Annual Financial Report

for the year

January 1 - December 31, 2021

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I. Management Report of the Board of Directors

MANAGEMENT REPORT OF THE BOARD OF DIRECTORS
FOR THE YEAR THAT ENDED ON DECEMBER 31st 2021

Introduction

Dear shareholders,

We hereby submit you the annual financial report of the Board of Directors for the financial year from 1/1/2021 to 31/12/2021. This report summarises information of Optima Bank Group S.A., financial information aimed at providing general information to shareholders about the financial situation and profit or loss, the overall course and changes that occurred during the financial year (1/1/2021 to 31/12/2021), as well as significant events that took place and their impact on the financial statements for 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.

Global environment

Global GDP grew by 5.9 % in 2021, compared with the unprecedented post-war decline of 3.1 % in 2020 due to the consequences of the spread of the pandemic. In 2021, the global economy recovered vigorously, despite major challenges it faced, such as coronavirus mutations, supply chain disruptions, as well as inflationary pressures and the energy crisis that emerged in the 2nd half of the year.

Mass vaccination in the first half of 2021, particularly in developed economies, led to the containment of the pandemic, the gradual lifting of restrictions and the relaunch of economies internationally, allowing for faster recovery of the 2020 losses. However, the severe problems in supply chains, coupled with a sharp increase in demand, led most economies to high inflation in 2021 with strong upward trends, particularly in energy and fuel prices.

In euro area countries, GDP grew by 5.2 % in 2021, with the main factors being a restart in the services sector and the recovery in consumption, which is also fuelled by accumulated deposits during the pandemic. Inflation reached close to 5 % at the end of 2021 due to high natural gas prices and is expected to decline marginally below 2 % at the end of 2022, but these estimates have not taken into account the impact of the recent crisis in Ukraine, which is likely to result in higher than estimated inflation during 2022 and a slower de-escalation due to very high energy and food prices. The European Central Bank, at its December 2021 meeting, decided to slow down the bond purchase rate in the first quarter of 2022 as part of the Pandemic Emergency Purchase Program (PEPP) with a view to ending the programme at the end of March 2022. The amounts from the redemption of securities acquired under this programme will be reinvested, at least, until the end of 2024.

The war in Ukraine is undoubtedly the biggest challenge for the European Union since the end of the Cold War as it disrupts geopolitical balances internationally, it has caused a huge humanitarian crisis and it imposes a radical rescheduling of most of Europe's energy supplies, which to date are highly dependent on Russian gas and oil. The magnitude of the impact of the war on the European and global economies cannot be estimated and will depend on how quickly the war ends, the duration and intensity of inflationary pressures on energy and raw materials, and the response of monetary and fiscal policy at European level.

The US economy improved by 5.7 % in 2021 after a contraction of 3.4 % in 2020. Inflation reached close to 6 % at the end of 2021, the highest level since the early 1980s. For 2022, growth is expected to slow to 4.4 %. In 2022 the Fed has planned to end its quantitative easing program and gradually reduce its asset size, as well as to increase the base rate, at least three times. Inflation is projected to decline marginally below 3 % by the end of 2022.

China's economy grew by 8.1 % in 2021 while, unlike the other major economies, inflation was contained at a low level. For 2022, growth is expected to slow to 5.0 %. China's Central Bank is expected to ease monetary policy in 2022 to support slowing economic activity. Developing and emerging economies grew in total by 6.5 % in 2021, compared to a contraction of 2 % in 2020, while a lower growth rate of 4.9 % is expected for 2022.

According to the IMF (World Economic Outlook Update January 2022), global GDP was initially expected to grow by 4.4 % in 2022, without though taking into account the impact of Russia's invasion in Ukraine that took place after these forecasts. International trade will grow but at a slower pace as supply side distortions and uncertainty due to the pandemic remain, while Russia's invasion in Ukraine further reinforced risks and uncertainties over the course of international trade, but the consequences are difficult to assess. According to more recent OECD estimates (17 March 2022), these effects are likely to subtract more than one percentage point from the economic growth rate initially forecast.

Greek economy | 2021

The Greek economy recovered rapidly in 2021, as most of the measures to contain the spread of the COVID-19 pandemic were lifted and normality was gradually restored in the Greek economy. The recovery is largely driven by growth in private consumption and disposable income, gross fixed capital formation and net exports.

More specifically, GDP increased by 8.3 % in 2021 compared to 2020, as fiscal support measures, the progress of the vaccination programme, the adjustment of consumers and businesses in exceptional circumstances and the significant recovery of the tourism sector contributed to the restart of the economy from the second quarter of 2021. In fact, Greece's economic growth rate was among the strongest annual growth rates in the Eurozone for the same period. Private consumption increased by 7.8 % as it was reinforced by the release of deferred household consumption and by the rise in their real disposable income, while public consumption increased by 3.7 %. Consumer expenditure remained strong until the end of 2021 as reflected in the annual increase in retail volumes of 10.2 % in 2021, despite consumer confidence showing signs of weakening in the second half of 2021 as rising inflation began to weigh on household expectations for economic conditions in the coming months[1].

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 2021 as a result of a significant increase in investment in fixed equipment, mainly in the category of machinery by 41.1 %. Also, the other categories of assets increased significantly (transport equipment — weapons systems: 31.9 % and technology-information-communication equipment: 18.1%). Public investment also contributed to boosting total investment expenditure by increasing 13.7 % on an annual basis (or EUR 0.4 billion) in the 9 months of 2021.

Exports increased by 21.9 % in 2021 mainly due to a 38.1 % increase in exports of services thanks to the recovery in tourist traffic while exports of goods also increased by 9.7 %. As a result of strong demand and a recovery in global trade, imports also rose by 16.1 %.

The labour market in the last 8 months of 2021 has recovered significantly. In particular, overall employment increased by 1.4 % despite a significant decline in the first quarter of 2021. Wage labour has also increased by 1.4 %, while ERGANI data show the creation of more than 130,000 new jobs compared to 93,000 jobs in 2020. Thus, the unemployment rate fell in 2021 to 14.7 % from 16.3 % in 2020 while there was a decrease in both the long-term unemployment rate and the unemployment rate of young people aged 20-29 (27.7 % from 29.5 % in 2020). It should be noted that accommodation and catering activities, industry and sectors of professional, scientific and technical activities account for the bulk of job creation in 2021[2].

In 2021, the economic sentiment indicator increased to 105.1 points and returned close to 2019 levels (105.4 points).

According to the Bank of Greece's estimates, real GDP will continue to grow in 2022 albeit at a lower rate (an increase of 4.8 % was expected). The war in Ukraine creates problems in the energy supply chain, increases energy prices and surrounds macroeconomic forecasts with strong uncertainty. Consumption, investment and exports will continue to contribute positively while a significant acceleration in average inflation is expected over the year as a whole. The baseline scenario of the Bank of Greece's latest estimates incorporating the latest developments foresees that economic activity will increase by 3.8 % and inflation will accelerate to 5.2 % in 2022 as the tourism sector, consumption and investment are expected to continue

[1] ELSTAT Turnover Index in Retail Trade, December 2021
[2] ELSTAT, Labour Force Survey Data

positively. In the adverse scenario, growth slows by up to 2 percentage points and is limited to 2.8 % and inflation is projected to increase further to 7 %.

