Annual Financial Report

for the year

January 1 - December 31, 2022

The information contained in this Annual Financial Report has been translated from the original Annual Financial Report that has been prepared in the Greek language. In the event that differences exist between this translation and the original Greek language Annual Financial Report, the Greek language Annual Financial Report will prevail over this document.

I. Management Report of the Board of Directors

MANAGEMENT REPORT OF THE BOARD OF DIRECTORS

FOR THE YEAR ENDED ON DECEMBER 31st, 2022

Dear shareholders,

We hereby submit you the annual financial report of the Board of Directors for the financial year from 1/1/2022 to 31/12/2022. This report summarises information of Optima bank Group S.A., financial information aimed at providing general information to shareholders about the financial position and profit or loss, the overall performance and changes that occurred during the financial year (1/1/2022 to 31/12/2022), as well as significant events that took place and their impact on the financial statements of the financial year. It also describes the main risks and uncertainties that the Group and the Bank may face in the future and lists the most important transactions concluded between the Bank and its related parties.

International environment

Since the beginning of the war in Ukraine, under new conditions of increased uncertainty and high geopolitical and financial risks, the outlook of the global economy has changed dramatically with a slowdown in global GDP and high inflation. In particular, the rate of change in world GDP, from 6.2 % in 2021, was estimated by the IMF to slow down to 3.4 % in 2022 and to 2.9 % in 2023[1]. The world's two largest economies, the United States and China, were in recession in the second quarter of the year, but recovered in the third quarter. According to short-term economic indicators, the global economy is headed to a significant weakening in the rate of growth in economic activity and a deterioration of the outlook for 2023. Real GDP growth will slow down in both advanced and emerging and developing economies, although the slowdown will be significantly milder in the second category of countries.

In the field of inflation, the energy crisis, which emerged after Russia's invasion of Ukraine in early 2022, resulted in its sharp rise. This has led to the intervention of the monetary authorities, with central banks drastically increasing their interest rates, despite the fact that the rise in inflation is, in most cases, due to negative supply-side disruptions, and especially to an increase in energy costs due to the war, the direct effects of which cannot be easily neutralised by monetary policy.

In the United States, after shrinking by 1.6 % in the first quarter of 2022 and by 0.6 % in the second quarter, the GDP has increased by 2.9 % in the third quarter of 2022 (on an annualised basis)[2]. Despite the technical recession observed in the first half of the year, private consumption - mainly of services- remained strong. The improvement at the end of 2022 was driven by accelerating exports, falling imports and increasing fiscal expenditure, which continuously declined in the previous five quarters. Annual CPI inflation after reaching

[1] Source: World Economic Outlook Update, January 2023

[2] Source: Interim Monetary Policy Report (December 2022), Bank of Greece

9.1 % in June began to decline and in November it fell to 7.1 %. For 2022 we have a slowdown in GDP growth to 1.6 % and for 2023 to 1.0 %, as high inflation, worsening financial conditions and increased uncertainty will increasingly affect domestic expenditure, mainly fixed capital investment[3].

China plays a major role in the projected slowdown of the global economy, whose GDP contracted from 8.1 % in 2021 to 3.2 % in 2022. The 2023 GDP is estimated to grow at the lowest rate in the last 40 years (with the exception of the year of the pandemic), mainly due to the real estate crisis (which accounts for 1/5 of all economic activity) and the strict restrictive measures which it continues to take following a zero-tolerance policy to new COVID-19 cases. In 2022, inflation in China stood at 2.2 %, from 0.9 % in December 2021[3].

In euro area countries, GDP grew by 3.4 % in 2022, compared with 5.2 % in 2021, while for 2023 growth is projected to be 0.5 %, driven by a downturn in domestic and external demand. These estimates include significant heterogeneity among member countries, due to differences in their gas exposure from Russia, the size of the manufacturing sector, and the available fiscal space to support vulnerable economic groups in the face of the energy crisis. In 2022, inflation in the euro area stood at 8.4 %, up from 2.6 % in December 2021. It is expected to decline gradually to 6.3 % in 2023 and 3.4 % in 2024, mainly due to the negative base effect, the fall in international energy prices and reduced domestic demand[3]. At its meeting in July 2022, the European Central Bank announced the establishment of the Transmission Protection Instrument (TRI) to enhance the efficiency of the transmission mechanism of the single monetary policy, so that changes in the monetary policy stance are transmitted evenly to all euro area economies. This instrument will be activated and the Eurosystem will purchase on the secondary market public sector securities (with a residual maturity from one to ten years) of Member States experiencing disorderly fluctuations in financial markets that are incompatible with their financial aggregates. At its October 2022 meeting the Governing Council of the ECB revised the refinancing terms through TLTRO-III operations in the light of price stability. Finally, as regards the Pandemic Emergency Purchase Programm ("PEPP"), the Governing Council intends to reinvest the capital amounts from the redemption of securities acquired under the programme at their maturity at least until the end of 2024. The Governing Council will continue to apply flexibility to reinvestments of amounts from the redemption of PEPP portfolio securities as they mature, in order for this tool to be the first 'line of defence' to address the risks to the monetary policy transmission mechanism related to the pandemic.

In the second half of 2022, the EU Council adopted measures for the security of energy supply (storage of natural gas and joint supply of natural gas voluntarily) and energy savings (reduction of gas and electricity consumption). It also took exceptional and temporary measures to address high energy prices, which include collecting or taxing excess revenues in the energy sector and redistributing them to final consumers.

[3] Source: Interim Monetary Policy Report (December 2022), Bank of Greece

Greek Economy | 2022

The Greek economy continued to recover in the third quarter of 2022, despite the acceleration of inflation and the slowdown in global demand that affected the growth rate. Private consumption, gross fixed capital formation, investment and performance of the tourism sector supported economic activity, but the expectations of businesses and especially consumers deteriorated.

More specifically, GDP increased by 7.8 % in the first half of 2022 compared to the same period of 2021, as domestic demand increased significantly despite the climate of uncertainty created by the war in Ukraine. Private consumption increased by 11.4 % as it was reinforced by the release of deferred household consumption, supported by savings accumulated during the pandemic, while public consumption increased marginally by 0.3 % as public expenditure to cope with the consequences of the pandemic slowed down[4] significantly. Consumer expenditure remained strong in 2022 as reflected in the annual increase in retail volumes by 8.8 % in 2022 compared to the corresponding index of December 2021[5].

Key indicators of the business sector have also improved significantly, exceeding their pre-pandemic levels. In particular, gross fixed capital formation increased by 19.6 % in the first half of 2022 as a result of a significant increase in investment in fixed equipment, mainly in the category of mechanical equipment — weapons systems by 32.8 %. Conversely, the other two categories of fixed equipment declined (transport equipment-weapons: -4.0 %, ICT equipment: -25.9 %). Public investment also contributed to boosting total investment expenditure, increasing by 17.3 % on an annual basis[6].

Exports increased by 15.1 % in 2022 mainly due to a 34.4 % increase in service exports thanks to the recovery in tourist traffic while goods exports also increased by 3.1 %. As a result of strong demand for consumer products and investments in mechanical and transport equipment, imports also increased by 16.8 %[6].

The labour market improved significantly in the first half of 2022. In particular, total employment increased by 8.9 % compared to the first half of 2021, recording the best performance in recent years, while the unemployment rate fell to 13.1 % from 16.5 % in the same period of 2021, while there was a decrease in both the unemployment rate of young people aged 20-29 (23.5 % from 32.5 % in the first half of 2021) and of women (17.3 % from 20.6 % in the first half of 2021). Together with the increase in employment, there was a greater tightening in the labour market. According to ELSTAT data, job vacancies increased at an annual rate of 100.6 % in the nine months of 2022, as labour demand in sectors such as tourism, manufacturing, construction and especially in more specialised jobs increased significantly and is more difficult to meet than in the past. However, the latest data from the Labour Force Survey and the ERGANI IT system for the period January-October indicate a slowdown in the labour market for the second half of the year[7].

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[4] Source: Interim Monetary Policy Report (December 2022), Bank of Greece
[5] Source: ELSTAT Retail Turnover Index, December 2022
[6] Source: Financial Stability Report (November 2022), Bank of Greece
[7] Source: Interim Monetary Policy Report (December 2022), Bank of Greece

According to data from the ERGANI IT system, the wage flow balance in the ten months of 2022 was positive due to an increase in recruitment by 25.3 %, but was lower than the corresponding 10 month period of 2021. The figures show the creation of more than 147,607 new jobs compared to 214,809 jobs in 2021[7].

Employment increased significantly in the first half of 2022, with the number of employees registering an annual rate of change of 8.9 %, compared with -2.0 % in 2021. The observed positive change was mainly driven by salaried employment (11.9 %, compared with -2.8 % in 2021), while the number of other employees increased at a lower rate. It should be noted that at sectoral level employment growth in the first half of 2022 was mainly driven by an increase in the number of workers employed in manufacturing (9.2 %), construction (8.8 %) and wholesale and retail trade (8.1 %) while tourism-related activities recorded the highest increase in the number of employees (42%)[7].

In 2022 the economic sentiment index increased to 105.7 points and returned close to 2019 levels (105.4 points).

According to the Bank of Greece's forecast for the Greek economy in 2022, the annual growth rate of GDP is expected to be 6.2 %. Inflation, based on the Harmonised Index of Consumer Prices, is projected to reach a particularly high level in 2022, at 9.4 %, mainly due to the upward trend in energy goods prices, as well as the rise in food prices. In the medium term, the risks to economic activity are tilted to the downside and are linked, internationally, to the intensification of inflationary pressures and the uncertainty surrounding the war in Ukraine and, domestically, to the possibility of a lower than expected rate of absorption of NextGenerationEU (NGEU) resources and/or the creation of a new generation of non-performing loans due to the impact of the pandemic and the energy crisis, as well as to the possibility of a recession in the economies of key trading partners[7].

Greek economy | developments and outlook 2023

The establishment of the Recovery and Resilience Facility ('RRF') in 2022 provided considerable support to the economy and government measures reduced the impact of energy prices on business input costs and households' real disposable income. Timely and effective implementation of the Plan is projected to remain the main driver of investment growth, partly offsetting the weakening of corporate investment due to tighter financing conditions. With the external environment slowly improving from the second half of 2023, exports are expected to accelerate in 2024. Revenue from international tourism is projected to increase in 2023 and 2024. Overall, real GDP is projected to grow by 1.2 % in 2023 and 2.2 % in 2024[8]. The fall in inflation is expected to gradually reduce the burden on real household income and benefit private consumption.

Inflation is expected to moderate further over the projected horizon, due to falling energy prices and related negative base effects. However, food price inflation is expected to prove more persistent, given the delayed

[8] Source: The European Commission: Winter 2023

pass-through of high energy costs in food production. After an average of 9.4 % in 2022, inflation is projected at 4.5 % in 2023 and 2.4 % in 2024[9].

Greece's growth prospects are subject to downside risks related to the potential impact of geopolitical tensions on international tourism. As regards the risks to the inflation outlook, the upside risks relate to the above-mentioned increase in the minimum wage.

Greek Banking System

The Financial Stability Report of the Bank of Greece for 2022 states that the main factors that shaped banks' financial and regulatory aggregates in 2022 were:

a) transactions related to the further reduction of the stock of non-performing loans and the improvement of the quality of the loan portfolio;

b) the increased non-recurring revenues from financial operations and other sources compared to 2021, resulting in credit institutions returning to profitability; and

c) the decline in the capital adequacy ratio and the low quality of their regulatory capital.

In 2022, Greek banks recorded profits after taxes and discontinued operations in the first three quarters of 2023 amounting to EUR 2.9 billion against losses of EUR 4.6 billion in 2021, returning to profitability mainly due to the emergence of non-recurring revenues and lower credit risk provisions.

As shown in the table below, the operating income of Greek banks increased by 20.4 % compared to the same period of the previous year. Net interest income declined, mainly by an increase in interest expenses. Interest income shows a decrease of 0.2 % affected by the contraction of the loan portfolio mainly due to the sale of non-performing loans and the lack of a severe change in the weighted average interest rate on loans until September 2022. Interest payment costs increased due to increased interest costs from banks' bond issues and derivatives and hedging products. A significant increase of 17.0 % is observed in net commission income with a positive impact of revenue from new loan disbursements, payments and transfers of funds, credit cards, portfolio management services and investment banking services. A strong increase of 53.7 % was observed in the revenues from financial operations in 2022 which continue to come from transactions in Greek government bonds, profits from derivatives and hedging products, as well as gains from exchange differences.

In terms of operating costs, they decreased by 4.6 % mainly due to the reduction in staff costs as a result of the implementation of voluntary staff exit programmes in previous years and the recording of extraordinary costs of corporate transformation in the nine months of 2021. Depreciation increased slightly mainly as a result of the increase in intangible assets due to investment in IT infrastructure in the context of the accelerating digital transformation of banks.

In the nine months of 2022, the cost of credit risk de-escalated significantly. In particular, credit risk provisions totalling EUR 1.3 billion were formed, compared with EUR 7.6 billion in the nine months of 2021. It should be

[9] Source: The European Commission: Winter 2023

noted that a large part of the provisions in the nine months of 2021 were related to the sale of non-performing loan portfolios.

Taking into account all of the above, banks in Greece recorded profit after tax while the return on asset and return on equity (RoE) ratios are expected to be significantly improved.

Regarding the prospects for Greek banks' profitability, in the short term the increase in key ECB interest rates will boost banks' net interest income, as a very large part of the loans have been contracted at a floating interest rate. In the medium term, however, the slowdown in economic activity, the increase in production costs and the decrease in real disposable income of households, combined with an increase in the cost of servicing existing loans, will exercise pressure on the financial situation of households and businesses and may increase banks' credit risk costs. Finally, interest costs are expected to be burdened by the phasing out of exceptional measures, such as the TLTRO programme, taken under the ECB's accommodative monetary policy to mitigate the impact of the pandemic, as well as the need to issue bonds to meet regulatory requirements (e.g. Minimum Requirement for own funds and Eligible Liabilities 'MREL').

Profit and loss of the Greek banking sector

amounts in million Euro.

(nine months)	**2022**	**2021**	**Change**
Operating income	**7,965**	**6,616**	**20.4 %**
Net interest income	4,053	4,209	-3.7 %
— interest income	*5,387*	*5,400*	*-0.2 %*
— interest expenses	*-1,334*	*-1,191*	*12.0 %*
Net income from non-interest-bearing operations	3,912	2,407	62.5 %
— net commission income	*1,272*	*1,088*	*17.0 %*
— income from financial operations	*1,902*	*1,238*	*53.7 %*
— other revenue	*738*	*82*	*> 100 %*
Operating costs	**-2,934**	**-3,075**	**-4.6 %**
Staff costs	-1,363	-1,543	-11.7 %
Administrative costs	-1,127	-1,107	1.8 %
Depreciation	-444	-425	4.4 %
Net income (operational income — operating costs)	**5,032**	**3,541**	**42.1 %**
Provisions for operational risk	-1,338	-7,690	-82.6 %
Other impairment losses	-165	-166	-0.3 %
Non-recurring gains/losses	-128	-81	57.8 %

Profit/loss before tax	**3,400**	**-4,396**	**-**
Tax	-795	-260	> 100 %
Gains/losses from discontinued activities	299	39	> 100 %
Gains/losses after taxes	**2,905**	**-4,617**	**-**

Source: processed data from the Interim Monetary Policy Report (December 2022) of the Bank of Greece where financial statements were used for the 4 major banks (SIs) and regulatory data for less significant banks (LSIs)

In terms of liquidity, conditions for the Greek banking system continued to improve in 2022 as customer **deposits** continued to rise, albeit at a lower pace than in the previous two years, reflecting strong economic growth, credit growth and the negative impact of imported high inflation. This positive change is mainly due to the increase in savings deposits and is linked both to the significant recovery of the Greek economy, as well as to the increase in bank lending, which have contributed to strengthening depositors' savings capacity.

More specifically, the **balance of private sector deposits (households and businesses)** amounted to EUR 188.7 billion in December 2022 (a 12-year high), of which EUR 141.3 billion were deposits from households and EUR 47.4 billion were deposits from non-financial corporations. Overall, in 2022 net inflows of private sector deposits into the domestic banking system amounted to EUR 8.6 billion and this is mainly due to an increase in deposits from households, which in turn is due to higher employment (tourism and trade) and aid to tackle the energy crisis. As regards the deposits outlook, the acceleration in inflation is expected to lead to a reduction in deposits, which already began to be seen as early as the first two months of 2023.

The **total financing of the private sector (households and businesses)** in the Greek banking system amounted to EUR 115.5 billion in December 2022, of which EUR 64.0 billion relate to non-financial corporations and EUR 38.3 billion relate to private individuals and private non-profit institutions. Housing loans declined in 2022 and their balance at the end of December 2022 amounted to EUR 29.3 billion. The annual rate of change in total private sector financing stood at 6.3 % (14-year high — July 2009), according to the published statistics of the Bank of Greece, while the annual rate of change to non-financial corporations stood at 11.8 % for 2022. The cumulative net flow (from repayments) of bank loans to non-financial corporations in the 12 months of 2022 amounted to EUR 6.8 billion, making it the highest of the last 14 years without taking into account the strong recovery in 2020 due to government guarantees (EUR 6.7 billion)[10].

As regards the prospects for new bank loans to the private sector, the change in monetary policy in a more restrictive direction will weigh on banks' financing costs and thus their ability to lend on favourable terms. The need to monitor the risk of creating new bad loans as a result of the impact of rising interest rates and high inflation also contributes to a moderation by credit institutions.

[10] Source: Interim Monetary Policy Report (December 2022), Bank of Greece

The further normalisation of the Eurosystem's monetary policy in the near future is expected to gradually have a greater impact on the cost of servicing loans to households, which have a significant percentage of variable interest rates.

The deleveraging of the Greek banks' loan portfolio, observed in 2021, was halted in the nine months of 2022. In September 2022, the ratio of loans to non-financial corporations and households to deposits by non-financial corporations and households stood at 66 % i.e. below the European average of banks under the Single Supervisory Mechanism (105.3 %[11]), due to the rate of change of deposits compared to lending.

In 2022, the quality of the Greek banks' loan portfolio improved even further. The decrease in **non-performing loans** continued, and thus in the first nine months of 2022 (January — September 2022) the ratio of non-performing loans to total loans stood at 9.7 % (compared with 12.8 % at the end of 2021) and the total stock of non-performing loans amounted to EUR 14.6 billion, reduced by EUR 3.8 billion compared to the end of 2021 where non-performing loans in Greece amounted to EUR 18.4 billion (around 19 % decrease). It is worth mentioning that compared to the highest point of non-performing loans recorded in March 2016, there is a decrease of EUR 94.1 billion. The factors that led to the decline of non-performing loans are mainly linked to their classification in held for sale pending completion of securitisation sale transactions, as well as direct loan sales agreements on the secondary market, while to a lesser extent to receipts and write-offs. It should be noted, however, that despite the above-mentioned optimistic reference to the reduction of non-performing loans in Greece in 2022, the ratio of non-performing loans compared to the European average of 1.8 % (June 2022)[12] is multiple and particularly high. This shows that Greek banks need to continue and intensify actions to decrease the stock of non-performing loans especially considering the strong challenges appearing in 2022.

The continuation of the war in Ukraine, with the energy crisis it has triggered, has been instrumental in increasing imported inflationary pressures, with adverse consequences for real household disposable income and business costs. The rapid economic growth recorded on the basis of data from the first half of 2022 has helped alleviate pressures. But the normalisation of monetary policy by the European Central Bank, by creating an environment of higher intervention interest rates, makes it clear that both the cost of financing and the potential for debt repayments by households and businesses will be adversely affected. This environment, coupled with the prospects for lower economic growth in the coming period, is expected to have an impact on the quality of banks' loan portfolios by creating new non-performing loans. However, according to the Bank of Greece's published data, the amount of new non-performing loans is difficult to estimate due to the uncertainty regarding the course of the parameters related to the geopolitical affairs and the energy crisis, especially in view of their extension for a long time or further escalation. Banks must be constantly vigilant in addressing these challenges.

[11] June 2022 based on ECB data, Supervisory Banking Statistics

[12] Source: European Banking Authority, Risk Dashboard, EBA Dashboard — Q4 2021

The **capital adequacy of Greek banks in 2022**, according to the Financial Stability Report[13] of the Bank of Greece, declined slightly in the first half of 2022 compared with 2021 mainly due to an increase in risk-weighted assets. Specifically, the Common Equity Tier I ratio (CET 1 ratio) on a consolidated basis decreased to 13.2 % in June 2022 from 13.6 % in December 2021 and the Total Capital Ratio (TCR) to 15.9 % from 16.2 %, respectively. These ratios fall significantly below the average of credit institutions under the direct supervision of the ECB in the Banking Union (CET1: 15.0 % and TCR: 18.9 % for June 2022). If the full effect of the beneficial provisions of IFRS 9 is taken into account, the Greek banks' CET 1 ratio is 12.71 % and the Total Capital Ratio is 14.8 %. In addition, the quality of the regulatory capital of Greek banks remained low as in June 2022 the final and liquidated deferred tax credits (DTC) amounted to EUR 14 billion, accounting for 58 % of total regulatory capital from 59 % in December 2021. Taking into account the full impact of IFRS 9 this figure amounts to 63 % of total regulatory capital (down from 68 % in December 2021).

The Interim Monetary Policy Report of the Bank of Greece for 2022[14] provides more recent data on the capital adequacy of Greek banks and specifically states that the Common Equity Tier 1 ratio (CET 1 ratio) on a consolidated basis decreased marginally to 13.5 % in September 2022 (from 13.6 % in December 2021), while the Total Capital Ratio (TCR) remained unchanged at 16.2 %, both remaining below the level of the euro area. Incorporating the full impact of IFRS 9 (fully loaded capital ratios), the Common Equity Tier 1 Capital Ratio (CET 1) increased to 12.3 % in September 2022 from 11.6 % in December 2021 and the Total Capital Ratio (TCR) to 15.0 % from 14.2 %.

Important developments that are expected to significantly affect the priorities of banks in Greece in 2023 are the following:

a) decisions by the ECB from the summer of 2022 to raise interest rates by 300 bps in total and the possibility of further increases in the near future.

b) the allocation of RRF funds to Greek companies which is expected to generate significant investments in Greece in the coming years.

c) the regulatory authorities' stress test for 2023 by publishing macroeconomic scenarios and publishing the results of the exercise. The objective of the exercise is to assess the resilience of credit institutions in the European Union to a single set of adverse economic developments.

d) the adoption of new MREL by the Single Resolution Board, which entered into force in January 2022 and aims to ensure the adequacy of equity and the resilience of banks to absorb adverse economic developments and thus ensure the continuity of their business.

Developments concerning Optima bank S.A. Group

Issuance of a Convertible Bond Loan

[13] Source: Financial Stability Report (November 2022), Bank of Greece
[14] Source: Interim Monetary Policy Report (December 2022), Bank of Greece

In 2022 Optima bank successfully completed the issuance of a convertible bond loan (CBL) from which the bank raised the amount of 60 million euros. Specifically, the issuance of the CBL was completed on Monday, October 31, 2022 with a strong interest from the investment public, which was strongly reflected in the overall demand, exceeding the initial target of EUR 60 million. The issuance of the CBL, was part of the actions of the Capital Plan to strengthen the capital adequacy ratio, beyond and above the regulatory targets for 2022 regarding minimum own funds requirements. The further capital strengthening of the bank allows it to continue to support through financing, businesses and sustainable investment plans, for the benefit of the economy and the country as a whole.

Acquisition of claims from a securitised housing loan portfolio

The purchase of receivables in the form of a securitised portfolio of housing loans originating from Citibank was completed by Optima Bank in 2022. In particular, the transaction concerned Citibank's housing loan portfolio in Greece, which was sold in 2013 to Baupost Group, and subsequently sold to Chenavari. The general strategy behind this acquisition is the transfer (de-securitisation) of the performing housing loans in the balance sheet of Optima bank and the collection of the related claims according to their repayment plan, as the profile of Citibank customers is consistent with the profile of Optima bank customers (mainly affluent customers), which will strengthen Optima bank's customer base in the promotion of other banking products. For the part of the portfolio that includes non-performing loans (in the form of securities), the scenario to be considered after the de-securitisation is to find an investor specialising in the acquisition of claims in arrears.

Extension of Optima bank's branch network

In 2022, Optima bank continued to expand its branch network with the opening of two new branches in regional areas.

Specifically, the management of Optima bank inaugurated on Thursday, June 9, 2022 its first branch in Crete and specifically in the city of Heraklion (25 Avgoustoy 46 str.), as part of its growth strategy in the region, substantially expanding its presence in the largest cities in Greece. The branch in Heraklion, Crete, is the 26th in the Optima bank network, which absorbed the activity of the Bank's Financial Services Directorate in Heraklion Crete through an agency office.

Furthermore, on Thursday November 24, 2022, the management of Optima bank inaugurated its new branch in the region of Thessaly and specifically in the city of Larissa (Kiprou Str, 78) as part of its strategic development and presence in the Greek regions. With the new branch in Larissa, Optima bank has a network of 27 branches, 6 of which in cities outside Athens.

Evolution of aggregates and results of Optima bank Group S.A. in 2022

During the financial year 01/01/2022-31/12/2022, the Group's basic figures and results, as well as their change, were as follows:

Balance sheet

On 31.12.2022 the **total assets of** Optima bank Group amounted to EUR 2,607.7 million from EUR 1,634.9 million increased by EUR 972.8 million compared to 31.12.2021. This change is further broken down in the increase of client credit claims as a result of financing from deposits and an increase in Optima bank's investment portfolio.

Total loans and receivables against customers before accumulated impairments amounted to EUR 1,693.4 million on 31.12.2022 (including credit provisions for the purchase of margin accounts), increased overall by EUR 664.1 million compared to EUR 1,029.3 million on 31.12.2021. **Accumulated impairments** have increased by EUR 5.2 million compared to 31.12.2021 and amounted to EUR 18.9 million for 2022 against EUR 13.7 million in 2021, mainly due to the growth of the Bank's loan portfolio.

Regarding liabilities, on 31.12.2022 total **customer liabilities amounted to** EUR 2,177.2 million (recording an increase of EUR 830.5 million compared to 2021).

The **loans (net of provisions)-to-deposit ratio** on 31.12.2022 stood at 76.91% (compared to 75.41% on 31.12.2021).

The **total net worth** amounted to EUR 252.9 million at the end of 2022 compared to EUR 156.3 million in 2021, improved by EUR 96.6 million. The improvement was mainly due to the issuance of a convertible bond loan of EUR 60 million, completed in 2022, and to the formation of (consolidated) profits of EUR 36.7 million after taxes and other income.

Profit and Loss

With regard to the Group's profit and loss results:

Optima bank Group**'s net interest income** amounted to EUR 60.8 million from EUR 27 million, an increase of 124.9 % compared to 2021 mainly due to an increase in interest-revenue from loans (increase of loans).

Net commission income amounted to EUR 22.2 million from EUR 15.8 million, an increase of 40.8 % mainly due to an increase in net commissions related to the granting/renewal of loans and letters of guarantee.

Optima bank Group's **total operating expenses** amounted to EUR 41.8 million from EUR 34.0 million in 2021, an increase of 22.9 %. The increase in operating expenses stemmed primarily from the increase in staff fees and expenses (+ 15.3 %) due to the increase in human resources (the number of employees increased gradually from 393 people at the end of 2021 to 445 people at the end of 2022 at Group level), which was necessary to meet the Bank's operational needs and from the increase in the overall operating costs

(+ 41.6 %) resulting from the expansion of the branch network (27 branches at the end of 2022 from 25 branches at the end of 2021) and the overall increase in operating expenses due to the implementation of the business plan. Annual depreciations are also increased in 2022 compared to 2021 and amounted to EUR 6.0 million from EUR 5.1 million, mainly due to the expansion of the branch network and technological investments. New investments (additions) in fixed assets amounted to EUR 1.7 million at the end of 2022 compared to EUR 3 million at the end of 2021 at consolidated level. Accordingly, the amount of new investments (additions) in intangible assets amounted to EUR 3.4 million in 2022 compared to EUR 2.6 million in 2021, at consolidated level[15].

As a result, **the profit/ loss before provisions, impairments and taxes** for the year 2022 amounted to EUR 54.4 million compared to EUR 14.1 million in 2021. Taking into account the credit risk provisions, the **profit/ loss before tax** for the year that ended 31.12.2022 amounted to EUR 48.1 million compared to the **profit/ loss before tax** for the year 2021 amounting to EUR 10.1 million. The **net results after tax** for the 2022 financial year of Optima bank Group amounted to EUR 42.4 million compared to EUR 10.0 million in 2021.

Non-current assets held for sale

The non-current assets held for sale on 31/12/2021 included the companies:

- IBG Global Funds SICAV-SIF, Special Investment Fund based in Luxembourg and
- IBG Capital Management S.ar.l, management company for the above-mentioned investment fund established in Luxembourg.

After exploring alternative options for the utilisation of the aforementioned assets, the Group's management has concluded that these do not contribute to the Group's overall business plan. As a result, the Group's management decided to liquidate the investment fund IBG Global Funds SICAV-SIF and to liquidate the company in accordance with the voluntary liquidation process, as provided for by the corresponding Luxembourg legal framework, and furthermore to launch the liquidation of the management company IBG Capital Management S.ar.l. In the course of 2022, both operations concerning the liquidation of IBG Global Funds SICAV-SIF and IBG Capital Management S.ar.l. were completed.

Regulatory Ratios

At the end of December 2022, the Bank's total regulatory capital amounted to EUR 243.6 million (EUR 252.2 million for the Group) while the risk-weighted assets (RWAs) amounted to EUR 1,803.9 million (EUR 1,831.6 million for the Group), resulting in Optima bank's TRCR standing at 13.50 % (13.77 % for the Group),

[15] The heading 'Other 'Intangibles' includes recognition of intangible assets attributed to customer relationships and trademarks from the acquisitions of subsidiaries Optima factors and Optima asset management (AEDAK).

influenced by the issuance of the EUR 60 million convertible bond loan completed by Optima bank in 2022, the expansion of the Bank's loan and investment portfolio and the overall results of this financial year.

At Bank level, the liquidity coverage ratio (LCR) stood at 180.59 % (compared to the minimum threshold: 100 %) and the net stable funding ratio (NSFR) stood at 119.52 % (compared to the threshold: 100 %) on 31.12.2022.

The regulatory ratios for both the Bank and the Group are summarised in the table below for both the year that ended on 31.12.2022 and the previous financial year (expiration 31.12.2021):

	Bank		**Group**	
	31.12.2022*	**31.12.2021**	**31.12.2022***	**31.12.2021**
CET-1 (%)	10.18 %	13.31 %	10.49 %	13.94 %
TRCR (%)	13.50 %	13.31 %	13.77 %	13.94 %
LCR (%)	180.59 %	142.16 %	192.64 %	152.93 %
NSFR (%)	119.52 %	115.46 %**	120.96 %	116.68 %**

Source: Finance Direction of Optima bank

* The amounts have been calculated by including profits for the period.

** * The NSFR Index of 31/12/2021 at Group level was adjusted for comparability purposes to 116.68 % from the submitted 100.63 %. Correspondingly, at Bank level, it was adjusted to 115.46 % from 100. 1 %.*

** * * The LCR Index of 31/12/2021 at Group level was adjusted for comparability purposes to 152.93 % from the submitted 103.43 %. Correspondingly, at Bank level, it was adjusted to 142.16 % from 98.4 %.*

Conclusion on the going concern

The Board of Directors of the Bank, having taken into account the main business risks related to Optima bank, which stem mainly from the macroeconomic environment in which Optima bank operates and develops in combination with its strategy, liquidity and capital position, concluded that for the Bank and the Optima bank Group the principle of going concern does apply.

In addition, for the smooth implementation of its business plan, the Bank's management and its shareholders are considering the most appropriate options for the short and long-term strengthening of its capital base, so that its regulatory capital and regulatory ratios exceed the requirements set by the regulatory authorities.

Personnel

Employees are particularly important for Optima bank's course. The Bank continues to be staffed with the appropriate staff in order to have the critical mass for the achievement of its operational objectives and to establish long-term and mutually beneficial cooperation relations with them.

The number of employees of Optima bank on 31/12/2022 amounted to 426 people (445 for the Group), compared to 393 for the Group and 379 for the Bank on 31/12/2021.
Out of this number, 47 % are women and 84% of employees have a higher education and post graduate diploma.

