Eurobank Equities Investment Firm Single Member Societe Anonyme

Financial statements

for the period from **1 January to 31 December 2020** in line with the International Financial Reporting Standards as adopted by the European Union

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MANAGEMENT REPORT BY THE BOARD OF DIRECTORS OF EUROBANK EQUITIES INVESTMENT FIRM SINGLE MEMBER SOCIETE ANONYME FOR THE 21ST ACCOUNTING PERIOD FROM 01/01/2020 TO 31/12/2020 TO THE ANNUAL 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 21st accounting period 1.1.2020 to 31.12.2020 which consist of the statement of financial position as at 31 December 2020, 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 21st accounting period to which they relate.

The new standards which apply on 31.12.2020 have been taken into account.

Looking back briefly at 2020, the stock exchange market, viewed from the perspective of the General Index, dropped by 12% with an average daily turnover of €64.1 million, which was down by 3% compared to 2019. The year was defined by intense volatility in the midst of a heightening coronavirus pandemic, with the market plummeting in the first quarter of 2020 before its partial recovery over the rest of the year. The banking sector took the lead in the economy's downward course, ending the year with losses of over 40% even though it made a significant recovery in the last quarter.

More specifically:

During the first quarter of 2020 the market came under intense pressure (General Index losses of almost 40% due to the pandemic and the restrictive measures that followed). On the other hand, investor risk aversion led to mass liquidations, which resulted in a significant increase in the value of transactions (more than 80% compared to the first quarter of 2019).

This was followed by a strong recovery of the General Index in the second quarter of 2020 (+14%), since investors started to assess their expectations of recovery and gradual return to normality.

In the third quarter of 2020, a drop in trading activities was observed at levels nearing 40 million per day, due to the lack of catalysts and concerns about the impending second wave of the pandemic.

In the fourth quarter the General Index took a sharp upward turn (30%), driven by investors' risk-taking inclination following the positive news on the vaccination front. The banking sector reaped the greatest benefits with profits of over 70% in this particular quarter. The daily transaction value returned to approximately €70 million on average.

Overall in 2020, 40% of companies on the Athens Exchange General Index reported a rise, whereas the remaining 60% reported losses.

Total General Index capitalisation stood at approximately €48 billion at the end of 2020, compared to €56 billion at the end of 2019.

In 2020 Eurobank Equities Investment Firm S.A. held second place in terms of market share, accounting for 17.4% 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 2020 the Eurobank Equities Analysis Department was once again acclaimed by the Institutional Investor All-Europe Research Survey as one of the best analysis departments on the Greek stock exchange market. The Analysis Department was also once again awarded first prize by the same survey for having the top analyst on the Greek market. Said Department provides active and continuous support to all the company's investment service units through well-founded studies and estimates regarding 21 listed companies, which correspond to approximately 80% of the total capitalisation of 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 19 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.

Financial position and growth in Company business

Earnings after tax stood at €1,374,521 compared to €1,668,439 in the previous period (2019). The decrease in net profits in the year ended compared to the previous year (2019) is attributed to the decrease in the results from financial transactions.

Equity on 31 December 2020 stood at €75,419,041, compared to €74,079,511 on 31.12.2019. Assets stood at €197,055,322 on that date compared to €202,552,751 the previous year.

Key indices and ratios

The key financial indices and ratios based on the financial statements are presented below.

	Basic ratios	2020	2019
1	Current Assets		
	Total assets	95.62%	94.76%
2	Non-Current Assets		
	Total assets	4.38%	5.24%
3	EQUITY		
	Total Liabilities	62.00%	57.66%
4	Current Assets		
	Short-term liabilities	157.44%	151.00%
5	Earnings before tax		
	EQUITY	2.52%	3.16%
6	Net profit or loss for the year before income tax		
	Total assets	0.96%	1.16%

Financial risk management

The Company calculates its capital adequacy for risks assumed in accordance with the applicable regulatory framework. In 2020 capital adequacy was between 31% and 36%, 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 31.12.2020 it had financial assets at fair value through profit and loss of €45,846,803.

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. . Furthermore, in light of the unique conditions caused by the pandemic, Management proceeded to apply measures to protect the health of employees as far as possible (remote working, restriction of business trips, provision of protective equipment).

Corporate Social Responsibility Actions

The Company's Corporate Social Responsibility actions go hand in hand with its philosophy and operation. Being well-aware of the fact that every company has a responsibility to the Community in which it operates, it took targeted actions and initiatives in order to contribute actively and substantially to the improvement of society's economic and social life.

Prospects

2021 is expected to be a volatile year both for international markets and for the Greek stock market, since estimates regarding the course of economies greatly depend on the course of the pandemic and the success of the vaccination programme. In this light, there are many uncertainties about the speed and intensity of the recovery, and also about the return to (the new) normality. Given the above, apart from the health aspect, a necessary element for further strengthening the trust of investors in Greek assets is the speeding up of development-friendly reforms and projects that will result in multiple benefits for the economy. 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 2021, provided there are no new 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 the provision of top quality investment services to its constantly expanding clientèle.

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.

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 S.A.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of Eurobank Equities Investment Firm S.A. (the "Company") which comprise the Statement of Financial Position as at 31 December 2020, 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 S.A. as at 31 December 2020 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 2020.