Greek economy | developments and outlook 2022

The Greek economy entered 2022 with momentum, following a strong and broad recovery in economic activity in 2021, with GDP growth estimated to continue at a healthy pace but with increasing risks following the escalation of uncertainty related to geopolitical and energy developments. This performance will be mainly supported by: a) the carry-over of around 1.6 percentage points in annual GDP growth from the strong performance of 2021, b) the combined growth of private and public investment, leading to a recovery based on investment expenditure, with public investment moving to an 18 year high according to budget estimates, c) the significant margin for further strengthening tourism, which is expected to approach the performance of 2019, following a particularly encouraging 2021, d) the strong liquidity reserves of the private sector and the expectation of further strengthening of debt flows to the economy, e) the supportive labour market conditions, combined with increases in the minimum wage, which offset the impact of increased inflation on real disposable income, and f) the supportive external demand, with the economic growth of the euro area countries remaining significant.

The risks that could impact the above-mentioned scenario are mainly related to the evolution of the COVID-19 pandemic and, to a greater extent, to the persistence of the inflation shock driven by the energy crisis, which is exacerbated by geopolitical risks. The evolving crisis could have a larger than originally expected impact on household disposable income, economic sentiment and business activity.

Greek Banking System

The Financial Stability Report of the Bank of Greece for 2021[3] states that the main factors that shaped banks' financial and supervisory aggregates in 2021 were (a) transactions related to the reduction of the stock of non-performing loans that contributed to the recording of significant losses in banks' financial results, (b) non-recurring revenues from financial operations and other sources which were lower compared to 2020, resulting in low core profitability and (c) the fall in capital adequacy ratios and the low quality of their regulatory capital.

In 2021, Greek banks recorded high losses after taxes and discontinued activities amounting to EUR 4.8 billion against EUR 2.1 billion losses in 2020. The main reason for the losses was the sale of non-performing loan portfolios. As a result, according to the 2021 Financial Stability Report, the Greek banking sector remained for the second consecutive year the only loss-making banking sector among the countries of the European Union.

As shown in the table below, the operating income of Greek banks decreased by 10.4 % compared to the previous year. Net interest income declined, despite a decrease in interest expenses. Interest income shows a decrease of 4.2 % affected by the contraction of the loan portfolio mainly due to the above-mentioned loan sale and the decrease in the weighted average interest rate on loans. Interest payments were reduced due to the reduced cost of deposits and participation in the targeted longer-term refinancing operations (TLTRO III) of the Eurosystem on extremely favourable terms. A significant increase of 21.6 % 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 and investment banking services. A significant decrease of 59.6 % was observed in the revenue from financial operations in 2021 which continues to come from bond transactions.

It should be noted that the net interest margin (net interest income/assets)[4] for Greek banks stood at 1.7 % in 2021 and was reduced compared to 2020 (1.9 %) but remained higher than that of banking groups in the ECB supervised banking association, which was 1.3 % for 2021.

In terms of operating costs, these increased marginally as they were burdened by extraordinary costs such as provisions for voluntary staff leaving programmes, costs related to corporate transformations and the reduction of capital gains in intangible assets. It should be noted at this point that the trend of reduction of staff and network of branches continued. As a result,

[3] May 2022

[4] Taking into consideration assets at the end of the period under review

the Greek banks' efficiency ratio deteriorated from 43.7 % in 2020 to 49.1 % in 2021, according to the published data of the Bank of Greece for 2021.

The consolidation of the balance sheets of credit institutions through the sale of mainly non-performing loans resulted in an increase in the cost of credit risks. More specifically in 2021, provisions for credit risks of EUR 8.5 billion were created compared to EUR 5.6 billion in 2020. Of these, EUR 7.2 billion is related to the sale of non-performing loans from two major banks.

Taking into account all of the above, banks in Greece show significant losses after tax while the return on assets (RoA) and return on equity (RoE) ratios continue to be negative and are deteriorating compared to 2020. The corresponding ratios for banking groups supervised by the ECB are positive and in particular: the return on equity ratio stands at 6.7% and the return on assets ratio is 0.4% for 2021.

Strong inflationary pressures and increased geopolitical risks for 2022 create uncertainty about the evolution of key aggregates and profitability of banks both in Greece and the rest of Europe. Taking into account the withdrawal of any exceptional measures to mitigate the impact of the COVID-19 pandemic as well as the need to issue bonds to meet supervisory requirements (MREL etc.), interest cost is expected to rise resulting in a reduction in profitability.

Profit and loss of the Greek banking sector

amounts in million EURO

	2020	**2021**	**Change**
Operating income	**9,615**	**8,614**	**-10.4%**
Net interest income	5,681	5,508	-3.0%
- interest income	*7,441*	*7,130*	*-4.2%*
- interest expenses	*-1,760*	*-1,622*	*-7.8%*
Net income from non-interest-bearing operations	3,934	3,106	-21.0%
- net commission income	*1,245*	*1,514*	*21.6%*
- income from financial operations	*2,341*	*946*	*-59.6%*
- other income	*348*	*646*	*85.6%*
Operating costs	**-4,202**	**-4,227**	**0.6%**
Staff costs	-2,140	-2,009	-6.1%
Administrative costs	-1,498	-1,642	9.6%
Depreciation	-564	-576	2.1%
Net income (operational income — operating expenses)	**5,412**	**4,387**	**-18.9%**
Provisions for operational risk	-5,560	-8,480	52.5%
Other impairment losses	-755	-222	-70.6%
Non-recurring gains/losses	-277	-85	-69.3%
Profit/loss before tax	**-1,180**	**-4,400**	**> 100%**
Taxes	-518	-447	-13.7%
Profit / loss from discontinued activities	-373	45	-
Profit/ loss after taxes	**-2,071**	**-4,802**	**> 100%**

Source: processed data from the Financial Stability Report (May 2022) of the Bank of Greece where financial statements were used for the 4 major banks (SIs) and supervisory data for less significant banks (LSIs)

In terms of liquidity, conditions for the Greek banking system continued to improve in 2021 as customer **deposits** continued to improve. The amount of deposits from businesses and households reached EUR 180 billion in December 2021, a 10-year high. Of these, EUR 135.1 billion were deposits from households and EUR 44.8 billion deposits from businesses. The rise in deposits is linked to the rise in real disposable income, which was also reinforced by fiscal support measures. Moreover, the dynamic growth of the economy which is reflected in the growth of employment flows (mainly in retail and tourism) has had a growing impact. Deposits from non-financial corporations increased further in 2021, albeit at a slower pace compared to

2020, as the relaunch of the economy contributed to the recovery of retail sales and revenue from tourism, resulting in an increase in their cash flows, while some non-financial corporations were able to raise capital from corporate bond issues and in some cases through share capital increases.

In terms of **deposit rates**, the downward trend continued in 2021, with the weighted average interest rate reaching 0.04 % in December 2021, falling by 50 % compared to the corresponding rate in December 2020.

The balance of total net private sector financing amounted to EUR 109.6 billion at the end of December 2021, while the annual rate of change was 1.3 %. In particular, the annual rate of change in bank financing to non-financial corporations stood at 3.8 %.

In 2021 net bank financing to the industry, energy and tourism sectors was higher than in the other sectors of economic activity. The net flow of financing to the industry sector in 2021 was EUR 0.68 billion, i.e. 27.4 % of the total net flow of financing to NFCs (EUR 2.5 billion). The corresponding net flow of loans to the energy sector amounted to EUR 0.66 billion (26.5 % of total flow) and to the tourism sector to EUR 0.63 billion (25.2 %).

