tax rate of 24%, as stated in Note 10.

The deferred tax account is presented below:

	31-Dec-19	31-Dec-18
Balance on 1 January	**573,304**	**(568,780)**
Impact of adopting IFRS 9 on 1 January	-	8,287
Balance on 1 Jan (adjusted)	**573,304**	**(560,493)**
(Debit)/Credit to income statement	(644,601)	1,167,664
(Debit)/Credit to income statement due to reduction in tax rate	(32,488)	(36,470)
(Debit)/Credit to statement of changes in equity	12,024	2,603
Balance at end of period/year	**(91,761)**	**573,304**
Deferred tax liabilities are attributable to the following:		
Personnel termination liabilities	108,910	96,849
Financial assets presented at fair value through profit and loss	(1,135,794)	378,112
Tax losses recognised	869,725	-
Other interim differences	65,398	98,343
Deferred tax assets – (liabilities)	**(91,761)**	**573,304**

12 Cash and cash equivalents

For the purpose of preparing the cash flow statement, cash and cash equivalents are the following balances which mature within a 90-day period:

	31-Dec-19	31-Dec-18
Cash on hand	5	6
Company sight deposits	5,095,465	17,386,806
Sight deposits for customer mature credit balances	85,615,013	51,430,555
	90,710,483	**68,817,367**
Impairment of receivables from financial institutions	(5,331)	(11,216)
Total	**90,705,152**	**68,806,151**

13 Financial assets presented at fair value through profit and loss

	31-Dec-19	31-Dec-18
Shares		
- Listed on the Athens Exchange and foreign exchanges (Receivables)	59,124,884	20,581,497
- Listed on the Athens Exchange and foreign exchanges (Liabilities)	-	(124,111)
	59,124,884	**20,457,386**

Of the above shares in the assets, shares worth € 33,952,865 are blocked in favour of the ETEK Fund to cover the margin. The entire listed share portfolio is characterised as held for trade.

	2019	2018
Opening balance (1 Jan)	20,457,386	29,041,418
Additions /(reductions)	33,809,732	(7,076,086)
Adjustment to fair value	4,857,766	(1,507,946)
Closing balance (31 Dec)	**59,124,884**	**20,457,386**

14 Derivatives

	31-Dec-19		
	Contract/ nominal value	Fair value Assets	Fair value Liabilities
Derivatives held for trade			
Negotiable futures	57,645,033	94,998	365,525
Negotiable options	2,614,900	25,058	26,165
		120,055	391,690

This exposure arose from hedging exposure to futures that arose from our obligations as a market maker for shares and index futures.

	31-Dec-18		
	Contract/ nominal value	Fair value Assets	Fair value Liabilities
Derivatives held for trade			
Negotiable futures	19,328,492	53,195	484,938
Negotiable options	745,500	21,329	1,353
		74,524	486,291

15 Receivables - liabilities from customers - brokers - stock exchange

	31-Dec-19	31-Dec-18
Receivables from customers	16,944,164	15,457,478
Receivables brokers - stock exchange	22,558,621	20,606,622
	39,502,786	**36,064,100**
Liabilities to customers - brokers - stock exchange	7,228,254	5,997,175
Liabilities to customers for cleared transactions	85,615,013	51,430,555
	92,843,266	**57,427,730**

Receivables from customers can be broken down as follows:	31-Dec-19	31-Dec-18
Customer balances	18,166,310	17,318,725
Less: Provisions for impairment of receivables	(1,222,146)	(1,861,247)
Total	**16,944,164**	**15,457,478**

The changes in the provisions account can be broken down as follows:

	31-Dec-19	31-Dec-18
Opening balance	1,861,247	1,835,789
Plus: Provision formed for year	-	86,858
Less: Receivables written off via provisions	(639,101)	(61,400)
Balance at the end of year	**1,222,145**	**1,861,247**

The table below shows the change in customer receivables over time:

	31-Dec-19	31-Dec-18
Receivables from customers up to 3 months	9,206,455	6,998,685
Receivables from customers from 3 to 12 months	4,202,319	3,622,802
Receivables from customers over 1 year	4,757,536	6,697,238
	18,166,310	**17,318,725**
Less: Provisions for impairment of receivables	(1,222,145)	(1,861,247)
Closing balance	**16,944,165**	**15,457,478**

The amounts not covered by the impairment provision related to margin and 2-day credit products. The current value of the margin portfolio of customers with a debt balance on 31.12.2019 was € 1,465,949,150 compared to a portfolio value of € 997,068,350 on 31.12.2018. The fair value of these assets approximate their book value.