Number of branches/Central services

On 31.12.2022 the Bank operated 27 branches. More specifically, out of the 27 branches 21 operate in Athens, 3 in Thessaloniki, 1 branch in Corinth, 1 branch in Larissa and 1 branch in Heraklion Crete.
In terms of central services in 2022, there was no need to rent a new space. The central services remain in the 32 Aigialias Street building and on the 4th floor of the Paradise building both in the area of Maroussi, Attica, and whose major renovations and improvements were completed in 2021.

Share capital

All Optima bank shares are ordinary, registered, with voting rights, not admitted for trade in any regulated market and have all rights and obligations deriving from Optima bank's Articles of Association and determined by law.
Following the last share capital increase of EUR 80,139,546 completed in January 2021, Optima bank's share capital amounts to EUR 160,279,092.00 divided into 7,524,840 ordinary registered shares, with a nominal value of EUR 21.30 each and is fully paid up.
On 31.12.2022 Optima bank did not hold own shares.
Optima bank's largest shareholder on 31.12.2022 continues to be Ireon Investments LTD, which is a 100 % subsidiary of Motor Oil Group (Hellas) and owns 11.93 % of the Bank's share capital.

Significant events after 31.12.2022

Important corporate events in relation to Optima bank Group:

On Wednesday, March 22, 2023, the Extraordinary General Meeting of the Shareholders of Optima bank took place with the following decisions:

1. Decrease of the Bank's share capital by reducing the nominal value of each share by offsetting equal losses of previous years. Corresponding amendment to Article 5 of the Bank's Articles of Association.
2. Decrease of the nominal value of each share of the Bank while increasing the total number of shares of the Bank (split). Corresponding amendment to Article 5 of the Bank's Articles of Association.
3. Authorisation of the Board of Directors to increase the share capital of the Bank and to limit or exclude the pre-emption right of its shareholders, pursuant to Articles 24(1)(b) and 27(4) of Law 4548/2018.

4. Listing of all the Bank's ordinary shares on the regulated market (main market) of the Athens Stock Exchange, in accordance with the provisions of Law 3371/2005, as in force.
5. Amendment of the Bank's Articles of Association to comply with the provisions of Law 4548/2018 for companies listed on a regulated market, the applicable provisions of stock exchange legislation, as well as the legislation on corporate governance.
6. Approval of the political suitability of the members of the Board of Directors in accordance with Article 3 of Law 4706/2020.
7. Election of the Board of Directors and appointment of independent non-executive members in accordance with Article 5(2) of Law 4706/2020.
8. Determination of the type of Audit Committee of the Bank, the mandate, number and functions of its members, in accordance with Article 44 of Law 4449/2017, as amended and in force.
9. Approval of a Remuneration Policy for the members of the Board of Directors of the Bank in accordance with Articles 110-111 of Law 4548/2018.

Therefore, the "green light" was given to the Board of Directors of Optima bank for the process of listing the Bank's shares in the main market of the Athens Stock Exchange, following the extraordinary General Meeting of shareholders. This decision is a milestone for the Bank's history and at the same time a starting point for the Bank's future.

Transactions with related parties

In line with the relevant regulatory framework, this report should include the most important transactions with related parties. All related parties' transactions are carried out in the context of normal business activities, under conditions and on market terms, they are approved by the competent bodies and in addition to the details below (note 40 of the financial statements), they are not considered significant for the Group's sizes and results.

Disclosures under Article 6 of Law 4374/2016

Pursuant to Article 6 of Law 4374/1.4.2016 (Government Gazette A' 50/1.4.2016) "Transparency in the relations of credit institutions with media enterprises and sponsored persons", all credit institutions established in Greece and their branches operating abroad, unless excluded from the application of Law 4261/2014, are required to publish annually and on a consolidated basis information on all payments made within the relevant financial year, in particular payments for advertising, publicising or promotional purposes, including payments for sponsorships of any kind which:

a) have as a direct or indirect recipient (aa) a media undertaking, (bb) an electronic media undertaking, (cc) another entity which is related to the above undertakings within the meaning of Article 42e(5) of Codified Law 2190/1920 or as defined in International Accounting Standard 24.
b) have as a direct or indirect recipient an advertising and communication undertaking in so far as they relate to further payments to the undertakings referred to in point (a) above.
The information required, including the amounts in EUR, is set out below:
I) Payments to media undertakings (according to paragraph 1 of article 6 of Law 4374/2016)
(Amounts in Euro)

Company Name	Amount before Tax
BANKING NEWS S.A.	12,000
CAPITAL G.R. S.A.	1,040
KARTA LTD	4,500
BOUSIAS COMMUNICATIONS S.A.	7,030
TROCADERO S.A.	5,500
ETHOS MEDIA S.A.	1,500
Total	**31,570**

II) Payments for donations, sponsorships, grants or other ex gratia payments (according to par. 2, article 6 of law 4374/2016
(Amounts in Euro)

Company Name	Amount before tax
CAPITAL LINK HELLAS S.A.	5,000
JOURNALISTS' UNION OF ATHENS DAILY NEWSPAPERS	2,500
DELPHI ECONOMIC FORUM	10,000
ATHENS CHAMBER OF COMMERCE AND INDUSTRY	5,000
NIKOPOULEIO	2,700
ILIAS LALAOUNIS JEWELRY MUSEUM	5,000
HELLENIC BANK ASSOCIATION	24,000
HUMANITARIAN AID IN UKRAINE	3,003
ECUMENICAL FEDERATION OF CONSTANTINOPOLITANS	3,000
BUSSINESS ASSOCIATION OF HERAKLION INDUSTRIAL AREA	3,000
HELLENIC PASTEUR INSTITUTE	6,000
CONFERENCE SPONSORSHIP ETEAEP	806
MUSICAETERNA SWISS FOUNDATION	5,000
THE PARENTS ASSOCIATION OF MENTALLY DISABLED	600
GENERAL CHARITY FUND OF IERA METROPOLIS LARISAS AND TIRNAVOU	500
ASSOCIATION OF PROFESSIONALS AND TRADERS OF EVOSMOS	800
ATHENS CHAMBER OF COMMERCE AND INDUSTRY	5,000
UNION TOGETHER FOR CHILDREN	3,000
INDIVIDUALS	2,440
Total	**87,349**

In compliance with the current legislative, tax and regulatory framework for the above payments (I and II), the Group paid the corresponding taxes and fees.

Risk management

The Group recognises that the management of the risks undertaken in the context of its activities is a strategic tool of the business policy and philosophy of its operation. Therefore, its Management has established a Risk Appetite Framework (RAF) and ensures that risk management is carried out inside it and that it is understandable by all units. In this framework, timely risk identification, risk measurement and management methods are compatible with the Group's strategic choices and are translated in day-to-day business decisions. Following with particular attention the dynamic nature of the economic and institutional environment in which it operates, the Group adapts and develops its risk management mechanisms at the level of organisational structure, policies, processes and IT systems as to ensure that these mechanisms remain effective at the level of daily banking operations, compatible with the principle of independence and operational for internal and institutional oversight purposes.

Governance

The Risk Management Committee of the Board of Directors supports the Board of Directors in the task of defining a risk management strategy, based on the current Business Plan and the Risk Appetite Framework.
The Risk Management Committee (RMC) submits proposals to the Board of Directors on the current and future risk-taking strategy of the institution, it determines the principles that should govern the management of risks in terms of their recognition, anticipation, measurement, monitoring, auditing and tackling, based on the applicable business strategy and the adequacy of available resources.
Furthermore, the Risk Management Committee provides guidance to the Risk Management Direction regarding the implementation of the risk appetite strategy, including compliance with the capital adequacy regulatory framework in force, while it also monitors the independence, adequacy and efficiency of the aforementioned Direction.
The Risk Management Committee ensures that the Bank's Board of Directors is adequately updated on all issues pertaining to the risk undertaking strategy, the tolerance level and the risk undertaking level in the performance of its strategic and regulatory tasks.

Risk Tolerance Policy

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

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

Credit risk

Credit risk is defined as the potential risk of loss that may arise from the default of a counterparty's contractual obligations towards the Bank and the Group.

In addition to the credit risk arising from all forms of lending, the Group, in the context of managing the overall credit risk, recognises that the following risks are additionally managed:

- Credit risk from the purchase of shares on credit
- Concentration risk
- Counterparty risk

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

The operational risk

Operational Risk

Operational Risk is defined as the risk of losses due:

- to the inadequacy or failure of internal procedures,
- to the human factor,
- to the systems, as well as
- to external events.

It also includes legal risk, as well as credit or market risk events with operational causes.

The Bank has established appropriate policies and procedures for the management of operational risk. In addition, the Bank maintains an application for keeping a log of operational risk events. (Operational Loss Database). In addition, Key Risk Indicators (KRIs) have been set in business units. By monitoring the course of indicators, mainly in cases of sharp fluctuations, the Risk Management Direction monitors the reasons for the change and, if it identifies operational risks, it sets measures to reduce them. Finally, the Bank uses the Risk and Control Self Assessment (RCSA) method annually.

Market Risk

Market Risk is defined as the potential loss that may be caused to the Bank's portfolio by unexpected market value fluctuations in individual areas of that portfolio. The portfolios facing this possibility are those exposed to interest rate and/or monetary and/or price risk.

Through its activity in financial products, the Bank faces market risk, which may result in capital losses from changes in interest rates, share/bond prices, equity indices and exchange rates. It therefore seeks to effectively control market risks stemming from all its activities, through a risk management framework consisting of policies, procedures and methodologies for assessment, measurement, monitoring and risk management, as well as limit structures, which are compatible with the requirements of the regulatory authorities.

In view of the effective management of market risk, the Risk Management Direction calculates on a daily basis the Value at Risk (VAR) using the variance-covariance method with a 99% confidence level and a holding period of one day, and informs the competent units and the Bank's Management accordingly. Based on the composition of the portfolios, the methods used for hedging open positions, the day-to-day measurement, monitoring and analysis of results, as discussed below, it is established that the Bank's exposure to market risk is within the tolerance level of undertaking of that risk, which has been determined by the Risk Management Committee through a well-defined limit framework (RAF).

Liquidity Risk

Liquidity risk is defined as a risk for a Bank, albeit solvent, to not have sufficient financial resources to meet its obligations when they fall due, or to be able to secure them only with high borrowing costs.

The Treasury Management Direction shall ensure the management of the Bank's liquidity through monitoring and management of basic accounts, loan capital and capital market investments, in accordance with the desired level of risk assumed as determined by the Risk Management Committee and the Board of Directors of the Bank. The Risk Management Directorate controls the liquidity of the Bank in relation to the established limits.

Other Risks

At regular intervals, as determined in the Risk Appetite Framework, the Bank calculates and monitors risk tolerance indicators based on financial results and confirms that it operates in accordance with the risk levels provided for by the BoD. If a violation of any of the indicators is observed, the activity impacting the indicator is identified and appropriate actions are undertaken so that risk returns to acceptable levels.

The relevant regulatory reports shall summarise and systematise the risk management framework, in all its aspects. The financial risk management is described in detail in Note 4 to the Financial Statements and the Consolidated Financial Statements of the year ended December 31, 2022.

2023 Outlook

Tightening financial conditions and the gradual withdrawal of fiscal measures are expected to slow down the growth rate of the global economy to + 2.9 % during 2023 from + 3.4 % in 2022, according to the International Monetary Fund. Growth risks are downwards, including a faster-than-expected tightening of monetary policy globally due to persistently high inflation, which may jeopardise the "soft landing" of the global economy.

The ongoing **war in Ukraine** remains a major concern, as any escalation risks disrupting the European Union's gas supply, initially hitting the industrial sector and pushing global energy prices to higher levels.

In addition, the emergence **of new mutations in the COVID-19 epidemic** could cause new disruptions in the functioning of the economy and prevent the normalisation of supply chains.

On the other hand, a possible decline in uncertainty related to **geopolitical developments** could lead to an improvement in the growth rate of the global economy, as household and corporate balance sheets will be assessed as healthier, compared to the large imbalances, including high leverage, accumulated towards the global financial crisis.

In addition, the rebound **of China's economy** is expected to lay the ground, among other things, for a faster recovery in international trade, amid continued normalisation of global supply chains.

For 2023, Optima bank aims to continue the successful course of 2022, guided by the outlook of the market in which it operates but mainly its business plan for the period 2023-2025. Optima bank's main strategic objectives continue to be to increase the volume of operations, to increase market shares, to increase revenue through the exploitation of all alternative channels of customer reach, to find new sources of revenue, to tighten operational costs to further enhance profitability and increase the value of its shareholders.

Optima bank's management continuously assesses the macroeconomic environment in which it operates in order to achieve its long-term goals.

Marousi, 16 May 2023

FOR THE BOARD OF DIRECTORS

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

ESMA ALTERNATIVE PERFORMANCE MEASURES (''APMs'') AT GROUP LEVEL

In addition to the financial information that is reported under IFRS, this BoD Annual Report contains also financial metrics that constitute alternative performance measures which aim to follow the guidelines of APMs issued by the European Securities and Markets Authority ('’ESMA’'). According to the ESMA definition, a non-IFRS financial measure is a metric that measures historical or future financial performance, financial position or cash flows but which excludes or includes amounts that would not be so adjusted in the most comparable IFRS measure.

The below APMs include or exclude amounts, which are not defined under IFRS, aiming at consistency and comparability among financial periods or years and provision of information regarding non-recurring events. However, the presented measures not defined under IFRS are not considered as substitute for IFRS measures.

Amounts in 000, Euro

APM	Definition	2022	2021
Loan and advances to customers before provisions	Loan and advances to customers at amortized cost before provisions for impairment losses on loans and advances to customers.	1,693,430	1,029,304
Provisions for impairment losses on loans and advances to customers	Provisions for impairment losses on loans and advances to customers.	18,907	13,711
Due to customers	Deposits and check deposits.	2,177,209	1,346,727
Loans-to-Deposits Ratio (LDR)	Loan and advances to customers at amortized cost before provisions over due to customers.	76.91%	75.41%
Total operating expenses	Total expenses.	41,807	34,010
Profit / (Loss) before provisions & taxes	Total Profit / (Loss) before provisions & taxes	54,444	14,062
Risk Weighted Assets (RWAs)	Assets and off-balance-sheet exposures, weighted according to risk factors based on Regulation (EU) No 575/2013.	1,831,581	1,119,625
Common Equity Tier 1 (CET 1) Ratio	Common Equity Tier 1, as defined by Regulation (EU) No 575/2013, with the application of the regulatory transitional arrangements for IFRS 9 impact over RWAs, including the period Profit after tax.	10.49%	13.94%
Total Capital Ratio (TRCR)	Total capital as defined by Regulation (EU) No 575/2013, with the application of the regulatory transitional arrangements for IFRS 9 impact over RWAs, including the period profits after taxes.	13.77%	13.94%
Liquidity Coverage Ratio (LCR)	The Liquidity Coverage Ratio as defined by Regulation (EU) 2015/61 (amended by Regulation (EU) 2018/1620) is the value of the stock of unencumbered High Quality Liquid Assets (HQLA) held by a credit institution, over its projected total net cash outflows, under a severe 30-day stress scenario.	192.64%	152.93%
Net Stable Funding Ratio (NSFR)	The NSFR is defined as the amount of available stable funding relative to the amount of required stable funding.	120.96%	116.68%

II Independent Auditor's Report

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TRUE TRANSLATION FROM THE ORIGINAL IN GREEK

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Optima bank S.A.

Report on the Audit of the Separate and Consolidated Financial Statements

Opinion

We have audited the accompanying separate and consolidated financial statements of Optima Bank S.A. (the Bank) and its subsidiaries (the Bank and the Group), which comprise the separate and consolidated statement of financial position as at 31 December 2022, and the separate and consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the separate and consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the financial position of Optima Bank S.A. and its subsidiaries (the Group) as at 31 December 2022 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), as endorsed by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as they have been incorporated into the Greek legislation. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the audit of the separate and consolidated financial statements" section of our report. We have been independent of the Bank and the Group during the whole period of our appointment, in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), as incorporated into the Greek legislation and the ethical requirements in Greece, relevant to the audit of the separate and consolidated financial statements. We have fulfilled our ethical requirements in accordance with the applicable legislation and the abovementioned Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

Key audit matters	How our audit addressed the Key audit matters
Allowance for expected credit losses for loans and advances to customers at amortized cost	
Loans and advances to customers at amortized cost of the Bank and the Group amounted to € 1,676 million for the Bank and € 1,693 million for the Group respectively at 31 December 2022 (€ 1,018 million and € 1,029 million at 31 December 2021 as restated) and allowance for expected credit losses amounted to € 18,974 thousand for the Bank and € 18,907 thousand for the Group at 31 December 2022 (€ 13,513 thousand and € 13,711 thousand at 31 December 2021 as restated). The estimation of expected credit losses on loans and advances to customers at amortized cost is deemed a key audit matter as the determination of assumptions used, involves critical Management judgments and accounting estimates with high level of subjectivity and complexity. The most significant Management judgements and estimates, relate to: • The determination of important credit risk parameters, such as Loss Given Default (LGD), Probability of Default (PD) and the Exposure at Default (EAD) used in the models to estimate expected credit losses • The criteria used for the staging assessment of loans and advances to customers at amortized cost (Significant Increase in Credit Risk – SICR and Unlikeness to Pay – UTP) • The measurement of the adjustments of Management (Management Overlays) on the results of the models to estimate expected credit losses Management has provided further information about principles and accounting policies for determining the expected credit losses on loans and advances to customers at amortized cost and management of credit risk in Notes 2.4, 2.10, 3.A., 4.1 and 20 to the separate and consolidated financial statements.	Based on our risk assessment and following a risk-based approach, we have evaluated the impairment methodologies applied and assumptions made by Management in relation to this key audit matter, and we performed, inter alia, the following audit procedures: With the support of our financial risk modelling specialists where appropriate, we assessed the design and implementation of relevant internal controls over the expected credit loses estimate including the controls around: - assumptions used in the models for the measuring of expected credit losses - model monitoring and model validation - allocation of loans into stages We assessed the compliance of the Bank's and the Group's impairment policies on loan and advances to customers with the provisions of IFRS 9. In addition, with the support of our financial risk modelling specialists: - we evaluated the appropriateness of the important parameters (Loss Given Default (LGD), Probability of Default (PD) and Exposure at Default (EAD)) used in the models to estimate the expected credit losses and we verified on a sample basis the accuracy of the model calculations for estimating expected credit losses. In this context, we examined on a sample basis the accuracy of the data used in the models including the collaterals used to determine the Loss Given Default (LGD). - we examined on a sample basis whether the criteria used for the timely identification of exposures with a significant increase in credit risk and the timely identification of credit impaired exposures have been properly applied in accordance with the Bank's and the Group's impairment policy of loans and advances to customers - we evaluated the appropriateness of the adjustments of Management (Management Overlays) on the measurement of expected credit losses, in order to incorporate the effect of factors not captured in the models to estimate expected credit losses. Given the complexity and granularity of the related disclosures, we assessed their completeness and accuracy in accordance with the provisions of the IFRSs.

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the Key audit matters</th></tr>
<tr><td colspan="2">Information Technology General Controls and controls over financial reporting</td></tr>
<tr><td>The Bank’s and the Group’s financial reporting processes are highly dependent on Information Technology (“IT”) systems supporting automated accounting and reconciliation procedures, thus leading to a complex IT environment, pervasive in nature and in which a significant number of transactions are processed daily, across different locations.

This is a key audit matter since it is important that controls over access security, cyber risks, system change control and management of IT daily operations, are designed and operate effectively to ensure complete and accurate financial records and information.</td><td>Based on our risk assessment, we have tested the design and implementation of General Information Technology Controls (GITCs) relevant for financial reporting. Our assessment included the evaluation of user access over applications, operating systems and databases, the process followed over changes made to information systems, as well as the evaluation of the management of IT daily operations.

Our IT audit procedures included, among others, testing of:

• User access provisioning and de-provisioning process.
• Privileged access to applications, operating systems and databases.
• Periodic review of user access rights.
• Change management process over applications, operating systems and databases (i.e. user request, user acceptance testing and final approval for promotion to production).
• Management of IT daily operations.</td></tr>
</table>

Deloitte.

Other Information

Management is responsible for the other information. The other information is included in the Board of Directors' Management Report, referred to in the section "Report on Other Legal and Regulatory Requirements", but does not include the separate and consolidated financial statements and our auditor's report thereon.

Our opinion on the separate and consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

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

Responsibilities of Management and Those Charged with Governance for the separate and consolidated financial statements

Management is responsible for the preparation and fair presentation of the separate and consolidated financial statements in accordance with IFRSs, as endorsed by the European Union, and for such internal control as Management determines is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

The Audit Committee (article 44 of Law 4449/2017) of the Bank is responsible for overseeing the Bank's and Group's financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's and Group's internal control.

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate and consolidated financial statements of the current year and are therefore the key audit matters.

Report on Other Legal and Regulatory Requirements

1) **Board of Directors' Management Report**

Taking into consideration that Management is responsible for the preparation of the Board of Directors' Annual Management report which also includes the Corporate Governance Statement, according to the provisions of paragraph 5 of article 2 of Law 4336/2015 (part B) we note the following:

a) In our opinion, the Board of Directors' Management report has been prepared in accordance with the applicable legal requirements of article 150 of Law 4548/2018 and article 153 of the same law, to the extent that it applies to companies not listed on a regulated market and its content is consistent with the accompanying separate and consolidated financial statements for the year ended 31 December 2022.

b) Based on the knowledge we obtained during our audit of the Bank and the Group and its environment, we have not identified any material inconsistencies in the Board of Directors' Annual Management Report.

2) **Additional Report to the Audit Committee**

Our audit opinion on the separate and consolidated financial statements is consistent with the additional report to the Audit Committee of the Bank referred to in Article 11 of the European Union (EU) Regulation 537/2014.

3) **Non-audit Services**

We have not provided to the Bank and the Group any prohibited non-audit services referred to in Article 5 of EU Regulation 537/2014. The allowable non-audit services provided to the Bank and the Group during the year ended 31 December 2022 are disclosed in Note 44 to the separate and consolidated financial statements.

4) **Appointment**

We were first appointed as statutory auditors of the Bank by the decision on 21.07.2021 of the annual regular general meeting of the shareholders. The year ended 31.12.2022 is the second consecutive year that we serve as statutory auditors.

Athens, 17 May 2023

The Certified Public Accountant

Konstantinos Kakoliris
Reg. No. SOEL: 42931
Deloitte Certified Public Accountants S.A.
3a Fragoklissias & Granikou Str.
151 25 Maroussi
Reg. No. SOEL: E120

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for the year

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In accordance with the International Financial Reporting Standards (IFRS)

Optima bank

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Amounts in Eur '000	Note	1/1/2022 - 31/12/2022	1/1/2021 - 31/12/2021 (As reclassified)
Interest and similar income	6	65,057	29,703
Interest and similar expense	6	(4,264)	(2,668)
Net interest income		**60,793**	**27,034**
Fee and commission income	7	26,255	19,509
Fee and commission expense	7	(4,024)	(3,716)
Net fee and commission income		**22,231**	**15,793**
Dividend income		151	165
Net trading income	8	12,901	4,960
Other operating income	9	175	120
		13,228	**5,245**
Total operating income		**96,251**	**48,072**
Personnel expenses	10	(22,537)	(19,553)
General operating expenses	11	(13,313)	(9,403)
Depreciation		(5,956)	(5,054)
Total expenses		**(41,807)**	**(34,010)**
Profit/(loss) before provisions and taxes		**54,444**	**14,062**
Provision for expected credit losses	12	(6,739)	(4,124)
Other provisions	13	(39)	184
Total provisions		**(6,777)**	**(3,940)**
Gain from acquisition of associate	46	438	0
Profit/Loss before tax		**48,105**	**10,122**
Income tax	14	(5,678)	(73)
Profit/Loss after tax (a)		**42,427**	**10,049**
Other comprenhesive income			
Items that may be reclassified subsequently to the Income Statement			
Investments in debt instruments measured at fair value through other comprehensive income ("FVTOCI")		(7,110)	(1,809)
Deferred tax on reserve from valuation of debt instruments measured at fair value through other comprehensive income ("FVTOCI")		1,689	273
Provision for expected credit losses for instruments measured at fair value through other comprehensive income ("FVTOCI")		(361)	276
Total items that may be reclassified subsequently to the Income Statement		**(5,781)**	**(1,260)**
Items that can not be reclassified to the Income Statement			
Actuarial gain/(losses) of defined benefit obligations	36	5	(3)
Deferred tax on actuarial gains / (losses)		(1)	0
Total items that can not be reclassified to the Income Statement		**4**	**(3)**
Other comprehensive income after tax (b)		**(5,777)**	**(1,263)**
Total comprehensive income after tax (a)+(b)		**36,649**	**8,786**
Profits attributable to:			
Shareholders of the parent company		42,425	10,049
Non-controlling interests		2	0
		42,427	**10,049**
Total comprehensive income attributable to:			
Shareholders of the parent company		36,648	8,786
Non-controlling interests		2	0
		36,649	**8,786**
Earnings after tax per share - basic (in €)	15	1.13	0.27
Earnings after tax per share - adjusted (in €)	15	1.07	0.27

The notes on pages 10 to 115 form an integral part of these annual financial statements.

Optima bank

BANK

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Amounts in Eur '000	Note	1/1/2022 - 31/12/2022	1/1/2021 - 31/12/2021 (As reclassified)
Interest and similar income	6	63,968	29,093
Interest and similar expense	6	(4,174)	(2,654)
Net interest income		**59,794**	**26,439**
Fee and commission income	7	23,763	17,650
Fee and commission expense	7	(3,964)	(3,638)
Net fee and commission income		**19,798**	**14,012**
Dividend income		126	8,311
Net trading income	8	12,642	3,567
Other operating income	9	313	238
		13,081	**12,117**
Total operating income		**92,674**	**52,567**
Personnel expenses	10	(21,593)	(18,794)
General operating expenses	11	(12,715)	(8,966)
Depreciation		(5,573)	(4,661)
Total expenses		**(39,880)**	**(32,421)**
Profit/(loss) before provisions and taxes		**52,793**	**20,146**
Provision for expected credit losses	12	(7,003)	(3,823)
Other provisions	13	(39)	1,842
Total provisions		**(7,042)**	**(1,980)**
Profit/Loss before tax		**45,752**	**18,166**
Income tax	14	(5,409)	(1,413)
Profit/Loss after tax (a)		**40,343**	**16,753**
Other comprenhesive income			
Items that may be reclassified subsequently to the Income Statement			
Investments in debt instruments measured at fair value through other comprehensive income ("FVTOCI")		(7,110)	(1,809)
Provision for expected credit losses for instruments measured at fair value through other comprehensive income ("FVTOCI")		(361)	276
Deferred tax on reserve from valuation of debt instruments measured at fair value through other comprehensive income ("FVTOCI")		1,689	273
Total items that may be reclassified subsequently to the Income Statement		**(5,781)**	**(1,260)**
Items that can not be reclassified to the Income Statement			
Actuarial gain/(losses) of defined benefit obligations	36	7	(3)
Deferred tax on actuarial gains / (losses)		(1)	0
Total items that can not be reclassified to the Income Statement		**7**	**(3)**
Other comprehensive income after tax (b)		**(5,775)**	**(1,263)**
Total comprehensive income after tax (a)+(b)		**34,568**	**15,490**
Earnings after tax per share - basic (in €)	15	1.07	0.45
Earnings after tax per share - adjusted (in €)	15	1.01	0.45

The notes on pages 10 to 115 form an integral part of these annual financial statements.

GROUP

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in Eur '000	Note	31/12/2022	31/12/2021 (As reclassified)
ASSETS			
Cash and balances with central bank	16	215,240	78,492
Due from banks	17	94,642	65,911
Financial assets at fair value through profit or loss	18	211,653	54,194
Derivative financial instruments	19	8,084	434
Loans and advances to customers	20	1,674,523	1,015,593
Financial assets at fair value through other comprehensive income	21	93,256	192,087
Debt instruments at amortized cost	22	174,464	92,998
Investment in associates	23	448	0
Property, plant and equipment	24	11,841	12,014
Intangible assets	25	10,324	8,730
Right of use assets	26	19,436	19,218
Deferred tax assets	27	6,353	2,932
Receivables from margin and brokerage settlement accounts	28	61,051	27,776
Hellenic Deposit and Investment Guarantee Fund and investment product guarantees	29	12,495	13,135
Current tax assets	30	223	1,875
Other assets	31	13,704	49,529
Total assets		**2,607,737**	**1,634,918**
EQUITY AND LIABILITIES			
Due to Central Bank	32	64,284	84,143
Due to banks	33	20,066	3,928
Due to customers	34	2,177,209	1,346,727
Payables from margin and brokerage settlement accounts	35	39,411	3,254
Derivative financial instruments	19	6,958	7,432
Lease Liability	26	20,259	19,965
Retirement benefit obligations	36	550	458
Income tax liability		4,064	642
Other liabilities	37	19,259	10,958
Provisions	38	2,724	1,106
Total liabilities		**2,354,784**	**1,478,614**
Shareholders equity			
Share capital	39	160,279	160,279
Convertible bond loan	40	60,000	0
Fair value through other comprehensive income reserve		(6,727)	(946)
Other reserves	41	19,810	18,859
Retained earnings/(losses)		19,573	(21,889)
Total equity attributable to the Company's shareholders		**252,935**	**156,304**
Non-controlling interests		18	0
Total equity		**252,953**	**156,304**
Total liabilities and equity		**2,607,737**	**1,634,918**

The notes on pages 10 to 115 form an integral part of these annual financial statements.

BANK
STATEMENT OF FINANCIAL POSITION

Amounts in Eur '000	Note	31/12/2022	31/12/2021 (As reclassified)
ASSETS			
Cash and balances with central bank	16	215,239	78,492
Due from banks	17	91,512	64,774
Financial assets at fair value through profit or loss	18	210,114	51,899
Derivative financial instruments	19	8,084	434
Loans and advances to customers	20	1,657,471	1,004,103
Financial assets at fair value through other comprehensive income	21	93,256	192,087
Debt instruments at amortized cost	22	174,464	92,998
Investment in subsidiaries and associates	23	9,133	13,593
Property, plant and equipment	24	11,664	11,821
Intangible assets	25	6,733	4,860
Right of use assets	26	19,411	18,999
Deferred tax assets	27	7,410	4,066
Receivables from margin and brokerage settlement accounts	28	61,051	27,776
Hellenic Deposit and Investment Guarantee Fund and investment product guarantees	29	12,245	12,885
Current tax assets	30	47	1,875
Other assets	31	13,166	49,340
Total assets		**2,590,999**	**1,630,001**
EQUITY AND LIABILITIES			
Due to Central Bank	32	64,284	84,143
Due to banks	33	15,029	3,928
Due to customers	34	2,179,580	1,353,935
Payables from margin and brokerage settlement accounts	35	39,411	3,254
Derivative financial instruments	19	6,958	7,432
Lease Liability	26	20,233	19,748
Retirement benefit obligations	36	514	413
Income tax liability		3,830	0
Other liabilities	37	16,984	9,170
Provisions	38	2,666	1,036
Total liabilities		**2,349,491**	**1,483,060**
Shareholders equity			
Share capital	39	160,279	160,279
Convertible bond loan	40	60,000	0
Fair value through other comprehensive income reserve		(6,727)	(946)
Other reserves	41	19,027	18,177
Retained earnings/(losses)		8,930	(30,568)
Total equity		**241,508**	**146,941**
Total liabilities and equity		**2,590,999**	**1,630,001**

The notes on pages 10 to 115 form an integral part of these annual financial statements.