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

Athens,26 February 2021

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-20	31-Dec-19
ASSETS			
Non-Current Assets			
Intangible assets	16	777,487	855,400
Tangible assets	16	1,492,175	1,535,616
Other long-term receivables	17	6,245,714	8,097,215
Investment securities portfolio	18	119,813	119,821
		8,635,188	**10,608,052**
Current Assets			
Receivables from customers - brokers - stock exchange	15	42,473,501	39,502,786
Receivables from the Greek State	20	2,054,674	2,090,107
Other short-term receivables	19	437,458	401,714
Financial assets presented at fair value through profit and loss	13	45,889,964	59,124,884
Derivative financial instruments - receivables	14	92,253	120,055
Cash and cash equivalents	12	97,472,284	90,705,152
		188,420,134	**191,944,699**
Total assets		**197,055,322**	**202,552,751**
EQUITY			
Share capital	23	43,865,543	43,865,543
Reserves	24	22,388,736	22,423,727
Retained earnings		9,164,763	7,790,241
Total equity		**75,419,041**	**74,079,511**
LIABILITIES			
Long-term liabilities			
Personnel termination liabilities	21	532,019	453,793
Liabilities from right-of-use assets	16	820,336	815,708
Deferred tax liabilities	11	604,153	91,761
		1,956,509	**1,361,262**
Short-term liabilities			
Loan obligations	27	16,000,000	30,000,000
Liabilities to customers - brokers - stock exchange	15	99,712,125	92,843,266
Derivative financial instruments - liabilities	14	298,575	391,690
Financial assets presented at fair value through profit and loss	13	43,161	-
Liabilities from right-of-use assets	16	204,667	181,970
Other liabilities	22	3,421,246	3,695,052
		119,679,773	**127,111,978**
Total Liabilities		**121,636,281**	**128,473,240**
Total liabilities & equity		**197,055,322**	**202,552,751**

Athens, 25/02/2021

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 Class A Licence No. 14597

The notes on pages 13 to 31 constitute an integral part of these financial statements

Income statement and statement of comprehensive income

All amounts are in Euro.

	Note	01/01-31/12/2020	01/01-31/12/2019
Net income from fees/commission	6	9,804,051	8,133,898
Income from dividends		442,872	1,469,228
Results from financial transactions	5	(251,415)	1,988,889
Income from operating activities		**9,995,509**	**11,592,015**
Staff salaries and expenses	7	3,836,498	4,664,769
Other operating expenses	8	3,865,667	3,886,461
Depreciation	16	657,632	588,722
Expenses from operating activities		**8,359,797**	**9,139,953**
Financial income	9	776,240	868,843
Financial expenses	9	(513,988)	(977,505)
Earnings before tax		**1,897,963**	**2,343,401**
Current and deferred tax	10	**(523,442)**	**(674,962)**
Earnings after tax		**1,374,521**	**1,668,439**
Other total income			
Amounts not reclassified in the income statement			
Actuarial (losses) gains from obligation to compensate staff leaving service (after tax)		(34,991)	(39,501)
Total comprehensive income		**1,339,530**	**1,628,938**

Athens, 25/02/2021

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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 1.1.2019	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**

	Share capital	**Special reserves**	**Retained earnings**	**Total**
Balance on 1.1.2020	**43,865,543**	**22,423,727**	**7,790,241**	**74,079,511**
Earnings for the year after tax	-	-	1,374,521	1,374,521
Other total income	-	(34,991)		(34,991)
Total comprehensive income for the period	**43,865,543**	**22,388,736**	**9,164,763**	**75,419,041**
Transfer of reserves	-		-	-
Balance on 31.12.2020	**43,865,543**	**22,388,736**	**9,164,763**	**75,419,041**

Athens, 25/02/2021

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Cash flow statement
All amounts are in Euro.

	NOTE:	01/01-31/12/2020	01/01-31/12/2019
Cash flow from operating activities			
Earnings before tax		**1,897,963**	**2,343,401**
Profit/(loss) adjustments in relation to the following transactions:			
Foreign exchange differences		1,246,918	(266,916)
Depreciation	16	657,632	588,722
Provisions for securities valuation and other provisions		(4,669,261)	(4,841,494)
Other adjustments		24,595	844,825
		(842,152)	(1,331,462)
Changes in accounts related to operating activities			
(Increase) / decrease in receivables from customers and other assets		16,633,794	(41,871,040)
Increase/(decrease) in current liabilities (excluding banks)		6,347,313	34,138,248
Net cash flow from / (to) operating activities		22,138,955	(9,064,254)
Cash flow from investing activities			
Purchase of intangible and tangible assets	16	(299,782)	(438,335)
Dividends collected		420,728	1,365,766
Net cash flow from / (to) investing activities		120,946	927,430
Cash flow from financing activities			
Net flows from loans	27	55,000,000	70,000,000
Repayment of finance lease liabilities		(245,852)	(236,977)
Loan repayments		(69,000,000)	(40,000,000)
Net cash flow from / (to) financing activities		(14,245,852)	29,763,024
Increase/(decrease) in cash assets		**8,014,049**	**21,626,200**
Cash assets at beginning of period		**90,710,483**	**68,817,367**
Impact of foreign exchange differences		*(1,246,918)*	*266,916*
Cash assets at end of period	12	**97,477,615**	**90,710,483**

Athens, 25/02/2021

THE CHAIRMAN OF THE BOARD	THE CEO & 1st VICE CHAIRMAN	THE CFO	THE CHIEF ACCOUNTANT
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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 S.A.

The financial statements were approved by Company Management on 25/02/2021.