As regards loans to households, the negative annual rate of change in consumer loans declined to -0.3 % in December 2021 (January 2022: —0.3 %), compared to -2.2 % in December 2020, while the corresponding rate of loans for house purchase increased to -3.0 % in December 2021 (as well as in January 2022) from -2.7 % in December 2020. The monthly gross flow of consumer fixed-term loans increased on average in 2021 compared to 2020 (to EUR 84 million from EUR 70 million), as did the corresponding flow of loans for house purchase (2021: EUR 84 million, 2020: EUR 57 million). In particular, in the second half of 2021, monthly gross flows of both consumer and housing loans recorded a recovery.

According to the 2021[5] Report of the Governor of the Bank of Greece, bank lending costs for non-financial corporations were close to 3 % in 2021, i.e. at the lowest levels observed since 2003, when harmonised time series of lending rates began to be recorded in euro area Member States. Due to the earlier downward trend, the weighted average lending rate stood on average in 2021 at a level slightly lower than in the previous year. The programmes of the EIB Group and the HDB continued to have a favourable effect on the availability and conditions of bank lending to businesses. The disbursements of business loans supporting the financial instruments of the above development entities amounted to EUR 2.7 billion in 2021 (2020: EUR 7.4 billion), equivalent to about a quarter of the flow of new fixed-term loans to all NFCs and freelancers for the period. The interest rate on small and medium-sized business loans decreased by 28 bps in 2021 compared to the previous year and averaged 3.4 %.

The weighted average household lending rate remained at the same level in 2021 as in the previous year and stood on average at 4.8 % (2011-19: 5.1 %, January 2022: 5.0%). Among its components, only the interest rate on consumer fixed-term loans recorded an average increase in 2021, reaching 10.0 %, rising by 27 bps compared to the 2020 average (2011-19: 8.6%, January 2022: 10.9%). This increase was observed in parallel to a decline in the share of overdue consumer loans in the overall portfolio. Among other things, this is attributed to a decrease in the share of consumer loans with collateral, which are normally offered on more favourable pricing terms. In mortgage loans, the weighted average interest rate declined marginally in 2021 by 8 bps to 2.8 %, compared to the average ratio of 2020 (2011-19: 3.1%, January 2022: 2.9%). In general, the highly accommodative stance of the Eurosystem's single monetary policy and the increase in retail deposits, partly fuelled by government support measures, ensured favourable liquidity conditions for Greek banks. Thus, nominal lending rates remained in 2021 at the same level as in the previous year in the majority of categories. In particular for non-financial corporations, the nominal lending rate was kept at a very low level, while the real interest rate was negative towards the end of the year. At the same time, the financing tools of the HDB and the EIB Group contributed to reducing bank credit risk and improving lending conditions for final borrowers in the form of a more favourable interest rate or reduced collateral requirements. It should be noted that in the future, upward pressures on the financing costs of businesses and households are expected from any further modification of the accommodative stance of the single monetary policy. To some extent, these pressures are

5 2021 Report of the Governor of the Bank of Greece | April 2022

expected to be offset by the beneficial effects of the relaunch of economic activity, the implementation of new funding programmes using RRF resources and the further improvement of the quality of banks' assets.

The deleveraging of the Greek banks' loan portfolio in 2021, albeit at a slower pace compared to 2020, combined with the upward trend in deposits contributed to the continued decline in the **loan/deposit ratio**[6]. This ratio was 68.7 % in December 2021 from 75.8 % in December 2020 and 82.0 % in December 2019, according to published data from the Bank of Greece. However, it is worth mentioning that this ratio stands at lower levels than the European average of banks under the Single Supervisory Mechanism, already since 2017. In December 2020, this ratio stood at 106.8 % for Single Supervisory Mechanism banks (i.e. 31 points higher than the Greek average for December 2020) and 104.4 % for December 2021 (i.e. 35.7 points higher than the Greek average for December 2021).

In 2021, the quality of the Greek banks' loan portfolio improved even further. The decline in **non-performing loans** accelerated and thus, at the end of 2021, the ratio of non-performing loans to total loans stood at 12.8 % (compared to 30.1 % at the end of 2020) and the total stock of non-performing loans amounted to EUR 18.4 billion reduced by EUR 28.8 billion compared to the end of 2020, when non-performing loans in Greece amounted to EUR 47.2 billion (approximately 61 % decrease). It should be noted that 2 systemic banks have achieved the single-digit NPL ratio target as of 31.12.2021 and according to the announcements regarding ongoing actions for consolidation or management of non-performing loans, the Greek banking sector as a whole is expected to reach a single-digit ratio by the end of 2022. It is worth mentioning that compared to the highest level of non-performing loans recorded in March 2016, there is a decrease of EUR 88.8 billion (or 82.8 %). But let's look at the factors that led to the decrease of non-performing loans. Initially, it is due to the completion of sale transactions through securitisation of loans that provided for the corporate transformation (hive down) of three systemic banks as well as to direct loan sales agreements. It should be noted, however, that despite the above-mentioned optimistic reference to the decrease of non-performing loans in Greece in 2021, the ratio of non-performing loans is many times higher than the European average of 2 % (December 2021)[7] and particularly high (12.8 %). This shows that Greek banks need to continue and intensify actions to de-escalate the stock of non-performing loans especially considering the challenges that were strongly felt in 2022. In particular, Russia's invasion in Ukraine and the energy crisis it has triggered has strengthened inflationary pressures, which has a negative impact on household disposable income and business costs. Taking into account the withdrawal of the remaining borrowers' support measures to protect them from the COVID- 19 pandemic in the current financial year (2022), it cannot be excluded that new non-performing loans may be created, especially if the crisis is prolonged for a long period.

The **capital adequacy** of Greek banks in 2021, according to the Bank of Greece's Financial Stability Report[8] , declined compared to 2020 mainly due to:

- Losses arising from sales of non-performing loan portfolios and
- the application of the transitional provisions of IFRS 9

which counterbalanced the positive effect of the capital strengthening actions carried out during 2021. Specifically, the Common Equity Tier I ratio (CET 1 ratio) on a consolidated basis decreased to 12.6 % in December 2021 from 15 % in December 2020 and the Total Capital Ratio (TCR) decreased to 15.2 % from 16.6 %, respectively. These ratios fall significantly below the average of credit institutions under the direct supervision of the ECB in the Banking Union (CET1: 15.5% and TCR: 19.5% for December 2021). If the full effect of the beneficial provisions of IFRS 9 is taken into account, the Greek banks' CET1 ratio is 10.7 % and the Total Capital Ratio is 13.4 %. In addition, the quality of the regulatory capital of Greek banks deteriorated further as in 2021 the final and liquidated deferred tax credits (DTC) amounted to EUR 14.4 billion, representing 63% of total regulatory capital compared to 53% in 2020. Taking into account the full impact of IFRS9 this figure amounts to 73% of total regulatory capital (compared to 63% in 2020).