GROUP
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in Eur '000

	Note	Share capital	Fair value through other comprehensive income reserve	Other reserves	Retained earnings	Convertible bond loan	Total	Non-controlling interests	Total
Balance at 1 January 2021		**160,279**	**314**	**18,859**	**(31,934)**	**0**	**147,518**	**0**	**147,518**
Net result for the year		0	0	0	10,049	0	10,049	0	10,049
Other total income									
Gain/ (loss) from valuation of financial assets measured at fair value through other comprehensive income recognised directly in equity		0	(1,809)	0	0	0	(1,809)	0	(1,809)
Profit/ (Loss) transferred directly to equity		0	276	0	0	0	276	0	276
Minus: proportional tax		0	273	0	0	0	273	0	273
Actuarial loss recognized in other comprehensive income		0	0	0	(3)	0	(3)	0	(3)
Total Income (After Taxes)		**0**	**(1,260)**	**0**	**10,045**	**0**	**8,785**	**0**	**8,785**
Equity balances as at 31 December 2021		**160,279**	**(946)**	**18,859**	**(21,889)**	**0**	**156,304**	**0**	**156,304**
Balance at 1 January 2022		**160,279**	**(946)**	**18,859**	**(21,889)**	**0**	**156,304**	**0**	**156,304**
Net result for the year		0	0	0	42,425	0	42,425	2	42,427
Other total income									
Gain/ (loss) from valuation of financial assets measured at fair value through other comprehensive income recognised directly in equity		0	(7,110)	0	0	0	(7,110)	0	(7,110)
Profit/ (Loss) transferred directly to equity		0	(361)	0	0	0	(361)	0	(361)
Minus: proportional tax		0	1,689	0	0	0	1,689	0	1,689
Actuarial loss recognized in other comprehensive income		0	0	4	0	0	4	(0)	4
Total Income (After Taxes)		**0**	**(5,781)**	**4**	**42,425**	**0**	**36,648**	**2**	**36,649**
Issuance of convertible bond loan	40	0	0	0	0	60,000	60,000	0	60,000
Statutory Reserve		0	0	418	(418)	0	0	0	0
Reclassification		0	0	530	(546)	0	(16)	16	0
Total transactions with owners		**0**	**0**	**947**	**(963)**	**60,000**	**59,984**	**16**	**60,000**
Equity balances as at 31 December 2022		**160,279**	**(6,727)**	**19,810**	**19,573**	**60,000**	**252,935**	**18**	**252,953**

BANK
STATEMENT OF CHANGES IN EQUITY

Amounts in Eur '000

	Note	Share capital	Fair value through other comprehensive income reserve	Other reserves	Retained earnings	Convertible bond loan	Total
Balance at 1 January 2021		**160,279**	**314**	**18,177**	**(47,319)**	**0**	**131,451**
Net result for the year		0	0	0	16,753	0	16,753
Other total income							
Gain/ (loss) from valuation of financial assets measured at fair value through other comprehensive income recognised directly in equity		0	(1,809)	0	0	0	(1,809)
Profit/ (Loss) transferred directly to equity		0	276	0	0	0	276
Minus: proportional tax		0	273	0	0	0	273
Actuarial loss recognized in other comprehensive income		0	0	0	(3)	0	(3)
Total Income (After Taxes)		**0**	**(1,260)**	**0**	**16,750**	**0**	**15,490**
Equity balances as at 31 December 2021		**160,279**	**(946)**	**18,177**	**(30,568)**	**0**	**146,941**
Balance at 1 January 2022		**160,279**	**(946)**	**18,177**	**(30,568)**	**0**	**146,941**
Net result for the year		0	0	0	40,343	0	40,343
Other total income							
Gain/ (loss) from valuation of financial assets measured at fair value through other comprehensive income recognised directly in equity		0	(7,110)	0	0	0	(7,110)
Profit/ (Loss) transferred directly to equity		0	(361)	0	0	0	(361)
Minus: proportional tax		0	1,689	0	0	0	1,689
Actuarial loss recognized in other comprehensive income		0	0	5	0	0	5
Total Income (After Taxes)		**0**	**(5,781)**	**5**	**40,343**	**0**	**34,567**
Issuance of convertible bond loan	40	0	0	0	0	60,000	60,000
Statutory Reserve		0	0	383	(383)	0	0
Reclassification		0	0	462	(462)	0	0
Total transactions with owners		**0**	**0**	**845**	**(845)**	**60,000**	**60,000**
Equity balances as at 31 December 2022		**160,279**	**(6,727)**	**19,027**	**8,930**	**60,000**	**241,508**

The notes on pages 10 to 115 form an integral part of these annual financial statements.

GROUP

CONSOLIDATED CASH FLOW STATEMENT

Amounts in Eur '000	Note	1/1/2022 - 31/12/2022	1/1/2021 - 31/12/2021 (As reclassified)
Cash flows from operating activities			
Profit and loss before tax		**48,105**	**10,122**
Adjustments for:			
Depreciation		5,956	5,054
Fair value (gain)/loss of financial assets		1,080	(1,328)
Interest and non-cash expenses		1,006	925
Dividend income		(151)	0
(Gain)/ loss from branch operation		2	0
(Gain)/ loss from derivatives valuation		(8,136)	3,302
(Gain)/ loss from acquisition of associate	46	(438)	0
Provision for Retirement benefit obligations	36	390	293
Provision for expected credit losses	12	6,739	4,124
Other provisions	13	39	(184)
Fair value (gain)/loss from carbon emission inventory		3,701	(1,289)
Foreign exchange differences		13	0
(Gain)/loss from sale of financial assets measured at fair value		17	257
		58,322	**21,275**
Changes in operating assets and liabilities			
Trading Portfolio		(159,333)	(30,333)
Loans and advances to customers		(664,165)	(638,560)
Due from banks		(4,486)	(5,464)
Other assets		(1,917)	1,915
Due to banks		(8,758)	61,648
Due to customers		830,482	599,513
Other liabilities		44,036	(30,462)
Cash flows from operating activities before income tax		**94,181**	**(20,468)**
Less:			
Income tax paid		(932)	(666)
Staff compensation paid	36	(294)	(190)
Interest paid		(2)	(254)
Net cash flows from operating activities		**92,954**	**(21,578)**
Investing activities			
Acquisition of affiliates, relatives, joint ventures and other investments		(10)	0
Purchase of investment securities		(667,379)	(1,308,809)
Disposal/maturity of investment securities		671,955	1,264,549
Interest received from investment securities		6,319	2,594
Proceeds from available for sale investments		0	508
Proceeds from disposal of subsidiaries		0	41
Dividends received		151	160
Proceeds from PPE disposal		0	222
Purchase of PPE		(1,706)	(3,097)
Purchase of intangible assets		(3,410)	(2,540)
Net cash flow from investing activities		**5,921**	**(46,371)**
Financing activities			
Share capital increase		0	10,827
Convertible bond loan issue	40	60,000	0
Share capital decrease		0	0
Proceeds/(repayments) from loans issued/undertaken		5,036	(32)
Payment of lease liabilities		(2,916)	(2,355)
Net cash flow from financing activities		**62,120**	**8,440**
Effect of foreign exchange changes on cash and cash equivalents		(18)	57
Net increase/(decrease) in cash and cash equivalents		**160,976**	**(59,451)**
Cash and cash equivalents at beginning of year		129,915	189,366
Cash and cash equivalents at end of year		**290,892**	**129,915**

The notes on pages 10 to 115 form an integral part of these annual financial statements.

BANK

CASH FLOW STATEMENT

Amounts in Eur '000	Note	1/1/2022 - 31/12/2022	1/1/2021 - 31/12/2021 (As reclassified)
Cash flows from operating activities			
Profit and loss before tax		**45,752**	**18,166**
Adjustments for:			
Depreciation		5,573	4,661
Fair value (gain)/loss of financial assets		1,118	320
Interest and non-cash expenses		1,003	724
Dividend income		(126)	(8,311)
Income from reversal of provision for Impairment loss of investments	13	0	(1,725)
(Gain)/ loss from derivatives valuation		(8,136)	4,591
Provision for Retirement benefit obligations	36	280	285
Provision for expected credit losses	12	7,003	3,823
Other provisions	13	39	(117)
Fair value (gain)/loss from carbon emission inventory		3,701	(1,289)
Foreign exchange differences		18	(57)
		56,225	**21,069**
Changes in operating assets and liabilities			
Trading Portfolio		(159,333)	(30,333)
Loans and advances to customers		(658,868)	(636,775)
Due from banks		(4,486)	(5,464)
Other assets		(1,569)	14,786
Due to banks		(8,758)	61,648
Due to customers		825,646	596,335
Other liabilities		43,555	(30,176)
Cash flows from operating activities before income tax		**92,411**	**(8,909)**
Less:			
Staff compensation paid	36	(173)	(190)
Net cash flows from operating activities		**92,238**	**(9,099)**
Investing activities			
Acquisition of affiliates, relatives, joint ventures and other investments	23	(10)	0
Purchase of investment securities		(667,379)	(1,308,809)
Disposal/maturity of investment securities		671,178	1,244,096
Interest received from investment securities		6,319	2,594
Proceeds from available for sale investments		0	203
Proceeds from disposal of subsidiaries		0	41
Return of equity from subsidiaries	23	4,470	0
Dividends received		126	8,306
Proceeds from PPE disposal		0	222
Purchase of PPE	24	(1,702)	(2,842)
Purchase of intangible assets	25	(3,332)	(2,540)
Net cash flow from investing activities		**9,671**	**(58,727)**
Financing activities			
Share capital increase		0	10,827
Convertible bond loan issue	40	60,000	0
Payment of lease liabilities		(2,908)	(2,337)
Net cash flow from financing activities		**57,092**	**8,490**
Effect of foreign exchange changes on cash and cash equivalents		(18)	57
Net increase/(decrease) in cash and cash equivalents		**158,982**	**(59,279)**
Cash and cash equivalents at beginning of year		128,777	188,056
Cash and cash equivalents at end of year		**287,760**	**128,777**

The notes on pages 10 to 115 form an integral part of these annual financial statements.

NOTES TO THE FINANCIAL STATEMENTS as of 31 DECEMBER 2022

1. General Information

Optima Bank S.A. emerged as a result of the rename of INVESTMENT BANK OF GREECE S.A.

The Bank offers a wide range of banking and brokerage services as well as investment banking services. It operates in accordance with the provisions of Law 4261/2014 as in force, under the supervision of the Bank of Greece, while being a member of the Athens Exchange and the Cyprus Stock Exchange. As of 31.12.2022 it employed 426 persons in total, while its registered office is located in the Municipality of Maroussi, Attica (32 Aigialias St.)

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

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

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

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

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

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

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

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

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

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

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

On March 26, 2020, the Board of Directors of Motor Oil (Hellas) SA granted a special permission to its subsidiary IREON INVESTMENTS LTD so that the latter could proceed with a partial disinvestment by selling shares of "Optima Bank S.A.". From September to December 2020, IREON INVESTMENTS LTD transferred in total 2,546,006 shares issued by OPTIMA BANK S.A. to parties related to MOTOR OIL (HELLAS) and third parties.
Following the above transactions and in association with the share capital increase conducted by Optima Bank S.A., in accordance with the resolution dated 25.11.2020 of the Extraordinary General Meeting of its Shareholders, the participation percentage of IREON INVESTMENTS LTD in Optima Bank amounted to 15.77% on 31.12.2020.
On 13.1.2021, MOTOR OIL (HELLAS) S.A. announced that its subsidiary IREON INVESTMENTS LTD transferred another 61,500 shares issued by Optima Bank SA to individuals related to the company and 25,000 shares to third parties.

On 15.1.2021, the Bank's share capital increase by cash of EUR 80,139,546, was certified by the Board of Directors. IREON INVESTMENTS LTD did not participate in the aforementioned share capital increase.
As a result of the above corporate acts, the participation of IREON INVESTMENTS LTD in Optima Bank was formed to less than 15%.

The duration of the Bank is ninety nine (99) years and its scope, according to its Articles of Association, is the provision of all banking services permitted by Law for its own or third parties' account.

Branches operating in Greece:

A/A	BRANCH	ADDRESS
1	PSYCHIKO	Olympionikon & 1 El. Venizelou St. - 154 51
2	ILIOUPOLI	A. Papandreou & 1 Gladstonos St. - 163 45
3	AGHIA PARASKEVI	4 D. Gounari & 6 Chalandriou St. - 153 43
4	MAROUSSI	46 Thisseos & 2 D. Rali St.- 151 24
5	ABELOKIKPI, ATHENS	124 Vas. Sofias Ave, 115 26
6	NEA SMIRNI	55 El. Venizelou St. - 171 23
7	PALEO FALIRO	4 Ag. Alexandrou St. - 175 61
8	KALITHEA	2 Fornezi & El. Venizelou St - 176 75
9	KALAMARIA - THESSALONIKI	51 Ethnikis Antistasseos St - 551 34
10	PANEPISTIMIOU, ATHENS	15 El. Venizelou Ave. - 105 64
11	CHALANDRI	1 Kosta Varnali St. - 152 33
12	NIKEA	232 Petrou Rali St. - 184 53
13	KORINTHOS	21 Ethnikis Antistasseos St - 201 00
14	ANO PATISSIA	376 Patission St. - 111 41
15	GLYFADA	8-10 Andrea Papandreou St. - 166 75
16	TSIMISKI - THESSALONIKI	17 I. Tsimiski St. - 546 24
17	KIFISSIA	242 Kifissias Ave. & 1 Panagitsas St. - 145 62
18	PIRAEUS - Vas. Georgiou	11 Vas. Georgiou St. - 185 32
19	MAROUSSI - ANAVRYTA	221 Kifissias Ave., 151 24
20	NEA IONIA	346 Irakliou Ave. - 142 31
21	EVOSMOS - THESSALONIKI	31 28th Oktovriou St. - 562 24
22	PERISTERI	16-20 Panagi Tsaldari St. - 121 34
23	EGALEO	259 Iera Odos & 25 Martiou St. -122 44
24	PAGRATI	34-36 Eftichidou St. - 116 34
25	KOLONAKI	7 Patriarchou Ioakim & Herodotou - 106 74
26	HERAKLION CRETE	46 25th August - 712 02
27	LARISSA	78 Kyprou & Filellinon - 412 22

The operation of the new branch in Heraklion, Crete started in June 2022, while the new branch in Larissa, started its operation in November 2022.

The consolidated and standalone financial statements as of 31.12.2022 were approved by the BoD dated 16.05.2022 and are subject to the final approval of the General Meeting of the Shareholders, while they are available to the public at the offices of the Group (32 Aigialias & Paradissou St, Maroussi) and on the website of the Group (www.optimabank.gr).

2. Summary of significant accounting policies

2.1. Basis of preparation

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

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

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

2.1.1. Going concern

The present financial statements have been prepared on the principle of going concern. The Board of Directors reached this conclusion taking into consideration the following:

- The new conditions of considerable uncertainty and high geopolitical and financial risks caused by the Russia/Ukraine conflict, countries to which the Group has no exposure and therefore its daily operations and financial position have not been affected.
- The growth of the Greek economy in 2022, despite the rise in inflation, and the outlook for growth rates in the medium term, taking into account the expected inflows from the Recovery and Resilience Facility (RRF).
- The strong regulatory framework and the ECB's toolbox which provide guarantees to safeguard financial stability.
- The effective management of the Group's liquidity risk reflected in the Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR), which are significantly higher than the minimum regulatory threshold of 100%.
- The capital position of the Group.
- The Group's continued growth, reflected in the 62% increase in deposits and 65% increase in loans and the significant profitability achieved in 2022, which amounted to EUR 42.4 million compared to EUR 10.1 million in 2021.

Furthermore, in order to ensure the smooth implementation of its business plan, the Bank's management is considering the most appropriate options to further strengthen its regulatory capital, in order to exceed the requirements of the institutional environment both in the short and long term.

2.1.2. Restatement of amounts

Changes in accounting principles and methods (policies) are accounted for by retrospectively restating the financial statements of all periods presented with the current period's financial statements so that the amounts presented become comparable. The need for such a change arose in the closing year 2022.

2.1.3. New standards, amendments to standards and interpretations

The amendments to standards applicable as of 1.1.2022 are listed below:

▸ **Amendment to the Financial Reporting Standard 3** (Effective for annual reporting periods beginning on or after 1.1.2022) The amendments update an outdated reference to the Conceptual Framework made in IFRS 3 without significantly changing the accounting requirements for Business Combinations.

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

▸ **Amendment to the International Accounting Standard 16** "Property, Plant & Equipment": Proceeds before Intended Use (Regulation 2021/1080/28.6.2021). On 14.5.2020 the International Accounting Standards Board issued an amendment to IAS 16 which prohibits deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, the proceeds from selling such items and the cost of producing them must be recognized in profit or loss.

The above amendment did not have any impact on the financial statements of the Group.

▸ **Amendment to International Accounting Standard 37** "Liabilities, Contingent Liabilities and Contingent Assets": Onerous Contracts – Cost of fulfilling a contract (Regulation 2021/1080/28.6.2021)

On 14.5.2020 the International Accounting Standards Board issued an amendment to IAS 37 in order to clarify that the cost of fulfilling a contract comprises the costs that relate directly to the contract. These costs are both the incremental costs of fulfilling a contract –for example direct labor and materials- and an allocation of other costs that relate directly to fulfilling a contract, such as the depreciation charge of an item of property plant and equipment used in fulfilling that contract.

The above amendment did not have any impact on the financial statements of the Group.

▸**Annual Improvements to International Accounting Standards** – cycle 2018-2020 (Regulation 2021/1080/28.6.2021)

As part of the annual improvements plan, the International Accounting Standards Board issued on 14.5.2020 non-urgent but necessary amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41.

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

In addition to the above-mentioned standards, the European Union has adopted IFRS 17 and the following amendments to standards the application of which is compulsory to annual reporting periods beginning on or after 1.1.2022 and have not been early applied by the Group.

▸ **International Financial Reporting Standard 17** "Insurance Contracts" and Amendment to the **International Financial Reporting Standard 17** "Insurance Contracts" (Regulation 2021/2036/19.11.2021).

Effective for annual periods beginning on or after 1.1.2023

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

▸ **Amendment to the International Accounting Standard 1** "Presentation of Financial Statements": Disclosure of accounting policies (Regulation 2022/357/2.3.2022)

Effective for annual periods beginning on or after 1.1.2023

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

▸ **Amendment to the International Accounting Standard 8** "Accounting Policies, Changes in Accounting Estimates and Errors": Definition of accounting estimates (Regulation 2022/357/2.3.2022)

Effective for annual periods beginning on or after 1.1.2023

Moreover, the International Accounting Standards Board issued the following standards and amendments to standards which have not yet been adopted by the European Union and which have not been early applied by the Group and the Company.

▸ **Amendment to International Financial Reporting Standard 10** "Consolidated Financial Statements" and to **International Accounting Standard 28** "Investments in Associates and Joint Ventures": Sale or contribution of assets between an investor and its associate or joint venture.

Effective date: to be determined.

▸ **Amendment to International Financial reporting Standard 17**: "Insurance Contracts": Initial Application of IFRS 17 and IFRS 9 – Comparative information

Effective for annual periods beginning on or after 1.1.2023

The Group and the Bank are examining the impact from the adoption of the above amendment on their financial statements.

▸ **Amendment to the International Accounting Standard 1** "Presentation of Financial Statements": Classification of liabilities as current or non-current.

Effective for annual periods beginning on or after 1.1.2024.

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

▸ **Amendment to International Accounting Standard 12** "Income Taxes": Deferred tax related to assets and liabilities arising from a single transaction.

Effective for annual periods beginning on or after 1.1.2023

The Group and the Bank are examining the impact from the adoption of the above amendment on their financial statements.

2.2. Principles of Consolidation and Equity Method

(i) Subsidiaries

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

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

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

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

The expenses relevant to the takeover are recognized in the profit or loss.

The excess amount between the sum of

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

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

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

(ii) Associates

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

(iii) Equity method

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

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

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

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

(iv) Changes in the interests

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

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

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

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

2.3. Foreign currency conversion

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

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

2.4. Financial assets and liabilities

Methods of measurement

The financial assets measured at at amortized cost are:

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

The financial liabilities measured at amortized cost are:

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

Amortized cost and effective interest rate

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

Effective interest rate is the rate that accurately discounts future payments or receipts throughout the expected life of the financial asset or financial liability at the book value before impairment of a financial asset or at the amortized cost of a financial liability. To calculate the effective interest rate the expected credit losses (excluding the "Purchased or Originated Credit-Impaired loans and advances to customers") are not taken into account, while all fees paid or received between the contracting parties and forming integral part of the effective interest rate, the transactions cost and any increase or discount on the nominal value of the financial asset are taken into consideration.

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

Initial recognition

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

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

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

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

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

2.4.1 Financial assets

(i) Classification and subsequent measurement

The classification of financial assets and their subsequent measurement depend on:

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

(ii) The features of their contractual cash flows.

According to the above factors, the Group classifies its financial assets in one of the following three measurement categories:

- Amortized cost: The financial assets are measured at their amortized cost, if they are held as part of a business model aiming at holding the financial assets to collect their contractual cash flows and such contractual cash flows concern solely payments of principal and interest (SPPI), and if they have not been irrevocably defined, at their initial recognition as measured at fair value through profit or loss. The interest income, the realized profits and losses due to the suspension of the recognition and the changes in the expected credit losses from assets classified at the amortized cost, are included in the profit or loss statement.
- Fair value through other comprehensive income: The financial assets are measured at fair value through other comprehensive income if they are held as part of a business model aiming at both collecting the contractual cash flows and at selling financial assets and such contractual cash flows concern solely payments of principal and interest. After the initial recognition, they are anew measured at their fair value through the other comprehensive income, except income revenue, relevant profits or losses from foreign exchange differences and the expected credit losses, which are recognized in the profit or loss statement. The accumulated profits or losses previously recognized in the other comprehensive income are transferred to the profit or loss statement, when the debt instrument is no more recognized.
- Fair value through profit or loss: The financial assets that do not meet the classification criteria as measured at the amortized cost or at fair value through other comprehensive income are measured at fair value through profit and loss. Moreover, the Group may, at the initial recognition, define a financial asset as measured at fair value through profit and loss if this asset eliminates or significantly reduces an accounting discrepancy. After the initial recognition, any profits or losses that arise due to variations to the fair value are recorded on the profit and loss statement.

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

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

The above categories include investments in debt instruments that fall within the scope of the definition of the financial liability on the side of the issuer, such as loans, sovereign and corporate bonds.

Investments in equity instruments

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

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

The variations in the fair value of the financial assets measured at fair value through profit or loss are recognized in the trading income of the profit and loss statement as they arise.

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

(ii) Impairment

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

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

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

(iii) Debt modifications

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

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

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

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

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

The Group shall derecognize a financial asset only when:

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

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

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

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

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

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

(v) Derecognition

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

2.4.2 Financial liabilities

(i) Classification and subsequent measurement

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

- Derivatives (see Note 2.26);
- Financial guarantee contracts (see Note 2.11).

(ii) Derecognition

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

2.5. Repurchase agreements

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

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

2.6. Owner-occupied property and equipment

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

Plots are not amortized.

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

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

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

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

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

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

2.7. Intangible assets

Software

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

Goodwill

Goodwill represents the difference between the total consideration paid plus the value of any third party rights and the fair value of the assets and liabilities of the acquired companies at the date of acquisition.

Positive goodwill arising from acquisitions of companies after January 1, 2004 is recorded in the balance sheet account 'Goodwill and other intangible assets' when a company is acquired and becomes a subsidiary, and is tested for impairment at each financial statement date. Where the investment is made in an associate or joint venture, goodwill is recognized in the balance sheet account 'Investments in associates and joint ventures'.

The negative goodwill is recognized as revenues on the profit and loss statement.

Other intangible assets

Intangible assets arising from the allocation of the consideration on the acquisition of companies or acquired by a single purchase.

Such intangible assets are amortized over their useful lives when there is a defined useful life (e.g. a customer base), which is set between 10 and 15 years.

When intangible assets do not have a defined useful life (e.g. a trademark), such assets are not amortized.

All intangible assets are tested for impairment whenever there is an indication of impairment.

The Group does not calculate residual value for intangible assets. If an intangible asset is sold, it is derecognized, while when no economic benefits are expected to flow to the Group, the asset is fully impaired. On disposal of an intangible asset, the difference between the selling price and its carrying amount is recognized in profit or loss.

2.8. Impairment of non-financial assets

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

2.9. Cash and cash equivalents

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

2.10. Impairment of financial assets

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

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

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

A) Significant increase in credit risk

Loans & receivables

The assessment of the significant increase in credit risk is important to identify the point where the expected credit losses measurement will pass, based on the probability of default, from a 12-month period to the entire lifetime of the financial asset.

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

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

- During the initial recognition, all instruments are classified in Stage 1, except for financial instruments that have been purchased or were credit-impaired on initial recognition and then classified as "POCI".

- If on the reporting date a significant increase in the credit risk has occurred compared to the initial recognition, then the instrument is classified in Stage 2.
- Stage 3 classifies instruments classified as non-performing. The probability of default (PD) of the assets classified in Stage 3 is set to 100%.

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

- Significant increase in the probability of default (PD) of a financial instrument;
- Debt settling/restructuring (applicable only in case of Loans and advances to customers);

The backstop criterion to define the significant increase in credit risk is a 30-day or longer delay (applicable only in case of Loans and advances to customers).

Securities

A key element in the classification of a security at a stage is the assessment of whether there has been a Significant Increase in Credit Risk (SICR) compared to its initial recognition. The Group assesses whether there has been a significant increase in credit risk since the initial recognition of a security at the reporting date, taking into account reasonable and reliable information concerning past events, current conditions and forecasts of future financial conditions.

The Group, in assessing the credit risk of securities, relies on the credit rating scale of the rating institution or the internal credit rating of the issuer/counterparty if the securities are corporate debt securities of companies for which the Group has granted loans. In addition, the Group uses the same external credit rating institutions to ensure that the securities are rated in each reporting period using the same criteria as they were rated at initial recognition.

The credit rating scales of the External Credit Assessment Institutions (hereinafter "ECAI"), namely Fitch, Moody's, S&P and ICAP used are listed in the Table below.

Moody’s	S&P Global	Fitch	ICAP	Investment type
Aaa – Baa3	AAA – BBB-	AAA – BBB-	AA – B (1 – 3)	Investment Grade
Ba1 – Caa3	BB+ – CCC-	BB+ – CCC-	C – G (4 – 6)	Non - Investment Grade
Ca, C	CC – D	CC – D	H (6)	Default

Table: Investment grade rating of the securities according to External Credit Assessment Institutions

Note that there are cases of securities that are unrated instruments by an ECAI. In the event that there is no credit rating for a corporate security, the Group assigns to it the credit rating of the issuing company or the industry to which the issuing company belongs or the country where the issuing company is domiciled and operates (if available). In the case of sovereign debt securities, the country rating shall also be assigned to the security. The Group makes use of these ratings in the following order of priority:

- Credit rating of the security (if available);
- Credit rating of the issuer (if available), and
- Credit rating of the issuer's economic sector of activity or its country of origin.

If the corporate securities are not rated by an ECAI, but the issuer is a borrower of the Group, then the securities will be classified at the same level as the issuer's loan products.

If none of the above conditions is met, in which case the securities are understood to be unrated, the Group shall have recourse to internal rating of the securities. In particular, the Group compares the characteristics of the unrated securities (e.g. coupon rate, yield to maturity) with similar rated securities held by the Group to determine its credit quality.

Therefore the information that the Group assesses to determine whether the credit risk has significantly increased is presented in the following non-exhaustive list:

- The downgrade of the credit rating of the issuer/counterparty or the security at the reporting date compared to the credit rating at the date of initial recognition;
- the increase in the probability of default of the issuer/counterparty at the reporting date compared to the relevant probability of default at the time of initial recognition;
- the change in the credit spread of the security at the reporting date compared to the date of initial recognition.

More specifically, the Group recognizes a significant increase in credit risk (SICR), and classifies the security as Stage 2 (Lifetime ECL), in the following circumstances:

- Securities for which the rating at the reporting date has been downgraded by two notches (or more) from its original rating according to the ECAI credit rating;
- Securities for which the Probability of Default (PD) at the reporting date has a percentage increase of at least 50% compared to the original PD;
- Securities for which the credit spread has increased by more than 5% in absolute terms at the reporting date compared to the date of initial recognition.

The Group applies the above comparative change criteria for moving securities to Stage 2, but also maintains absolute limits for products that the Group considers to maintain a low risk profile. Accordingly, securities that maintain a high credit rating (investment grade in the above table) or whose probability of default in absolute terms remains low (less than or equal to <3%) will be retained in Stage 1, even if any of the SICR criteria apply.

B) Definition of default and credit-impaired financial assets

Loans & Receivables

According to the Credit Policy, the Provision Policy of the Bank and the New DoD Manual of the Debt Portfolio, a loan is considered impaired and classified as Stage 3 when qualified as Non Performing Exposure (NPE).

Definition of Default

A debtor or a financial exposure is in 'default' if at least one of the following conditions applies:

- The debtor or a financial exposure is more than 90 days in material arrears in the payment of any material obligation to the Group.
- The Group considers that the debtor or a financial exposure meets the Unlikely to Pay (UtP) and that it is unlikely to preform its obligation to the Group in full, without recourse by the Group to actions such as the enforcement of collateral.
- The Group has classified the debtor's loan as Forborne Non-Performing Exposure.

The Group's basic principle regarding the application of the definition of default is to apply at the debtor level for Corporate Banking products, while for Retail Banking products the definition of default is applied at loan level.

Materiality thresholds

The materiality thresholds determine whether a financial exposure in arrears will be considered to be a default or not. Materiality thresholds apply at the financial exposure level for retail banking customers and at the debtor level for corporate banking customers.

The materiality thresholds for retail portfolio are presented in the table below:

Absolute criterion	Relative criterion
The absolute amount in default must exceed EUR 100.	The total on-balance sheet balance in default of the Account must exceed 1% of the total on-balance sheet balance.

The materiality thresholds for the corporate portfolio are presented in the following table:

Absolute criterion	Relative criterion
The absolute amount in default must exceed EUR 500.	The total on-balance sheet balance in default of the Debtor must exceed 1% of the total on-balance sheet balance.

In this case, when the above relative and absolute criteria are simultaneously met, all on- and off-balance sheet financial exposures to the corporate banking debtor are considered in default.
In addition, where the Group has on-balance sheet financial exposures in default to a retail customer whose gross carrying amount represents more than 20% of the gross carrying amount of all on-balance sheet financial exposures to that customer, all on- and off-balance sheet financial exposures to that customer are considered to be in default. This means that if the above threshold is met, then default status is extended to the debtor level for all financial exposures to the retail debtor.

Securities

A security is considered to be in 'default' if at least one of the following conditions applies:

- Payments on the security are more than 14 days overdue (relates to Best Practices) against the Group.
- The Group considers that the creditor or the security meets the Unlikely To Pay (UTP) criteria and it is unlikely to fully preform its credit obligation to the Group unless the Group resorts to measures such as liquidation of the collateral.
- The rating of the quality of the security by a certified External Credit Rating Institution, if available, corresponds to a non-investment grade default according to the table below. Note that if an external rating is not available, the internal rating is used, based on the Bank's internal data.

C) Measurement of the expected credit losses

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

- The probability of default (PD) corresponds to the likelihood of the debtor's liability to default (according to the above definition), which is assessed on the basis of the economic conditions prevailing on the reporting date, adjusted in such a way to take into consideration the estimates regarding the future economic conditions that may affect the risk of default over a particular time horizon.
- The exposure at default (EAD) is an estimate of the financing exposure at a future default date, taking into consideration the expected changes in the exposure after the reporting date, including the repayments of principal and interests and the expected disbursements of loan commitments. EAD includes both the balance sheet and the off-balance sheet exposures. The balance sheet exposure corresponds to the total amount disbursed and payable, which includes the principal due, the accrued interests and the overdue amounts. The off-balance sheet exposure corresponds to the credit available for disbursement, in addition to the balance sheet exposure.

- The loss given default (LGD) expresses the extent of the loss that the Group expects for exposures that are at default and is defined as the difference between the contractual cash flows and those that the Group expects to receive, including the amounts from the liquidation of collaterals. The LGD which is usually expressed as an EAD percentage, differs depending on the type of the counterparty, the type and the priority of the liability, the existence of collaterals and other credit enhancements.

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

D) Forward looking information

For assessing the significant increase of credit risk and for defining the expected credit losses information on the reasonable and founded forecasts for future events and macroeconomic conditions are taken into consideration. The assessment and use of information regarding the future requires informed decision. The key parameter used is the G-Spread. The G-Spread is the average spread (of the last quarter) of the 10-year government bond of a country (Greece) against a European government bond rated AAA. A decrease (increase) in a reference period at the start is a positive (negative) event indicating an improvement (deterioration) in macroeconomic conditions.

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

To assess impairment on a collective basis, loans are clustered depending on similar credit risk features, so that the loans included in each sub-portfolio have the greatest possible cohesion and uniformity in terms of their features. The key parameters used in the portfolio segmentation and sub-portfolio allocation process shall be as follows:

- the product (Housing);
- the loan servicing status;
- classification of the loan as settled.

In order to define the impairment provision for each sub-portfolio, not only its specific elements are quantified, but also the impact of the key macroeconomic parameters on their final configuration. The recognized provision is measured in the profit or loss.