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 December 2020. 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

2020 started out with positive medium-term prospects for the economy in Greece and other countries, however the coronavirus pandemic (Covid-19) caused significant uncertainties and risks to both the macroeconomic environment and the ability of many enterprises to operate in the conditions created by the restrictive measures, including the lockdown measures restricting movement/activities, which were taken in order to limit the spread of the virus. Based on the provisional data provided by the Hellenic Statistical Authority (ELSTAT), the real GDP growth rate in the third quarter of 2020 amounted to -11.7% on an annual basis, as a result of the significant drop in the export of goods and services. The corresponding percentage for the first and second quarter of 2020 was 0.4% and -14.2% respectively. According to the Winter Predictions of the European Commission for 2021, as recently published, the rate of change of the real GDP for 2020, 2021 and 2022 is expected to be -10.0%, 3.5% and 5.0% respectively. Based on data provided by ELSTAT, the unemployment rate in November 2020 amounted to 16.2% on an annual basis (November 2019: 16.6%).

In the financial field, according to the autumn financial predictions of the EC, Greece's primary balance based on the European System of National and Regional Accounts (ESA 2010) is expected to present a deficit of 3.8% and 3.6% of the GDP in 2020 and 2021, respectively, taking into account the fiscal measures taken to support financial activities up until 22 October 2020. The deviation from the Enhanced Surveillance (ES) primary surplus target of 3.5% of GDP for 2020 and 2021 will not be considered a violation of Greece's commitments undertaken in the ES framework, as on 4 March 2020 Eurogroup decided that non-permanent deviations from the agreed fiscal paths of the Member States, due to reasons outside the control of their governments (i.e. the negative effects of the pandemic), are acceptable.

Based on the 2021 Budget (November 2020), the primary surplus for 2020 and 2021 is expected to be -6.8% and -3.8% of GDP respectively, in terms of ESA95, and -7.2% and -3.9% of GDP in terms of Enhanced Surveillance. The aforementioned financial figures for 2020 and 2021 might change significantly as a result of the actual size of the fiscal support measures and the reduction in tax revenues due to the government's relevant moratoria and the decline of economic activity. According to the autumn financial predictions of the EC, the gross public debt is expected to amount to 207.1% and 200.7% of GDP for 2020 and 2021, respectively.

In response to the Covid-19 outbreak, monetary, fiscal and regulatory support was provided to the economy and banking system by both the Greek Government and European authorities. Based on the 2021 Budget, the total planned fiscal measures applied by the Greek Government for 2020 and 2021 to deal with the negative effects of the COVID-19 pandemic amount to €31.4 billion.

These also include funding from the banking system amounting to a total of €5.7 billion, plus the €2.6 billion from the Public Investment Programme for the provision of guarantees and the co-funding of loans to small and very small enterprises. From the aforementioned total amount, €23.9 billion corresponds to 2020 and €7.6 billion to 2021, including the cost of the decision by the Council of State on pension cuts.

These measures include, *inter alia*: (a) the reduction of social insurance contributions in the private sector by three percent and the abolition of the special solidarity contribution for the private sector (only for 2021), the reduction of provisional income tax for businesses and self-employed individuals, (b) the payment by the government of social insurance contributions for employees under suspension of service, (c) the suspension of VAT payments for businesses affected by the COVID-19 pandemic, and of insurance and tax instalments for businesses and self-employed individuals, (d) temporary financial support to salaried employees under suspension of service, to seasonal employees (tourism sector) and to certain scientific sectors, (e) the state's contribution to Easter and Christmas bonuses for employees under suspension of service, the subsidisation of employment in the framework of the "Cooperation" programme, the extension of regular and long-term unemployment benefits, the subsidisation of loan interest rates of businesses that were closed during the lockdown period, as well as the subsidisation of home loan instalments for households.

The total cost of measures aimed at reducing the financial consequences of the pandemic is expected to increase further in relation to the 2021 Budget after the implementation of new restrictive measures in the region of Attica, among others, in the period from 11 to 28 February 2021. According to data on the implementation of the state budget released in January 2021, the actual cost of the measures applied to date was €1.3 billion. On top of the above, the European Council on 21 July 2020 agreed to a recovery package amounting to €750 billion under the EC's Next Generation EU (NGEU) framework in order to support the recovery and resilience of the member states' economies, out of which ca €32 billion will be available for Greece, provisionally divided into €19.4 billion in grants and €12.7 billion in loans.

The respective amount for the Multiannual Financial Framework 2021-2027 (MFF) is at €1,100 billion, of which ca €40 billion will be available for Greece. Furthermore the ECB, on 24 March 2020 established a temporary Pandemic Emergency Purchase Programme (PEPP). The overall amount of the programme in question in mid-February 2021 amounts to €1,850 billion, out of which ca €46 billion will be available for the purchase of Greek public and private sector securities.

As regards the financial prospects of the next 12 months, the major macroeconomic risks and uncertainties in Greece relate mainly to the outbreak of the Covid-19 pandemic and are the following: (a) the development of the health crisis, including the possibility that the second wave of the pandemic might continue for a long time after the end of the first quarter of 2021, and its negative effect on the domestic, regional and/or global economy; b) progress in terms of the development, production, and widespread distribution of a safe and effective vaccine against COVID-19; c) the actual size of the fiscal measures aiming to address the effect of the pandemic on the real economy and their effect on the long-term sustainability of the country's public debt; (d) the rate of shrinking of the economy in 2020 and also the rate of recovery in 2021 and 2022; (e) the effective utilisation of NGEU and MFF funds, and the attraction of new investments to the country; (f) the implementation of the reforms and privatisations agenda in order to meet the ES targets and milestones, and (g) the geopolitical conditions in the near or in broader region.