[6] Loans net of provisions
[7] Source: European Banking Authority, Risk Dashboard, EBA DASHBOARD – Q4 2021
[8] Source: Financial Stability Report (May 2022), Bank of Greece

Developments concerning Optima bank S.A. Group

Share capital increase

On 15/1/2021 the Board of Directors of Optima bank S.A. certified the Bank's share capital increase with cash payment of EURO 80,139,546.
In combination with the above corporate operation and the transfer of shares of Optima bank by Ireon Investments LTD (100 % subsidiary of Motor Oil Hellas) carried out mainly in 2020, Ireon Investments' shareholding in Optima bank stood at less than 15 % (12.06 %).

Evolution of aggregates and results of Optima bank SA Group in 2021

During the financial year 01/01/2021-31/12/2021, the Group's main aggregates and results, as well as their change, were as follows:

<u>Balance sheet</u>

On 31.12.2021 the **total assets** of Optima bank Group amounted to EUR 1,638.1 million from EUR 1,000.1 million, increased by EUR 638.0 million compared to 31.12.2020. This change is further broken down into the increase of credit claims against customers as a result of the increase of financing from deposits and the increase in Optima bank's investment portfolio.

Total loans and receivables against customers before accumulated impairments amounted to EUR 1 032.4 million on 31.12.2021 (including loans for margin trading), increased by EUR 636.2 million overall compared to EUR 396.3 million in the consolidated balance sheet on 31.12.2020. The **accumulated impairments** have increased by EUR 3.5 million compared to 31.12.2020 and amounted to EUR 13.7 million for the year 2021 compared to EUR 10.2 million in 2020, mainly due to the growth of the Bank's loan portfolio.

On 31.12.2021 total **liabilities to customers** stood at EUR 1 346.7 million (recording an increse of EUR 592.4 million compared to 2020).

The **loans (net of provisions)-to-deposits ratio** on 31.12.2021 stood at 0.76 (compared to 0.51 on 31.12.2020).

At the end **of the 2021 financial year, the total net worth** amounted to EUR 156.3 million compared to EUR 147.5 million in 2020, thus improved by EUR 8.8 million. The improvement is mainly due to the formation of (consolidated) profits of EUR 8.8 million.

<u>Profit and Loss</u>

Regarding the Group's profit and loss results:

The **net interest income** of Optima bank Group amounted to EUR 26.5 million from EUR 7.4 million, an increase by 258% compared to 2020 mainly due to the increase in interest-income from loans (increase of loans).

The **net income from commissions** amounted to EUR 16.3 million from EUR 6.7 million, an increase by 143% mainly due to the increase in net commissions associated with the granting/renewal of loans by EUR 3.0 million, and to the increase in stock exchange fees by EUR 4.0 million.

The **total operating expenses** of Optima bank Group stood at EUR 34.0 million from EUR 26.3 million in 2020, an increase of 29.0%. The increase in operating expenses is mainly due to the increase in staff fees and expenses (+ 15%) due to the increase in human resources (the number of employees gradually increased from 363 persons at the end of 2020 to 393 persons at the end of 2021 at Group level), which was necessary to cover the Bank's operational needs, but also to the increase in the overall operating expenses (+51.9%) resulting from the expansion of the branch network (from 22 branches plus 1 stockbroking office at the end of 2020 to 24 branches plus 1 stockbroking office at the end of 2021) and to the general increase of operating expenses due to the implementation of the business plan. Annual depreciation has also increased in 2021 compared to 2020 and amounted to EUR 5.0 million from EUR 3.1 million, mainly due to the construction of the branch network, technological investments and the renovation/expansion of central offices. New investments in fixed assets amounted to EUR 3.0 million at the end of 2021 compared to EUR 8.7 at the end of 2020 at a consolidated level. Accordingly, new investments in intangible assets amounted to EUR 2.6 million in 2021 compared to EUR 2.5 million in 2020, at a consolidated level[9].

As a result of the above, the profit/ loss before provisions, impairments and taxes for 2021 amounted to EUR 14.1 million compared to EUR -8.2 million in 2020. Taking into account the credit risk provisions, the profit/ loss before tax for the year that ended on 31.12.2021 amounted to EUR 10.1 million compared to profit/ loss before tax of the financial year 2020 which amounted to EUR -6.0 million. The results of 2020 have been reformed following the recognition of profit resulting from the difference between the fair value of the assets of Optima factors and Optima asset management that have been acquired and the consideration paid. If taxes are included, the net results after tax for the financial year 2021 of Optima bank Group amount to EUR 10 million.

Non-current assets held for sale

The non-current assets held for sale on 31/12/2020 included the following companies:

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

After exploring alternative options for the use of the aforementioned assets, the Group's management considered that these did not contribute to the Group's overall business plan. As a result, it started a process of selling them without nonetheless achieving the expected result and finally the Group's management decided to liquidate IBG Global Funds SICAV-SIF and close the company in accordance with the voluntary liquidation procedure, as provided for in the Luxembourg legal framework, and additionally to launch the liquidation of the management company IBG Capital Management S.ar.l. Both the liquidation of IBG Global Funds SICAV-SIF and IBG Capital Management S.ar.l were completed in 2021.

Regulatory ratios

At the end of December 2021, the Bank's Common Equity Tier I (CET-1) capital amounted to EUR 149.3 million (EUR 156.3 million for the Group) while the risk weighted assets (RWAs) amounted to EUR 1.127.1 million (EUR 1.123.3 million for the Group) resulting in Optima bank's CET-1 ratio standing at 13.25% (13.92% for the Group), jointly influenced by the share capital increase of EUR 80.1 million made by Optima bank in 2021, the extension of the loan and investment portfolio of the Bank and the results of the particular financial year. In accordance with Decision 353/2/10.04.2020 of the Bank of Greece, the Bank has been required to comply with a SREP Total Capital Ratio of 11.50 %, which includes a total capital ratio of 8 % in accordance with the provisions of Article 92 of the CRR, plus additional capital requirements of 3.50 % following the results of the Supervisory Review and Evaluation Process (SREP). In addition to the above capital requirements and in accordance with Article 122 of Law 4261/2014, the Bank is required to have a capital security reserve of 2.5 %, compliance with which will be assessed taking into account the prevailing circumstances. The Bank actively manages its capital base in order to meet the minimum regulatory indicators and in this context it communicates and informs the Regulatory Direction of the Bank of Greece about the actions it plans to undertake in order to maintain capital adequacy levels higher than the minimum regulatory limits and at the same time to support its business development.

At bank level, the liquidity coverage ratio (LCR) was 98.4% (against the minimum threshold: 100 %) and the net stable funding ratio (NSFR) stood at 100.1% (against the minimum threshold: 100%) on 31.12.2021. On 31.3.2022 the above ratios stood at 120.8% and 103.4%, respectively. The cyclical deviation of the liquidity coverage ratio from the minimum permitted threshold was timely notified to the Regulatory Direction of the Bank of Greece, with reference to its immediate recovery actions, the implementation of which led to the exceeding of the minimum acceptable regulatory thresholds.

[9] The 2020 intangible assets were adjusted for EUR 4.1 million, which resulted from the recognition of intangible assets (reputation and clientele) in the fair value measurement of the subsidiaries Optima factors and Optima asset management.