F) Management overlays

Adjustment of the results of the credit risk models used by the Group to measure the Post Model Adjustments (PMA).
The Group's approach to estimating the PMA measurement for Loans and Advances to customers for 2022 included qualitative and quantitative adjustments to the result generated by the use of credit risk models.
These adjustments, recognized by the Group, arise upon detailed review of the calculation results of the credit risk models, taking into account items that cannot be incorporated into the PMA measurement, either due to their nature or due to the time lag in providing the required information. The Group shall implement an internal governance and safety framework to timely

identify any required adjustments and to support the implementation of those adjustments and the relevant calculation. The Group's governance framework requires such adjustments to be adequately documented and approved by the Group's appropriate approval bodies. For the financial year 2022, the aforementioned adjustments resulted in PMA decrease of EUR 512 thousand.

2.11. Financial guarantees

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

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

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

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

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

2.12. Staff benefits

(i) Short-term staff benefits

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

(ii) Post-employment liabilities

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

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

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

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

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

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

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

(iii) Employment termination benefits

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

2.13. Provisions

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

2.14. Offsetting financial instruments

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

2.15. Leases

The Group as Lessee

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

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

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

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

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

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

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

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

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

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

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

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

2.16. Interest income and expense

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

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

In particular, as regards the financial assets, to calculate the effective interest rate, the Group calculates the cash flows taking into consideration all contractual terms for the financial asset, excluding the expected credit risk losses (except the "Purchased or Originated Credit-Impaired loans and advances to customers" where the expected credit losses are taken into consideration).

2.17. Fee and commission income

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

The Group applies the following five-step model to all contracts with customers other than leases and financial instruments:

- Identification of the contract with the customer;
- Identification of the obligations arising from the contracts;
- Definition of the transaction price;
- Allocation of the transaction price to the obligations arising from the contracts, and
- Recognition of income as the entity fulfils its obligations.

Therefore, the Group recognizes income when the performance obligation is fulfilled, i.e. when control of the services or goods is transferred to the customer.

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

2.18. Net trading income

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

2.19. Dividend income

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

2.20. Income tax and deferred tax

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

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

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

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

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

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

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

2.21. Share capital

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

2.22. Distribution of dividend

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

2.23. Related parties

In accordance with IAS 24, a related party is a person or an entity that is related to the Group.

More specifically for the Group, related parties are the following:

(a) Subsidiaries;

(b) entities that control the Bank and entities that are controlled, jointly controlled or significantly influenced by that entities, as well as the key management personnel of that entities and their close relatives;

(c) the key management personnel, their close relatives, and the entities controlled or jointly controlled by them,

(d) the Bank's associates and joint ventures.

2.24. Earnings per share

The Earnings per share ratio (EPS) arises by dividing the profit or loss corresponding to the common shareholders of the Group's parent company by the weighted number of outstanding ordinary shares during the reporting period.
Diluted earnings per share are calculated using the same method as the basic earnings per share ratio, however earnings and number of shares are adjusted accordingly to reflect any potential reduction in earnings per share that could result from the conversion of any convertible bonds or the exercise of stock options or other related contracts into ordinary shares.

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

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

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

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

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

2.26. Derivative Financial Instruments

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

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

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

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

2.27. Rounding

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

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

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

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

The Group and the Bank, on every financial statement's reporting date recognizes a provision for the expected credit risk losses from loans and advances to customers.

The Group, when testing loans and advances to customers for impairment, makes estimates of the amount and the time future cash flows will be collected. Considering that these estimates are affected by a number of factors such as the financial condition of the debtor, the net realizable value of any collateral, historical loss ratios per portfolio, actual results may differ from estimates. Similar judgments are involved in assessing whether impairment losses exist for securities classified as financial assets at fair value through other comprehensive income or financial assets at amortized cost.

The measuring of the expected credit losses is based on the assumptions of the Management regarding the recoverability of the exposure and the guarantees received. The Management makes assumptions on the financial position of the counterparty, its credit risk, the recoverability of any collaterals and guarantees.

In the context of evaluating the credit risk increase, the Group also rates its borrowers based on the evidence of financial difficulties and the possibility of a default, in accordance with its policy in force.

Additional information on the impairment provisions for credit risks from loans and advances to customers is included in Notes 2.4, 2.10, 4.1 and 20.

B. Recoverability of deferred tax assets

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

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

Further information about the deferred tax assets of the Group can be found in Note 27.

C. Financial assets fair value

The fair value of the financial assets for which there are no market prices in an active market is defined using valuation models. The valuation methodology used includes discounted cash flow methods mainly based on observable elements, wherever available. The fair value of the investments in closed-end mutual funds (CMF) and in the Bond from loan securitization depends on major assumptions including future income, operating expenses and discount rates. The closed-end mutual funds (CMF) investing in renewable energy sources (wind and photovoltaic parks) as well as the Bond from loan securitization, whose fair value is estimated using significant non-observable information are classified at Level 3. The methodology for the valuation of the CMF securities is based on par. 18 of Art. 7 of Law 2992/2002 as amended by Law 4141/2013 and as presented in the Mutual Funds Management Reports. The Mutual Funds Management Reports are subject to the audit by an Independent Certified Auditor. The fair value of the Bond from loan securitization has been defined by an independent valuer based on the expected cash flows of the securitized loan portfolio.

Further information about the fair value of financial assets can be found in Notes 5, 18, 19, 20 and 21.

D. Subsidiaries impairment

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

Further information about the investments of the Bank into subsidiaries can be found in Note 46.

4. Financial Risk Management

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

The strategy for undertaking and managing all types of risks is aligned with best international practices, applicable legislation and the supervisory framework, while it is constantly evolving through the development of a single risk management concept for the entire Group.

The Risk Undertaking Framework (RUF) is reviewed annually and on an ad hoc basis whenever specific circumstances so require, in relation to internal events, the wider financial environment or the supervisory framework in line with best practices and in any case within the regulatory framework in force. The said review is carried out in cooperation with the Risk Management Division and the Units that undertake the various risks, the Risk Management Committee, the Executive Committee and the Board of Directors.

The Risk Management Committee (RMC) and the Board of Directors (BoD) are responsible for approving and periodically reviewing the risk profile undertaken by the Group (RUF).
The Risk Management Division operates in accordance with the provisions of the Governor's Act ref. ΠΔ/ΤΕ 2577/06 and the each time amendments. The Unit, in terms of organization, is accountable to the Risk Management Committee. The Risk Management Division Manager is appointed by the Board of Directors, on the recommendation of the Risk Management Committee, and his/her appointment, as well as any replacement, is notified to the Bank of Greece.

The object of the Unit and consequently of the Risk Management Divisions is to identify, analyze and develop effective systems for measuring, managing and controlling all forms of risk inherent in every task undertaken by the Bank and, on a consolidated basis, by the Group.

Environmental, Social and Governance (ESG) Risks

The Bank updates and evaluates any forthcoming environmental policies, legal and regulatory requirements and guidelines related to the climate and the environment, in order to effectively identify and manage any risks relevant to its activities. In this context, the Bank is in the process of introducing a plan on how to integrate the assessment of climate and environmental risks in its operations and in their management process. The same applies to the management of risks relevant to corporate governance issues. The Bank's long-term objective is to strengthen its business model and to create shareholder value, taking into account current ESG trends in line with the requirements of the regulatory authorities.

COVID-19

With the outbreak of the Covid-19 pandemic, the Governments of many countries, including Greece, took precautionary measures to prevent the spread of the pandemic among their citizens. These measures included mandatory bans or restrictions on the operation of businesses, the imposition of social distancing measures and restrictions on trips and travel, resulting in a significant reduction in economic activity both globally and in Greece, causing significant instability in financial markets and a global economic slowdown.
As a result of the above, the Bank's Management, when planning and taking any decisions regarding the specific period of time (new partnerships, new customer relations, etc.) and any future period (business plan, etc.), took into account in its assumptions the risk parameters arising from the Covid-19 pandemic. In addition, the Bank participated in support/facilitation programs for citizens and/or businesses to absorb the shocks from the impact of this pandemic (e.g. moratoria), and the Bank itself made use of some of these programs (such as rent subsidy for businesses whose stores remained closed during lockdowns) or the possibility of not keeping additional capital guidance margins until 31.12.2022, in an effort to control the impact of this risk on its own.
Today, with the gradual lifting of measures and restrictions and the non-significant impact of the pandemic on the Bank's financial performance, apparently there is no direct or indirect risk to the Bank's activity.

4.1. Credit risk

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

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

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

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

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

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

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

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

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

In addition, the Bank uses various techniques to limit its exposure to credit risk, such as taking collateral and guarantees. Collateral security provides the Bank with a right in rem (asset, movable or immovable) owned by the debtor in order to obtain preferential satisfaction from the proceeds of the sale of the piece of property. Collaterals are divided into mortgages and mortgage prenotations on immovable property as well as pledges registered on movable property (e.g. merchandises, checks) or on receivables. Similarly, guarantees refer to contractual agreements whereby a person or an entity undertakes the responsibility for the repayment of the debts of another person or entity.

The main types of collateral accepted by the Group in accordance with the Credit Policy Manual are broken down into the following categories:

• Mortgages on urban/non-urban real estate, both in and outside the town plan, at a rate proportionate to the security margin set by the Bank;

• Pledging of Cash, Checks, Bills of landing, Receivables, Receivables, Goods with securities;

• Guarantees of the Greek State, Banks, the Hellenic Development Bank and highly credit-rated companies.

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

Internal rating systems

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

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

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

To rate large and SME businesses, a risk classification system is used. The system has been developed by ICAP-CRIF SA. The first aspect concerns the classification of the borrower's creditworthiness to a ten-scaled rating system based on qualitative and quantitative criteria, thus defining the probability failing to meet its obligations. The weighting coefficients for the different criteria varies depending on the nature and the size of the borrower's activity.

IRP Debtor Score	Risk Classification
1	Low Credit Risk
2	Low Credit Risk
3	Low Credit Risk
4	Low Credit Risk
5	Average Credit Risk
6	Average Credit Risk
7	Average Credit Risk
8	High Credit Risk
9	High Credit Risk
10	High Credit Risk

The second aspect of the transaction risk rating is the evaluation of the quality and sufficiency of the collaterals, thus defining the expected loss in case of default.

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

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

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

Group

Amounts in Eur '000	**Maximum exposure 31/12/2022**	**Maximum exposure 31/12/2021**
Exposure to credit risk from items on the SOFP:		
Deposits with central bank	204,876	71,983
Due from banks	94,642	65,911
Financial assets at fair value through profit or loss	211,653	54,194
Derivative financial instruments	8,084	434
Loans and advances to customers	1,674,523	1,015,593
Financial assets at fair value through other comprehensive income	93,256	192,087
Debt instruments at amortized cost	174,464	92,998
Other Financial assets	64,741	28,181
Total balance sheet items	**2,526,238**	**1,521,381**
Exposure to credit risk from off balance sheet items:		
Letters of guarantee and unused lines of credit	974,406	381,392
Total	**3,500,644**	**1,902,773**

Bank

Amounts in Eur '000	**Maximum exposure 31/12/2022**	**Maximum exposure 31/12/2021**
Exposure to credit risk from items on the SOFP:		
Deposits with central bank	204,876	71,983
Due from banks	91,512	64,774
Financial assets at fair value through profit or loss	210,114	51,899
Derivative financial instruments	8,084	434
Loans and advances to customers	1,657,471	1,004,103
Financial assets at fair value through other comprehensive income	93,256	192,087
Debt instruments at amortized cost	174,981	92,998
Other Financial assets	64,845	28,273
Total balance sheet items	**2,505,138**	**1,506,550**
Exposure to credit risk from off balance sheet items:		
Letters of guarantee and unused lines of credit	916,396	354,047
Total	**3,421,534**	**1,860,597**

Loans and advances

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

Group

Amounts in Eur '000	Stage 1		Stage 2		Stage 3		Total		Loans and advances to customers net value
31.12.2022	Loans and advances to customers	Impairments	Loans and advances to customers	Impairments	Loans and advances to customers	Impairments	Loans and advances to customers	Impairments	
Individuals									
Consumer, Personal & Other loans	8,760	461	10	3	1,630	59	10,400	523	9,878
Mortgages Loans	59,311	288	0	0	0	0	59,311	288	59,023
Margin/Brokerage	13,002	1	0	0	229	229	13,231	230	13,001
Corporate									
Corporate Business	695,886	6,225	40,528	1,124	0	0	736,414	7,349	729,066
Small Business	820,527	5,700	42,054	1,595	8,597	3,223	871,178	10,518	860,660
Margin Corporate/SMEs	2,777	0	0	0	0	0	2,777	0	2,777
Total	**1,600,263**	**12,674**	**82,593**	**2,722**	**10,456**	**3,510**	**1,693,312**	**18,907**	**1,674,405**
Commitments relevant to credit risk									
Letters of Guarantee	399,486	1,631	35,096	338	0	0	434,583	1,969	432,614
Loan commitments	512,273	0	26,920	0	631	0	539,823	0	539,823
Σύνολο	**911,759**	**1,631**	**62,016**	**338**	**631**	**0**	**974,406**	**1,969**	**972,437**

The balances as of 31.12.2022 do not include debit balances of sight deposits amounting to EUR 118 thousand.

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

Amounts in Eur '000	Stage 1		Stage 2		Stage 3		Total		Loans and advances to customers net value
31.12.2021	Loans and advances to customers	Impairments	Loans and advances to customers	Impairments	Loans and advances to customers	Impairments	Loans and advances to customers	Impairments	
Individuals									
Consumer, Personal & Other loans	4,477	268	10	2	80	80	4,566	349	4,217
Mortgages Loans	21,448	113	0	0	0	0	21,448	113	21,335
Margin/Brokerage	10,935	30	0	0	229	222	11,164	252	10,912
Corporate									
Corporate Business	488,910	5,382	8,303	197	12,694	880	509,907	6,459	503,448
Small Business	466,997	5,127	226	1	5,399	1,403	472,622	6,531	466,091
Margin Corporate/SMEs	9,480	6	0	0	0	0	9,480	6	9,474
Total	**1,002,246**	**10,927**	**8,539**	**199**	**18,402**	**2,585**	**1,029,187**	**13,711**	**1,015,476**
Commitments relevant to credit risk									
Letters of Guarantee	143,129	228	900	10	0	0	144,029	238	143,791
Loan commitments	236,202	0	31	0	1,131	0	237,364	0	237,364
Total	**379,330**	**228**	**931**	**10**	**1,131**	**0**	**381,392**	**238**	**381,155**

The balances as of 31.12.2021 do not include debit balances of sight deposits amounting to EUR 117 thousand.

Bank

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

Amounts in Eur '000 **31.12.2022**	Stage 1		Stage 2		Stage 3		Total		Loans and advances to customers net value
	Loans and advances to customers	Impairments	Loans and advances to customers	Impairments	Loans and advances to customers	Impairments	Loans and advances to customers	Impairments	
Individuals									
Consumer, Personal & Other loans	8,760	461	10	3	1,630	59	10,400	523	9,878
Mortgages Loans	59,311	288	0	0	0	0	59,311	288	59,023
Margin/Brokerage	13,002	1	0	0	229	229	13,231	230	13,001
Corporate									
Corporate Business	734,850	6,614	40,528	1,124	0	0	775,379	7,738	767,640
Small Business	764,578	5,378	42,054	1,595	8,597	3,223	815,229	10,195	805,034
Margin Corporate/SMEs	2,777	0	0	0	0	0	2,777	0	2,777
Total	**1,583,279**	**12,742**	**82,593**	**2,722**	**10,456**	**3,510**	**1,676,327**	**18,974**	**1,657,353**
Commitments relevant to credit risk									
Letters of Guarantee	399,486	1,631	35,096	338	0	0	434,583	1,969	432,614
Loan commitments	454,263	0	26,920	0	631	0	481,814	0	481,814
Total	**853,749**	**1,631**	**62,016**	**338**	**631**	**0**	**916,396**	**1,969**	**914,427**

The balances as of 31.12.2022 do not include debit balances of sight deposits amounting to EUR 118 thousand.

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

Amounts in Eur '000 **31.12.2021**	Stage 1		Stage 2		Stage 3		Total		Loans and advances to customers net value
	Loans and advances to customers	Impairments	Loans and advances to customers	Impairments	Loans and advances to customers	Impairments	Loans and advances to customers	Impairments	
Individuals									
Consumer, Personal & Other loans	4,477	268	10	2	80	80	4,566	349	4,217
Mortgages Loans	21,448	113	0	0	0	0	21,448	113	21,335
Margin/Brokerage	10,935	30	0	0	229	222	11,164	252	10,912
Corporate									
Corporate Business	488,910	5,382	8,303	197	12,694	880	509,907	6,459	503,448
Small Business	455,309	4,930	226	1	5,399	1,403	460,934	6,334	454,600
Margin Corporate/SMEs	9,480	6	0	0	0	0	9,480	6	9,474
Total	**990,558**	**10,730**	**8,539**	**199**	**18,402**	**2,585**	**1,017,499**	**13,513**	**1,003,986**
Commitments relevant to credit risk									
Letters of Guarantee	143,129	228	900	10	0	0	144,029	238	143,791
Loan commitments	208,856	0	31	0	1,131	0	210,018	0	210,018
Total	**351,985**	**228**	**931**	**10**	**1,131**	**0**	**354,047**	**238**	**353,809**

The balances as of 31.12.2021 do not include debit balances of sight deposits amounting to EUR 117 thousand.

Group

Loans and advances to customers on 31.12.2022 based on their quality (impairments under IFRS 9)

Amounts in Eur '000 31.12.2022	Loans and advances to customers: Individual assessment	Loans and advances to customers: Collective assessment	Total value before impairment	Accumulated impairment provisions: Individual assessment	Accumulated impairment provisions: Collective assessment	Total net value after impairment	Value of collaterals
Individuals							
Consumer, Personal & Other loans	1	10,399	10,400	2	521	9,878	15,163
Mortgages Loans	0	59,311	59,311	0	288	59,023	76,662
Margin/Brokerage	0	13,231	13,231	0	230	13,001	43,048
							0
Corporate							0
Corporate Business	182	736,233	736,414	30	7,319	729,066	713,353
Small Business	3,134	868,044	871,178	2,071	8,447	860,660	1,003,637
Margin Corporate/SMEs	0	2,777	2,777	0	0	2,777	21,207
Total	**3,318**	**1,689,994**	**1,693,312**	**2,103**	**16,804**	**1,674,405**	**1,873,070**
Commitments relevant to credit risk							
Letters of Guarantee	0	434,583	434,583	0	1,969	432,614	147,159
Loan commitments	592	539,232	539,823	0	0	539,823	0
Total	**592**	**973,814**	**974,406**	**0**	**1,969**	**972,437**	**147,159**

Loans and advances to customers on 31.12.2021 based on their quality (impairments under IFRS 9)

Amounts in Eur '000 31.12.2021	Loans and advances to customers: Individual assessment	Loans and advances to customers: Collective assessment	Total value before impairment	Accumulated impairment provisions: Individual assessment	Accumulated impairment provisions: Collective assessment	Total net value after impairment	Value of collaterals
Individuals							
Consumer, Personal & Other loans	0	4,566	4,566	0	349	4,217	4,923
Mortgages Loans	0	21,448	21,448	0	113	21,335	24,996
Margin/Brokerage	0	11,164	11,164	0	252	10,912	36,588
Corporate							
Corporate Business	0	509,907	509,907	0	6,459	503,448	463,468
Small Business	0	472,622	472,622	0	6,531	466,091	507,954
Margin Corporate/SMEs	0	9,480	9,480	0	6	9,474	31,138
Total	**0**	**1,029,187**	**1,029,187**	**0**	**13,711**	**1,015,476**	**1,069,068**
Commitments relevant to credit risk							
Letters of Guarantee	0	144,029	144,029	0	238	143,791	52,695
Loan commitments	0	237,364	237,364	0	0	237,364	0
Total	**0**	**381,392**	**381,392**	**0**	**238**	**381,155**	**52,695**

Bank

Loans and advances to customers on 31.12.2022 based on their quality (impairments under IFRS 9)

Amounts in Eur '000	Loans and advances to customers		Total value before impairment	Accumulated impairment provisions		Total net value after impairment	Value of collaterals
31.12.2022	Individual assessment	Collective assessment		Individual assessment	Collective assessment		
Individuals							
Consumer, Personal & Other loans	1	10,399	10,400	2	521	9,878	15,163
Mortgages Loans	0	59,311	59,311	0	288	59,023	76,662
Margin/Brokerage	0	13,231	13,231	0	230	13,001	43,048
	0	0					
Corporate	0	0					
Corporate Business	182	775,197	775,379	30	7,708	767,640	713,353
Small Business	3,134	812,095	815,229	2,071	8,124	805,034	929,473
Margin Corporate/SMEs	0	2,777	2,777	0	0	2,777	21,207
Total	**3,318**	**1,673,010**	**1,676,327**	**2,103**	**16,871**	**1,657,353**	**1,798,907**
Commitments relevant to credit risk							
Letters of Guarantee	0	434,583	434,583	0	1,969	432,614	147,159
Loan commitments	592	481,222	481,814	0	0	481,814	0
Total	**592**	**915,804**	**916,396**	**0**	**1,969**	**914,427**	**147,159**

Loans and advances to customers on 31.12.2021 based on their quality (impairments under IFRS 9)

Amounts in Eur '000	Loans and advances to customers		Total value before impairment	Accumulated impairment provisions		Total net value after impairment	Value of collaterals
31.12.2021	Individual assessment	Collective assessment		Individual assessment	Collective assessment		
Individuals							
Consumer, Personal & Other	0	4,566	4,566	0	349	4,217	4,923
Mortgages Loans	0	21,448	21,448	0	113	21,335	24,996
Margin/Brokerage	0	11,164	11,164	0	252	10,912	36,588
		0					0
Corporate		0					
Corporate Business	0	509,907	509,907	0	6,459	503,448	463,468
Small Business	0	460,934	460,934	0	6,334	454,600	458,027
Margin Corporate/SMEs	0	9,480	9,480	0	6	9,474	31,138
Total	**0**	**1,017,499**	**1,017,499**	**0**	**13,513**	**1,003,986**	**1,019,141**
Commitments relevant to credit risk							
Letters of Guarantee	0	144,029	144,029	0	238	143,791	52,695
Loan commitments	0	210,018	210,018	0	0	210,018	0
Total	**0**	**354,047**	**354,047**	**0**	**238**	**353,809**	**52,695**

Group

Movement in ECL allowance of loans and advances to customers measured at amortized cost

31.12.2022				
Amounts in Eur '000	**ECL 12 month (Stage 1)**	**ECL over the lifetime of the loans (Stage 2)**	**ECL over the lifetime of the loans (Stage 3)**	**Total**
ECL allowance as at 1.1.2022	**10,927**	**199**	**2,585**	**13,711**
Transferred from Stage 1 to Stage 2 or Stage 3	(3,846)	1,928	1,918	(0)
Transferred from Stage 2 to Stage 1 or Stage 3	0	(0)	0	0
Transferred from Stage 3 to Stage 1 or Stage 2	22	31	(53)	0
Allowances	5,570	565	(903)	5,232
Write-offs	0	0	(36)	(36)
ECL allowance as at 31.12.2022	**12,674**	**2,722**	**3,510**	**18,907**

Movement in ECL allowance of loans and advances to customers measured at amortized cost

31.12.2021				
Amounts in Eur '000	**ECL 12 month (Stage 1)**	**ECL over the lifetime of the loans (Stage 2)**	**ECL over the lifetime of the loans (Stage 3)**	**Total**
ECL allowance as at 1.1.2022	**8,457**	**2**	**1,619**	**10,078**
Transferred from Stage 1 to Stage 2 or Stage 3	(915)	7	908	0
Transferred from Stage 2 to Stage 1 or Stage 3	0	(89)	89	0
Transferred from Stage 3 to Stage 1 or Stage 2	0	0	(0)	0
Allowances	3,452	279	(27)	3,704
Reclassification of allowances	(67)	0	0	(67)
Write-offs	0	0	(4)	(4)
ECL allowance as at 31.12.2021	**10,927**	**199**	**2,584**	**13,711**

Bank

Movement in ECL allowance of loans and advances to customers measured at amortized cost

31.12.2022				
Amounts in Eur '000	**ECL 12 month (Stage 1)**	**ECL over the lifetime of the loans (Stage 2)**	**ECL over the lifetime of the loans (Stage 3)**	**Total**
ECL allowance as at 1.1.2022	**10,730**	**199**	**2,585**	**13,513**
Transferred from Stage 1 to Stage 2 or Stage 3	(3,846)	1,928	1,918	(0)
Transferred from Stage 2 to Stage 1 or Stage 3	0	(0)	0	0
Transferred from Stage 3 to Stage 1 or Stage 2	22	31	(53)	0
Allowances	5,835	565	(903)	5,496
Write-offs	0	0	(36)	(36)
ECL allowance as at 31.12.2022	**12,742**	**2,722**	**3,510**	**18,974**

Movement in ECL allowance of loans and advances to customers measured at amortized cost

31.12.2021				
Amounts in Eur '000	**ECL 12 month (Stage 1)**	**ECL over the lifetime of the loans (Stage 2)**	**ECL over the lifetime of the loans (Stage 3)**	**Total**
ECL allowance as at 1.1.2022	**8,657**	**2**	**1,619**	**10,278**
Transferred from Stage 1 to Stage 2 or Stage 3	(915)	7	908	0
Transferred from Stage 2 to Stage 1 or Stage 3	0	(89)	89	0
Transferred from Stage 3 to Stage 1 or Stage 2	0	0	(0)	0
Allowances	3,054	279	(27)	3,306
Reclassification of allowances	(67)	0	0	(67)
Write-offs	0	0	(4)	(4)
ECL allowance as at 31.12.2021	**10,729**	**199**	**2,584**	**13,513**

Group

Movement in ECL allowance of commitments relevant to credit risk

31.12.2022				
Amounts in Eur '000	**ECL 12 month (Stage 1)**	**ECL over the lifetime of the loans (Stage 2)**	**ECL over the lifetime of the loans (Stage 3)**	**Total**
ECL allowance as at 1.1.2022	**228**	**10**	**0**	**238**
Transferred from Stage 1 to Stage 2 or Stage 3	**(304)**	**304**	**0**	**(0)**
Transferred from Stage 2 to Stage 1 or Stage 3	0	0	0	0
Transferred from Stage 3 to Stage 1 or Stage 2	0	0	0	0
Allowances	1,707	24	0	1,731
ECL allowance as at 31.12.2022	**1,631**	**338**	**0**	**1,969**

Movement in ECL allowance of commitments relevant to credit risk

31.12.2021				
Amounts in Eur '000	**ECL 12 month (Stage 1)**	**ECL over the lifetime of the loans (Stage 2)**	**ECL over the lifetime of the loans (Stage 3)**	**Total**
ECL allowance as at 1.1.2022	**165**	**45**	**0**	**210**
Transfer among Stages	0	0	0	0
Allowances	63	(35)	0	27
ECL allowance as at 31.12.2022	**228**	**10**	**0**	**238**

Bank

Movement in ECL allowance of commitments relevant to credit risk

31.12.2022				
Amounts in Eur '000	**ECL 12 month (Stage 1)**	**ECL over the lifetime of the loans (Stage 2)**	**ECL over the lifetime of the loans (Stage 3)**	**Total**
ECL allowance as at 1.1.2022	**228**	**10**	**0**	**238**
Transferred from Stage 1 to Stage 2 or Stage 3	**(304)**	**304**	**0**	**(0)**
Transferred from Stage 2 to Stage 1 or Stage 3	0	0	0	0
Transferred from Stage 3 to Stage 1 or Stage 2	0	0	0	0
Allowances	1,707	24	0	1,731
ECL allowance as at 31.12.2022	**1,631**	**338**	**0**	**1,969**

Movement in ECL allowance of commitments relevant to credit risk				
31.12.2021				
Amounts in Eur '000	ECL 12 month (Stage 1)	ECL over the lifetime of the loans (Stage 2)	ECL over the lifetime of the loans (Stage 3)	Total
ECL allowance as at 1.1.2022	**165**	**45**	**0**	**210**
Transfer among Stages	0	0	0	0
Allowances	63	(35)	0	27
ECL allowance as at 31.12.2022	**228**	**10**	**0**	**238**

Group

Credit quality of Loans and advances to customers and value of collaterals																
Amounts in Eur '000	Strong credit quality			Satisfactory credit quality			Watch list			Default			Not rated			Value of collaterals
31.12.2022	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	
Individuals																
Mortgages loans	59,311	0	0	0	0	0	0	0	0	0	0	0	0	0	0	76,662
Consumer loans	7,466	0	0	85	0	0	139	0	0	0	0	1,591	0	0	0	15,163
Credit cards	77	0	0	939	6	0	54	4	0	0	0	39	0	0	0	0
Margin/ Brokerage Retail	0	0	0	0	0	0	0	0	0	0	0	229	13,002	0	0	43,048
Corporate																
Corporate Business	334,350	0	0	320,796	11,560	0	40,741	28,968	0	0	0	0	0	0	0	713,353
Small Business	345,763	0	0	431,099	19,223	0	43,665	22,832	0	0	0	8,597	0	0	0	1,003,637
Margin Corporate/SMEs	0	0	0	0	0	0	0	0	0	0	0	0	2,777	0	0	21,207
Total	**746,967**	**0**	**0**	**752,918**	**30,789**	**0**	**84,599**	**51,804**	**0**	**0**	**0**	**10,456**	**15,779**	**0**	**0**	**1,873,070**

Credit quality of Loans and advances to customers and value of collaterals																
Amounts in Eur '000	Strong credit quality			Satisfactory credit quality			Watch list			Default			Not rated			Value of collaterals
31.12.2021	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	
Individuals																
Mortgages loans	21,448	0	0	0	0	0	0	0	0	0	0	0	0	0	0	24,996
Consumer loans	3,763	0	0	0	0	0	0	0	0	0	0	46	0	0	0	4,923
Credit cards	41	0	0	673	10	0	0	0	0	0	0	33	0	0	0	0
Margin/ Brokerage Retail	0	0	0	0	0	0	0	0	0	0	0	0	10,935	0	229	36,588
Corporate																
Corporate Business	178,936	0	0	287,332	0	0	22,641	8,303	0	0	0	12,694	0	0	0	463,468
Small Business	101,935	0	0	327,696	0	0	37,365	226	0	0	0	5,399	0	0	0	507,954
Margin Corporate/SMEs	0	0	0	0	0	0	0	0	0	0	0	0	9,480	0	0	31,138
Total	**306,123**	**0**	**0**	**615,701**	**10**	**0**	**60,007**	**8,529**	**0**	**0**	**0**	**18,173**	**20,415**	**0**	**229**	**1,069,068**

Bank

Credit quality of Loans and advances to customers and value of collaterals																
Amounts in Eur '000	Strong credit quality			Satisfactory credit quality			Watch list			Default			Not rated			Value of collaterals
31.12.2022	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	
Individuals													0	0	0	
Mortgages loans	59,311	0	0	0	0	0	0	0	0	0	0	0	0	0	0	76,662
Consumer loans	7,466	0	0	85	0	0	139	0	0	0	0	1,591	0	0	0	15,163
Credit cards	77	0	0	939	6	0	54	4	0	0	0	39	0	0	0	0
Margin/ Brokerage Retail	0	0	0	0	0	0	0	0	0	0	0	229	13,002	0	0	43,048
Corporate													0	0	0	
Corporate Business	373,314	0	0	320,796	11,560	0	40,741	28,968	0	0	0	0	0	0	0	713,353
Small Business	289,814	0	0	431,099	19,223	0	43,665	22,832	0	0	0	8,597	0	0	0	929,473
Margin Corporate/SMEs	0	0	0	0	0	0	0	0	0	0	0	0	2,777	0	0	21,207
Total	**729,982**	**0**	**0**	**752,918**	**30,789**	**0**	**84,599**	**51,804**	**0**	**0**	**0**	**10,456**	**15,779**	**0**	**0**	**1,798,907**

Credit quality of Loans and advances to customers and value of collaterals																
Amounts in Eur '000	Strong credit quality			Satisfactory credit quality			Watch list			Default			Not rated			Value of collaterals
31.12.2021	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	
<u>Individuals</u>																
Mortgages loans	21,448	0	0	0	0	0	0	0	0	0	0	0	0	0	0	24,996
Consumer loans	3,763	0	0	0	0	0	0	0	0	0	0	46	0	0	0	4,923
Credit cards	41	0	0	673	10	0	0	0	0	0	0	33	0	0	0	0
Margin/ Brokerage Retail	0	0	0	0	0	0	0	0	0	0	0	0	10,935	0	229	36,588
<u>Corporate</u>																
Corporate Business	178,936	0	0	287,332	0	0	22,641	8,303	0	0	0	12,694	0	0	0	463,468
Small Business	90,247	0	0	327,696	0	0	37,365	226	0	0	0	5,399	0	0	0	458,027
Margin Corporate/SMEs	0	0	0	0	0	0	0	0	0	0	0	0	9,480	0	0	31,138
Total	**294,436**	**0**	**0**	**615,701**	**10**	**0**	**60,007**	**8,529**	**0**	**0**	**0**	**18,173**	**20,415**	**0**	**229**	**1,019,141**