Management is continuously monitoring the developments in the macroeconomic environment and their potential consequences so as to ensure that they are minimised in relation to the Company's activities and, considering the capital adequacy of the Eurobank Group, it finds that the Company's financial statements can be prepared based on the principle of going concern.

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 Offsetting 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

Fees and commission
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:

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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 of 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.

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 (EIR) method, after making provision for expected credit losses (ECLs). Income from interest, actual profits and losses due to derecognition, and changes to impairment losses of assets which have been classified as being measured at amortised cost, are included in the income 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. As a result, this measurement category includes loans and other debt instruments held based on hold-to-collect business models (HTC), which fail the SPPI test, as well as assets held for commercial reasons and derivative financial instruments. Furthermore, a financial asset which meets the above terms can, in order to be classified at amortised cost, be defined by the Company as measured at fair value through profit and loss upon initial recognition if this eliminates or substantially reduces an accounting inconsistency that would have otherwise arisen. Financial assets measured at fair value through profit and loss (FVTPL) are initially recognised at fair value and any unrealised profits or losses arising due to changes to fair value are included in the income 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 effective 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.

The Company applied that 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.

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.

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 taxes and stamp duties were excluded from the scope of IFRS 16.

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

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 January 2020

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 January 2020:

Amendments to standards adopted by the Company

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

In March 2018 the IASB issued the revised "Conceptual Framework for Financial Reporting" (Conceptual Framework). The revised Conceptual Framework is not a standard, nor does it prevail over the requirements of each standard. 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, as well as derecognition. In addition, the revision includes new definitions regarding assets/liabilities and the criteria for the recognition thereof, as well as clarifications on other significant fields.

Along with the revised Conceptual Framework, the IASB published an accompanying document titled "Amendments to References to the Conceptual Framework in IFRS Standards", which contains consequential changes to affected standards so that they refer to the revised Framework. The adoption of the amended Framework did not have an effect on the Company's financial statements.

Reform of the Benchmark Rates: Amendments to IFRS 9, IAS 39 and IFRS 7

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 reform, 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. Based on the amendments in question, specific hedge accounting criteria under IAS 39 or IFRS 9 are amended so as to provide temporary exemption from the potential consequences of the uncertainty during the transitional period. These temporary exemptions are related mainly to the highly probable requirement for the cash flow hedges, the compliance with the identifiable nature of the hedged risk component and the application of prospective and retrospective effectiveness tests.

The IASB addresses the IBOR reform and its potential effects on financial reporting in two phases. The first phase focuses on hedge accounting issues affecting financial reporting in the period before the interest rate benchmark reform. The second phase focuses on potential issues that might affect financial reporting once the existing rates are replaced with alternative rates (RFR). The adoption of the amendments does not affect the Company's financial statements.

Amendments to IFRS 3 "Business Combinations"

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 receipts or procedures, 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 fair value concentration test. The adoption of the amendments did not have an effect on the Company's financial statements.

Amendments to IAS 1 and IAS 8 Definition of Material

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 materiality depends on the nature or magnitude of information, or both, while an entity should assess whether information is material on its own or when combined with other information.

In addition, the definition of material in the Conceptual Framework was also amended in order to align with the revised definition in IAS 1 and IAS 8.

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

New standards, interpretations, revisions and amendments to existing standards which have not yet been applied or have not been approved by the European Union

The following new standards, interpretations and amendments to the IFRS have been published by the International Accounting Standards Board (IASB), but they have not yet been applied or they have not been approved by the European Union.

IFRS 17 "Insurance Policies" (applies to annual periods beginning on or after 01/01/2021)

In May 2017, IASB issued a new standard, IFRS 17, which has come to replace IFRS 4. The aim of the plan was to provide a uniform principle-based standard, in order to take into account all types of insurance policies, including the reinsurance policies held by insurers. A uniform principle-based standard would enhance the comparability of financial reporting between entities, jurisdictions and capital markets. IFRS 17 determines the requirements that must be met by a economic entity when reporting on the insurance policies it issues and the reinsurance policies it holds. The Company will examine the effects of the above on its financial statements, although it does not expect to have any. The above have not been approved by the European Union.

Amendment to IAS 1 "Classification of liabilities as short- or long-term liabilities" (applies to annual periods beginning on or after 01/01/2022)

The amendment points out that liabilities are classified as being short or long term based on the rights applying at the end of the reference period. The classification is not affected by the expectations or events of the economic entity after the reference date. Furthermore, the amendment clarifies the meaning of the term "settlement" of liabilities in IAS 1. The amendment has not yet been approved by the European Union.

Amendments to the Consolidated Financial Statements under IFRS 10 and IAS 28 regarding Investments in Associates and Joint Ventures: "Sale or Contribution of Assets between an Investor and an Associate or Joint Venture" (applies to annual periods beginning on or after 01/01/2022)

These amendments address a recognised inconsistency between the requirements of IFRS 10 and those of IAS 28, as regards the sale or contribution of assets between an investor and an associate or joint venture. The main consequence of the amendments is that a full profit or loss is recognised when a transaction concerns a business (whether it is housed in a subsidiary or not). A partial profit or loss is recognised when a transaction involves assets which do not constitute a business, even if these assets are housed in a subsidiary. In December 2015 the IASB indefinitely postponed the date of entry into force of this amendment pending the outcome of its research plan regarding the equity method of accounting. The amendments have not yet been approved by the EU.

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.