16 Intangible and tangible assets

Intangible assets

	31.12.2019 Software
Acquisition cost :	
Balance on 1.1.2019	4,703,508
Additions	327,935
Sales - Deletions	-
Balance on 31.12.2019	**5,031,443**
Accumulated depreciation:	
Balance on 1.1.2019	(3,919,995)
Depreciation for the period	(256,049)
Sales - Deletions	-
Balance on 31.12.2019	**(4,176,044)**
Carried value on 31.12.2019	**855,399**

	31.12.2018 Software
Acquisition cost :	
Balance on 1.1.2018	4,406,228
Additions	297,280
Sales - Deletions	-
Balance on 31.12.2018	**4,703,508**
Accumulated depreciation:	
Balance on 1.1.2018	(3,711,957)
Depreciation for the period	(208,038)
Sales - Deletions	-
Balance on 31.12.2018	**(3,919,995)**
Carried value on 31.12.2018	**783,513**

Tangible assets

	31-Dec-19				
	Improvements to third party property	Right-of-use assets	Furniture and other equipment	Computers	Total fixed assets
Recognition of right-of-use assets	-	1,223,372	-	-	1,223,372
Acquisition cost :					
Balance as at 1.1.2019 (adjusted)	1,133,354	1,223,372	1,646,125	2,100,691	6,103,541
Additions	45,744		30,875	33,781	110,400
Sales - Deletions	-	(24,561)	-	-	(24,561)
Balance on 31.12.2019	1,179,098	1,198,811	1,676,999	2,134,472	6,189,380
Accumulated depreciation:					
Balance on 1.1.2019	(751,952)	-	(1,575,143)	(1,998,553)	(4,325,648)
Sales - Deletions	-	4,557	-	-	4,557
Depreciation for the period	(46,066)	(218,958)	(9,222)	(58,429)	(332,674)
Balance on 31.12.2019	(798,018)	(214,401)	(1,584,365)	(2,056,982)	(4,653,766)
Carried value as at 31.12.2019	**381,081**	**984,411**	**92,634**	**77,490**	1,535,616

The table below shows the reconciliation between commitments under operating leases, disclosed in accordance with IAS 17 in the financial statements for the period ended on 31.12.2018, and lease liabilities recognised in accordance with IFRS 16:

Non-cancellable operating lease rents payable in accordance with IAS 17	1,329,082
Plus: Future contractual payable rents (other than non-cancellable period)	-
Adjusted total commitments from operating leases as at 31.12.2018	1,329,082
Less: Excluded short-term leases and low value leases	(10,439)
Less: Reassessment of the lease period	21,912
Undiscounted lease liabilities as at 31.12.2018	1,340,555
Less: impact of discounting lease liabilities using the differential borrowing rate on 1.1.2019	(117,183)
Total liabilities from right-of-use assets recognised on 1.1.2019 under IFRS 16	**1,223,372**
Termination of leases in 2019	(20,019)
Rents paid in 2019	(236,977)
Lease interest paid in 2019	31,302
Total liabilities from finance leases as at 31 December 2019 in accordance with IFRS 16	**997,678**

The sum of € 997,678 can be broken down into short-term liabilities of € 181,970 and long-term liabilities of € 815,708.

	31-Dec-18				
	Improvements to third party property	Rights under leases	Furniture and other equipment	Computers	Total fixed assets
Acquisition cost :					
Balance on 1.1.2018	1,038,271	-	1,646,289	2,096,383	4,780,943
Additions	95,083	-	43,170	4,308	142,561
Sales - Deletions	-	-	(43,334)	-	(43,334)
Balance on 31.12.2018	1,133,354	-	1,646,125	2,100,691	4,880,169
Accumulated depreciation:					
Balance on 1.1.2018	(717,857)	`	(1,614,737)	(1,938,674)	(4,271,268)
Sales - Deletions	-	-	43,334	-	43,334
Depreciation for the period	(34,095)	-	(3,740)	(59,879)	(97,714)
Balance on 31.12.2018	(751,952)	-	(1,575,143)	(1,998,553)	(4,325,648)
Carried value as at 31.12.2018	**381,401**	-	**70,981**	**102,138**	**554,521**

17 Other long-term receivables

	31-Dec-19	31-Dec-18
Participation in the Auxiliary Fund	5,595,729	3,543,923
Participation in the Guarantee Fund	2,501,486	2,501,486
	8,097,215	**6,045,409**

These participations include the following sums: a) € 1,558,755 which relates to payment of a guarantee as contributions to the Auxiliary Fund for shares and € 3,304,953 which relates to payment of a guarantee as contributions to the Auxiliary Fund for derivatives, b) € 732,021.12 to the Cyprus Stock Exchange Clearing Fund, c) € 2,501,486 which relates to payment of a guarantee to the Investment Services Guarantee Fund in accordance with the provisions of Law 2533/1997. A letter of guarantee of € 2,001,486 has also been issued for the same purpose.