<u>Group</u>

Loans and advances to customers on 31.12.2022 and impairment provisions per IFRS 9 Stage - Individuals

Amounts in Eur '000	Consumer loans			Mortgages Loans			Margin/ Brokerage Retail		
	Stage 1	**Stage 2**	**Stage 3**	**Stage 1**	**Stage 2**	**Stage 3**	**Stage 1**	**Stage 2**	**Stage 3**
Performing	8,655	1	1,602	58,531	0	0	13,002	0	0
From 1 to 30 days	105	6	5	780	0	0	0	0	0
From 31 to 60 days	0	3	2	0	0	0	0	0	0
From 61 to 90 days	0	0	0	0	0	0	0	0	0
From 91 to 180 days	0	0	1	0	0	0	0	0	0
From 181 to 365 days	0	0	20	0	0	0	0	0	0
More than 365 days	0	0	0	0	0	0	0	0	229
Denounced	0	0	0	0	0	0	0	0	0
<u>Total</u>	**8,760**	**10**	**1,630**	**59,311**	**0**	**0**	**13,002**	**0**	**229**
Impairments	461	3	59	288	0	0	1	0	229
Net value	**8,299**	**7**	**1,572**	**59,023**	**0**	**0**	**13,001**	**0**	**0**
Collaterals	11,027	0	4,136	76,662	0	0	43,037	0	11

Loans and advances to customers on 31.12.2022 and impairment provisions per IFRS 9 Stage - Corporate

Amounts in Eur '000	Corporate loans			Margin Corporate/SMEs		
	Stage 1	**Stage 2**	**Stage 3**	**Stage 1**	**Stage 2**	**Stage 3**
Performing	1,459,582	80,635	4,935	2,777	0	0
From 1 to 30 days	56,831	1,464	743	0	0	0
From 31 to 60 days	0	402	0	0	0	0
From 61 to 90 days	0	82	0	0	0	0
From 91 to 180 days	0	0	1,568	0	0	0
From 181 to 365 days	0	0	198	0	0	0
More than 365 days	0	0	0	0	0	0
Denounced	0	0	1,152	0	0	0
<u>Total</u>	**1,516,413**	**82,583**	**8,597**	**2,777**	0	0
Impairments	11,925	2,719	3,223	0	0	0
Net value	**1,504,488**	**79,863**	**5,374**	**2,777**	**0**	**0**
Collaterals	1,617,237	86,405	13,349	21,207	0	0

Loans and advances to customers on 31.12.2021 and impairment provisions per IFRS 9 Stage - Individuals

Amounts in Eur '000	Consumer loans			Mortgages Loans			Margin/ Brokerage Retail		
	Stage 1	**Stage 2**	**Stage 3**	**Stage 1**	**Stage 2**	**Stage 3**	**Stage 1**	**Stage 2**	**Stage 3**
Performing	3,935	10	0	21,374	0	0	10,935	0	0
From 1 to 30 days	541	0	0	74	0	0	0	0	0
From 31 to 60 days	0	0	0	0	0	0	0	0	0
From 61 to 90 days	0	0	0	0	0	0	0	0	0
From 91 to 180 days	0	0	0	0	0	0	0	0	0
From 181 to 365 days	0	0	33	0	0	0	0	0	0
More than 365 days	0	0	46	0	0	0	0	0	229
Denounced	0	0	0	0	0	0	0	0	0
<u>Total</u>	**4,477**	**10**	**80**	**21,448**	**0**	**0**	**10,935**	**0**	**229**
Impairments	268	2	80	113	0	0	30	0	222
Net value	**4,209**	**8**	**0**	**21,335**	**0**	**0**	**10,905**	**0**	**7**
Collaterals	4,923	0	0	24,996	0	0	36,576	0	12

Loans and advances to customers on 31.12.2021 and impairment provisions per IFRS 9 Stage - Corporate

Amounts in Eur '000	Corporate loans			Margin Corporate/SMEs		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Performing	877,973	0	2,075	9,480	0	0
From 1 to 30 days	77,933	8,303	874	0	0	0
From 31 to 60 days	0	226	0	0	0	0
From 61 to 90 days	0	0	0	0	0	0
From 91 to 180 days	0	0	729	0	0	0
From 181 to 365 days	0	0	0	0	0	0
More than 365 days	0	0	7,800	0	0	0
Denounced	0	0	6,615	0	0	0
Total	**955,906**	**8,529**	**18,093**	**9,480**	0	0
Impairments	10,509	198	2,283	6	0	0
Net value	**945,397**	**8,332**	**15,810**	**9,474**	**0**	**0**
Collaterals	925,573	12,027	33,823	31,138	0	0

Bank

Loans and advances to customers on 31.12.2022 and impairment provisions per IFRS 9 Stage - Individuals

Amounts in Eur '000	Consumer loans			Mortgages Loans			Margin/ Brokerage Retail		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Performing	8,655	1	1,602	58,531	0	0	13,002	0	0
From 1 to 30 days	105	6	5	780	0	0	0	0	0
From 31 to 60 days	0	3	2	0	0	0	0	0	0
From 61 to 90 days	0	0	0	0	0	0	0	0	0
From 91 to 180 days	0	0	1	0	0	0	0	0	0
From 181 to 365 days	0	0	20	0	0	0	0	0	0
More than 365 days	0	0	0	0	0	0	0	0	229
Denounced	0	0	0	0	0	0	0	0	0
Total	**8,760**	**10**	**1,630**	**59,311**	**0**	**0**	**13,002**	**0**	**229**
Impairments	461	3	59	288	0	0	1	0	229
Net value	**8,299**	**7**	**1,572**	**59,023**	**0**	**0**	**13,001**	**0**	**0**
Collaterals	11,027	0	4,136	76,662	0	0	43,037	0	11

Loans and advances to customers on 31.12.2022 and impairment provisions per IFRS 9 Stage - Corporate

Amounts in Eur '000	Corporate loans			Margin Corporate/SMEs		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Performing	1,442,597	80,635	4,935	2,777	0	0
From 1 to 30 days	56,831	1,464	743	0	0	0
From 31 to 60 days	0	402	0	0	0	0
From 61 to 90 days	0	82	0	0	0	0
From 91 to 180 days	0	0	1,568	0	0	0
From 181 to 365 days	0	0	198	0	0	0
More than 365 days	0	0	0	0	0	0
Denounced	0	0	1,152	0	0	0
Total	**1,499,429**	**82,583**	**8,597**	**2,777**	0	0
Impairments	11,992	2,719	3,223	0	0	0
Net value	**1,487,437**	**79,863**	**5,374**	**2,777**	**0**	**0**
Collaterals	1,543,073	86,405	13,349	21,207	0	0

Loans and advances to customers on 31.12.2021 and impairment provisions per IFRS 9 Stage - Individuals

Amounts in Eur '000	Consumer loans			Mortgages Loans			Margin/ Brokerage Retail		
	Stage 1	**Stage 2**	**Stage 3**	**Stage 1**	**Stage 2**	**Stage 3**	**Stage 1**	**Stage 2**	**Stage 3**
Performing	3,935	10	0	21,374	0	0	10,935	0	0
From 1 to 30 days	541	0	0	74	0	0	0	0	0
From 31 to 60 days	0	0	0	0	0	0	0	0	0
From 61 to 90 days	0	0	0	0	0	0	0	0	0
From 91 to 180 days	0	0	0	0	0	0	0	0	0
From 181 to 365 days	0	0	33	0	0	0	0	0	0
More than 365 days	0	0	46	0	0	0	0	0	229
Denounced	0	0	0	0	0	0	0	0	0
Total	**4,477**	**10**	**80**	**21,448**	**0**	**0**	**10,935**	**0**	**229**
Impairments	268	2	80	113	0	0	30	0	222
Net value	**4,209**	**8**	**0**	**21,335**	**0**	**0**	**10,905**	**0**	**7**
Collaterals	4,923	0	0	24,996	0	0	36,576	0	12

Loans and advances to customers on 31.12.2021 and impairment provisions per IFRS 9 Stage - Corporate

Amounts in Eur '000	Corporate loans			Margin Corporate/SMEs		
	Stage 1	**Stage 2**	**Stage 3**	**Stage 1**	**Stage 2**	**Stage 3**
Performing	866,285	0	2,075	9,480	0	0
From 1 to 30 days	77,933	8,303	874	0	0	0
From 31 to 60 days	0	226	0	0	0	0
From 61 to 90 days	0	0	0	0	0	0
From 91 to 180 days	0	0	729	0	0	0
From 181 to 365 days	0	0	0	0	0	0
More than 365 days	0	0	7,800	0	0	0
Denounced	0	0	6,615	0	0	0
Total	**944,218**	**8,529**	**18,093**	**9,480**	0	0
Impairments	10,312	198	2,283	6	0	0
Net value	933,907	8,332	15,810	9,474	0	0
Collaterals	875,646	12,027	33,823	31,138	0	0

Group

Analysis of collaterals and guarantees received

Amounts in Eur '000	Real estate collaterals	Financial collaterals	Government guarantees	Other collaterals	Total collaterals
31.12.2022					
Individuals	67,949	53,726	0	15,688	**137,362**
Corporate	605,022	183,618	50,575	1,043,651	**1,882,867**
Total	**672,971**	**237,344**	**50,575**	**1,059,338**	**2,020,229**

Analysis of collaterals and guarantees received

Amounts in Eur '000	Real estate collaterals	Financial collaterals	Government guarantees	Other collaterals	Total collaterals
31.12.2021					
Individuals	23,207	0	0	43,300	**66,507**
Corporate	357,735	191,199	48,520	457,803	**1,055,256**
Total	**380,941**	**191,199**	**48,520**	**501,103**	**1,121,763**

Collaterals received include letters of guarantee of EUR 147,159 thousand. (31.12.21 €52,695 thousand).

Bank

Analysis of collaterals and guarantees received

Amounts in Eur '000	Real estate collaterals	Financial collaterals	Government guarantees	Other collaterals	Total collaterals
31.12.2022					
Individuals	67,949	53,726	0	15,688	**137,362**
Corporate	605,022	183,618	50,575	969,487	**1,808,703**
Total	**672,971**	**237,344**	**50,575**	**985,175**	**1,946,066**

Analysis of collaterals and guarantees received

Amounts in Eur '000	Real estate collaterals	Financial collaterals	Government guarantees	Other collaterals	Total collaterals
31/12/2021					
Corporate	23,207	0	0	43,300	**66,507**
Total	357,735	177,210	48,520	421,864	**1,005,329**
Σύνολο	**380,941**	**177,210**	**48,520**	**465,165**	**1,071,836**

Collaterals received include letters of guarantee of EUR 147,159 thousand. (31.12.21 €52,695 thousand).

Write-offs for the Bank and the Group for 2022 amounted to EUR 36 thousand (EUR 4 thousand 2021).

There was no effect arising from debt modifications in the financial years 2022 and 2021.

Bonds

The following table presents the quality of the bonds of the Group’s and the Bank's own portfolio.

Group and Bank

31st December 2022

Securities	Securities measured at fair value through other comprehensive income	Securities measured at fair value	Securities measured at amortized cost	Total	Expected credit loss
A- to AAA	8,960	20,797	28,822	**58,579**	247
B- to BBB+	84,028	137,152	139,928	**361,107**	478
C- to CCC+	0	0	0	**0**	0
Not rated	0	48,763	6,230	**54,993**	0
Total	**92,988**	**206,712**	**174,981**	**474,680**	**725**

Out of the total provision for expected credit loss of EUR 725 thousand, EUR 208 thousand relate to the portfolio of bonds measured at fair value through other comprehensive income and EUR 517 thousand relate to the portfolio of bonds at amortized cost.

31st December 2021

Securities	Securities measured at fair value through other comprehensive income	Securities measured at fair value	Securities measured at amortized cost	Total	Expected credit loss
A- to AAA	4,803	10,452	14,267	**29,522**	9
B- to BBB+	180,578	23,242	79,111	**282,931**	586
C- to CCC+	6,956	0	0	**6,956**	355
Not rated	0	15,379.96	0	**15,380**	0
Total	**192,337**	**49,074**	**93,378**	**334,790**	**950**

Out of the total provision for expected credit loss of EUR 950 thousand, EUR 569 thousand relate to the portfolio of bonds measured at fair value through other comprehensive income and EUR 381 thousand relate to the portfolio of bonds at amortized cost.

All securities in the portfolio measured through other comprehensive income and of the amortized cost portfolio are classified at stage 1.

Counterparty banks risk

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

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

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

Country risk

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

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

4.2. Market risk

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

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

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

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

The Risk Management Division measures, checks and monitors the Market Risk on a daily basis and conducts measurements to estimate the said risks for all separate portfolios.

(i) Market risk of commercial and available-for-sale portfolios (portfolio measured at fair value through profit and loss)

Measurements are conducted using various methodologies and measurement techniques such as Value At Risk – VAR. The measurement of the Value At Risk defines the maximum possible portfolio loss with a confidence level of 99% and a one day of hold period, using the variance - covariance method. The measurements cover all *measured at fair value through profit and loss* of the Group's companies.

The market risk of the Group and the Bank, in terms of VaR, for the aforementioned positions as of December 31, 2022, amounted to EUR 584.07 thousand as broken down in the following table.

Group

Amounts in Eur '000	**31.12.2022**	**31.12.2021**
Foreign exchange risk	66	11
Bond portfolio interest rate risk	579	304
Stock market portfolio market risk	21	13
Commodities	18	3
Decrease due to correlation	(100)	(28)
Subsidiaries price risk (Optima asset Management)	0	10
Total (Net Market Risk)	**584**	**314**

Bank

Amounts in Eur '000	**31.12.2022**	**31.12.2021**
Foreign exchange risk	66	11
Bond portfolio interest rate risk	579	304
Stock market portfolio market risk	21	13
Commodities	18	3
Decrease due to correlation	(100)	(28)
Total (Net Market Risk)	**584**	**304**

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

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

(ii) Interest Rate Risk

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

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

Group

Amounts in Eur '000	Up to 1 month	1-3 months	3-12 months	1-2 years	2-5 years	Over 5 years	Non-interest bearing	Total
As at 31st December 2022								
Assets								
Cash and balances with central bank	204,876	0	0	0	0	0	10,364	**215,240**
Due from banks	85,602	9,041	0	0	0	0	0	**94,642**
Financial assets at fair value through profit and loss	170,470	0	0	0	0	0	41,183	**211,653**
Loans and advances to customers	34,968	1,173,543	403,739	98	62,174	0	0	**1,674,523**
Financial assets at fair value through other comprehensive income	0	3,676	16,195	38,618	16,530	17,968	269	**93,256**
Debt instruments at amortized cost	0	19,624	1,690	22,459	74,746	55,945	0	**174,464**
Derivative financial instruments	7,166	0	0	0	0	0	917	**8,084**
Receivables from margin and brokerage settlement accounts	25,124	3,140	0	0	0	0	0	**28,264**
Other assets	565	0	0	0	0	0	0	**565**
Total assets	**528,770**	**1,209,024**	**421,624**	**61,175**	**153,450**	**73,913**	**52,733**	**2,500,690**
Liabilities								
Due to Central Bank	64,284	0	0	0	0	0	0	**64,284**
Due to banks	0	19,100	0	0	0	0	966	**20,066**
Due to customers	1,661,524	364,777	60,202	68	0	0	90,637	**2,177,209**
Payables from margin and brokerage settlement accounts	0	6,760	0	0	0	0	0	**6,760**
Derivative financial instruments	0	0	0	0	0	0	6,958	**6,958**
Total liabilities	**1,725,808**	**390,637**	**60,202**	**68**	**0**	**0**	**98,561**	**2,275,277**
Total interest rate gap	**(1,197,037)**	**818,387**	**361,422**	**61,107**	**153,450**	**73,913**	**(45,827)**	**225,414**

Amounts in Eur '000	Up to 1 month	1-3 months	3-12 months	1-2 years	2-5 years	Over 5 years	Non-interest bearing	Total
As at 31st December 2021								
Assets								
Cash and balances with central bank	78,492	0	0	0	0	0	0	**78,492**
Due from banks	56,887	9,024	0	0	0	0	0	**65,911**
Financial assets at fair value through profit and loss	54,194	0	0	0	0	0	0	**54,194**
Loans and advances to customers	12,601	756,768	214,843	354	31,027	0	0	**1,015,593**
Financial assets at fair value through other comprehensive income	66,157	10,008	65,548	0	17,993	32,061	320	**192,087**
Debt instruments at amortized cost	0	0	1,329	912	26,630	64,127	0	**92,998**
Derivative financial instruments	0	0	0	0	0	0	434	**434**
Other assets	0	27,776	0	0	0	0	0	**27,776**
Total assets	**268,331**	**803,576**	**281,720**	**1,266**	**75,650**	**96,188**	**754**	**1,527,485**
Liabilities								
Due to Central Bank	84,143	0	0	0	0	0	0	**84,143**
Due to banks	0	3,928	0	0	0	0	0	**3,928**
Due to customers	966,741	162,571	217,093	322	0	0	0	**1,346,727**
Other liabilities	3,254	0	0	0	0	0	0	**3,254**
Derivative financial instruments	0	0	0	0	0	0	7,432	**7,432**
Total liabilities	**1,054,139**	**166,499**	**217,093**	**322**	**0**	**0**	**7,432**	**1,445,485**
Total interest rate gap	**(785,807)**	**637,077**	**64,627**	**944**	**75,650**	**96,188**	**(6,678)**	**82,000**

Bank

Amounts in Eur '000	Up to 1 month	1-3 months	3-12 months	1-2 years	2-5 years	Over 5 years	Non-interest bearing	Total
As at 31st December 2022								
Assets								
Cash and balances with central bank	204,876	0	0	0	0	0	10,363	**215,239**
Due from banks	82,471	9,041	0	0	0	0	0	**91,512**
Financial assets at fair value through profit or loss	170,470	0	0	0	0	0	39,644	**210,114**
Loans and advances to customers	34,968	1,156,472	403,739	98	62,194	0	0	**1,657,471**
Financial assets at fair value through other comprehensive income	0	3,676	16,195	38,618	16,530	17,968	269	**93,256**
Debt instruments at amortized cost	0	19,624	1,690	22,459	74,746	55,945	0	**174,464**
Derivative financial instruments	7,166	0	0	0	0	0	917	**8,084**
Receivables from margin and brokerage settlement accounts	25,124	3,140	0	0	0	0	0	**28,264**
Other assets	565	0	0	0	0	0	0	**565**
Total assets	**525,639**	**1,191,953**	**421,624**	**61,175**	**153,470**	**73,913**	**51,193**	**2,478,968**
Liabilities								
Due to Central Bank	64,284	0	0	0	0	0	0	**64,284**
Due to banks	0	14,063	0	0	0	0	966	**15,029**
Due to customers	1,663,713	364,777	60,202	68	0	0	90,819	**2,179,580**
Payables from margin and brokerage settlement accounts	6,760	0	0	0	0	0	0	**6,760**
Derivative financial instruments	0	0	0	0	0	0	6,958	**6,958**
Total liabilities	**1,734,757**	**378,841**	**60,202**	**68**	**0**	**0**	**98,743**	**2,272,612**
Total interest rate gap	**(1,209,118)**	**813,112**	**361,422**	**61,107**	**153,470**	**73,913**	**(47,550)**	**206,356**

Amounts in Eur '000	Up to 1 month	1-3 months	3-12 months	1-2 years	2-5 years	Over 5 years	Non-interest bearing	Total
As at 31st December 2021								
Assets								
Cash and balances with central bank	78,492	0	0	0	0	0	0	**78,492**
Due from banks	55,750	9,024	0	0	0	0	0	**64,774**
Financial assets at fair value through profit and loss	51,899	0	0	0	0	0	0	**51,899**
Loans and advances to customers	12,601	745,184	214,643	354	31,321	0	0	**1,004,103**
Financial assets at fair value through other comprehensive income	66,157	10,008	65,548	0	17,993	32,061	320	**192,087**
Debt instruments at amortized cost	0	0	1,329	912	26,630	64,127	0	**92,998**
Derivative financial instruments	0	0	0	0	0	0	434	**434**
Other assets	27,776	0	0	0	0	0	0	**27,776**
Total assets	**292,673**	**764,216**	**281,520**	**1,266**	**75,944**	**96,188**	**754**	**1,512,562**
Liabilities								
Due to Central Bank	84,143	0	0	0	0	0	0	**84,143**
Due to banks	0	3,928	0	0	0	0	0	**3,928**
Due to customers	973,635	162,571	217,093	322	0	0	314	**1,353,935**
Payables from margin and brokerage settlement accounts	3,254	0	0	0	0	0	0	**3,254**
Derivative financial instruments	35	0	0	0	0	0	7,397	**7,432**
Total liabilities	**1,061,068**	**166,499**	**217,093**	**322**	**0**	**0**	**7,711**	**1,452,693**
Total interest rate gap	**(768,394)**	**597,717**	**64,427**	**944**	**75,944**	**96,188**	**(6,957)**	**59,869**

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

1. Parallel shock up;
2. Parallel shock down;

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

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

This change, in the event of an interest rate increase by 200 bps, will have a negative impact on the Bank's equity by EUR 32,299 thousand, while it will reduce the income by EUR 4,156 thousand. Therefore, it will entail a total impact of EUR 36,455 thousand.

(iii) Foreign exchange risk

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

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

Group

Amounts in Eur '000	EUR	USD	GBP	CHF	JPY	Other Currencies	Total
As at 31st December 2022							
Foreign exchange risk - Assets							
Cash and balances with central bank	213,876	1,175	99	38	1	51	**215,240**
Due from banks	50,458	38,428	2,729	622	497	1,908	**94,642**
Financial assets at fair value through profit and loss	203,626	4,648	3,379	0	0	0	**211,653**
Derivative financial instruments	8,084	0	0	0	0	0	**8,084**
Loans and advances to customers	1,624,301	50,222	0	0	0	0	**1,674,523**
Financial assets at fair value through other comprehensive income	86,926	6,330	0	0	0	0	**93,256**
Debt instruments at amortized cost	174,464	0	0	0	0	0	**174,464**
Investment in associates	448	0	0	0	0	0	**448**
Property, plant and equipment	11,841	0	0	0	0	0	**11,841**
Intangible assets	10,324	0	0	0	0	0	**10,324**
Right of use assets	19,436	0	0	0	0	0	**19,436**
Deferred tax assets	6,353	0	0	0	0	0	**6,353**
Receivables from margin and brokerage settlement accounts	61,051	0	0	0	0	0	**61,051**
Hellenic Deposit and Investment Guarantee Fund and investment product guarantees	12,495	0	0	0	0	0	**12,495**
Current tax assets	223	0	0	0	0	0	**223**
Other assets	10,084	3,579	1	39	0	1	**13,704**
Total assets	**2,493,988**	**104,383**	**6,209**	**699**	**498**	**1,960**	**2,607,737**
Foreign exchange risk - Liabilities							
Due to Central Bank	64,284	0	0	0	0	0	**64,284**
Due to banks	20,066	0	0	0	0	0	**20,066**
Due to customers	1,872,719	293,377	8,740	508	206	1,659	**2,177,209**
Payables from margin and brokerage settlement accounts	39,411	0	0	0	0	0	**39,411**
Derivative financial instruments	6,958	0	0	0	0	0	**6,958**
Lease Liability	20,259	0	0	0	0	0	**20,259**
Retirement benefit obligations	550	0	0	0	0	0	**550**
Income tax liability	4,064	0	0	0	0	0	**4,064**
Other liabilities	19,083	173	1	0	0	1	**19,259**
Provisions	2,724	0	0	0	0	0	**2,724**
Total liabilities	**2,050,117**	**293,551**	**8,741**	**508**	**207**	**1,660**	**2,354,784**
Net on balance sheet position	**443,871**	**(189,168)**	**(2,532)**	**191**	**292**	**300**	**252,953**

Amounts in Eur '000	EUR	USD	GBP	CHF	JPY	Other Currencies	Total
As at 31st December 2021							
Foreign exchange risk - Assets							
Cash and balances with central bank	77,676	533	143	95	1	44	**78,492**
Due from banks	49,526	11,353	3,000	379	119	1,535	**65,911**
Financial assets at fair value through profit and loss	54,194	0	0	0	0	0	**54,194**
Derivative financial instruments	434	0	0	0	0	0	**434**
Loans and advances to customers	998,177	17,416	0	0	0	0	**1,015,593**
Financial assets at fair value through other comprehensive income	192,087	0	0	0	0	0	**192,087**
Debt instruments at amortized cost	92,998	0	0	0	0	0	**92,998**
Property, plant and equipment	12,014	0	0	0	0	0	**12,014**
Intangible assets	8,730	0	0	0	0	0	**8,730**
Right of use assets	19,218	0	0	0	0	0	**19,218**
Deferred tax assets	2,932	0	0	0	0	0	**2,932**
Receivables from margin and brokerage settlement accounts	27,776	0	0	0	0	0	**27,776**
Hellenic Deposit and Investment Guarantee Fund and investment product guarantees	13,135	0	0	0	0	0	**13,135**
Current tax assets	1,875	0	0	0	0	0	**1,875**
Other assets	44,740	2,263	19	2,506	0	0	**49,529**
Total assets	**1,595,510**	**31,566**	**3,163**	**2,980**	**120**	**1,579**	**1,634,918**
Foreign exchange risk - Liabilities							
Due to Central Bank	84,143	0	0	0	0	0	**84,143**
Due to banks	3,928	0	0	0	0	0	**3,928**
Due to customers	1,216,621	121,114	4,675	2,760	86	1,471	**1,346,727**
Payables from margin and brokerage settlement accounts	3,254	0	0	0	0	0	**3,254**
Derivative financial instruments	7,432	0	0	0	0	0	**7,432**
Lease Liability	19,965	0	0	0	0	0	**19,965**
Retirement benefit obligations	458	0	0	0	0	0	**458**
Income tax liability	642	0	0	0	0	0	**642**
Other liabilities	10,790	162	4	2	0	1	**10,959**
Provisions	1,106	0	0	0	0	0	**1,106**
Total liabilities	**1,348,341**	**121,276**	**4,679**	**2,762**	**86**	**1,472**	**1,478,614**
Net on balance sheet position	**247,170**	**(89,710)**	**(1,516)**	**218**	**34**	**107**	**156,304**

Bank

Amounts in Eur '000	EUR	USD	GBP	CHF	JPY	Other Currencies	Total
As at 31st December 2022							
Foreign exchange risk - Assets							
Cash and balances with central bank	213,874	1,175	99	38	1	51	**215,239**
Due from banks	47,327	38,428	2,729	622	497	1,908	**91,512**
Financial assets at fair value through profit and loss	210,114	0	0	0	0	0	**210,114**
Derivative financial instruments	8,084	0	0	0	0	0	**8,084**
Loans and advances to customers	1,607,161	50,310	0	0	0	0	**1,657,471**
Financial assets at fair value through other comprehensive income	86,926	6,330	0	0	0	0	**93,256**
Debt instruments at amortized cost	174,464	0	0	0	0	0	**174,464**
Investment in subsidiaries and associates	9,133	0	0	0	0	0	**9,133**
Property, plant and equipment	11,664	0	0	0	0	0	**11,664**
Intangible assets	6,733	0	0	0	0	0	**6,733**
Right of use assets	19,411	0	0	0	0	0	**19,411**
Deferred tax assets	7,410	0	0	0	0	0	**7,410**
Receivables from margin and brokerage settlement accounts	61,051	0	0	0	0	0	**61,051**
Hellenic Deposit and Investment Guarantee Fund and investment product guarantees	12,245	0	0	0	0	0	**12,245**
Current tax assets	47	0	0	0	0	0	**47**
Other assets	9,479	3,647	1	39	0	1	**13,167**
Total assets	**2,485,123**	**99,890**	**2,829**	**699**	**498**	**1,960**	**2,590,999**
Foreign exchange risk - Liabilities							
Due to Central Bank	64,284	0	0	0	0	0	**64,284**
Due to banks	15,029	0	0	0	0	0	**15,029**
Due to customers	1,874,836	293,631	8,740	508	206	1,659	**2,179,580**
Payables from margin and brokerage settlement accounts	39,411	0	0	0	0	0	**39,411**
Derivative financial instruments	6,958	0	0	0	0	0	**6,958**
Lease Liability	20,233	0	0	0	0	0	**20,233**
Retirement benefit obligations	514	0	0	0	0	0	**514**
Income tax liability	3,830	0	0	0	0	0	**3,830**
Other liabilities	16,881	101	1	0	0	1	**16,984**
Provisions	2,666	0	0	0	0	0	**2,666**
Total liabilities	**2,044,644**	**293,732**	**8,741**	**508**	**207**	**1,660**	**2,349,491**
Net on balance sheet position	**440,479**	**(193,842)**	**(5,911)**	**191**	**292**	**300**	**241,508**

Amounts in Eur '000	EUR	USD	GBP	CHF	JPY	Other Currencies	Total
As at 31st December 2021							
Foreign exchange risk - Assets							
Cash and balances with central bank	77,675	533	143	95	1	44	**78,492**
Due from banks	48,388	11,353	3,000	379	119	1,535	**64,774**
Financial assets at fair value through profit and loss	51,899	0	0	0	0	0	**51,899**
Derivative financial instruments	434	0	0	0	0	0	**434**
Loans and advances to customers	986,687	17,416	0	0	0	0	**1,004,103**
Financial assets at fair value through other comprehensive income	192,087	0	0	0	0	0	**192,087**
Debt instruments at amortized cost	92,998	0	0	0	0	0	**92,998**
Investment in subsidiaries and associates	13,593	0	0	0	0	0	**13,593**
Property, plant and equipment	11,821	0	0	0	0	0	**11,821**
Intangible assets	4,860	0	0	0	0	0	**4,860**
Right of use assets	18,999	0	0	0	0	0	**18,999**
Deferred tax assets	4,066	0	0	0	0	0	**4,066**
Receivables from margin and brokerage settlement accounts	27,776	0	0	0	0	0	**27,776**
Hellenic Deposit and Investment Guarantee Fund and investment product guarantees	12,885	0	0	0	0	0	**12,885**
Current tax assets	1,875	0	0	0	0	0	**1,875**
Other assets	44,551	2,263	19	2,506	0	0	**49,340**
Total assets	**1,590,595**	**31,566**	**3,163**	**2,980**	**120**	**1,579**	**1,630,001**
Foreign exchange risk - Liabilities							
Due to Central Bank	84,143	0	0	0	0	0	**84,143**
Due to banks	3,928	0	0	0	0	0	**3,928**
Due to customers	1,223,829	121,114	4,675	2,760	86	1,471	**1,353,935**
Payables from margin and brokerage settlement accounts	3,254	0	0	0	0	0	**3,254**
Derivative financial instruments	7,432	0	0	0	0	0	**7,432**
Lease Liability	19,748	0	0	0	0	0	**19,748**
Retirement benefit obligations	413	0	0	0	0	0	**413**
Income tax liability	0	0	0	0	0	0	**0**
Other liabilities	9,001	162	4	2	0	1	**9,170**
Provisions	0	0	0	0	0	0	**1,036**
Total liabilities	**1,352,785**	**121,276**	**4,679**	**2,762**	**86**	**1,472**	**1,483,060**
Net on balance sheet position	**237,810**	**(89,710)**	**(1,516)**	**218**	**34**	**107**	**146,941**

The crisis simulation examines the negative effect on the Bank's annual profit or loss using possible scenarios of the fluctuation of the international exchange rates. The examined scenarios include the following fluctuations in the key currencies: Eur/Usd +15.6%, Eur/Gbp +25.7%, Eur/Chf -12%, Eur/Jpy +16.10%, Eur/Aud +20.8%, Eur/Nok +14.2%,Eur/Cad +16.4%, Eur/Sek +14.5%, Eur/Try +48.7%, Eur/Rub +34.3%, Eur/Dkk +20.8%, Eur/Ron +19.5%, Eur/Hkd +17% With closing balances as of 31.12.2022, the simulation entails losses of EUR 70,215 thousand.

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

Group

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

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

Bank

The risk of share prices has to do with the adverse fluctuations of the share prices and derivatives on shares and stock exchange ratios held by the Bank that are recorded on the portfolios recognized at fair value through profit or loss.