The regulatory ratios for both the Bank and the Group are summarised in the table below for both the year that ended on 31.12.2021 and the previous financial year (expiration 31.12.2020):

	Bank			Group	
	31.12.2021	**31.12.2020**		**31.12.2021**	**31.12.2020**
CET-1 (%)	13,25%	20,65%		13,92%	21,54%
CAR (%)	13,25%	20,65%		13,92%	21,54%
LCR (%)	98,4%	303,21%		103,43%	319,94%
NSFR (%)	100,1%	133,50%		100,63%	133,46%

Source: Finance Direction of Optima bank

Conclusion on the going concern

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, the Board of Directors concluded that for the Bank and the Group of Optima bank the principle of going concern does apply.
In addition, in view of the seamless 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 progress. The Bank shall ensure that it is staffed with the appropriate personnel so that, on the one hand, it may have the critical mass to achieve its operational objectives and, on the other hand, establish long-term and mutually beneficial partnerships.
The number of employees of Optima bank on 31/12/2021 amounted to 379 persons (393 for the Group), compared to 363 for the Group and 348 for the Bank on 31/12/2020.
Out of this number, 44% are women and 80% of employees have a higher education and post graduate diploma.

Number of branches / Central offices

On 31.12.2021 the Bank operated 25 branches and 1 stockbroking branch/ office. More specifically, 21 out of the 25 branches operate in Athens, 3 in Thessaloniki and 1 in Corinth. The stockbroking office (branch offering stockbroking services) is based in Heraklion, Crete.
Regarding central services, no new space was leased in 2021. The central offices remain in the building at Aigialias str. 32 and in the 4th floor of the Paradise building, both in Marousi, Attica, whose complete renovation was completed in 2021.

Share capital

All Optima bank shares are ordinary, registered, with voting rights, have not been admitted for trade in any regulated market and have all rights and obligations deriving from Optima bank's Articles of Association and determined by law.
On 31.12.2021, Optima bank did not hold own shares.
It should be noted that in January 2021 Optima bank completed a share capital increase of EUR 80,139,546 with the issuance of 3,762,420 new shares of a nominal value of EUR 21.30 per share. Prior to the above mentioned increase, a decrease in the share capital of the Bank by EUR 30,287,481 had taken place by a decrease in the nominal value of existing (prior to the increase) shares from EUR 29.35 per share to EUR 21.30 per share combined with an equal (EUR 30,287,481) set off of losses from previous years.
Following this increase, Optima bank's share capital amounts to EUR 160,279,092.00 divided into 7,524,840 ordinary registered shares of a nominal value of EUR 21.30 each and is paid up in full.

Significant events after 31.12.2021

The most important event to be mentioned in this report which does not concern the Group directly because it has no direct exposure to the countries involved is Russia's war against Ukraine that started in late February 2022 and is perhaps the most important challenge for the European Union since the end of the Cold War as it disrupts geopolitical balances internationally and has caused a huge humanitarian crisis. The magnitude of the impact of the war on the European and world economies is difficult to assess and will depend on the duration of the war, the duration of inflationary pressures and the response of fiscal and monetary policy at European level.

In addition, in April 2022 Standard & Poor's upgraded Greece's long-term credit rating from BB to BB+ and confirmed its short-term B rating with a stable outlook noting that the Greek economy is still recovering from the impact of the Covid-19 pandemic and that the upgrade reflects the expectation of continuous improvement and effectiveness of Greece's policy, while the effects of the war in Ukraine seem manageable in light of the significant security reserves in both the private and public sectors.

Transactions with related parties

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

Disclosures provided for under article 6, 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 presented below:

I) Payments to media undertakings (according to paragraph 1 of article 6 of Law 4374/2016)

TABLE 1: MEDIA COMPANIES

Payments to Media companies (Article 6 Paragraph 1 of L. 4374/2016)

Company Name	Amount before tax
BANKING NEWS S.A.	12,000
CAPITAL G.R. S.A.	1,060
KARTA LTD	4,500
Bousias Communications S.A.	2,190
Trocantero S.A.	5,500
Total	**25,250**

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

TABLE 2: DONATIONS, SPONSORSHIPS

Payments for donations, sponsorships, grants or other ex gratia payments
(Article 6 Paragraph 2 of L. 4374/2016)

Επωνυμία Εταιρείας	**Amount before tax**
HAZLIS AND RIVAS COMMUNICATIONS LTD	5,000
Doxiadis Bros. Graphotechniki S.A.	8,000
HELLENIC WATER SKI FEDERATION	1,500
HELLENIC HISTORY FOUNADTION	3,000
ELLINOGERMANIKI SCHOLI	600
JOURNALISTS' UNION OF ATHENS DAILY NEWSPAPERS	5,500
CAPITAL LINK HELLAS S.A.	3,000
KIVOTOS TOU KOSMOU	300
DELPHI ECONOMIC FORUM	10,000
TANWEER PRODUCTIONS SINGLE MEMBER SA	25,000
INTERNATIONAL FORUM - TRAINING & CONSULTING	900
INDIVIDUALS	5,000
Total	**67,800**

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 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, i.e., the optimum combination of protection and efficiency of the Bank's funds. To serve this objective, the Risk Tolerance Policy envisages respecting specific value levels for an important number of ratios that reflect the structural picture of all high interest areas, both for the Bank and for regulatory authorities (capital adequacy, liquidity, loan portfolio quality, efficiency, e.tc.). This policy shall be regularly updated on an annual basis and exceptionally whenever 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 and the enhanced role of the Bank's Chief Risk Officer are clearly delimitated.

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 2021, it approved the Operational Risk Report Acceptance Procedure. 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 supervisory 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, 2021.

Marousi, July 5, 2022

FOR THE BOARD OF DIRECTORS

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

II. Auditor’s Report

Deloitte Certified Public Accountants S.A.
3a Fragkokklisias & Granikou str.
Marousi Athens GR 151-25 Greece

Tel: +30 210 6781 100
www.deloitte.gr

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 2021, 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 2021 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 € 1,020.8 million for the Bank and € 1.032,5 million for the Group respectively at 31 December 2021 (€ 386.5 million and € 389.6 million at 31 December 2020) and allowance for expected credit losses amounted to € 13.536 thousand for the Bank and €13.734 thousand for the Group at 31 December 2021 (€ 10,278 thousand and € 10,174 thousand at 31 December 2020). 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). 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 18 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 Given the complexity and granularity of the related disclosures, we assessed their completeness and accuracy in accordance with the provisions of the IFRSs.

Key audit matters	How our audit addressed the Key audit matters
Information Technology General Controls and controls over financial reporting	
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.	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.

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Other Matter

The separate and consolidated financial statements of the Optima Bank S.A. and the Group for the previous year ended 31 December 2020 were audited by another auditor who expressed an unmodified opinion on those separate and consolidated financial statements on 30 June 2021.

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", in the disclosures of article 6 of L. 4374/2016, 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.

Deloitte.

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 2021.

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 by Deloitte Certified Public Accountants S.A., which is a member firm of Deloitte Touche Tohmatsu Limited ("DTTL"), during the year ended 31 December 2021 are disclosed in Note 41 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.