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 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 31.12.2020 amounted to €9,629,932.99 and the current value of the margin portfolio is €27,164,762.68

(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 31.12.2020 amounted to €1,408,654.21 and the current value of the margin portfolio is €184,912,429.

(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 31.12.2020 the Company's total exposure (Delta equivalent exposure) was €2,106,619. The amount can be broken down as follows: Derivatives with an underlying security on FTSE/ATHEX Large Cap Index: € -6,877,638, Derivatives with underlying equities: € -36,950,846 and Shares: € 45,935,103). Market risk based on the in-house value at risk (VAR) model and with VaR parameters at 10 days, a 99% confidence interval and six-monthly observations, was €311k. 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 €9,591.87, 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 31.12.2020 the Company's capital adequacy indicator was 33%. The minimum limit is 8%.

Amounts are expressed in € '000.

	31-Dec-20	31-Dec-19
Tier 1 capital		
Share capital	43,866	43,866
Statutory reserve and other reserves	22,389	22,424
Retained earnings	9,165	7,790
Total Tier 1 Capital	75,419	74,080
Less: Total regulatory adjustments to intrinsic equity	(1,282)	(1,439)
Total regulatory capital	74,137	72,640
Total weighted assets	223,882	227,852
Basel III capital adequacy index	33%	32%

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-Dec-20			
	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:	45,890	-	-	45,890
Derivatives	92	-	-	92
Investment securities portfolio	-	-	120	120
Total financial assets	**45,982**	**-**	**120**	**46,102**
Financial assets presented at fair value through profit and loss				
Open sales of shares on ATHEX	43	-	-	43
Derivatives	299	-	-	299
Total Liabilities	**342**	**-**	**-**	**342**

	31-Dec-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	486	-	-	486
Derivatives	124	-	-	124
Total Liabilities	**610**	**-**	**-**	**610**

5 Results from financial transactions

	1/1 - 31/12/2020	1/1 - 31/12/2019
Profits/ (losses) from financial transactions - shares	(12,576,474)	18,460,067
Profits/ (losses) from financial transactions - derivatives	12,730,449	(16,657,389)
Gains/(losses) from foreign exchange differences	(405,391)	186,212
	(251,415)	**1,988,889**

6 Net income from fees/commission

	1/1 - 31/12/2020	1/1 - 31/12/2019
Share purchase/sale commission	8,109,623	6,916,949
Derivatives commission	753,022	896,535
Other income	941,406	320,414
	9,804,051	**8,133,898**

7 Staff salaries and expenses

	1/1 - 31/12/2020	1/1 - 31/12/2019
Employee salaries, wages and benefits	2,918,650	3,126,713
Social security contributions	667,089	754,066
Retirement pay and other post-service benefits (note21)	32,185	517,494
Other staff expenses	218,574	266,495
	3,836,498	**4,664,769**

The number of staff employed on 31.12.2020 was 63 compared to 70 on 31.12.2019.

8 Other operating expenses

	1/1 - 31/12/2020	1/1 - 31/12/2019
Third party fees and expenses	1,316,100	1,345,037
Subscriptions and contributions	1,409,386	1,329,599
Other benefits	940,152	815,239
Miscellaneous other expenses	200,027	396,587
	3,865,667	**3,886,461**

9 Financial results

Financial income

	1/1 - 31/12/2020	1/1 - 31/12/2019
Interest on deposits and other interest	776,240	868,843
	776,240	**868,843**

Financial expenses	**1/1 - 31/12/2020**	**1/1 - 31/12/2019**
Interest on loans	277,563	802,102
Negative interest (Bank of Greece) on Auxiliary Fund levies	137,159	71,793
Operating lease interest	29,195	31,302
Other interest	70,072	72,309
	513,988	**977,505**

10 Income tax

	1/1 - 31/12/2020	1/1 - 31/12/2019
Income tax for prior periods	-	2,128
Deferred tax (Note 11)	(523,442)	(677,089)
Total	**(523,442)**	**(674,962)**

Total provision for income tax shown in results

The tax rate in Greece is 2020 was 24% (2019: 24%). The reconciliation between income tax on EBT based on current rates and tax expenses is as follows:

	1/1 - 31/12/2020	1/1 - 31/12/2019
Results before tax	1,897,963	**2,343,401**
Tax at applicable rate (2020: 24% , 2019 : 24%)	455,511	562,416
Tax impact:		
Untaxed income / Untaxed deductible expenditure	89,480	94,419
Impact of change in income tax rate	-	32,488
Income tax for prior periods	-	(2,128)
Other tax adjustments	(21,549)	(12,223)
Total	**523,442**	**674,972**
Effective tax rate	**27.58%**	**28.80%**

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 31.12.2020, the financial years which ended up until 31.12.2014 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 2019. For 2020 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 twenty-four percent (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 actual tax rate of 24%, as stated in Note 10.