The said risk is monitored through limits set for each share and/or share category while, in addition, techniques for mitigating it are applied through derivatives on the relevant shares and ratios. Consequently, no particular exposure to the said risk has been observed in 2022 beyond the risk undertaking levels set by the net of levels dully approved on the basis of the Bank's strategy.

The following table presents the results of the crisis simulation regarding the share price risks conducted on the transaction and available for sale portfolios using balances as of 31.12.2022.

The examined scenarios are the following:

As regards the shares risk (since the exposure of the portfolios focuses on the Greek market), the FTSE/ASE Large Cap. +/-56% fluctuation scenario was examined.

Risk factors ***Amounts in Eur '000***	**Markets**	**Scenario**	**Loss due to the movement of the risk factors**	**Profit due to the movement of the risk factors**
Shares Prices	ASE movement of FTSE/A.E. Large Cap.	-56%	782.49	-
		56%	373.78	-

As at 31.12.2022 the Bank held 3 bond portfolios totaling EUR 438,437 thousand for different purposes, which include:

- Greek Government Bonds and T-Bills
- Italian Government Bonds and T-Bills
- Greek and Cypriot corporate bonds
- UK Government T-Bills
- USA T-Bills.

The above amount does not include the "Bond from loan securitization" of EUR 36,242 thousand.

The Management of the Bank is informed on a daily basis about the bond transactions, the position and the valuation of the bonds.

The following table shows the losses and gains that would arise on the bond portfolio measured at fair value through profit or loss excluding the Bond from loan securitization and on the bond portfolio measured at fair value through other income, in case of a parallel shift in the bond yield curve by +/- 200 basis points:

Amounts in Eur '000	Scenario	Portfolio	+200 Bps	-200 Bps
Bond yield curves	Movement of bonds' yield curves	IRS Trading portfolio	-4,208.87	4,410.91
		IR Swap	4,535.79	-5,514.90
		OCI Bond Portfolio	-4,526.91	4,575.32
			-4,199.99	**3,471.33**

In 2022 the Bank was also involved in the trading of carbon emission rights.

Within the context of the test exercise for its position, the Bank also examined the scenario of a -41% variation of the ICEDEU3 Index and a one day of hold period. The test resulted in losses of EUR 461.465 thousand.

4.3. Liquidity risk

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

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

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

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

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

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

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

The Group conducts liquidity stress tests.

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

Group

Amounts in Eur '000	**Up to 1 month**	**1-3 months**	**3-12 months**	**1-2 years**	**2-5 years**	**Over 5 years**	**Total**
As at 31st December 2022							
LIABILITIES							
Due to Central Bank	64,284	0	0	0	0	0	64,284
Due to banks	966	14,063	0	0	5,036	0	20,066
Due to customers	1,752,161	364,777	60,202	68	0	0	2,177,209
Payables from margin and brokerage settlement accounts	32,123	0	0	0	0	7,288	39,411
Derivative financial instruments	6,958	0	0	0	0	0	6,958
Lease Liability	0	0	0	0	0	20,259	20,259
Retirement benefit obligations	0	0	0	0	0	550	550
Income tax liability	0	0	0	0	0	4,064	4,064
Other liabilities	0	0	0	0	0	19,259	19,259
Provisions	0	0	0	0	0	2,724	2,724
Total liabilities	**1,856,492**	**378,841**	**60,202**	**68**	**5,036**	**54,143**	**2,354,784**

Amounts in Eur '000	**Up to 1 month**	**1-3 months**	**3-12 months**	**1-2 years**	**2-5 years**	**Over 5 years**	**Total**
As at 31st December 2021							
LIABILITIES							
Due to Central Bank	0	19,961	0	62,794	1,388	0	84,143
Due to banks	3,928	0	0	0	0	0	3,928
Due to customers	1,033,315	181,493	131,530	389	0	0	1,346,727
Payables from margin and brokerage settlement accounts	3,254	0	0	0	0	0	3,254
Derivative financial instruments	7,432	0	0	0	0	0	7,432
Lease Liability	0	0	0	0	0	19,965	19,965
Retirement benefit obligations	0	0	0	0	0	458	458
Income tax liability	0	0	0	0	0	642	642
Other liabilities	0	0	0	0	0	10,958	10,958
Provisions	0	0	0	0	0	1,106	1,106
Total liabilities	**1,047,929**	**201,454**	**131,530**	**63,183**	**1,388**	**33,129**	**1,478,614**

Bank

Amounts in Eur '000	Up to 1 month	1-3 months	3-12 months	1-2 years	2-5 years	Over 5 years	Total
As at 31st December 2022							
LIABILITIES							
Due to Central Bank	64,284	0	0	0	0	0	64,284
Due to banks	966	14,063	0	0	0	0	15,029
Due to customers	1,754,532	364,777	60,202	68	0	0	2,179,580
Payables from margin and brokerage settlement accounts	32,123	0	0	0	0	7,288	39,411
Derivative financial instruments	6,958	0	0	0	0	0	6,958
Lease Liability	0	0	0	0	0	20,233	20,233
Retirement benefit obligations	0	0	0	0	0	514	514
Income tax liability	0	0	0	0	0	3,830	3,830
Other liabilities	0	0	0	0	0	16,984	16,984
Provisions	0	0	0	0	0	2,666	2,666
Total liabilities	**1,858,864**	**378,841**	**60,202**	**68**	**0**	**51,516**	**2,349,491**

Amounts in Eur '000	Up to 1 month	1-3 months	3-12 months	1-2 years	2-5 years	Over 5 years	Total
As at 31st December 2021							
LIABILITIES							
Due to Central Bank	0	19,961	0	62,794	1,388	0	84,143
Due to banks	3,928	0	0	0	0	0	3,928
Due to customers	1,040,590	181,493	131,530	322	0	0	1,353,935
Payables from margin and brokerage settlement accounts	3,254	0	0	0	0	0	3,254
Derivative financial instruments	7,432	0	0	0	0	0	7,432
Lease Liability	0	0	0	0	0	19,748	19,748
Retirement benefit obligations	0	0	0	0	0	413	413
Income tax liability	0	0	0	0	0	0	0
Other liabilities	0	0	0	0	0	9,170	9,170
Provisions	0	0	0	0	0	1,036	1,036
Total liabilities	**1,055,204**	**201,454**	**131,530**	**63,116**	**1,388**	**30,367**	**1,483,060**

4.4. Capital adequacy

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

To calculate the capital adequacy the Basel III regulatory framework is applied, which was incorporated into the legislation of the European Union (EU) with the adoption of Regulation (EU) 575/2013 of the European Parliament and of the Council ("CRR") on prudential requirements for credit institutions and investment firms, as amended and in force, as well as Directive 2013/36 (Capital Requirements Directive-CRD IV) and in Greek legislation by Law 4261/2014, as amended and in force.

The said framework establishes uniform rules concerning the general prudential requirements with which the institutions supervised under the relevant Directive must comply, in relation to:

- capital requirements relating to fully quantifiable, uniform and standardized elements of credit risk, market risk, operational risk and settlement risk;
- requirements limiting large exposures;
- liquidity requirements relating to entirely quantifiable, uniform and standardized elements of liquidity risk,
- reporting requirements on these elements and on leverage;

- public disclosure requirements.

The framework specifies the minimum regulatory capital requirements for credit risk, market risk and operational risk in accordance with specified rules, methodologies and calculation methods.

According to it (Article 92(1) of Regulation (EU) No 575/2013), the minimum capital adequacy ratios that each credit institution shall satisfy are the following:

- Common Equity Tier 1-CET1 capital ratio of 4.5%;
- minimum Tier 1 capital ratio of 6%,
- and minimum total capital ratio of 8%.

Under Pillar I, the Capital Adequacy Ratio arises as the ratio of regulatory capital to the total weighted assets related to credit, operational and market risk and related to the on- and off-balance sheet assets at the individual and consolidated level.

The capital adequacy ratio of the Group and the Bank as of 31.12.2022 and 31.12.2021 was as follows:

Group

Amounts in Euro '000	31st December 2022	31st December 2021
Share Capital	160,279	160,279
Other Reserves	13,083	17,975
Retained Earnings	19,573	(21,950)
Minority interest	18	0
Less: Intagible Assets	(9,568)	(7,800)
Total regulatory adjustments on CET1 Capital	8,830	7,524
Common Equity Tier 1 Capital (CET1)	**192,215**	**156,028**
Additional Tier 1 instruments (AT1)	60,000	0
Additional Tier 1 Capital (AT1)	**60,000**	**0**
Tier 1 Capital (TIER1)	**252,215**	**156,028**
Total regulatory capital	**252,215**	**156,028**
Total risk weighted assets	**1,831,581**	**1,119,625**
CET1 Capital Ratio	**10.49%**	**13.94%**
T1 Capital Ratio	**13.77%**	**13.94%**
Total Regulatory Capital Ratio (TRCR)	**13.77%**	**13.94%**

**Items have been calculated including the profit for the period.*

Bank

Amounts in Euro '000	31st December 2022	31st December 2021
Share Capital	160,279	160,279
Other Reserves	12,300	17,228
Retained Earnings	8,930	(30,566)
Minority interest	0	0
Less: Intagible Assets	(6,733)	(4,860)
Total regulatory adjustments on CET1 Capital	8,835	7,695
Common Equity Tier 1 Capital (CET1)	**183,610**	**149,776**
Additional Tier 1 instruments (AT1)	60,000	0
Additional Tier 1 Capital (AT1)	**60,000**	**0**
Tier 1 Capital (TIER1)	**243,610**	**149,776**
Total regulatory capital	**243,610**	**149,776**
Total risk weighted assets	**1,803,915**	**1,125,322**
CET1 Capital Ratio	**10.18%**	**13.31%**
T1 Capital Ratio	**13.50%**	**13.31%**
Total Regulatory Capital Ratio (TRCR)	**13.50%**	**13.31%**

**Items have been calculated including the profit for the period.*

According to the Bank of Greece's Decision ref. ΕΠΑΘ 431/1/14.07.2022 ("Definition of supervisory requirements for the financial institution "Optima Bank S.A." based on the Supervisory Review and Evaluation Process (SREP)", as of 01.01.2023 the Bank is required to have on an individual and consolidated basis a Total SREP Capital Ratio (TSCR) of 11.4% and an Overall Capital Ratio (OCR) of 13.90% (compared to December 2021: 14.00%).

In the same decision, it provides guidance to the Group to keep additional capital of 1%, in addition to the total capital requirements of the SREP and capital conservation buffers, as Pillar 2 Capital Guidance which will be covered by common equity Tier 1 capital (CET1). The total capital requirements on an individual and consolidated basis are reflected in detail in the following table:

Total Capital Requirements	**Total capital (%)**
Minimum total capital ratio	8.00%
Additional Pillar II Own Funds Requirements (P2R)	3.40%
Total SREP Capital Requirement (TSCR)	**11.40%**
Capital Conservation Buffer - CCB	2.50%
(Capital Conservation Buffer - CCB)	
Overall Capital Requirement (OCR)	**13.90%**
Additional Equity (Pillar 2 Guidance – P2G)	1.00%
Overall Capital Requirement (OCR) & Pillar 2 Guidance (P2G) – (TRCR)	**14.90%**

More specifically, compliance with the overall capital requirements of the SREP includes:

- The overall Pillar I capital requirements of 8% which must be met at all times in accordance with Article 92(1) of Regulation (EU) 575/2013;
- The additional Pillar II capital requirements (P2R) of 3.4% in the context of the application of the provisions of Article 96A(1)(a) of Law 4261/2014;
- The capital requirement to keep a capital conservation buffer (CCB) of 2.5% in accordance with Article 122 of Law 4261/2014.
- The Pillar 2 Guidance on Additional Equity (Pillar 2 Guidance) to keep 1% in addition to the total capital requirements of the SREP and buffers.

Note that the supervisory authority, taking into account the exceptional circumstances that had arisen due to the Covid-19 pandemic, the EBA/GL/2020/10 guidelines and the measures announced by the ECB on 12 March 2020 with the aim of providing capital relief to banks to support the economy, has allowed the institution at individual and consolidated level to operate by deviating from the minimum regulatory capital limits until 31.12.2022, and more specifically below the level of the additional Pillar 2 Guidance margin and the capital requirement related to the maintenance of the Capital Conservation Buffer (CCB) (31. 12.2022, TSCR: 11.40%).

The Group actively manages its capital base, with the aim of meeting the minimum regulatory ratios and in this context it communicates and informs the Supervision Department of the Bank of Greece about the actions it plans to take in order to maintain capital adequacy levels above the minimum regulatory ones, while promoting its business growth.

The Group's objectives with respect to capital adequacy management at the individual and consolidated level are to comply with the applicable regulatory framework as regards the risks undertaken, to ensure the uninterrupted continuation of the Group's activities, to maintain a stable and sound regulatory capital in order to successfully promote its business plans and to strengthen its systems and infrastructure so as to ensure compliance with supervisory and regulatory requirements that govern all its activities.

The capital adequacy of the Group is monitored at regular intervals by the Risk Management Direction in cooperation with the Financial Department of the Group, while all necessary data and information are submitted to the Bank of Greece on a quarterly basis, through the relevant regulatory reports.

5. Fair value of financial assets and liabilities

5.1. Financial assets and liabilities not carried at fair value

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

(a) Due from banks

Due from other banks include mainly short-term interbank placements as well as other collectibles, such as loans to Banks.

The vast majority of the placements have an one-month maturity and therefore their fair value is quite similar to their carrying amount.

(b) Loans and advances to customers

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

(c) Deposits

The fair value of deposits without fixed maturity (saving and current accounts) is the amount that the Group should pay upon customer demand, which value is equal to their carrying amount.

5.2. Fair Value Hierarchy

IFRS 13 defines the valuation and checking procedures regarding the objectivity of the data used by these models. The observable data are based on active markets and derive from independent sources, while non-observable information refers to the Management assumptions and valuation models. These two methods for retrieving information generate the following hierarchy:

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

Level 2 - includes inputs other than the quoted prices included in Level 1 and considered to be directly or indirectly observable. This level includes the majority of OTC derivatives and various issued debts. The value of which is defined by using evaluation models, discounted cash flows, and similar techniques using data on the prices of the underlying securities, their volatility and interest rate curves such as Euribor.

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

Group

Fair value hierarchy as of December 31, 2022:

Amounts in Eur '000		31/12/2022		
Financial assets at fair value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit and loss	173,872	0	37,781	**211,653**
Derivative financial instruments	115	7,968	0	**8,084**
Financial assets at fair value through other comprehensive income	93,256	0	0	**93,256**
Carbon emission inventory	57	0	0	**57**
Total	**267,300**	**7,968**	**37,781**	**313,049**

Financial liabilities at fair value	**Level 1**	**Level 2**	**Level 3**	**Total**
Derivative financial instruments	42	6,915	0	**6,958**
Financial liabilities at fair value through profit and loss	235	0	0	**235**
Total	**277**	**6,915**	**0**	**7,193**

Fair value hierarchy as of December 31, 2021:

Ποσά σε Ευρώ '000		31/12/2021		
Financial assets at fair value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit and loss	52,693	0	1,501	**54,194**
Derivative financial instruments	10	424	0	**434**
Financial assets at fair value through other comprehensive income	192,087	0	0	**192,087**
Carbon emission inventory	40,140	0	0	**40,140**
Total	**284,930**	**424**	**1,501**	**286,855**

Financial liabilities at fair value	**Level 1**	**Level 2**	**Level 3**	**Total**
Derivative financial instruments	41	7,390	0	**7,432**
Financial liabilities at fair value through profit and loss	67	0	0	**67**
Total	**108**	**7,390**	**0**	**7,499**

The financial assets at fair value through profit or loss that are classified at Level 3 pertain to closed-end mutual funds (CMF). At Group level, a net value realization of EUR 20.1 million was performed in 2021. In the financial year 2021, an amount of EUR 3.5 million was recognized in the Group's income statement in the results of financial operations, of which EUR 0.3 million related to a valuation loss.

Bank

Fair value hierarchy as of December 31, 2022:

Amounts in Eur '000		31/12/2022		
Financial assets at fair value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit and loss	173,872	0	36,242	**210,114**
Derivative financial instruments	115	7,968	0	**8,084**
Financial assets at fair value through other comprehensive income	93,256	0	0	**93,256**
Carbon emission inventory	57	0	0	**57**
Total	**267,300**	**7,968**	**36,242**	**311,510**

Financial liabilities at fair value	**Level 1**		**Level 2**		**Level 3**		**Total**
Derivative financial instruments	42		6,915		0		**6,958**
Financial liabilities at fair value through profit and loss	235		0		0		**235**
Total	**277**	**0**	**6,915**	**0**	**0**	**0**	**7,193**

Fair value hierarchy as of December 31, 2021:

Amounts in Eur '000		31/12/2021		
Financial assets at fair value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit and loss	51,899	0	0	**51,899**
Derivative financial instruments	10	424	0	**434**
Financial assets at fair value through other comprehensive income	192,087	0	0	**192,087**
Carbon emission inventory	40,140	0	0	**40,140**
Total	**284,136**	**424**	**0**	**284,560**

Financial liabilities at fair value	**Level 1**	**Level 2**		**Level 3**		**Total**
Derivative financial instruments	41	7,390		0		**7,432**
Financial liabilities at fair value through profit and loss	67	0		0		**67**
Total	**108**	**7,390**	**0**	**0**	**0**	**7,499**

There were no movements to and from level 3 for Group and Bank.

6. Net interest income

The breakdown of net interest income is as follows:

Group

Amounts in Eur '000	**1/1/2022 - 31/12/2022**	**1/1/2021 - 31/12/2021 (As reclassified)**
Interest and similar income		
Interest from fixed income securities	7,045	3,081
o/w at amortized cost	*3,030*	*1,602*
o/w at fair value through other comprehensive income	*1,679*	*194*
o/w at fair value through profit and loss	*2,336*	*1,285*
Interest from loans	56,295	26,422
Interest from interbank transactions	1,406	20
Interest from derivatives	33	0
Other interest income	278	179
Total	**65,057**	**29,703**
Interest and similar expenses		
Interest on deposits	(2,321)	(1,687)
Interbank transactions	(726)	(90)
Interest from Convertible Bond Loan	(276)	0
Interest on rights of use assets	(728)	(727)
Interest from derivatives	(28)	0
Other interest expenses	(186)	(164)
Total	**(4,264)**	**(2,668)**
Net interest income	**60,793**	**27,034**

Bank

Amounts in Eur '000	1/1/2022 - 31/12/2022	1/1/2021 - 31/12/2021 (As reclassified)
Interest and similar income		
Interest from fixed income securities	7,045	3,081
o/w at amortized cost	*3,030*	*1,602*
o/w at fair value through other comprehensive income	*1,679*	*194*
o/w at fair value through profit and loss	*2,336*	*1,285*
Interest from loans	55,206	25,814
Interest from interbank transactions	1,406	20
Interest from derivatives	33	0
Other interest income	278	178
Total	**63,968**	**29,093**
Interest and similar expenses		
Interest on deposits	(2,323)	(1,687)
Interbank transactions	(726)	(90)
Interest from Convertible Bond Loan	(276)	0
Interest on rights of use assets	(727)	(724)
Interest from derivatives	(28)	0
Other interest expenses	(95)	(153)
Total	**(4,174)**	**(2,654)**
Net interest income	**59,794**	**26,439**

The increase in interest on bonds, loans and deposits depends on how the other relevant portfolios would develop and the changes due to the Euribor adjustments.

7. Net fee and commission income

The breakdown of net fee and commission income is as follows:

Group

Amounts in Eur '000	1/1/2022 - 31/12/2022	1/1/2021 - 31/12/2021 (As reclassified)
Commission income		
Commercial transactions	1,990	1,133
Loans and letters of guarantee	11,379	4,527
Investment banking	3,565	3,094
Brokerage services	9,321	10,754
Total commission income	**26,255**	**19,509**
Commission expense		
Commercial transactions	(694)	(499)
Brokerage services	(3,330)	(3,217)
Total commission expense	**(4,024)**	**(3,716)**
Net fee and commission income	**22,231**	**15,793**

Bank

Amounts in Eur '000	1/1/2022 - 31/12/2022	1/1/2021 - 31/12/2021 (As reclassified)
Commission income		
Commercial transactions	1,995	1,139
Loans and letters of guarantee	11,404	4,527
Investment banking	707	957
Brokerage services	9,655	11,026
Total commission income	**23,763**	**17,650**
Commission expense		
Commercial transactions	(634)	(421)
Brokerage services	(3,330)	(3,217)
Total commission expense	**(3,964)**	**(3,638)**
Net fee and commission income	**19,798**	**14,012**

The increase of credits granted and the general growth of banking transactions resulted in an increase in the relevant commissions.

8. Net trading income

The breakdown of net trading income for Group and Bank is as follows:

Group

Amounts in Eur '000	1/1/2022 - 31/12/2022	1/1/2021 - 31/12/2021 (As reclassified)
Profit/(loss) from foreign exchange financial instruments	5,582	(357)
Profit/(loss) from derivatives held for trading	7,766	730
Profit/(loss) from carbon emission rights	282	28
Profit/(loss) from investments in shares and mutual funds	64	1,801
Profit/(loss) from bonds	(793)	2,758
Total net trading income	**12,901**	**4,960**

Bank

Amounts in Eur '000	1/1/2022 - 31/12/2022	1/1/2021 - 31/12/2021 (As reclassified)
Profit/(loss) from foreign exchange financial instruments	5,578	(357)
Profit/(loss) from derivatives held for trading	7,766	730
Profit/(loss) from carbon emission rights	282	28
Profit/(loss) from investments in shares and mutual funds	64	1,801
Profit/(loss) from bonds	(1,047)	1,365
Total net trading income	**12,642**	**3,567**

The net trading income of the Bank has been mainly affected by the following:

- Gain of EUR 5,578 thousand relates to foreign exchange position management and client transactions on commodities and foreign exchange derivatives.

- Gain of EUR 6,834 thousand in the item "Gain on derivatives held for trading" relates to the valuation of interest rate derivatives. These products hedge part of the interest rate risk of the bond portfolio measured at fair value through profit and loss and the bond portfolio measured at fair value through other comprehensive income, which is recognized directly in equity. The Bank does not use hedge accounting for these positions. The profit or loss on derivatives held for trading does not include the result of the carbon emission options.
- A gain of EUR 282 thousand in the item "Profit/loss on carbon emission rights" includes the result on the purchase and sale of carbon emission rights, the valuation of carbon emission inventory and carbon emission derivatives.
- "Profit or loss from bonds" includes a loss of EUR 3,549 thousand arising from both liquidations and the valuation of bonds measured at fair value through profit and loss and a gain of EUR 2,470 thousand relating to the valuation of a bond of securitized loans.

9. Other operating income

The breakdown of other operating income for the Group and the Bank is as follows:

Group

Amounts in Eur '000	1/1/2022 - 31/12/2022	1/1/2021 - 31/12/2021 (As reclassified)
Rental income	2	0
Other income	174	120
Total	**175**	**120**

Bank

Amounts in Eur '000	1/1/2022 - 31/12/2022	1/1/2021 - 31/12/2021
Rental income	32	26
Other income	281	212
Total	**313**	**238**

At the Bank level, the other income mainly pertain to income from support to the companies of the Group.

10. Staff costs

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

Group

Amounts in Eur '000	Note	1/1/2022 - 31/12/2022	1/1/2021 - 31/12/2021
Salaries and wages		(17,302)	(15,132)
Social security cost		(3,670)	(3,351)
Pension costs - defined benefit plans	36	(390)	(293)
Other employee benefits		(1,176)	(778)
Total		**(22,537)**	**(19,553)**

Bank

Amounts in Eur '000	Note	1/1/2022 - 31/12/2022	1/1/2021 - 31/12/2021
Salaries and wages		(16,647)	(14,524)
Social security cost		(3,521)	(3,226)
Pension costs - defined benefit plans	36	(280)	(285)
Other employee benefits		(1,145)	(760)
Total		**(21,593)**	**(18,794)**

The total number of employees for Group and Bank on 31.12.2022 was 445 and 426 respectively (31.12.2021: Group 393 persons and Bank 379 persons).

11. Other operating expenses

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

Group

Amounts in Eur '000	1/1/2022 - 31/12/2022	1/1/2021 - 31/12/2021 (As reclassified)
Legal, advisory, audit fees etc.	(1,549)	(1,187)
IT expenses	(3,067)	(2,242)
Subscription fees	(510)	(371)
Building expenses	(1,322)	(1,169)
Advertising and promotion expenses, sponsorships, etc.	(522)	(433)
Taxes and duties	(2,024)	(1,456)
Office supplies	(97)	(96)
Other operating expenses	(4,223)	(2,448)
Total	**(13,313)**	**(9,403)**

Bank

Amounts in Eur '000	1/1/2022 - 31/12/2022	1/1/2021 - 31/12/2021
Legal, advisory, audit fees etc.	(1,397)	(1,038)
IT expenses	(3,017)	(2,192)
Subscription fees	(381)	(294)
Building expenses	(1,292)	(1,150)
Advertising and promotion expenses, sponsorships, etc.	(507)	(427)
Taxes and duties	(1,966)	(1,407)
Office supplies	(92)	(92)
Other operating expenses	(4,063)	(2,367)
Total	**(12,715)**	**(8,966)**

The increased operating expenses are mainly related to the expansion and improvement of the infrastructure of the Bank.

12. Provision for expected credit losses

The impairment provisions of the Group and the Bank are broken down as follows:

Group

Amounts in Eur '000	**1/1/2022 - 31/12/2022**	**1/1/2021 - 31/12/2021 (As reclassified)**
Provisions for loan impairment	(5,231)	(3,608)
Provisions for impairment of letters of guarantee	(1,731)	(27)
Provisions for impairment of debt securities at amortized cost	(137)	(191)
Provisions for impairment of other receivables	(0)	(23)
Provisions for impairment of financial assets at fair value through other comprehensive income	361	(276)
Total	**(6,739)**	**(4,124)**

Bank

Amounts in Eur '000	**1/1/2022 - 31/12/2022**	**1/1/2021 - 31/12/2021 (As reclassified)**
Provisions for loan impairment	(5,496)	(3,307)
Provisions for impairment of letters of guarantee	(1,731)	(27)
Provisions for impairment of debt securities at amortized cost	(137)	(191)
Provisions for impairment of other receivables	(0)	(23)
Provisions for impairment of financial assets at fair value through other comprehensive income	361	(276)
Total	**(7,003)**	**(3,823)**

The increase in provisions is mainly due to a corresponding increase in the loan portfolio.

13. Other provisions

The breakdown of the Group's and the Bank's "Other provisions" is as follows:

Group

Amounts in Eur '000	**1/1/2022 - 31/12/2022**	**1/1/2021 - 31/12/2021 (As reclassified)**
Gain from reversal of provision for success fee	0	196
Loss on liquidation of participations/investments	0	(79)
Provision for legal cases	(39)	0
Other provisions	0	67
Total	**(39)**	**184**

Bank

Amounts in Eur '000	**1/1/2022 - 31/12/2022**	**1/1/2021 - 31/12/2021 (As reclassified)**
Gain from reversal of provision for success fee	0	196
Loss on liquidation of participations/investments	0	(79)
Reversal of impairment of participations	0	1,725
Provision for legal cases	(39)	0
Total	**(39)**	**1,842**

14. Income Tax

Income tax for the Group and the Bank is broken down as follows:

Group

Amounts in Eur '000	1/1/2022 - 31/12/2022	1/1/2021 - 31/12/2021
Deferred tax	1,733	667
Income Tax	(7,411)	(740)
Total	**(5,678)**	**(73)**

Bank

Amounts in Eur '000	1/1/2022 - 31/12/2022	1/1/2021 - 31/12/2021
Deferred tax	1,655	(1,413)
Income Tax	(7,064)	0
Total	**(5,409)**	**(1,413)**

According to Law 4172/2013, the tax rate applicable in Greece for the reporting periods from 2021 onwards is 22%.

For the unaudited years, refer to Note 42.8

For the financial year 2022, the audit is in progress and the relevant tax certificate is expected to be issued after the publication of the financial statements for the year 2022. Upon completion of the tax audit the Group's Management does not expect any significant tax liabilities beyond those already reported and presented in the financial statements.

15. Earnings per share

The Group's and the Bank's earnings per share are as follows:

Basic earnings per share

Group

Amounts in Eur '000	1/1/2022 - 31/12/2022	1/1/2021 - 31/12/2021
Profit for the period attributable to equity shareholders of the parent	42,425	10,049
Weighted average number of ordinary shares outstanding (in thousands) for basic EPS	37,624	37,624
Basic earnings after tax per share	**1.13**	**0.27**

Bank

	1/1/2022 - 31/12/2022	1/1/2021 - 31/12/2021
Profit for the period attributable to equity shareholders of the parent	40,343	16,753
Weighted average number of ordinary shares outstanding (in thousands) for basic EPS	37,624	37,624
Basic earnings after tax per share	**1.07**	**0.45**

As mentioned in Note 48, on 22.03.2023 the nominal value of each ordinary share of the bank was reduced with a simultaneous increase in the total number of ordinary registered shares from 7,524,840 ordinary registered shares to 37,624,200 ordinary registered shares. According to IAS 33, paragraph 64, the disclosure of earnings per share has been adjusted for the financial year 2021 with the number of shares after the above resolution of the Extraordinary General Meeting.

Diluted earnings per share

Group

Amounts in Eur '000	1/1/2022 - 31/12/2022	1/1/2021 - 31/12/2021
Profit for the period attributable to equity shareholders of the parent	42,640	10,264
Weighted average number of ordinary shares outstanding (in thousands) for diluted EPS	39,972	37,624
Diluted earnings after tax per share	**1.07**	**0.27**

Bank

	1/1/2022 - 31/12/2022	1/1/2021 - 31/12/2021
Profit for the period attributable to equity shareholders of the parent	40,558	16,968
Weighted average number of ordinary shares outstanding (in thousands) for diluted EPS	39,972	37,624
Diluted earnings after tax per share	**1.01**	**0.45**

	1.1.2022 - 31.12.2022	
	GROUP	**BANK**
Weighted average number of ordinary shares 1.1.2022-31.12.2022 (in thousands)	37,624	37,624
Adjustment arising from convertible bond loan (in thousands)	2,347	2,347
Total weighted average number of ordinary shares (in thousands)	39,972	39,972
Amounts in Eur '000		
Profit attributable to ordinary shareholders of the parent entity	42,425	40,343
Interest expense of convertible bond loan	276	276
Tax on interest of convertible bond loan	(61)	(61)
Adjusted profit attibutable to ordinary sharesholders of the parent entity	**42,640**	**40,558**
Diluted earnings per share	1.07	1.01

As mentioned in Note 40, on 31.10.2022 the Bank issued a convertible bond loan with a total nominal value of EUR 60,000,000.

By resolution of the Board of Directors dated 21.04.2023, the Bank's share capital was increased due to the conversion of the bond loan and 14,084,435 new ordinary and voting shares were issued.

16. Cash and balances with the Central Bank

The cash balance, cash and cash equivalents and cash of the Group and the Bank with the Central Bank are broken down as follows:

Group

Amounts in Eur '000	**31/12/2022**	**31/12/2021**
Cash	10,364	6,510
Deposits with central bank	204,876	71,983
Total	**215,240**	**78,492**

Bank

Amounts in Eur '000	**31/12/2022**	**31/12/2021**
Cash	10,363	6,509
Deposits with central bank	204,876	71,983
Total	**215,239**	**78,492**

Cash and cash equivalents (as reported in the Cash Flow Statement)

Group

Amounts in Eur '000	31/12/2022	31/12/2021
Cash and deposits with central bank	215,240	78,492
Due from banks	75,651	51,423
Total	**290,892**	**129,915**

Bank

Amounts in Eur '000	31/12/2022	31/12/2021
Cash and deposits with central bank	215,239	78,492
Due from banks	72,521	50,286
Total	**287,760**	**128,777**

According to requirements from the Bank of Greece and the European Central Bank, the Group and the Bank should keep deposits with the Bank of Greece with an average balance corresponding to 1.00% of their clients' total deposits.

As of December 31, 2022, the Group and the Bank maintained a zero balance of mandatory deposits with the Bank of Greece, as the average balance for the period exceeded the minimum specified requirement.