Athens,15 July 2022

The Certified Public Accountant

Dimitris Katsibokis
Reg. No. SOEL: 34671
Deloitte Certified Public Accountants S.A.
3a Fragoklissias & Granikou Str.
151 25 Maroussi
Reg. No. SOEL: E120

III. Financial Statements for the year ended on December 31, 2021

Financial Statements

for the year

January 1 - December 31, 2021

In accordance with the International Financial Reporting Standards (IFRS)

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GROUP

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Amounts in Eur '000	Note	31 December 2021	31st December 2020
Interest income		29,185	10,047
Interest expenses		(2,684)	(2,679)
Net interest income	6	**26,501**	**7,368**
Fee and commission income		20,046	9,535
Fee and commission expenses		(3,720)	(2,831)
Net fee and commission income	7	**16,326**	**6,704**
Dividend income		165	193
Net trading income	8	4,955	3,674
Other operating income	9	120	159
		5,240	**4,026**
Total operating income		**48,067**	**18,098**
Staff Costs	10	(19,553)	(17,066)
Other operating expenses	11	(9,397)	(6,179)
Depreciation	22	(5,054)	(3,093)
Total operating expenses		**(34,004)**	**(26,339)**
Profit/(loss) before provisions and taxes		**14,062**	**(8,240)**
Provision for loans impairment	18	(3,630)	(5,056)
Other provisions	12	(310)	(759)
Total provisions		**(3,940)**	**(5,815)**
Bargain purchase gain	42	0	8,106
Loss before tax		**10,122**	**(5,949)**
Income tax	13	(73)	1,050
Loss after tax (a)		**10,049**	**(4,899)**
Other Profit/ (Loss)			
Items that may be reclassified subsequently to the Income Statement			
Net change in reserve of investment securities' measured at fair value through other comprehensive income	19	(1,809)	1
Provisions for debt securities		276	294
Income tax	24	273	(0)
Total ıtems that may be reclassified subsequently to the Income Statement		**(1,260)**	**294**
Items that can not be reclassified to the Income Statement			
Premeasurement of defined benefit liability/(asset)	33	(3)	(18)
Total items that can not be reclassified to the Income Statement		**(3)**	**(18)**
Other comprehensive income after tax (b)		**(1,263)**	**277**
Total comprehensive income after tax (a)+(b)		**8,786**	**(4,622)**

** Restated amounts due to the change in the accounting policy of the Company and the application of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" (Note 2.1.2)*

The enclosed notes (pages 11 to 106) form integral part of the present financial statements.

Optima bank

BANK

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Amounts in Eur '000	Note	31st December 2021	31st December 2020*
Interest income		28,556	10,260
Interest expense		(2,654)	(2,644)
Net interest income	6	**25,902**	**7,616**
Fee and commission income		18,187	9,253
Fee and commission expenses		(3,638)	(2,807)
Net fee and commission income	7	**14,549**	**6,446**
Dividend income		8,311	193
Net trading income	8	3,567	1,225
Other operating income	9	238	181
		12,117	**1,599**
Total operating income		**52,567**	**15,661**
Staff Costs	10	(18,794)	(16,982)
Other operating expenses	11	(8,966)	(6,083)
Depreciation	22	(4,661)	(3,086)
Total expenses		**(32,421)**	**(26,151)**
Profit/(loss) before provisions and taxes		**20,146**	**(10,490)**
Provision for loans impairment	18	(3,329)	(5,179)
Other provisions	12	1,349	(759)
Total provisions		**(1,980)**	**(5,937)**
Profit/Loss before tax		**18,166**	**(16,428)**
Income tax	13	(1,413)	1,222
Profit/Loss after tax (a)		**16,753**	**(15,206)**
Other comprenhesive income			
Items that may be reclassified subsequently to the Income Statement			
Reserve of debt securities' measured at fair value through other comprehensive income	19	(1,809)	1
Provision for impairment of debt securities		276	294
Deffered Tax	24	273	(0)
Total items that may be reclassified subsequently to the Income Statement		**(1,260)**	**294**
Items that can not be reclassified to the Income Statement			
Actuarial gain/(losses) of defined benefit obligations	33	(3)	(16)
Total items that can not be reclassified to the Income Statement		**(3)**	**(16)**
Other comprehensive income after tax (b)		**(1,263)**	**278**
Total comprehensive income after tax (a)+(b)		**15,490**	**(14,927)**

** Restated amounts due to the change in the accounting policy of the Company and the application of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" (Note 2.1.2)*

The enclosed notes (pages 11 to 106) form integral part of the present financial statements.

GROUP

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in Eur '000	**Note**	**31 December 2021**	**31st December 2020***
ASSETS			
Cash and balances with central banks	14	78,492	152,591
Loans and advances to credit institutions	15	65,934	36,775
Financial assets at fair value through profit or loss	16	54,194	41,103
Derivative financial instruments	17	434	88
Loans and advances to customers	18	1,018,735	386,053
Financial assets at fair value through other income statement	19	192,087	223,348
Requirements from debt securities at amortized cost	20	92,998	30,698
Investments in subsidiaries and associates	21	0	29
Property, plant and equipment and intangible assets	22	20,744	18,025
Rights-of-use on assets	23	19,218	19,498
Deferred tax assets	24	2,932	1,989
Other stock exchange transactions	25	27,776	26,847
Guarantee Securities for Investment Services	26	12,885	12,196
Current tax assets	27	969	613
Other assets	27	50,742	49,802
		1,638,140	**999,657**
Assets for Sales	28	0	434
Total assets		**1,638,140**	**1,000,091**
EQUITY AND LIABILITIES			
Due to Central Bank	29	84,143	12,931
Due to credit institutions	30	4,725	13,493
Due to customers	31	1,346,660	754,281
Stock clearing accounts	32	3,254	35,998
Derivative financial instruments	17	7,432	2,628
Lease Liability	23	19,965	19,872
Retirement benefit obligations	33	458	352
Other liabilities	34	14,102	11,727
Provisions	35	1,096	1,192
		1,481,836	**852,474**
Liabilities from assets held for sale	28	0	99
Total liabilities		**1,481,836**	**852,573**
Shareholders equity			
Share capital	36	160,279	160,279
Fair value reserve		(946)	314
Other reserves	37	18,859	18,859
Retained losses		(21,889)	(31,934)
Total equity		**156,304**	**147,518**
Total liabilities and equity		**1,638,140**	**1,000,091**

** Restated amounts due to the change in the accounting policy of the Company and the application of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" (Note 2.1.2)*

The enclosed notes (pages 11 to 106) form integral part of the present financial statements.

BANK

STATEMENT OF FINANCIAL POSITION

Amounts in Eur '000	Note	31st December 2021	31st December 2020*
ASSETS			
Cash and balances with central banks	14	78,492	152,591
Loans and advances to credit institutions	15	64,796	35,465
Financial assets at fair value through profit or loss	16	51,899	19,441
Derivative financial instruments	17	434	88
Loans and advances to customers	18	1,007,245	382,846
Financial assets at fair value through other income statement	19	192,087	223,348
Requirements from debt securities at depreciated cost	20	92,998	30,698
Investments in subsidiaries and associates	21	13,593	13,099
Property, plant and equipment and intangible assets	22	16,681	13,852
Rights-of-use on assets	23	18,999	19,493
Deferred tax assets	24	4,066	5,206
Other stock exchange transactions	25	27,776	26,847
Guarantee Securities for Investment Services	26	12,885	12,196
Current tax assets	27	873	506
Other assets	27	50,342	48,992
		1,633,165	**984,670**
Assets for Sales		0	313
Total assets		**1,633,165**	**984,983**
EQUITY AND LIABILITIES			
Due to Central Bank	29	84,143	12,931
Due to credit institutions	30	3,928	13,493
Due to customers	31	1,353,935	757,599
Stock clearing accounts	32	3,254	35,998
Derivative financial instruments	17	7,432	2,628
Lease Liability	23	19,748	19,867
Retirement benefit obligations	33	413	316
Other liabilities	34	12,335	9,632
Provisions	35	1,036	1,068
Total liabilities		**1,486,224**	**853,532**
Shareholders equity			
Share capital	36	160,279	160,279
Fair value reserve		(946)	314
Other reserves	37	18,177	18,177
Retained losses		(30,568)	(47,319)
Total equity		**146,941**	**131,451**
Total liabilities and equity		**1,633,165**	**984,983**

** Restated amounts due to the change in the accounting policy of the Company and the application of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" (Note 2.1.2)*

The enclosed notes (pages 11 to 106) form integral part of the present financial statements.