The following points should be noted in relation to the Auxiliary Fund:
Transaction limits and the Auxiliary Fund were introduced at the end of 1996 and start of 1997 to handle problems with transaction clearing. Law 3371/2005 amended the original law and bolstered the role of the Auxiliary Fund and how it operates. In cooperation with the Guarantee Fund, and having obtained approval from the HCMC after examining risk hedging methods applied on European markets, the HELEX Group concluded that it was necessary to implement a modern counterparty risk management and hedging method on the Greek equities market with a change in the method for calculating the daily transaction limits for ATHEX members.

The Auxiliary Fund is run by ATHEXCLEAR S.A. And operates in accordance with Law 3606/2007 and the provisions of Regulation (EU) No 648/2012 and Articles 29 to 31 of Regulation (EU) No 153/2013. Application of the new model in line with the EMIR regulation took effect for the equities market on 16.2.2015.

18 Investment securities portfolio

	31-Dec-19	31-Dec-18
Shares not listed on ATHEX	261	261
Greek corporate bonds	119,560	119,560
	119,821	**119,821**

19 Other short-term receivables

	31-Dec-19	31-Dec-18
Income receivable	20,884	17,725
Prepaid expenses	139,233	257,558
Other receivables	18,977	19,150
Sundry debtors	222,618	175,766
	401,713	**470,199**

The fair value of these assets approximate their book value.

20 Receivables from the Greek State

	31-Dec-19	31-Dec-18
Receivables from taxes withheld for specially taxed reserves.	723,262	723,262
Receivables from withholding and advance taxes for 2019	1,366,846	-
	2,090,108	**723,262**

21 Personnel termination liabilities

The impact of the amendments in the revised IAS 19 on the statement of comprehensive income for 2019 are presented below:

	31-Dec-19	31-Dec-18
Balance on 1 January	387,398	375,203
Benefits paid during year	(502,624)	(599,246)
(Credit) / Debit to income statement	517,495	631,010
Actuarial (gain) loss on liability due to financial assumptions	46,627	-
Actuarial (gain) loss on liability due to experience	4,898	(19,569)
Balance at year end	**453,794**	**387,398**

Cost of current	27,500	32,430
Interest costs	7,206	6,679
Cost of cutbacks/settlements/termination of service	482,789	591,901
	517,495	**631,010**

In order to form the provision for personnel termination compensation the following assumptions were used: a) discount rate of 0.89% and b) future increases for 2020: 0.50%, 2021: 0.70 % 2022: 1.10 %, 2023: 1.26 % 2024: 2.26 %, c) Expected remaining working life: 20.29 years

Thus on the valuation date (31.12.2019) use of a 0.5% higher discount rate would result in the present value of the actuarial obligation being 9% lower while use of a 0.5% lower discount rate would result in the present value of the actuarial obligation being 10% higher.

22-Jan-00 Other liabilities

	31-Dec-19	31-Dec-18
Suppliers	348,555	503,036
Insurance and pension fund dues	183,211	188,454
Liabilities to related enterprises (note 26)	1,428,991	1,134,576
Pre-collected income and expenses payable	865,709	165,813
Other liabilities	868,585	922,929
	3,695,052	**2,914,808**

The fair value of these assets approximate their book value.

23 Share Capital

	31-Dec-18	
	Ordinary shares No. of shares	Share Capital
1.1.2018 & 31.12.2018	**1,390,350**	**43,865,543**
	31-Dec-19	
	Ordinary shares No. of shares	**Share Capital**
1.1.2019 & 31.12.2019	**1,390,350**	**43,865,543**

24 Reserves

	31-Dec-18				
	Ordinary Reserves	Untaxed reserve for securities losses to be offset	Other Reserves	Extraordinary Reserves	Total
Balance on 1.1.2018	14,621,847	(29,658)	7,689,805	146,735	22,428,729
Actuarial gains	-	-	22,172	-	22,172
Transfer of reserves	-	-	1,458	-	1,458
Balance on 31.12.2018	**14,621,847**	**(29,658)**	**7,713,435**	**146,735**	**22,452,359**