17. Due from Banks

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

Group

Amounts in Eur '000	31/12/2022	1/1/2021 - 31/12/2021 (As reclassified)
Due from banks - time deposits	23,763	0
Due from banks - sight deposits	51,889	51,423
Loans to financial institutions	9,041	9,024
Blocked deposits	9,950	5,464
Total	**94,642**	**65,911**

Bank

Amounts in Eur '000	31/12/2022	1/1/2021 - 31/12/2021 (As reclassified)
Due from banks - time deposits	23,763	0
Due from banks - sight deposits	48,758	50,286
Loans to financial institutions	9,041	9,024
Blocked deposits	9,950	5,464
Total	**91,512**	**64,774**

18. Financial assets at fair value through profit and loss

Group

Shares and other variable yield securities		
Shares listed in Athens Stock Exchange	3,402	2,824
Mutual funds	1,539	2,295
Bonds - other issuers	53,470	47,562
Other government bonds	112,048	1,316
Bank bonds	4,951	196
Bond from loan securitization	36,242	0
	211,653	**54,194**

The "Bond from loan securitization" refers to the purchase by the Bank of a bond with profit participation clause (the proceeds of which come from a securitized portfolio of mortgage loans), in May 2022, for a total amount of EUR 37,132 thousand.

The key assumptions for the valuation of the financial assets are presented in Note 2.4.

Bank

Shares and other variable yield securities		
Due from banks - sight deposits	3,402	2,824
Mutual funds	0	0
Bonds - other issuers	53,470	47,562
Other government bonds	112,048	1,316
Bank bonds	4,951	196
Bond from loan securitization	36,242	0
	210,114	**51,899**

The movement of financial assets at fair value through profit and loss for the Group and the Bank is broken down as follows:

Group

Amounts in Eur '000	**31/12/2022**	**31/12/2021**
Balance at the beginning of the year	**54,194**	**40,677**
Purchases	1,475,238	414,157
Sales / maturities / Other movements	(1,317,116)	(402,914)
Fair value adjustments	(663)	2,274
Balance at the end of year	**211,653**	**54,194**

Bank

Amounts in Eur '000	**31/12/2022**	**31/12/2021**
Balance at the beginning of the year	**51,899**	**19,441**
Purchases	1,475,238	413,057
Sales / maturities / Other movements	(1,316,322)	(381,228)
Fair value adjustments	(701)	630
Balance at the end of year	**210,114**	**51,899**

19. Derivative Financial Instruments

Group and Bank

Amounts in Eur '000	31st December 2022		
	Nominal value	Estimated fair value	
		Assets	Liabilities
Stock /Index futures - listed	4,199	0	0
Stock /Index Options - listed	47	5	42
Foreign exchange derivatives - listed and non-listed	99,356	111	6,867
Commodity derivatives - listed and non-listed	13,265	754	0
Interest rate derivatives (IRS- IRCAP) - non-listed	43,000	7,214	48
Total derivative financial instruments		**8,084**	**6,958**

Amounts in Eur '000	31st December 2021		
	Nominal value	Estimated fair value	
		Assets	Liabilities
Stock /Index futures - listed	4,408	0	0
Stock /Index Options - listed	51	10	41
Foreign exchange derivatives - listed and non-listed	117,250	28	40
Commodity derivatives - listed and non-listed	22,938	0	7,286
Interest rate derivatives (IRS- IRCAP) - non-listed	36,000	396	64
Total derivative financial instruments		**434**	**7,432**

The valuation of the futures contracts on December 31, 2022 and 2021, due to the daily clearing of these derivatives is included in the Margin and Clearing accounts.

20. Loans and advances to customers

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

Group

Amounts in Eur '000	31/12/2022	31/12/2021 (As reclassified)
Loans and advances to customers measured at amortized cost		
Consumer and other loans	10,401	4,655
Mortgage Loans	59,311	21,448
Loans to individuals (Brokerage activity)	13,231	11,164
Corporate loans (Brokerage activity)	2,777	9,480
Corporate loans	1,607,710	982,557
	1,693,430	**1,029,304**
Less: Provisions for impairment of loans and advances to customers	(18,907)	(13,711)
Book value of loans and advances to customers measured at amortzed cost after provision	**1,674,523**	**1,015,593**

Bank

Amounts in Eur '000	31/12/2022	31/12/2021 (As reclassified)
Loans and advances to customers measured at amortized cost		
Consumer and other loans	10,401	4,655
Mortgage Loans	59,311	21,448
Loans to individuals (Brokerage activity)	13,231	11,164
Corporate loans (Brokerage activity)	2,777	9,480
Corporate loans	1,590,725	970,869
	1,676,445	**1,017,617**
Less: Provisions for impairment of loans and advances to customers	(18,974)	(13,513)
Book value of loans and advances to customers measured at amortized cost after provision	**1,657,471**	**1,004,103**

Loans to individuals referred to as Brokerage activity, relate to Margin Accounts used to purchase securities on credit.

The movements on the Group's and the Bank's expected credit losses are broken down as follows:

Group

Amounts in Eur '000	31/12/2022	31/12/2021 (As reclassified)
Balance at the beginning of the year	**(13,711)**	**(10,174)**
Provisions for the year	(5,231)	(3,608)
Reclassification of provisions	0	67
Loans written-off	36	4
Balance at the end of year	**(18,907)**	**(13,711)**

Bank

Amounts in Eur '000	Note	31/12/2022	31/12/2021 (As reclassified)
Balance at the beginning of the year		**(13,513)**	**(10,278)**
Provisions for the year	12	(5,496)	(3,307)
Reclassification of provisions		0	67
Loans written-off		36	4
Balance at the end of year		**(18,974)**	**(13,513)**

21. Financial assets at fair value through other comprehensive income

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

Group and Bank

Amounts in Eur '000	31/12/2022	31/12/2021
Financial assets at fair value through other comprehensive income		
Fixed income securities		
Greek Government Bonds	71,272	158,532
Corporate bonds	4,783	12,912
Bank bonds	16,933	20,324
Provision IFRS 9	0	0
Total fixed income securities	**92,988**	**191,768**
Variable yield securities		
Equity securities listed in Athens Stock Exhange	263	313
Foreign mutual funds	0	0
Non-listed securities	6	6
Total variable yield securities	**269**	**319**
Total	**93,256**	**192,087**

The Bank has classified as financial assets at fair value through other comprehensive income shares which are strategic and operational investments with a long-term horizon.

The movements in the portfolio of securities measured at fair value through other comprehensive income for the period 1.1.2021 - 31.12.2022 are the following:

Amounts in Eur '000	
Balance as at 1st January 2021	**223,348**
Purchases	1,210,933
Sales / maturities / Other movements	(1,240,385)
Fair value adjustments	(1,809)
Balance as at 31st December 2021	**192,087**
Purchases	577,456
Sales / maturities / Other movements	(669,174)
Fair value adjustments	(7,114)
Balance as at 31st December 2022	**93,256**

The movements in the impairment provisions of the securities portfolio measured at fair value through other comprehensive income for the period 1.1.2021 - 31.12.2022 are the following:

Amounts in Eur '000

Balance as at 1st January 2021	**(294)**
Greek Government Bonds	47
Corporate bonds	(267)
Bank bonds	(55)
Impairment provisions 1/1/2021 - 31/12/2021	**(276)**
Balance as at 1st January 2022	**(569)**
Greek Government Bonds	(99)
Corporate bonds	309
Bank bonds	151
Impairment provisions 1/1/2022 - 31/12/2022	**361**
Balance as at 31st December 2022	**(208)**

Impairment provisions for the portfolio of financial assets are measured at fair value through other comprehensive income amounted to EUR 208 thousand on 31.12.2022 (EUR 569 thousand on 31.12.2021).

22. Debt instruments at amortized cost

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

Group and Bank

Amounts in Eur '000	**31/12/2022**	**31/12/2021**
Debt instruments at amortized cost		
Fixed income securities		
Greek Government Bonds	61,147	39,685
Corporate bonds	60,073	40,277
Bank bonds	53,761	13,416
Expected credit loss	(517)	(380)
Total fixed income securities	**174,464**	**92,998**

The movement in the portfolio of debt instruments at amortized cost from 01.01.2021 to 31.12.2022 is as follows:

Amounts in Eur '000

Balance as at 1st January 2021	**30,698**
Purchases	67,029
Sales / maturities / Other movements	(4,539)
Expected credit loss	(191)
Balance as at 31st December 2021	**92,998**
Purchases	89,922
Sales / maturities / Other movements	(8,320)
Expected credit loss	(137)
Balance as at 31st December 2022	**174,464**

Impairment provisions for the portfolio of amortized cost amounted to EUR 517 thousand on 31.12.2022 (EUR 380 thousand on 31.12.2021).

23. Investments in subsidiaries and associates

Subsidiaries

Name	Country	Business activity	% Immediate participation 31/12/2022	% Indirect participation 31/12/2022
IBG CAPITAL S.A.	Greece	Venture capital firm	100.00%	0.00%
IBG INVESTMENTS S.A.	British Virgin Islands	Investment services	81.45%	18.55%
OPTIMA FACTORS S.A.	Greece	Factoring Firm	100.00%	0.00%
OPTIMA ASSET MANAGEMENT A.E.D.A.K.	Greece	Asset Management Company	99.44%	0.00%
IBG A.E.P.E.Y.	Greece	Provision of investment services	79.31%	0.00%

Name	Country	Business activity	% Immediate participation 31/12/2021	% Indirect participation 31/12/2021
IBG CAPITAL S.A.	Greece	Venture capital firm	100.00%	0.00%
IBG INVESTMENTS S.A.	British Virgin Islands	Investment services	81.45%	18.55%
OPTIMA FACTORS S.A.	Greece	Factoring Firm	100.00%	0.00%
OPTIMA ASSET MANAGEMENT A.E.D.A.K.	Greece	Asset Management Company	99.44%	0.00%
IBG A.E.P.E.Y.	Greece	Provision of investment services	79.31%	0.00%

Associates

Name	Country	Business activity	% participation 31/12/2022	% participation 31/12/2021
NOTOS COM HOLDINGS S.A.	Greece	Commercial representative, exclusive import and trading of cosmetics, personal care products, clothing and clothing accessories, footwear, leather goods and stationery.	25.00%	0.00%

In October 2022, the Bank acquired 25% of NOTOS COM HOLDINGS S.A. as part of its restructuring (Note 46).

Companies	**Financial data 31.12.2022**			
Amounts in Eur '000	**Assets**	**Liabilities**	**Revenues**	**Profits / (losses) before tax**
IBG CAPITAL S.A.	1,190	13	2	(11)
IBG INVESTMENTS S.A.	2,606	1	272	266
OPTIMA FACTORS S.A.	60,278	46,930	3,155	940
OPTIMA ASSET MANAGEMENT A.E.D.A.K.	4,814	1,591	1,645	367
IBG A.E.P.E.Y.	120	649	0	(2)
	69,008	**49,185**	**5,074**	**1,561**

Companies	**Financial data 31.12.2021**			
Amounts in Eur '000	**Assets**	**Liabilities**	**Revenues**	**Profits / (losses) before tax**
IBG CAPITAL S.A.	6,177	518	0	1,867
IBG INVESTMENTS S.A.	2,343	0	4	1,188
OPTIMA FACTORS S.A.	0	0	0	7,358
OPTIMA ASSET MANAGEMENT A.E.D.A.K.	0	0	0	2,816
IBG A.E.P.E.Y.	309	836	0	(4)
	8,829	**1,355**	**4**	**13,224**

The above tables present the participations held by the Bank. The Group holds a total participation of 100% in IBG INVESTMENTS S.A. during both financial years.

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

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

Group - Investments in associates

Amounts in Eur '000	31/12/2022	31/12/2021
Balance at the beginning of the year	**0**	**29**
- New investments in associates	448	0
- Disposal of investment in subsidiary	0	(29)
Balance at the end of year	**448**	**0**

Bank- Investments in subsidiaries and associates

Amounts in Eur '000	31/12/2022	31/12/2021
Balance at the beginning of the year	**13,593**	**13,099**
- New investments in associates	10	0
- Reversal of impairment of investments in subsidiary	0	1,725
- Return of equity capital	(4,470)	0
- Disposal of shares in investments in subsidiary	0	(1,232)
Balance at the end of year	**9,133**	**13,593**

The cost of investment in the Company's subsidiaries is broken down as follows:

Amounts in Eur '000	31/12/2022	31/12/2021
Subsidiaries Companies	**Participation Amount**	**Participation Amount**
IBG CAPITAL S.A.	778	5,248
IBG INVESTMENTS S.A.	1,146	1,146
OPTIMA FACTORS	6,307	6,307
OPTIMA ASSET MANAGEMENT AEDAK	892	892
Total Participations	**9,123**	**13,593**

Amounts in Eur '000	31/12/2022	31/12/2021
Related Companies	**Participation Amount**	**Participation Amount**
NOTOS COM HOLDINGS S.A.	10	0
Total participations in associated companies	**10**	**0**

24. Property, plant and equipment

The variations of the tangible assets during the financial years 2022 and 2021 are the following:

Group

Amounts in Eur '000	Land and buildings	Vehicles & machinery	Furniture and other equipment	Total
Acquisition cost on 1st January 2022	11,668	2,589	3,724	17,981
Less: Accumulated depreciation on 1st January 2022	(2,725)	(1,716)	(1,525)	(5,967)
Net book value at 1 January 2022	**8,943**	**873**	**2,199**	**12,014**
Additions	1,335	162	208	1,706
Disposals/write-offs	0	0	(16)	(16)
Transfers to rights of use assets	(339)	0	0	(339)
Depreciation for the year	(1,014)	(303)	(276)	(1,594)
Depreciation of assets sold/disposed	0	0	16	16
Depreciation of assets transferred	54	0	0	54
Acquisition cost at 31 December 2022	12,664	2,751	3,916	19,332
less: Accumulated depreciation at 31 December 2022	(3,686)	(2,020)	(1,786)	(7,491)
Net book value at 31 December 2022	**8,979**	**732**	**2,131**	**11,841**

Amounts in Eur '000	Land and buildings	Vehicles & machinery	Furniture and other equipment	Total
Acquisition cost on 1st January 2021	13,063	3,824	3,162	20,049
Less: Accumulated depreciation on 1st January 2021	(5,281)	(2,828)	(1,297)	(9,406)
Net book value at 1 January 2021	**7,781**	**997**	**1,865**	**10,644**
Additions	2,064	158	811	3,033
Disposals/write-offs	(3,458)	(1,394)	(249)	(5,101)
Transfers to rights of use assets	0	0	0	0
Depreciation for the year	(902)	(283)	(248)	(1,433)
Depreciation of assets sold/disposed	3,458	1,394	20	4,872
Acquisition cost at 31 December 2021	11,668	2,589	3,724	17,981
less: Accumulated depreciation at 31 December 2021	(2,725)	(1,716)	(1,525)	(5,967)
Net book value at 31 December 2021	**8,943**	**873**	**2,199**	**12,014**

Bank

Amounts in Eur '000	Land and buildings	Vehicles & machinery	Furniture and other equipment	Total
Acquisition cost on 1st January 2022	11,536	2,589	3,595	17,721
Less: Accumulated depreciation on 1st January 2022	-2,723	-1,716	-1,460	(5,900)
Net book value at 1 January 2022	**8,814**	**873**	**2,135**	**11,821**
Additions	1,335	162	205	1,702
Transfers to rights of use assets	(339)	0	0	(339)
Depreciation for the year	(1,009)	(303)	(262)	(1,574)
Depreciation of assets transferred	54	0	0	54
Acquisition cost at 31 December 2022	12,533	2,751	3,800	19,084
less: Accumulated depreciation at 31 December 2022	(3,678)	(2,020)	(1,722)	(7,420)
Net book value at 31 December 2022	**8,854**	**732**	**2,078**	**11,664**

Amounts in Eur '000	Land and buildings	Vehicles & machinery	Furniture and other equipment	Total
Acquisition cost on 1st January 2021	13,063	3,824	3,070	19,957
Less: Accumulated depreciation on 1st January 2021	(5,281)	(2,828)	(1,227)	(9,336)
Net book value at 1 January 2021	**7,781**	**997**	**1,843**	**10,621**
Additions	1,932	158	755	2,845
Disposals/write-offs	(3,458)	(1,394)	(229)	(5,081)
Depreciation for the year	(899)	(283)	(238)	(1,420)
Depreciation of assets sold/disposed	3,458	1,394	4	4,856
Acquisition cost at 31 December 2021	11,536	2,589	3,595	17,721
less: Accumulated depreciation at 31 December 2021	(2,723)	(1,716)	(1,460)	(5,900)
Net book value at 31 December 2021	**8,814**	**873**	**2,135**	**11,821**

25. Intangible assets

The variation of the intangible assets during the financial year 2022 is the following:

Group

Amounts in Eur '000	Software	Other Intangibles	Total
Acquisition cost on 1st January 2022	8,438	4,055	12,493
Less: Accumulated depreciation on 1st January 2022	(3,455)	(308)	(3,763)
Net book value at 1 January 2022	**4,984**	**3,746**	**8,730**
Additions	3,410	0	**3,410**
Depreciation for the year	(1,507)	(308)	(1,816)
Acquisition cost at 31 December 2022	11,848	4,055	15,903
less: Accumulated depreciation at 31 December 2022	(4,962)	(617)	(5,579)
Net book value at 31 December 2022	**6,886**	**3,438**	**10,324**

Amounts in Eur '000	Software	Other Intangibles	Total
Acquisition cost on 1st January 2021	5,829	4,055	9,884
Less: Accumulated depreciation on 1st January 2021	(2,501)	0	(2,501)
Net book value at 1 January 2021	**3,328**	**4,055**	**7,383**
Additions	2,609	0	2,609
Depreciation for the year	(954)	(308)	(1,262)
Acquisition cost at 31 December 2021	8,438	4,055	12,493
less: Accumulated depreciation at 31 December 2021	(3,455)	(308)	(3,763)
Net book value at 31 December 2021	**4,984**	**3,746**	**8,730**

The item "Other intangible assets" includes the recognition of intangible assets attributable to customer relations and trademarks from the acquisitions of the subsidiaries Optima Factors and Optima Asset Management SA in December 2020.

Bank

Amounts in Eur '000	Software	Total
Acquisition cost on 1st January 2022	7,709	7,709
Less: Accumulated depreciation on 1st January 2022	(2,849)	(2,849)
Net book value at 1 January 2022	**4,860**	**4,860**
Additions	3,332	3,332
Depreciation for the year	(1,459)	(1,459)
Acquisition cost at 31 December 2022	11,040	11,040
less: Accumulated depreciation at 31 December 2022	(4,307)	(4,307)
Net book value at 31 December 2022	**6,733**	**6,733**

Amounts in Eur '000	Software	Total
Acquisition cost on 1st January 2021	5,169	5,169
Less: Accumulated depreciation on 1st January 2021	(1,938)	(1,938)
Net book value at 1 January 2021	**3,231**	**3,231**
Additions	2,540	2,540
Depreciation for the year	(910)	(910)
Acquisition cost at 31 December 2021	7,709	7,709
less: Accumulated depreciation at 31 December 2021	(2,849)	(2,849)
Net book value at 31 December 2021	**4,860**	**4,860**

26. Right-of-use assets

Group

Amounts in Eur '000	31/12/2022	31/12/2021
Rights-of-use assets		
Buildings	18,892	18,617
Transportation equipment	544	601
Balance of year end	**19,436**	**19,218**
Lease Liability		
Short-term liability	2,297	2,090
Long-term liability	17,961	17,876
Balance of year end	**20,259**	**19,965**

(ii) amounts recognized in profit and loss

Amounts in Eur '000	**1/1/2022 - 31/12/2022**	**1/1/2021 - 31/12/2021**
Depreciation of rights-of-use on assets		
Buildings	2,271	2,099
Transportation equipment	276	260
Total	**2,547**	**2,359**
Interest expense	728	727

Amounts in Eur '000	**Buildings**	**Transportation equipment**	**Total**
Acquisition cost on 1st January 2022	22,464	1,050	23,514
Less: Accumulated depreciation on 1st January 2022	(3,847)	(449)	(4,296)
Net book value at 1 January 2022	**18,617**	**601**	**19,218**
Additions	2,454	242	**2,696**
Disposals	(229)	(49)	(278)
Transfers	339	0	339
Depreciation for the year	(2,271)	(276)	(2,547)
Accumulated depreciation of transfers	36	26	62
Depreciation of transfers	(54)	0	(54)
Acquisition cost at 31 December 2022	25,028	1,244	26,272
less: Accumulated depreciation at 31 December 2022	(6,136)	(700)	(6,835)
Net book value at 31 December 2022	**18,892**	**544**	**19,436**

Amounts in Eur '000	**Buildings**	**Transportation equipment**	**Total**
Acquisition cost on 1st January 2021	20,658	779	21,437
Less: Accumulated depreciation on 1st January 2021	(1,748)	(190)	(1,938)
Net book value at 1 January 2021	**18,911**	**589**	**19,500**
Additions	1,805	271	2,077
Disposals	0	0	0
Transfers	0	0	0
Depreciation for the year	(2,099)	(260)	(2,359)
Accumulated depreciation of transfers	0	0	0
Acquisition cost at 31 December 2021	22,464	1,050	23,514
less: Accumulated depreciation at 31 December 2021	(3,847)	(449)	(4,296)
Net book value at 31 December 2021	**18,617**	**601**	**19,218**

Bank

Amounts in Eur '000	**31/12/2022**	**31/12/2021**
Rights-of-use assets		
Buildings	18,892	18,424
Transportation equipment	519	576
Balance of year end	**19,411**	**18,999**
Lease Liability		
Short-term Liability	2,289	2,082
Long-term Liability	17,944	17,666
Balance of year end	**20,233**	**19,748**

Amounts in Eur '000	1/1/2022 - 31/12/2022	1/1/2021 - 31/12/2021
Depreciation of rights-of-use on assets		
Buildings	2,271	2,079
Transportation equipment	269	252
Total	**2,539**	**2,331**
Interest expense	727	724

Amounts in Eur '000	Buildings	Transportation equipment	Total
Acquisition cost on 1st January 2022	22,235	1,002	23,236
Less: Accumulated depreciation on 1st January 2022	(3,811)	(426)	(4,237)
Net book value at 1 January 2022	**18,424**	**576**	**18,999**
Additions	2,454	213	**2,666**
Transfers	339	0	339
Depreciation for the year	(2,271)	(269)	(2,539)
Depreciation of transfers	(54)	0	(54)
Acquisition cost at 31 December 2022	25,028	1,214	26,242
less: Accumulated depreciation at 31 December 2022	(6,136)	(695)	(6,830)
Net book value at 31 December 2022	**18,892**	**519**	**19,411**

Amounts in Eur '000	Buildings	Transportation equipment	Total
Acquisition cost on 1st January 2021	20,640	761	21,401
Less: Accumulated depreciation on 1st January 2021	(1,732)	(174)	(1,906)
Net book value at 1 January 2021	**18,907**	**587**	**19,495**
Additions	1,595	240	1,835
Depreciation for the year	(2,079)	(252)	(2,331)
Acquisition cost at 31 December 2021	22,235	1,002	23,236
less: Accumulated depreciation at 31 December 2021	(3,811)	(426)	(4,237)
Net book value at 31 December 2021	**18,424**	**576**	**18,999**

27. Deferred tax assets

The variation of the deferred tax assets per category of temporary differences within the financial year 2022 for the Group and the Bank is broken down as follows:

Group

Amounts in Eur '000	Balance as at 1st January 2022	Credit / (debit) to results	Credit / (debit) to other comprehensive income	Balance as at 31st December 2022
PPE and investment property	93	4	0	97
Intangible assets from the acquisition of subsidiaries at fair value	(905)	149	0	(756)
Provisions for impairment on loans and advances to customers	2,940	1,054	0	3,994
Other provisions	430	337	0	766
Retirement benefit obligations	101	21	(1)	121
Financial assets at fair value through other comprehensive income	267	0	1,689	1,956
Financial assets at fair value through profit or loss	5	158	0	163
Valuation of Derivatives	0	(248)	0	(248)
Rights-of-use assets	0	181	0	181
Other	0	78	0	78
Total	**2,932**	**1,733**	**1,688**	**6,353**

Amounts in Eur '000	**Balance as at 1st January 2021**	**Credit / (debit) to results**	**Credit / (debit) to other comprehensive income**	**Balance as at 31st December 2021**
PPE and investment property	110	(17)	0	93
Intangible assets from the acquisition of subsidiaries at fair value	(973)	68	0	(905)
Provisions for impairment on loans and advances to customers	2,453	488	0	2,940
Other provisions	(778)	1,208	0	430
Retirement benefit obligations	84	17	0	101
Financial assets at fair value through other comprehensive income	(6)	0	273	267
Financial assets at fair value through profit or loss	(163)	168	0	5
Tax losses	1,265	(1,265)	0	0
Total	**1,992**	**667**	**273**	**2,932**

Bank

Amounts in Eur '000	**Balance as at 1st January 2022**	**Credit / (debit) to results**	**Credit / (debit) to other comprehensive income**	**Balance as at 31st December 2022**
PPE and investment property	89	4	0	93
Provisions for impairment on loans and advances to customers	2,978	1,070	0	4,047
Other provisions	637	389	0	1,026
Retirement benefit obligations	91	24	(1)	113
Financial assets at fair value through other comprehensive income	267	0	1,689	1,956
Financial assets at fair value through profit or loss	4	159	0	163
Valuation of Derivatives	0	(248)	0	(248)
Rights-of-use assets	0	181	0	181
Other	0	78	0	78
Total	**4,066**	**1,655**	**1,688**	**7,410**

Amounts in Eur '000	**Balance as at 1st January 2021**	**Credit / (debit) to results**	**Credit / (debit) to other comprehensive income**	**Balance as at 31st December 2021**
PPE and investment property	106	(17)	0	89
Provisions for impairment on loans and advances to customers	2,517	461	0	2,978
Other provisions	1,412	(774)	0	637
Retirement benefit obligations	77	14	0	91
Financial assets at fair value through other comprehensive income	(6)	0	273	267
Financial assets at fair value through profit or loss	(164)	168	0	4
Tax losses	1,265	(1,265)	0	0
Total	**5,206**	**(1,413)**	**273**	**4,066**

28. Receivables from margin and brokerage settlement accounts

The Margin and brokerage settlement accounts of the Group and the Bank are broken down as follows:

Group and Bank

Amounts in Eur '000	**31/12/2022**	**31/12/2021 (As reclassified)**
Listed derivatives margin account	28,264	24,901
Clearing accounts for securities transactions in Athens Stock Excgange, Greek derivatives market and foreign stock exchanges	32,786	2,874
Total	**61,051**	**27,776**

The amount of EUR 13,981 thousand (EUR 6,978 thousand in 2021) is included in the total amount and relates to guarantees for transactions in derivatives.

29. Hellenic Deposit and Investment Guarantee Fund and investment product guarantees

These items are broken down as follows:

Group

Amounts in Eur '000	31/12/2022	31/12/2021 (As reclassified)
Hellenic Deposit and Investment Guarantee Fund	3,144	4,784
Guarantee fund	5,970	4,262
Auxiliary fund	2,131	3,088
Energy Stock Exchange	1,250	1,000
Total	**12,495**	**13,135**

Bank

Amounts in Eur '000	31/12/2022	31/12/2021
Hellenic Deposit and Investment Guarantee Fund	3,144	4,784
Guarantee fund	5,720	4,012
Auxiliary fund	2,131	3,088
Energy Stock Exchange	1,250	1,000
Total	**12,245**	**12,885**

30. Current tax receivables

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

Group

Amounts in Eur '000	31/12/2022	31/12/2021 (As reclassified)
Advance Income Tax	176	0
Other receivables from the Greek State	47	1,875
Total	**223**	**1,875**

Bank

Amounts in Eur '000	31/12/2022	31/12/2021 (As reclassified)
Other receivables from the Greek State	47	1,875
Total	**47**	**1,875**

31. Other assets

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

Group

Amounts in Eur '000	**31/12/2022**	**31/12/2021 (As reclassified)**
Debtors	1,022	689
Guarantees	1,141	1,049
Carbon emission inventory	57	40,140
Advances and other receivables accounts	10,035	6,844
Prepaid expenses and accrued revenue	1,739	1,097
	13,993	**49,819**
Less: Provisions	(290)	(290)
Total	**13,704**	**49,529**

Bank

Amounts in Eur '000	**31/12/2022**	**31/12/2021 (As reclassified)**
Debtors	1,126	781
Guarantees	1,141	1,049
Carbon emission inventory	57	40,140
Advances and other receivables accounts	9,526	6,661
Prepaid expenses and accrued revenue	1,606	998
	13,456	**49,629**
Less: Provisions	(290)	(290)
Total	**13,166**	**49,340**

32. Due to Central Bank

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

Group and Bank

Amounts in Eur '000	**31/12/2022**	**31/12/2021 (As reclassified)**
Due to Central Bank - time deposits	64,284	84,143
Total	**64,284**	**84,143**

On 31.12.2002, the Bank has utilized eurosystem refinancing operations (PELTRO and TLTRO III) totaling EUR 64,284 thousand. The decrease in liabilities compared to 2021 is due to the expiration and repayment of funding through the PELTRO program.

33. Due to banks

The dues to other credit institutions are broken down as follows:

Group

Amounts in Eur '000	**31/12/2022**	**31/12/2021 (As reclassified)**
Due to banks - sight deposits	363	964
Due to banks - time deposits	14,666	2,964
Bond loan	5,036	0
Total	**20,066**	**3,928**

Bank

Amounts in Eur '000	31/12/2022	31/12/2021 (As reclassified)
Due to banks - sight deposits	363	964
Due to banks - time deposits	14,666	2,964
Total	**15,029**	**3,928**

34. Due to customers

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

Group

Amounts in Eur '000	31/12/2022	31/12/2021 (As reclassified)
Sight deposits	1,214,277	742,057
Savings accounts	6,896	2,709
Time deposits	750,169	443,917
Blocked deposits	115,531	74,404
Other deposits	75,325	67,106
Cheques payable	15,010	16,533
Total	**2,177,209**	**1,346,727**

Bank

Amounts in Eur '000	31/12/2022	31/12/2021
Sight deposits	1,216,583	749,265
Savings accounts	6,896	2,709
Time deposits	750,235	443,917
Blocked deposits	115,531	74,404
Other deposits	75,325	67,106
Cheques payable	15,010	16,533
Total	**2,179,580**	**1,353,935**

The item "Other Deposits" include the balances of the brokerage accounts of the Bank's customers.