GROUP

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in Eur '000	Share capital	Revaluation reserve	Other reserves	Retained earnings	**Total**
Balance at 1 January 2020	**110,427**	**19**	**18,925**	**(56,581)**	**72,790**
Restatement effect following the adoption IFRIC decision of IAS 19 (Note 2.1.2)	0	0	(65)	158	93
Balance at 1st January (after the adoption of IAS 19)	**110,427**	**19**	**18,859**	**(56,423)**	**72,883**
Share Capital Reduction with offsetting losses of previous years	(30,287)	0	0	30,287	0
Amounts intended for Share Capital increase	80,140	0	0	0	80,140
Share Capital Increase Expenses	0	0	0	(882)	(882)
Profit/Losses transferred directly to equity	0	294	0	0	294
Tax related to profits/(losses) recognised in equity	0	1	0	0	1
Net profit/(loss) for the year 01/01-31/12/2020	0	0	0	(4,899)	(4,899)
Actuarial loss recognized in other comprehensive income	0	0	0	(18)	(18)
Equity balances as at 31 December 2020	**160,279**	**314**	**18,859**	**(31,934)**	**147,519**

Amounts in Eur '000	Share capital	Revaluation reserve	Other reserves	Retained earnings	**Total**
Balance at 1 January 2021	**160,279**	**314**	**18,859**	**(31,934)**	**147,519**
Profit/Losses transferred directly to equity	0	276	0	0	276
Profits/(losses) from financials instruments measured at fair value through other comprehensive income.	0	(1,809)	0	0	(1,809)
Tax related to profits/(losses) recognised in equity	0	273	0	0	273
Net profit/(loss) for the year 01/01-31/12/2021	0	0	0	10,049	10,049
Actuarial loss recognized in other comprehensive income	0	0	0	(3)	(3)
Equity balances as at 31 December 2021	**160,279**	**(946)**	**18,859**	**(21,889)**	**156,304**

** Restated amounts due to the change in the accounting policy of the Company and the application of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" (Note 2.1.2)*

The enclosed notes (pages 11 to 106) form integral part of the present financial statements.

Optima bank

BANK

STATEMENT OF CHANGES IN EQUITY

Amounts in Eur '000	Share capital	Revaluation reserve	Other reserves	Retained earnings	**Total**
Balance at 1 January 2020	**110,427**	**19**	**18,177**	**(61,589)**	**67,034**
Restatement effect following the adoption IFRIC decision of IAS 19 (Note 2.1.2.)	0	0	0	86	86
Balance at 1st January (after the adoption of IAS 19)	**110,427**	**19**	**18,177**	**(61,503)**	**67,120**
Share Capital Reduction with offsetting losses of previous years	(30,287)	0	0	30,287	0
Share Capital Increase with the issuance of 3.762.420 new shares with the price of € 21,30	80,140	0	0	0	80,140
Share Capital Increase Expenses	0	0	0	(882)	(882)
Profit/Losses transferred directly to equity	0	294	0	0	294
Gains from valuation of financial assets at fair value through other comprehensive income recognised in equity	0	1	0	0	1
Net profit/(loss) for the year 01/01-31/12/2020	0	0	0	(15,206)	(15,206)
Actuarial loss recognized in other comprehensive income	0	0	0	(16)	(16)
Equity balances as at 31 December 2020	**160,279**	**314**	**18,177**	**(47,319)**	**131,451**

Amounts in Eur '000	Share capital	Revaluation reserve	Other reserves	Retained earnings	**Total**
Balance at 1 January 2021	**160,279**	**314**	**18,177**	**(47,319)**	**131,451**
Profit/Losses transferred directly to equity	0	276	0	0	276
Gains from valuation of financial assets at fair value through other comprehensive income recognised in equity	0	(1,809)	0	0	(1,809)
Less: Taxes	0	273	0	0	273
Net profit/(loss) for the year 01/01-31/12/2021	0	0	0	16,753	16,753
Actuarial loss recognized in other comprehensive income	0	0	0	(3)	(3)
Equity balances as at 31 December 2021	**160,279**	**(946)**	**18,177**	**(30,568)**	**146,941**

** Restated amounts due to the change in the accounting policy of the Company and the application of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" (Note 2.1.2)*

The enclosed notes (pages 11 to 106) form integral part of the present financial statements.

Optima bank

GROUP

CONSOLIDATED CASH FLOW STATEMENT

Amounts in Eur '000	Note	31st December 2021	31st December 2020*
Cash Flows from Operating Activities			
Profits /(losses) before tax		**10,122**	**(5,949)**
Adjustments for:			
Depreciation	22	5,054	3,093
Fair value (profits)/losses on financial assets		(1,788)	(2,442)
Interest and non-cash expenses		925	600
(Profit)/Losses of associates		(443)	0
(Profits)/losses on revaluation of derivatives		3,302	2,425
Provision for Retirement benefit obligations		(39)	34
Provision for loans	18	3,630	5,056
Other provisions	12	310	759
Fair value profits/losses from hedged financial assets		(1,810)	(42)
(Profits)/losses from acquisition of subsidiary		0	(8,106)
Fair value (profits)/losses from carbon emission reserve		(1,289)	(2,413)
Cash flows from operating activities before changes in operating assets and liabilities		*17,974*	*(6,985)*
Changes in operating assets and liabilities			
Trading Portfolio		(30,333)	24,518
Loans and advances to customers		(638,560)	(294,423)
Derivative financial instruments		2,446	2,413
Investments in subsidiaries		0	(6,508)
Other assets		1,915	137,434
Due to credit institutions		61,648	16,975
Due to customers		599,513	575,370
Other liabilities		(30,405)	16,366
Cash flows from operating activities before income tax		***(15,802)***	***465,160***
Income tax paid		(666)	(21)
Interest paid		(254)	0
Net cash flows from operating activities		**(16,722)**	**465,139**
Investing activities			
Purchases of investment securities		(1,308,809)	(593,972)
Purchases of PPE		(3,097)	(8,638)
Proceeds from investements securities held for sale		508	0
Disposals/maturities of investment securities		1,266,358	147,080
Interest received from investment securities		2,594	654
Proceeds from disposal of subsidiaries		41	0
Proceeds from dividends		160	0
Proceeds from disposals of PPE		222	0
Purchases of intangible assets		(2,540)	(1,875)
Net cash flow from investing activities		**(44,561)**	**(456,751)**
Financing activities			
Increase of Share Capital		10,827	69,312
Receipts from Issued/Purchased Loans		(32)	0
Decrease of Share Capital		(1,202)	0
Interest from lease liabilities		(18)	0
Payment of lease liabilities		(2,337)	(1,790)
Net cash flow from financing activities		**7,238**	**67,522**
Effect of foreign exchange changes on cash and cash equivalents		57	50
Net increase/(decrease) in cash and cash equivalents		**(53,987)**	**75,959**
Cash and cash equivalents at beginning of year		189,366	113,406
Cash and cash equivalents at end of year	38	**135,379**	**189,366**

** Restated amounts due to the change in the accounting policy of the Company and the application of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" (Note 2.1.2)*

The enclosed notes (pages 11 to 106) form integral part of the present financial statements.