The deferred tax account is presented below:

	31-Dec-20	31-Dec-19
Balance on 1 January	**(91,761)**	**573,304**
(Debit)/Credit to income statement	(523,442)	(644,601)
(Debit)/Credit to income statement due to reduction in tax rate	-	(32,488)
(Debit)/Credit to statement of changes in equity	11,050	12,024
Balance at end of period/year	**(604,153)**	**(91,761)**

Deferred tax liabilities are attributable to the following:

Personnel termination liabilities	127,685	108,910
Financial assets presented at fair value through profit and loss	(1,135,653)	(1,135,794)
Tax losses recognised	369,458	869,725
Other interim differences	34,357	65,398
Deferred tax assets – (liabilities)	**(604,153)**	**(91,761)**

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-20	31-Dec-19
Cash on hand	5	5
Company sight deposits	5,649,349	5,095,465
Sight deposits for customer mature credit balances	91,828,260	85,615,013
	97,477,615	**90,710,483**
Impairment of receivables from financial institutions	(5,331)	(5,331)
Total	**97,472,284**	**90,705,152**

13 Financial assets presented at fair value through profit and loss

	31-Dec-20	31-Dec-19
Shares		
- Listed on the Athens Exchange and foreign exchanges (Receivables)	45,889,964	59,124,884
- Listed on the Athens Exchange and foreign exchanges (Liabilities)	43,161	-
	45,846,803	**59,124,884**

Of the above shares in the assets, shares worth €10,761,707 are blocked in favour of the ETEK Fund to cover the margin. The entire listed share portfolio is characterised as held for trade.

	2020	2019
Opening balance (1 Jan)	59,124,884	20,457,386
Additions /(reductions)	(17,982,870)	33,809,732
Adjustment to fair value	4,704,789	4,857,766
Closing balance (31 Dec)	**45,846,803**	**59,124,884**

14 Derivatives

	31-Dec-20		
Derivatives held for trade	**Contract/ nominal value**	**Fair value Assets**	**Fair value Liabilities**
Negotiable futures	43,684,576	54,570	281,363
Negotiable options	2,063,920	37,683	17,211
		92,253	298,575

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

	31-Dec-19		
Derivatives held for trade	**Contract/ nominal value**	**Fair value Assets**	**Fair value Liabilities**
Negotiable futures	57,645,033	94,998	365,525
Negotiable options	2,614,900	25,058	26,165
		120,056	391,690

15 Receivables - liabilities from customers - brokers - stock exchange

	31-Dec-20	31-Dec-19
Receivables from customers	14,112,548	16,944,164
Receivables brokers - stock exchange	28,360,953	22,558,621
	42,473,501	**39,502,786**
Liabilities to customers - brokers - stock exchange	7,883,864	7,228,254
Liabilities to customers for cleared transactions	91,828,260	85,615,013
	99,712,125	**92,843,266**

Receivables from customers can be broken down as follows:	31-Dec-20	31-Dec-19
Customer balances	15,307,954	18,166,310
Less: Provisions for impairment of receivables	(1,195,406)	(1,222,146)
Total	**14,112,548**	**16,944,164**

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

	31-Dec-20	31-Dec-19
Opening balance	1,222,145	1,861,247
Plus: Provision formed for year	-	-
Less: Receivables written off via provisions	(26,739)	(639,101)
Balance at the end of year	**1,195,406**	**1,222,145**

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

	31-Dec-20	31-Dec-19
Receivables from customers up to 3 months	10,667,056	9,206,455
Receivables from customers from 3 to 12 months	2,288,033	4,202,319
Receivables from customers over 1 year	2,352,865	4,757,536
	15,307,954	**18,166,310**
Less: Provisions for impairment of receivables	(1,195,406)	(1,222,146)
Closing balance	**14,112,548**	**16,944,165**

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 31.12.2020 was €1,274,255,357 compared to a portfolio value of €1,465,949,150 on 31.12.2019. The fair value of these assets approximate their book value.

16 Intangible and tangible assets

Intangible assets

	31 December 2020 Software
Acquisition cost :	
Balance on 1.1.2020	5,031,443
Additions	253,957
Sales - Deletions	-
Balance on 31 December 2020	**5,285,400**
Accumulated depreciation:	
Balance on 1.1.2020	(4,176,044)
Depreciation for the period	(331,871)
Sales - Deletions	-
Balance on 31 December 2020	**(4,507,914)**
Carried value as at 31.12.2020	**777,486**

	31.12.2019 Software
Acquisition cost :	
Balance on 1.1.2019	4,703,508
Additions	327,935
Sales - Deletions	-
Balance on 31 December 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 as at 31.12.2019	**855,399**

Tangible assets

	31-Dec-20				
	Improvements to third party property	**Right-of-use assets**	**Furniture and other equipment**	**Computers**	**Total fixed assets**
Acquisition cost:					
Balance on 01 January 2020	1,179,098	1,198,811	1,676,999	2,134,472	6,189,380
Additions		236,496	31,932	13,893	282,320
Sales - Deletions	-	-	-	-	-
Balance on 31 December 2020	1,179,098	1,435,307	1,708,931	2,148,365	6,471,700
Accumulated depreciation:					
Balance on 1.1.2020	(798,018)	(214,401)	(1,584,365)	(2,056,982)	(4,653,766)
Sales - Deletions	-		-	-	-
Depreciation for the period	(51,555)	(220,045)	(16,790)	(37,371)	(325,762)
Balance on 31 December 2020	(849,573)	(434,446)	(1,601,156)	(2,094,353)	(4,979,528)
Carried value as at 31.12.2020	**329,526**	**1,000,861**	**107,775**	**54,012**	1,492,175

	31-Dec-19				
	Improvements to third party property	**Rights under leases**	**Furniture and other equipment**	**Computers**	**Total fixed assets**
Acquisition cost :					
Balance on 01 January 2019	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 December 2019	1,179,098	1,198,811	1,676,999	2,134,472	6,189,380
Accumulated depreciation:					
Balance on 01 January 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 on 31 December 2019	**381,080**	**984,410**	**92,634**	**77,490**	**1,535,614**

The activity of liabilities from right-of-use assets is as follows:

	31/12/2020	**31/12/2019**
Total liabilities from right-of-use leases	997,678	1,223,372
Additions	236,496	-
Expiry / Termination of leases in the year	(21,708)	(20,019)
Rents paid in the year	(216,657)	(236,977)
Lease interest paid in the year	29,195	31,302
Total liabilities from finance leases as at 31 December, in accordance with IFRS 16	**1,025,004**	**997,678**

The amount of €1,025,004 is broken down into €204,667 in short-term liabilities and €820,336 in long-term liabilities, while for 2019 the amount of €997,678 is broken down into €181,970 in short-term liabilities and €815,708 in long-term liabilities.