35. Payables from margin and brokerage settlement accounts

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

Group and Bank

Amounts in Eur '000	31/12/2022	31/12/2021 (As reclassified)
Listed derivatives margin account	6,803	0
Clearing accounts for securities transactions in Athens Stock Excgange, Greek derivatives market and foreign stock exchanges	32,608	3,254
Total	**39,411**	**3,254**

36. Retirement benefit obligations

Group

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

Amounts in Eur '000	**31/12/2022**	**31/12/2021**
Balance sheet liabilities for:		
Lump-sum payments upon retirement		
- Unfunded	550	458
	550	**458**

The amounts recorded in the income statement are the following:

Amounts in Eur '000	**Σημ.**	**31/12/2022**	**31/12/2021**
Current service cost		122	105
Finance cost		3	2
Settlement cost		265	185
Total included in employee benefits	10	**390**	**293**

The movement in the liability recognized in the statement of financial position is as follows:

Amounts in Eur '000	**31/12/2022**	**31/12/2021**
Net liability in opening balance sheet	**458**	**352**
Expenditure to be recorded in the income statement	390	293
Employer contributions paid	(294)	(190)
Amount recorded in other comprehensive income	(5)	3
Net liability in closing balance sheet	**550**	**458**

The amount recorded in other comprehensive income is as follows:

Amounts in Eur '000	**31/12/2022**	**31/12/2021**
Amount recorded in other comprehensive income	**(5)**	**3**
Actuarial (profit) loss on liability due:		
- due to financial assumptions	(10)	1
- due to experience	5	3

Bank

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

Amounts in Eur '000	**31/12/2022**	**31/12/2021**
Balance sheet liabilities for:		
Lump-sum payments upon retirement		
- Unfunded	514	413
	514	**413**

The amounts recorded in the income statement are the following:

Amounts in Eur '000	**Σημ.**	**1/1/2022 - 31/12/2022**	**1/1/2021 - 31/12/2021**
Current service cost		116	98
Κόστος μεταφοράς προσωπικού από συγγενή εταιρεία		0	0
Finance cost		2	2
Settlement cost		162	185
Total included in employee benefits	10	**280**	**285**

The movement in the liability recognized in the statement of financial position is as follows:

Amounts in Eur '000	31/12/2022	31/12/2021
Net liability in opening balance sheet	**413**	**316**
Expenditure to be recorded in the income statement	280	285
Employer contributions paid	(173)	(190)
Amount recorded in other comprehensive income	(7)	3
Net liability in closing balance sheet	**514**	**413**

The amount recorded in other comprehensive income is as follows:

Amounts in Eur '000	1/1/2022 - 31/12/2022	1/1/2021 - 31/12/2021
Amount recorded in other comprehensive income	**(7)**	**3**
Actuarial (profit) loss on liability due:		
- due to financial assumptions	(10)	1
- due to experience	3	2

The main actuarial assumptions used for accounting purposes are as follows:

	31/12/2022	31/12/2021
Discount rate	1.80%	0.60%
Future salary increases	1.00%	0.00%
Inflation	2.20%	1.80%

Sensitivity analysis

The sensitivity analysis of the defined employee retirement benefit liability is as follows:

	Effect on the defined benefit liability					
	OPTIMA BANK		OPTIMA FACTORS		OPTIMA ASSET MANAGEMENT	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (change in assumption by 0,5%)	-3%	3%	-6%	6%	-3%	3%
Salary increase (change in assumption by 0,5%)	3%	-3%	6%	-6%	3%	-3%

37. Other liabilities

The other liabilities are broken down as follows:

Group

Amounts in Eur '000	31/12/2022	31/12/2021 (As reclassified)
Liabilities arising from taxes - duties	1,178	1,211
Accrued interest and other deferred revenue	1,179	351
Other payables	15,996	8,608
Social security	906	789
Total	**19,259**	**10,958**

Bank

Amounts in Eur '000	31/12/2022	31/12/2021 (As reclassified)
Liabilities arising from taxes - duties	973	1,081
Accrued interest and other deferred revenue	1,179	348
Other payables	13,963	6,993
Social security payable	870	749
Total	**16,984**	**9,170**

38. Provisions

The provisions are broken down as follows:

Group

Amounts in Eur '000	31/12/2022	31/12/2021 (As reclassified)
Provision for legal cases	376	478
Provision for unaudited fiscal years	331	331
Provision for letters of guarantee	1,969	238
Other provisions	48	60
Total	**2,724**	**1,106**

Bank

Amounts in Eur '000	31/12/2022	31/12/2021
Provision for legal cases	376	478
Provisions for Guarantees Given	0	0
Provision for unaudited fiscal years	321	321
Provision of guarantee letters	1,969	238
Total	**2,666**	**1,036**

39. Share capital

On 31.12.2022, the share capital amounts to EUR 160,279 thousand divided into 7,524,840 shares with voting rights and a nominal value of EUR 21,30 per share, while there has been no change since 31.12.2021. The Bank has no own shares.

	Number of Shares	Nominal Value	Total no. of ordinary shares
Balance as at 1st January 2021	**7,524,840**	€ 21.30	**160,279,092**
Increase in share capital			
Reduction of share capital			
Balance as at 31st December 2021	**7,524,840**	€ 21.30	**160,279,092**
Balance as at 1st January 2022	**7,524,840**	€ 21.30	**160,279,092**
Increase in share capital			
Reduction of share capital			
Balance as at 31st December 2022	**7,524,840**	€ 21.30	**160,279,092**

40. Convertible bond loan

The Annual General Meeting of the Bank's Shareholders at its meeting dated 28.07.2022, following the proposal of the Board of Directors, decided to issue a perpetual bond loan, convertible into newly issued common shares of the Bank (convertible bond - CB) and with a pre-emption right granted to the existing shareholders of the Bank, in order to raise capital through private placement, up to the amount of sixty million euros, in accordance with the provisions of Law 4548 /2018, as in force, and Law 3156/2003. The same resolution approved the major terms of the Convertible Bond (CB).

Subsequently, the Board of Directors, in order to implement the above resolution, in the course of its meeting dated 01.09.2022, specified and approved the major terms of the CB, which then took the form of a plan, in the sense of Article 1, par. 4 of Law 3156/2003.

On 31.10.2022, the Board of Directors of the Bank certified the 100% coverage of the CB issue and the payment of the issue amount.

The aforementioned resolutions were registered on 07.09.2022 & 09.09.2022 and on 30.11.2022 with the General Commercial Register (GEMI).

The Convertible Bond meets all the requirements of the regulatory framework regarding AT1 capital instruments and in particular Articles 52 to 54 of the CRR Regulation, as these are specified in the Commission Delegated Regulation (EU) 241/2014, and therefore the Bank includes the net proceeds of the issue in the capital adequacy as additional Tier 1 (AT1) instruments.

41. Other reserves

The other reserves are broken down as follows:

Group

Amounts in Eur '000	**31/12/2022**	**31/12/2021 (As reclassified)**
Statutory reserve	12,184	11,767
Special reserves	7,183	7,093
Actuarial gain/(loss) reserve	443	0
Total	**19,810**	**18,859**

Bank

Amounts in Eur '000	**31/12/2022**	**31/12/2021**
Statutory reserve	12,102	11,719
Special reserves	6,483	6,458
Actuarial Profit / (Loss) Reserve	442	0
Total	**19,027**	**18,177**

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

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

42. Commitments, contingent liabilities and assets

a) Contingent liabilities from guarantees

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

Group

Amounts in Eur '000	**31/12/2022**	**31/12/2021**
Contingent liabilities		
Unused credit commitments	539,823	210,018
Letters of Guarantee (participation and good performance)	334,984	85,723
Letters of Guarantee (Advance Payment, Prompt Payment)	99,599	58,306
	974,406	**354,047**

Bank

Amounts in Eur '000	**31/12/2022**	**31/12/2021**
Contingent liabilities		
Unused credit commitments	481,814	210,018
Letters of Guarantee (participation and good performance)	334,984	85,723
Letters of Guarantee (Advance Payment, Prompt Payment)	99,599	58,306
	916,396	**354,047**

b) contingent tax liabilities

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

The Group has been audited by the tax authorities up to the financial year 2009. It has not been audited by the tax authorities for the year 2010 when the Annual Tax Certificate was not compulsory.

The Bank has obtained a tax certificate by the Auditors without qualifications for the years 2011, 2012, 2015, 2016, 2017, 2018, 2019, 2020 and 2021. For the years 2013 and 2014, it has obtained a tax certificate from its Auditors without qualifications, but with an emphasis of matter based on the inquiry submitted by the Bank to the Ministry of Finance regarding the tax handling of the loss from the transfer of assets and liabilities to Piraeus Bank.

For the financial year 2022, the Bank is currently audited by its Auditors. This audit is in progress and the relevant tax certificate is expected to be issued after the publication of the financial statements for the year 2022. We consider that until the completion of the tax audit, no additional tax liabilities will arise that will have a significant impact on the financial statements.

IBG CAPITAL SA has obtained a tax certificate without qualifications from its Auditors for the financial years 2011 to and including 2013, while for the years 2014 to and including 2018 it has not obtained any tax certificate in accordance with Law 4174/2013, Article 65. For the years 2019 to 2021, the company has obtained a tax certificate without qualifications, while for the year 2022 the audit to issue a tax certificate is in progress. We consider that until the completion of the audit, no additional tax liabilities would arise that would have a significant impact on the financial statements.

OPTIMA FACTORS S.A. has been tax audited for the years until and including 2008 and has closed, in terms of taxation, the year 2009, in accordance with the provisions of Law 3888/2012. For the year 2010, the provisions on limitation of Article 72, para. 11 of Law 4174/2013 do apply. For the years 2011, 2012 and 2013 it has been audited by the Statutory Auditors and has received the annual tax certificate of paragraph 5, Article 82 of the Income Tax Code (Law 2238/1994), while for the years 2014 to 2021 it has received the annual tax certificate provided for in Article 65A of Law 4174/2013. For the year 2022 the audit to issue a tax certificate is in progress. We consider that until the completion of the audit, no additional tax liabilities would arise that would have a significant impact on the financial statements.

Moreover, OPTIMA MANAGEMENT S.A. has been tax audited for the years 2011 to and including 2013 and the said tax audit is conducted in accordance with Article 82, para. 5 of Law 2238/1994 and the Decision ref. POL 1159/22.7.2011 of the Minister of Finance. The years 2014 to and including 2021 have been audited in accordance with Article 65 A of Law 4174/2013. For the year 2022, the tax audit is still pending and is expected to be completed within the time limits provided for. We consider that until the completion of the audit, no additional tax liabilities would arise that would have a significant impact on the financial statements.

IBG INVESTMENTS S.A. has no tax liabilities in accordance with the tax framework of its country of establishment.

According to the Greek tax legislation and the relevant ministerial decisions, the companies for which a tax certificate without remarks about infringements of the tax legislation is issued are not exempted from the infliction of additional taxes and fines by the tax authorities within the framework of the legal restrictions (five years from the end of the financial year in which the relevant tax return shall be submitted). In the light of the above, generally it is considered that the right of the Greek State to inflict taxes up to the financial year 2016 is exhausted as regards the Group.

c) contingent legal obligations

There are no pending legal liabilities or obligations that could materially affect the financial position of the Group on December 31, 2022, except the cases for which a relevant provision has been formed (Note 38).

d) assets commitments

Due from banks:

- Placements of EUR 13,981 thousand relate to derivative instruments transaction guarantees as of 31.12.2022 (EUR 6,978 thousand as of 31.12.2021).

- An amount of a book value of EUR 9,950 thousand (EUR 5,464 thousand on 31.12.2021) relates to counter-guarantees to letters of guarantee issued by partner banks. These are cases where we do not have a correspondence relation with the beneficiary's Bank.

Investment and trading portfolio securities:

- An amount of a book value of EUR 9,816 thousand relates to Italian Government bonds that have been given to the European Central Bank for funding liquidity purposes as of 31.12.2022 (Greek Government bonds of EUR 53,811 thousand as of 31.12.2021).
- An amount with a book value of EUR 24,895 thousand relates to Hellenic Treasury bills given to the European Central Bank for funding liquidity purposes as of 31.12.2022 (EUR 48,098 thousand as of 31.12.2021).
- An amount with a book value of EUR 9,892 thousand relating to bonds of other countries and other issuers had been given to the European Central Bank for funding liquidity purposes as of 31.12.2021.

Loans and advances to customers:

A nominal amount of EUR 117,560 thousand for the pledging of Non-Negotiable Assets (Business Loans) as collateral in the context of the implementation of the Monetary Policy by the Bank of Greece on 31.12.2022. The above amount is subject to a 59% haircut and is ultimately set to EUR 48,200 thousand.

43. Related party transactions

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

43.1 Transactions with subsidiaries and associates of Optima Bank

Group and Bank

Amounts in Eur '000

a) Accounts Receivable

	GROUP 31/12/2022	BANK 31/12/2022
Receivables from subsidiaries		
Loans net of provisions	0	38,575
Other receivables	0	109
Total	**0**	**38,683**
Receivables from relatives		
Loans net of provisions	9,822	9,822
Total	**9,822**	**9,822**

b) Accounts Payables

	GROUP 31/12/2022	BANK 31/12/2022
Payables to subsidiaries		
Deposits	0	3,230
Total	**0**	**3,230**
Payables to relatives		
Deposits	8	8
Total	**8**	**8**

A provision for impairment of EUR 390 thousand (EUR 35 thousand on 31.12.2021) has been calculated for loans to subsidiaries.

c) Income

	1/1/2022 - 31/12/2022	1/1/2022 - 31/12/2022
Income from subsidiaries		
Interest and similar income	0	840
Commission income	0	365
Other income	0	148
Total	**0**	**1,353**
Income from relatives		
Interest and similar income	108	108
Total	**109**	**108**

d) Expenses

	1/1/2022 - 31/12/2022	1/1/2022 - 31/12/2022
Expenses from subsidiaries		
Interest and similar expenses	0	2
Total	**0**	**2**

Amounts in Eur '000

a) Accounts Receivable

	GROUP 31/12/2021	BANK 31/12/2021
Receivables from subsidiaries		
Loans net of provisions	0	13,179
Other receivables	0	142
Total	**0**	**13,321**

b) Accounts Payables

	GROUP 31/12/2021	BANK 31/12/2021
Payables to subsidiaries		
Deposits	0	8,889
Total	**0**	**8,889**

c) Income

	GROUP 1/1/2021 - 31/12/2021	BANK 1/1/2021 - 31/12/2021
Income from subsidiaries		
Interest and similar income	0	635
Commission income	0	276
Other income	0	122
Total	**0**	**1,033**

d) Expenses

	GROUP 1/1/2021 - 31/12/2021	BANK 1/1/2021 - 31/12/2021
Expenses from subsidiaries		
Commission expenses	0	18
Total	**0**	**18**

43.2 Related party transactions with managers, directors and persons related to them

Group and Bank

Amounts in Eur '000

	GROUP 31/12/2022	BANK 31/12/2022
a) Accounts receivable		
Loans	2,055	2,045
Total	**2,055**	**2,045**
b) Accounts Payable		
Deposits	2,029	2,024
Total	**2,029**	**2,024**

	GROUP 1/1/2022 - 31/12/2022	BANK 1/1/2022 - 31/12/2022
c) Income		
Interest and similar income	28	28
Total	**28**	**28**

	GROUP 1/1/2022 - 31/12/2022	BANK 1/1/2022 - 31/12/2022
d) Expenses		
Interest and similar expenses	1	1
Total	**1**	**1**

Amounts in Eur '000	GROUP	BANK
a) Accounts receivable	**31/12/2021**	**31/12/2021**
Loans	995	995
Total	**995**	**995**
b) Accounts Payable		
Deposits	1,540	1,540
Total	**1,540**	**1,540**
c) Income	**1/1/2021 - 31/12/2021**	**1/1/2021 - 31/12/2021**
Interest and similar income	7	7
Total	**7**	**7**
d) Expenses	**1/1/2021 - 31/12/2021**	**1/1/2021 - 31/12/2021**
Interest and similar expenses	2	2
Total	**2**	**2**

43.3 Remuneration of Management and members of the Board of Directors

Group and Bank

	GROUP	BANK
Amounts in Eur '000	**1/1/2022 - 31/12/2022**	**1/1/2022 - 31/12/2022**
Salaries, employer's contributions and other expenses	2,799	2,256
Remuneration & other benefits	134	103
Total	**2,932**	**2,359**

	GROUP	BANK
Amounts in Eur '000	**1/1/2021 - 31/12/2021**	**1/1/2021 - 31/12/2021**
Salaries, employer's contributions and other expenses	2,122	1,693
Remuneration & other benefits	78	69
Total	**2,200**	**1,762**

44. External auditors

The total fees paid by the Bank to the independent auditor "Deloitte Certified Public Accountants SA" for the audit and other services they provided are broken down as follows:

Amounts in Eur '000	**1/1/2022 - 31/12/2022**	**1/1/2021 - 31/12/2021**
Statutory Audit	258	115
Tax Certificate	74	44
Non Audit Services	13	13
Total	**345**	**172**

45. Segment Reporting

The Bank's management monitors returns from banking activities, treasury activities and brokerage activities on an aggregated basis. The amounts relating to the net revenues of the business segments are derived from direct net revenues and exclude internal allocations and financing results between the sectors.

As regards the costs, they are reported in aggregate since they are monitored by the Bank's management at the level of the owner.

At the same time, the Bank's management also monitors the results of the Group's subsidiaries separately.

Amounts in Eur '000				1/1/2022 - 31/12/2022				
	Banking	**Brokerage**	**Treasury**	**Other**	**Total Bank**	**Subsidiaries**	**Eliminations**	**Total Group**
Income from operating activities								
Net interest income	51,437	1,419	7,942	(1,003)	**59,794**	994	5	**60,793**
Net fee and commission income	14,460	5,261	0	77	**19,798**	2,433	(0)	**22,231**
Trading income	0	0	10,298	2,470	**12,768**	284	0	**13,052**
Other operating income	0	0	157	156	**313**	4	(141)	**175**
Total operating income	**65,897**	**6,680**	**18,397**	**1,700**	**92,674**	**3,714**	**(137)**	**96,251**
Other non allocated amounts					(46,922)	(1,843)	619	**(48,146)**
Profit before tax					**45,752**			**48,105**
Profit after tax					**40,343**			**42,427**
Assets 31.12.2022	1,659,215	92,730	744,411	94,643	**2,590,999**	65,449	(48,711)	**2,607,737**
Liabilities 31.12.2022	2,122,229	77,849	93,743	55,313	**2,349,134**	47,779	(42,486)	**2,354,427**

Amounts in Eur '000				1/1/2021 - 31/12/2021				
	Banking	**Brokerage**	**Treasury**	**Other**	**Total Bank**	**Subsidiaries**	**Eliminations**	**Total Group**
Income from operating activities								
Net interest income	22,990	1,295	2,879	(724)	**26,439**	594	1	**27,034**
Net fee and commission income	7,510	5,883	476	142	**14,012**	1,782	(1)	**15,793**
Trading income	0	0	3,727	8,151	**11,878**	3,247	(10,000)	**5,125**
Other operating income	0	0	56	183	**238**	2	(121)	**120**
Total operating income	**30,500**	**7,178**	**7,138**	**7,752**	**52,567**	**5,625**	**(10,121)**	**48,072**
Other non allocated amounts					(34,402)	(1,447)	(2,079)	**(37,927)**
Profit before tax					**18,166**			**10,122**
Profit after tax					**16,753**			**10,049**
Assets 31.12.2021	1,003,506	62,388	505,897	58,210	**1,630,001**	36,720	(31,803)	**1,634,918**
Liabilities 31.12.2021	1,297,816	43,841	95,887	45,517	**1,483,060**	16,161	(20,606)	**1,478,614**

46. Business combinations

As part of the restructuring of Notos Com Holdings S.A. Executed on 22.07.2021 between the management of Notos Com Holdings S.A. (the "Management") and Optima Bank S.A., Alpha Bank S.A., National Bank of Greece S.A., Piraeus Bank S.A, Gemini Core Securitization D.A.C. and Mr. Michalis Papaellinas and by virtue of the resolution of the Board of Directors of Notos Com Holdings S.A. dated 25.10.2022, Optima Bank S.A. acquired 25% of the share capital of Notos Com Holdings S.A. for the amount of EUR 10 thousand.

Investment in Notos Com Participations S.A.

Amounts in Eur '000	**31/10/2022**
Non-current assets	89,344
Current assets	68,298
Total assets	**157,642**
Total liabilities	**155,849**
Net asset value after recognition of intangible assets	**1,793**
% Participation percentage of Optima Bank	25%
OptimaBank ratio	**448**
Acquisition cost	10
Gain on acquisition of transferred business	**438**

* Company's acquisition date.

47. Comparative financial statements reclassifications

The reclassifications to the comparative items in the profit and loss and other comprehensive income and financial position that have been made are intended to make the information provided comparable with that of the current financial year and are presented in the following tables:

Group

Income Statement and Other Comprehensive Income

Amounts in Eur '000	Note	1/1/2021 - 31/12/2021 Published	Reclassifications	1/1/2021 - 31/12/2021 Reformed
Interest and similar income	6	29,185	518	29,703
Interest and similar expense	6	(2,684)	15	(2,669)
Net interest income		**26,501**	**533**	**27,034**
Fee and commission income	7	20,046	(537)	19,509
Fee and commission expenses	7	(3,720)	4	(3,716)
Net fee and commission income		**16,326**	**(533)**	**15,793**
Dividend income		165	0	165
Net trading income	8	4,955	5	4,960
Other operating income	9	120	0	120
		5,240	**5**	**5,245**
Total operating income		**48,067**	**6**	**48,071**
Personnel expenses	10	(19,553)	0	(19,553)
General operating expenses	11	(9,397)	(6)	(9,403)
Depreciation		(5,054)	0	(5,054)
Total expenses		**(34,004)**	**(6)**	**(34,010)**
Profit/(loss) before provisions and taxes		**14,062**	**0**	**14,062**
Provision for expected credit losses	12	(3,630)	(494)	(4,124)
Other provisions	13	(310)	494	184
Total provisions		**(3,940)**	**0**	**(3,940)**
Gain from acquisition of associate	45	0	0	0
Share of profit from participations accounted for using the equity method		0	0	0
Profit/Loss before tax		**10,122**	**0**	**10,122**
Income tax	14	(73)	(0)	(73)
Profit/Loss after tax (a)		**10,049**	**0**	**10,049**
Other comprenhesive income				
Items that may be reclassified subsequently to the Income Statement				
Investments in debt instruments measured at fair value through other comprehensive income ("FVTOCI")		(1,809)	0	(1,809)
Deferred tax on reserve from valuation of debt instruments measured at fair value through other comprehensive income ("FVTOCI")		273	0	273
Provision for expected credit losses for instruments measured at fair value through other comprehensive income ("FVTOCI")		276	0	276
Total items that may be reclassified subsequently to the Income Statement		**(1,260)**	**0**	**(1,260)**
Items that can not be reclassified to the Income Statement				
Actuarial gain/(losses) of defined benefit obligations	36	(3)	0	(3)
Deferred tax on actuarial gains / (losses)		0	0	0
Total items that can not be reclassified to the Income Statement		**(3)**	**0**	**(3)**
Other comprehensive income after tax (b)		**(1,263)**	**0**	**(1,263)**
Total comprehensive income after tax (a)+(b)		**8,786**	**0**	**8,786**
Profits attributable to:				
Shareholders of the parent company		10,049	0	10,049
Non-controlling interests		0	0	0
		10,049	**0**	**10,049**
Total comprehensive income attributable to:				
Shareholders of the parent company		8,786	0	8,786
Non-controlling interests		0	0	0
		8,786	**0**	**8,786**

From the line "Fee and commission income", an amount of EUR 537 thousand relating to similar loan income, has been reclassified to the line "Interest and similar income".

In the line "Impairment provisions for credit risk coverage", an amount of EUR 494 thousand relates to a reclassification of the letters of guarantee impairment provisions from the line "Other provisions".

Other reclassifications have been made in the comparative items for comparability purposes with the current year.

Statement of Financial Position

Amounts in Eur '000	Note	31/12/2021 Published	Reclassifications	31/12/2021 Reformed
ASSETS				
Cash and balances with central bank	16	78,492	0	78,492
Due from banks	17	65,934	(23)	65,911
Financial assets at fair value through profit or loss	18	54,194	0	54,194
Derivative financial instruments	19	434	0	434
Loans and advances to customers	20	1,018,735	(3,142)	1,015,593
Financial assets at fair value through other comprehensive income	21	192,087	0	192,087
Debt instruments at amortized cost	22	92,998	0	92,998
Investment in associates	23	0	0	0
Property, plant and equipment	24	12,014	0	12,014
Intangible assets	25	8,730	0	8,730
Right of use assets	26	19,218	0	19,218
Deferred tax assets	27	2,932	0	2,932
Receivables from margin and brokerage settlement accounts	28	27,776	0	27,776
Hellenic Deposit and Investment Guarantee Fund and investment product guarantees	29	12,885	250	13,135
Current tax assets	30	969	906	1,875
Other assets	31	50,742	(1,213)	49,529
Total assets		**1,638,140**	**(3,222)**	**1,634,918**
EQUITY AND LIABILITIES				
Due to Central Bank	32	84,143	0	84,143
Due to banks	33	4,725	(796)	3,929
Due to customers	34	1,346,660	67	1,346,727
Payables from margin and brokerage settlement accounts	35	3,254	0	3,254
Derivative financial instruments	19	7,432	0	7,432
Lease Liability	26	19,965	0	19,965
Retirement benefit obligations	36	0	0	0
Income tax liability		458	0	458
Other liabilities	37	0	642	642
Provisions	38	14,102	(3,144)	10,958
		1,096	10	1,106
Total liabilities		**1,481,836**	**-3,222**	**1,478,614**
Shareholders equity				
Share capital	39	160,279	0	160,279
Fair value through other comprehensive income reserve		(946)	0	(946)
Other reserves	41	18,859	0	18,859
Retained earnings/(losses)		(21,889)	0	(21,889)
Total equity		**156,304**	**0**	**156,304**
Total equity and liabilities		**1,638,140**	**-3,222**	**1,634,918**

From the line "Other liabilities", an amount of EUR 3,164 thousand relating to unearned loan commissions taken into account in the calculation of the effective interest rate of loans was reclassified to the line "Loans and advances to customers".

An amount of EUR 1,002 thousand relating to interest tax withheld receivables was reclassified from the line "Other assets" to the line "Current tax receivables". An amount of EUR 250 thousand relating to participation in the guarantee fund has been reclassified from the line "Other assets" to the line "Deposit and investment guarantee fund & investment guarantees".

An amount of EUR 796 thousand relating to collected advances on assigned invoices from export agency services has been reclassified from the line 'Due to financial institutions' to the line 'Other liabilities'.

An amount of EUR 642 thousand relating to the income tax liability of subsidiaries has been reclassified from the line 'Other liabilities' to the line 'Income tax liabilities'.

Other reclassifications have been made in the comparative items for comparability purposes with the current year.

Bank

Income Statement and Other Comprehensive Income

Amounts in Eur '000	Note	1/1/2021 - 31/12/2021 Published	Reclassifications	1/1/2021 - 31/12/2021 Reformed
Interest and similar income	6	28,556	537	29,093
Interest and similar expense	6	(2,654)	0	(2,654)
Net interest income		**25,902**	**537**	**26,439**
Fee and commission income	7	18,187	(537)	17,650
Fee and commission expenses	7	(3,638)	0	(3,638)
Net fee and commission income		**14,549**	**(537)**	**14,012**
Dividend income		8,311	0	8,311
Net trading income	8	3,567	0	3,567
Other operating income	9	238	0	238
		12,117	**0**	**12,117**
Total operating income		**52,567**	**0**	**52,567**
Personnel expenses	10	(18,794)	0	(18,794)
General operating expenses	11	(8,966)	0	(8,966)
Depreciation		(4,661)	0	(4,661)
Total expenses		**(32,421)**	**0**	**(32,421)**
Profit/(loss) before provisions and taxes		**20,146**	**0**	**20,146**
Provision for expected credit losses	12	(3,329)	(494)	(3,823)
Other provisions	13	1,349	494	1,842
Total provisions		**(1,980)**	**0**	**(1,980)**
Profit/Loss before tax		**18,166**	**0**	**18,166**
Income tax	14	(1,413)	(0)	(1,413)
Profit/Loss after tax (a)		**16,753**	**(0)**	**16,753**
Other comprehensive income				
Items that may be reclassified subsequently to the Income Statement				
Investments in debt instruments measured at fair value through other comprehensive income ("FVTOCI")		(1,809)	0	(1,809)
Deferred tax on reserve from valuation of debt instruments measured at fair value through other comprehensive income ("FVTOCI")		273	0	273
Provision for expected credit losses for instruments measured at fair value through other comprehensive income ("FVTOCI")		276	0	276
Total items that may be reclassified subsequently to the Income Statement		**(1,260)**	**0**	**(1,260)**
Items that can not be reclassified to the Income Statement				
Actuarial gain/(losses) of defined benefit obligations	36	(3)	0	(3)
Deferred tax on actuarial gains / (losses)		0	0	0
Total items that can not be reclassified to the Income Statement		**(3)**	**0**	**(3)**
Other comprehensive income after tax (b)		**(1,263)**	**0**	**(1,263)**
Total comprehensive income after tax (a)+(b)		**15,490**	**(0)**	**15,490**
Profits attributable to:				
Shareholders of the parent company		0	0	0
Non-controlling interests		0	0	0
		0	**0**	**0**
Total comprehensive income attributable to:				
Shareholders of the parent company		(3)	0	(3)
Non-controlling interests		0	0	0
		(3)	**0**	**(3)**

From the line "Fee and commission income", an amount of EUR 537 thousand relating to similar loan income, has been reclassified to the line "Interest and similar income".

In the line "Impairment provisions for credit risk coverage", an amount of EUR 494 thousand relates to a reclassification of the letters of guarantee impairment provisions from the line "Other provisions".

Statement of Financial Position

Amounts in Eur '000	Note	31/12/2021 Published	Reclassifications	31/12/2021 Reformed
ASSETS				
Cash and balances with central bank	16	78,492	0	78,492
Due from banks	17	64,796	(23)	64,774
Financial assets at fair value through profit or loss	18	51,899	0	51,899
Derivative financial instruments	19	434	0	434
Loans and advances to customers	20	1,007,245	(3,142)	1,004,103
Financial assets at fair value through other comprehensive income	21	192,087	0	192,087
Debt instruments at amortized cost	22	92,998	0	92,998
Investment in associates	23	13,593	0	13,593
Property, plant and equipment	24	11,821	0	11,821
Intangible assets	25	4,860	0	4,860
Right of use assets	26	18,999	0	18,999
Deferred tax assets	27	4,066	0	4,066
Receivables from margin and brokerage settlement accounts	28	27,776	0	27,776
Hellenic Deposit and Investment Guarantee Fund and investment product guarantees	29	12,885	0	12,885
Current tax assets	30	873	1,002	1,875
Other assets	31	50,342	(1,002)	49,340
Total assets		**1,633,165**	**(3,164)**	**1,630,001**
Total assets		**1,633,165**	**(3,164)**	**1,630,001**
EQUITY AND LIABILITIES				
Due to Central Bank	32	84,143	0	84,143
Due to banks	33	3,928	1,002	4,930
Due to customers	34	1,353,935	(1,002)	1,352,933
Payables from margin and brokerage settlement accounts	35	3,254	(3,164)	90
Derivative financial instruments	19	7,432	0	7,432
Lease Liability	26	19,748	0	19,748
Retirement benefit obligations	36	413	0	413
Other liabilities	37	12,335	0	12,335
Provisions	38	1,036	0	1,036
Total liabilities		**1,486,224**	**(3,164)**	**1,483,060**
Shareholders equity				
Share capital	39	160,279	0	160,279
Fair value through other comprehensive income reserve		(946)	0	(946)
Other reserves	41	18,177	0	18,177
Retained earnings/(losses)		(30,568)	0	(30,568)
Total equity		**146,941**	**0**	**146,941**
Total equity and liabilities		**1,633,165**	**(3,164)**	**1,630,001**

From the line "Other liabilities", an amount of EUR 3,164 thousand relating to unearned loan commissions was reclassified to the line "Loans and advances to customers".

An amount of EUR 1,002 thousand relating to interest tax withheld receivables was reclassified from the line "Other assets" to the line "Current tax receivables".

48. Events after the reporting period date

The Extraordinary General Meeting of the Shareholders of Optima Bank which took place on 22.03.2023 adopted the following important resolutions for the history of the Bank:

- Reduction of the Bank's share capital through a reduction of the nominal value of each share, with the offsetting of equal losses of previous years. A corresponding amendment to Article 5 of the Bank's Articles of Association.
- Reduction of the nominal value of each of the Bank's shares with a simultaneous increase in the total number of shares of the Bank (split). A corresponding amendment to Article 5 of the Bank's Articles of Association.
- Granting the Board of Directors the power to increase the Bank's share capital and to limit or exclude the shareholders' pre-emptive rights pursuant to Article 24.1(b) and Article 27.4 of Law 4548/2018.
- Listing of all the Bank's ordinary shares on the Regulated Market (Main Market) of the Athens Stock Exchange, in accordance with the provisions of Law 3371/2005, as in force.
- Election of the Board of Directors and appointment of independent non-executive directors pursuant to Article 5.2 of Law 4706/2020.

Furthermore, the resolution to list the Bank's shares on the Athens Stock Exchange constitutes an event activating the conversion of the Convertible Bond Loan issued in October 2022, in accordance with its terms.

Russo-Ukrainian War

In February 2022, Russia invaded Ukraine, where in addition to the humanitarian crisis it caused, it had a negative impact on the global economy, primarily through higher energy and commodity prices resulting in higher inflation, which led to lower household and business confidence. The extent of these effects will depend to a large extent on the way in which this conflict develops. The invasion of Ukraine has also escalated tensions between Russia and the United Kingdom, NATO, the European Union and Britain. The United States have imposed and is likely to impose additional sanctions and export controls against certain Russian entities and/or individuals, with similar actions being implemented by the European Union and the UK as well as other jurisdictions. In 2022, the United States of America, the European Union and the UK imposed financial and economic sanctions that, in various ways, restrict transactions with many Russian companies and individuals, transactions in Russian sovereign bonds, investments, trade and financing to and from certain regions of Ukraine.

In this context, the Bank continuously assesses the macroeconomic environment and updates its analyses on the potential impact of the Russo-Ukrainian war on various sectors of the Greek economy in which its customers are active. At this stage, as there is no direct or indirect exposure of the Bank to this country, there is no significant risk both in terms of liquidity and in terms of the Bank's operations. Of course, as the crisis evolves and the circumstances become more diverse, the Bank may make appropriate adjustments to its strategy and business plan as appropriate, and may also consider additional measures to mitigate the impact of the energy and inflation crisis, if necessary.

Maroussi, May 16, 2023

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