	31-Dec-19				
	Ordinary Reserves	Untaxed reserve for securities losses to be offset	Other Reserves	Extraordinary Reserves	Total
Balance on 1.1.2019	14,621,847	(29,658)	7,713,435	146,735	22,452,359
Actuarial losses	-	-	(39,501)	-	(39,501)
Transfer of reserves	-	-	10,869	-	10,869
Balance on 31.12.2019	**14,621,847**	**(29,658)**	**7,684,803**	**146,735**	**22,423,727**

The statutory reserve formed in accordance with the provisions of Greek law (Articles 44 and 45 of Codified Law 2190/1920) under which at least 5% of the annual net earnings (net of tax) must be placed in the statutory reserve until that reserve reaches 1/3 of the paid-up share capital. The statutory reserve may be used to cover losses following a decision of the Ordinary General Meeting of Shareholders and consequently cannot be used for any other purpose. On 31.12.2019 the statutory reserve stood at € 14,621,847 (1/3 of the paid-up share capital).

Reserves from tax preference items were formed in line with the provisions of various laws. Under Greek tax law, those reserves are exempt from income tax so long as they are not distributed to shareholders, whereas if distributed or capitalised, they will be taxed at the tax rate applicable at the time of distribution.

25 Breakdown of liabilities based on maturity

The table below presents Company liabilities in categories based on the time remaining to maturity on the date of the statement of financial position.

	31-Dec-19					
	up to 1 month	**1-3 months**	**3 - 12 months**	**1 - 5 years**	**Over 5 years**	**Total**
LIABILITIES						
Long-term liabilities						
Liabilities from right-of-use assets		-	-	815,708	-	815,708
Short-term liabilities						
Loan obligations	30,000,000					30,000,000
Liabilities from customers - brokers - stock exchange	92,843,266	-	-	-	-	92,843,266
Financial instruments - liabilities	391,690		-	-	-	391,690
Liabilities from right-of-use assets			181,970			181,970
Other liabilities	3,330,496	364,556		-	-	3,695,052
Total liabilities	**126,565,452**	**364,556**	181,970	**815,708**	-	**127,927,686**

	31-Dec-18					
	up to 1 month	**1-3 months**	**3 - 12 months**	**1 - 5 years**	**Over 5 years**	**Total**
LIABILITIES						
Long-term liabilities						
Finance lease liabilities		-	-	-	-	-
Short-term liabilities						
Liabilities from customers - brokers - stock exchange	57,427,730	-	-	-	-	57,427,730
Derivative financial instruments - liabilities	486,291	124,111	-	-	-	610,402
Taxes	-	-	1,005,391	-	-	1,005,391
Other liabilities	2,914,808			-	-	2,914,808
Total liabilities	**60,828,829**	**124,111**	**1,005,391**	-	-	**61,958,332**

26 Transactions with related parties

All amounts are in Euro.

The company is controlled by the bank Eurobank Ergasias S.A. (whose registered offices are in Athens and which is listed on ATHEX) which holds 100% of the company's share capital.

In May 2019, following the Bank's share capital increase in the context of a merger by absorption of Grivalia Properties REIC, the percentage of ordinary shares with voting rights in the Bank held by the Hellenic Financial Stability Fund (HFSF) dropped from 2.38% to 1.40%. The HFSF is considered to continue to exercise material influence over the Bank based on the provisions of Law 3864/2010, as in force, and the framework agreement signed by the Bank with the HFSF.

More specifically, among other things, in the context of Law 3864/2010, as in force, and the framework partnership agreement, the HFSF exercises its voting rights at the Bank's General Meeting only for decisions relating to an amendment of the Bank's Articles of Association, including an increase or decrease in the Bank's share capital or granting of authorisation to the Bank's Board of Directors, decisions relating to merger, spin-off, conversion, revival, extension of the effective term or winding up of the Bank, transfer of assets (including the sale of subsidiaries) or any other issue requiring a qualified majority in accordance with the provisions of Law 4548/2018. In addition, the framework partnership agreement of 4 December 2015, which replaced the previous agreement signed on 26 August 2014, regulates, inter alia, (a) the Bank's corporate governance, (b) the Bank's restructuring plan and monitoring thereof, (c) monitoring of the implementation of the framework for the management of non-performing loans and monitoring of the Bank's performance in managing them, (d) details of the Bank's material obligations provided for in Law 3864/2010 and the cases where restricted voting rights of the HFSF can be converted into full rights, (e) monitoring of the Bank's actual risk profile compared to the approved risk and capital strategy, (f) the HFSF's consent to the risk and capital strategy of the Bank's Group and the strategy, policy and governance of the Bank's Group regarding the management of arrears and non-performing loans and any amendment, extension, revision or deviation from them, and (g) the duties, rights and obligations of the HFSF representative on the Bank's Board of Directors.