17 Other long-term receivables

	31-Dec-20	31-Dec-19
Participation in the Auxiliary Fund	3,651,651	5,595,729
Participation in the Guarantee Fund	2,594,063	2,501,486
	6,245,714	**8,097,215**

These participations include the following sums: a) €1,661,052 paid as a guarantee for contributions to the Auxiliary Fund for shares and €1,260,259 paid as a guarantee for contributions to the Auxiliary Fund for derivatives; b) a contribution in the amount of €730,000.00 to the Cyprus Stock Exchange Liquidation Fund; c) €2,594,063 paid as a guarantee to the Investment Guarantee Fund in accordance with the provisions of Law 2533/1997. A letter of guarantee in the amount of €2,094,063 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-20	31-Dec-19
Shares not listed on ATHEX	252	261
Greek corporate bonds	119,560	119,560
	119,813	**119,821**

19 Other short-term receivables

	31-Dec-20	31-Dec-19
Income receivable	205,374	20,884
Prepaid expenses	147,645	139,233
Other receivables	12,312	18,977
Sundry debtors	72,127	222,618
	437,458	**401,713**

The fair value of these assets approximate their book value.

20 Receivables from the Greek State

	31-Dec-20	31-Dec-19
Receivables from taxes withheld for specially taxed reserves.	723,262	723,262
` Receivables from withholding and advance taxes for 2019-2020	1,331,412	1,366,846
	2,054,674	**2,090,108**

21 Personnel termination liabilities

The impact of the amendments in the revised IAS 19 on the statement of comprehensive income for 2020 are presented below:

	31-Dec-20	31-Dec-19
Balance on 1 January	453,794	387,398
Benefits paid during year	-	(502,624)
(Credit) / Debit to income statement	32,185	517,495
Actuarial (gain) loss on liability due to financial assumptions	38,550	46,627
Actuarial (gain) loss on liability due to experience	7,491	4,898
Balance at year end	**532,020**	**453,794**

Cost of current employment	28,147	27,500
Interest costs	4,039	7,206
Cost of cutbacks/settlements/termination of service	-	482,789
	32,186	**517,495**

In order to form the provision for personnel termination compensation the following assumptions were used: a) discount rate of 0.49% and b) future increases for 2021: 1.80%, 2022: 1.80%, 2023: 1.80%, 2024: 2.20%, c) Expected remaining working life: 16.74 years. In order to form the provision for personnel compensation, the assumptions used for 2019 are: a) discount rate 0.89%, 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 Similarly, the assumptions used in the previous year are: a) discount rate of 0.89%, 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

Therefore, on the valuation date of 31.12.2020, the use of a discount rate of 0.5% higher would result in the present value of the actuarial liability being lower by 9%, whereas the use of a discount rate of 0.5% lower would result in the present value of the actuarial liability being higher by 8.7%. Similarly, on the valuation date of 31.12.2019, the use of a discount rate of 0.5% higher would result in the present value of the actuarial liability being lower by 9%, whereas the use of a discount rate of 0.5% lower would result in the present value of the actuarial liability being higher by 10%.

22	**Other liabilities**	**31-Dec-20**	**31-Dec-19**
	Suppliers	296,585	348,555
	Insurance and pension fund dues	155,929	183,211
	Liabilities to related enterprises (note 26)	1,895,890	1,428,991
	Pre-collected income and expenses payable	229,969	865,709
	Other liabilities	842,872	868,585
		3,421,245	**3,695,052**

The fair value of these assets approximate their book value.

23 Share Capital

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

	31-Dec-20	
	Ordinary shares No. of shares	**Share Capital**
1.1.2020 & 31.12.2020	**1,390,350**	**43,865,543**

24 Reserves

			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 profits	-	-	(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**

			31-Dec-20			
	Ordinary Reserves	**Untaxed reserve for securities losses to be offset**	**Other Reserves**	**Extraordinary Reserves**	**Total**	
Balance on 1.1.2020	14,621,847	(29,658)	7,684,803	146,735	22,423,727	0
Actuarial losses	-	-	(34,991)	-	(34,991)	
Transfers of reserves	-	-	-	-	-	
Balance on 31 December 2020	**14,621,847**	**(29,658)**	**7,649,812**	**146,735**	**22,388,736**	

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 31.12.2020 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-20			
LIABILITIES	**Up to 1 month**	**1-3 months**	**3 - 12 months**	**1 - 5 years**	**Over 5 years**	**Total**
Long-term liabilities						
Liabilities from right-of-use assets		-	-	820,336	-	820,336
Short-term liabilities						
Loan obligations	16,000,000	`	`	`	`	16,000,000
Liabilities to customers - brokers - stock exchange	99,712,125	-	-	-	-	99,712,125
Financial instruments - liabilities	298,575	`	-	-	-	298,575
Liabilities from right-of-use assets			204,667			204,667
Other liabilities	3,115,582	305,663		-	-	3,421,246
Total liabilities	**119,126,281**	**305,663**	204,667	**820,336**	-	**120,456,948**

			31-Dec-19			
LIABILITIES	**Up to 1 month**	**1-3 months**	**3 - 12 months**	**1 - 5 years**	**Over 5 years**	**Total**
Long-term liabilities						
Finance lease liabilities		-	-	815,708	-	815,708
Short-term liabilities						
Loan obligations	30,000,000	`	`	`	`	30,000,000
Liabilities to customers - brokers - stock exchange	92,843,266	-	-	-	-	92,843,266
Derivative 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**

26 Transactions with related parties

All amounts are in Euro.