The Company engages in transactions with related parties within the normal context of its operations on a purely commercial basis. The volume of transactions with related parties and the end of year balances are shown below:

	31-Dec-19	
Receivables - Liabilities	**Eurobank Ergasias S.A.**	**Other related parties**
Receivables		
Cash assets	79,433,205	1,700,893
Other receivables	164,373	102
`		
Loans	30,000,000	-
Other liabilities	2,875,300	148,436

The loan obligations to Eurobank Ergasia S.A. relate to an open account based on contract with Euribor interest rate and a 2% spread.

	1/1- 31/12/2019	
Income - Expenses	**Eurobank Ergasias S.A.**	**Other related parties**
Income from commission	414,881	418
Expenses from commission	(1,154,107)	-
Staff salaries and expenses	360,203	-
Overheads	(534,423)	(252,942)
Depreciation	(147,952)	-
Income from interest	59,551	-
Interest expenses	(870,136)	(7,763)
Total	**(1,871,984)**	**(260,287)**

	31-Dec-18	
Receivables - Liabilities	**Eurobank Ergasias S.A.**	**Other related parties**
Receivables		
Cash assets	66,012,098	716,171
Other receivables	94,239	49
Liabilities		
Other liabilities	990,504	174,089

	1/1- 31/12/2018	
Income - Expenses	**Eurobank Ergasias S.A.**	**Other related parties**
Income from commission	139,423	279
Expenses from commission	(819,619)	(76)
Staff salaries and expenses	366,848	-
Overheads	(698,315)	(294,995)
Income from interest	43,310	839
Interest expenses	(186,259)	-
Total	**(1,154,612)**	**(293,953)**

The fees for the Company's key management executives for the period 1.1.2019 - 31.12.2019 stood at € 574,893 (2018: € 666,290).

27 Dividend per share

The Company's Board of Directors will decide at its next meeting on whether to propose distribution of profits for the 2019 period to the Ordinary General Meeting of Shareholders. The final amount to be distributed will be determined in the decision of the Annual Ordinary General Meeting of Shareholders.

28 Commitments

Operating lease commitments of the company as lessee

The Company rents buildings and cars via non-cancellable operating leases. The leases have various terms, adjustment clauses and renewal rights, and the Company is required to give notice of termination of the arrangements based on the notice period laid down by law for commercial leases as in force. In 2019 when IFRS 16 was adopted, the Company recognised the right to use those assets in the statement of financial position and the corresponding liability in line with the provisions of the standard. For that reason, the future total rents payable are not presented in the table below as contingent liabilities on 31/12/2019.

		31-Dec-19	
All amounts are in Euro.	**Buildings**	**Cars**	**Total**
Up to 1 year	-	-	-
From 1 to 5 years	-	-	-
More than 5 years	-	-	-
	-	-	-

		31-Dec-18	
	Buildings	**Cars**	**Total**
Up to 1 year	177,011	77,540	254,551
From 1 to 5 years	699,582	46,821	746,403
More than 5 years	328,128	-	328,128
	1,204,721	**124,361**	**1,329,082**

29 Contingent liabilities

- Guarantee letters

The Company has contingent liabilities relating to banks, other guarantees and other issues arising in the context of its normal activities. It is not expected that there will be substantial charges from contingent liabilities. The Company has issued guarantee letters in the context of its normal activities worth € 2,001,486 (to cover the Guarantee Fund).

- Pending litigation

In the case of customer balances not covered by the valuation value of their portfolio and for pending lawsuits against the Company (including any fines from normal operations) as well as any proceedings instituted by the Company with respect to tax issues, the company has formed a provision which Management considers adequate. The value of these provisions is calculated from time to time based on individualised projections in each case.
Management is in direct and ongoing contact with its legal advisors and relying on their view it does not consider that particular amounts will be payable by the company from pending lawsuits other than the amounts already covered by the provisions formed.

30 Events occurring after the date of the statement of financial position

No other events have occurred after the date of the statement of financial position (31.12.2019) which could significantly impact on the Company’s current financial position.