The company is controlled by the bank Eurobank S.A. (which has its registered office in Athens and is a 100% subsidiary of Eurobank Ergasias Services & Holdings S.A., and is listed on the Athens Exchange), which holds 100% of Company's share capital.

On 20 March 2020, Eurobank Ergasias (the "Demerged Entity") announced the approval of its demerger through the banking sector's hive down and its transfer to a new credit institution ("Demerger") established under the corporate name "Eurobank S.A." (the Bank), while on 23 March 2020 the "Demerged Entity" was renamed to "Eurobank Ergasias Services and Holdings S.A." ("Eurobank Holdings").

On 31 December 2020 the percentage of ordinary shares with voting rights of the Company held by the Hellenic Financial Stability Fund (HFSF) amounted to 1.40%. The HFSF is considered to have significant influence over Eurobank Ergasias Services and Holdings S.A. pursuant to the provisions of Law 3864/2010, as in force, the Relationship Framework Agreement (RFA) into which the Demerged Entity entered with the HFSF on 4 December 2015, and the Tripartite Relationship Framework Agreement (TRFA) between the Bank, Eurobank Holdings and the HFSF, which was signed on 23 March 2020. The Tripartite Agreement regulates, *inter alia*, the corporate governance of the Bank, monitors the implementation of the framework for managing non-performing loans issued by the Bank, and also monitor's the Bank's performance in the management of non-performing loans.

The Tripartite Agreement also (i) deals with the material obligations of Eurobank Holdings and the Bank, as they are set out in the TRFA, and the cases of conversion of HFSF's restricted voting rights to full voting rights if there is a breach of these obligations; (ii) requires that the risk profile of the Bank be monitored in comparison to the approved Risk and Capital Strategy of the Group; (iii) requires that the Bank obtain the written consent of the HFSF as regards the Group's Risk and Capital Strategy, and also as regards the Strategy, Policy and Governance of the Group (in relation to the management of distressed and non-performing loans); (iv) sets out the duties, rights and obligations of the HFSF representative on the BoD of Eurobank Holdings and the Bank.

The Tripartite Agreement and Law 3864/2010 do not exclude, reduce or eliminate the ability of the management of Eurobank Holdings and the Bank to continue to independently set, *inter alia*, the corresponding commercial strategy and policy, and to manage the day-to-day operations of the Bank. In particular, in the framework of Law 3864/2010, as in force, and also in the framework of the Tripartite Agreement, the HFSF exercises the following rights: (a) voting rights at the General Meetings of Eurobank Holdings, only when it comes to decisions involving (i) the amendment of the articles of association of Eurobank Holdings, including capital increases or reductions, or the granting of relevant authorisation to the BoD; (ii) mergers, demergers, conversions, revivals, extension of the duration or dissolution of Eurobank Holdings; (iii) the transfer of assets (including the sale of subsidiaries) or (iv) any other issue requiring a high majority pursuant to the provisions of Greek laws on Sociétés Anonymes; (b) the right to appoint a member to the BoD ("HFSF Representative") of Eurobank Holdings and the Bank, to appoint the HFSF Representative as a member of the corresponding Audit, Risk, Nominating and Fee Committees, and also to appoint an Observer without voting rights to the BoD and Audit, Risk, Nominating and Fee Committees of Eurobank Holdings and the Bank.

In addition, in December 2019 Fairfax Financial Holdings Ltd obtained the required regulatory approvals in relation to the increase of its shareholding in the Demerged Entity, which arose from the merger of the latter with Grivalia Properties REIC in the same year. Consequently, Fairfax group, which on 31 December 2020 holds 31.27% of the Company's share capital, is considered to have material influence over the Company. The Group engages in banking transactions with related parties within the normal context of its operations on a purely commercial basis. These transactions include loans, deposits and guarantees. Moreover, in the normal context of its banking operations, the Group may hold debt and equity instruments of the related parties.

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-20	
Receivables - Liabilities	**Eurobank Ergasias S.A.**	**Other related parties**
Receivables		
Cash assets	71,930,729	4,590,604
Other receivables	52,512	
Loans	16,000,000	-
Other liabilities	2,644,535	110,489

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

	1/1- 31/12/2020	
Income - Expenses	**Eurobank Ergasias S.A.**	**Other related parties**
Income from commission	330,588	-
Expenses from commission	(1,673,090)	-
Staff salaries and expenses	154,615	-
Overheads	(525,468)	(246,156)
Depreciation	(150,163)	-
Income from interest	68,670	-
Interest expenses	(345,632)	(6,899)
Total	**(2,140,480)**	**(253,055)**

	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
Liabilities		
Loans	30,000,000	
Other liabilities	2,875,300	148,436

	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	**(1,871,983)**	**(260,287)**

The fees for the Company's key management executives for the period 1.1.2020 - 31.12.2020 stand at €399,703 (2019: €574,893).

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 2020 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 **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 €2,094,063 (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.

29 **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 (31.12.2020) which could significantly impact on the Company's current financial position.

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