Optima bank

BANK

CASH FLOW STATEMENT

Amounts in Eur '000	**Note**	**31st December 2021**	**31st December 2020***
Cash flows from operating activities			
Profit and loss before tax		**18,166**	**(16,428)**
Adjustments for:			
Depreciation	22	4,661	3,086
Fair value (profits)/losses on financial assets		(2,126)	14
Interest and non-cash expenses		724	600
(Profit)/Losses of associates		1,269	0
Income from reversal of provision for Impairment loss of investments		(1,725)	0
(Profits0/losses on revaluation of derivatives		3,302	2,425
Provision for Retirement benefit obligations		(47)	29
Provision for loans	18	377	549
Other provisions	12	3,329	5,389
Fair value profits/losses from hedged financial assets		(1,809)	1
Fair value (profits)/losses from carbon emission reserve		(1,289)	(2,413)
Cash flows from operating activities before changes in operating assets and liabilities		**24,832**	**(6,748)**
Changes in operating assets and liabilities			
Trading Portfolio		(30,333)	24,518
Loans and advances to customers		(636,775)	(291,335)
Derivative financial instruments		2,446	2,413
Investments in subsidiaries		0	(6,508)
Other assets		6,436	137,840
Due to credit institutions		61,648	16,975
Due to customers		596,335	569,920
Other liabilities		(30,034)	16,694
Cash flows from operating activities before income tax		**(5,445)**	**463,768**
Income tax paid		0	0
Net cash flows from operating activities		**(5,445)**	**463,768**
Investing activities			
Purchases of investment securities		(1,308,809)	(593,972)
Purchases of PPE		(2,842)	(8,576)
Receivables from investements for sale		203	0
Disposals/maturities of investment securities		1,245,905	147,080
Interest received from investment securities		2,594	654
Proceeds from disposal of subsidiaries		41	0
Proceeds from dividends		8,306	0
Proceeds from disposals of PPE		222	0
Purchases of intangible assets		(2,540)	(1,869)
Net cash flow from investing activities		**(56,918)**	**(456,684)**
Financing activities			
Increase of Share Capital		10,827	69,312
Payment of lease liabilities		(2,337)	(1,790)
Net cash flow from financing activities		**8,490**	**67,522**
Effect of foreign exchange changes on cash and cash equivalents		57	50
Net increase/(decrease) in cash and cash equivalents		**(53,815)**	**74,656**
Cash and cash equivalents at beginning of year		188,056	113,401
Cash and cash equivalents at end of year	38	**134,241**	**188,056**

** Restated amounts due to the change in the accounting policy of the Company and the application of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" (Note 2.1.2)*

The enclosed notes (pages 11 to 106) form integral part of the present financial statements.

1. General Information

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

The Bank offers a wide range of banking and brokerage services as well as investment banking services. It operates 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 31.12.2021 it employed 379 persons in total, while its registered office is located in the Municipality of Maroussi, Attica (32 Aigialias Street).

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

In 2013, within the context of the plan to rescue the banks of Cyprus, all banking operations of Cyprus Popular Bank in Greece were transferred to Piraeus Bank, while the Investment Bank of Greece was excluded and remained an independent banking, investment and financial institution which continued its operation as a Greek financial institution holding a banking permit.
In March 2018, Cyprus Popular Bank hired an advisor marking the beginning of the procedure to sell the Investment Bank of Greece by conducting an international tender; such procedure was completed in October 2018 with the signature of the SPA between the seller (Cyprus Popular Bank) and the buyer (Ireon Investments, a 100% subsidiary of Motor Oil Hellas Group). The transfer procedure was completed in July 2019, following the receipt of the relevant approvals of the regulatory authorities. The participation percentage of Ireon Investments amounted to 97.08%
Following its acquisition by Ireon Investments, Investment Bank of Greece SA was renamed Optima Bank S.A., in August 2019.

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

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

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

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

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

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

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

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

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

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

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

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

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

Branches operating in Greece:

No	BRANCH	POSTAL ADDRESS
1.	HERAKLION, CRETE (stockbroker)	46 25th Avgoustou St, 712 02
2	PSYCHIKO	Olympionikon & 1 El. Venizelou St. - 154 51
3	ILIOUPOLI:	A. Papandreou & 1 Gladstonos St. - 163 45
4	AGHIA PARASKEVI	4 D. Gounari & 6 Chalandriou St. - 153 43
5	MAROUSSI	46 Thisseos & 2 D. Rali St.- 151 24
6	ABELOKIKPI, ATHENS	124 Vas. Sofias Ave, 115 26
7	NEA SMIRNI	55 El. Venizelou St. - 171 23
8	PALEO FALIRO	4 Ag. Alexandrou St. - 175 61
9	KALITHEA	2 Fornezi & El. Venizelou St - 176 75
10	KALAMARIA - THESSALONIKI	51 Ethnikis Antistasseos St - 551 34
11	PANEPISTIMIOU, ATHENS	15 El. Venizelou Ave. - 105 64
12	CHALANDRI	1 Kosta Varnali St. - 152 33
13	NIKEA	232 Petrou Rali St. - 184 53
14	KORINTHOS	21 Ethnikis Antistasseos St - 201 00
15	ANO PATISSIA	376 Patission St. - 111 41
16	GLYFADA	8-10 Andrea Papandreou St. - 166 75
17	TSIMISKI - THESSALONIKI	17 I. Tsimiski St. - 546 24
18	KIFISSIA	242 Kifissias Ave. & 1 Panagitsas St. - 145 62
19	PIRAEUS - Vas. Georgiou	11 Vas. Georgiou St. - 185 32
20	MAROUSSI - ANAVRYTA	221 Kifissias Ave., 151 24
21	NEA IONIA	346 Irakliou Ave. - 142 31
22	EVOSMOS - THESSALONIKI	31 28th Oktovriou St. - 562 24
23	PERISTERI	16-20 Panagi Tsaldari St. - 121 34
24	EGALEO	259 Iera Odos & 25 Martiou St. - 122 44
25	PAGRATI	34 - 36 Eftichidou St, 116 34
26	KOLONAKI	7 P. Ioakim St & Irodotou St, 10674

The operation of the new branch at Heraklion, Crete started in June 2022.

The consolidated and individual financial statements as of 31.12.2021 were approved by the Board of Directors dated 05.07.2022 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 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 annual financial statements have been prepared on the principle of going concern. The Board of Directors reached this conclusion taking into consideration the Group's financial structure, the current situation created in the external environment and the estimates for the improvement of the economic climate and the country's growth course, thanks to the utilization of funds from the European Recovery and Resilience Facility. The significant profitability achieved by the Group in the year 2021, the significant growth of its key figures and the continuation of this momentum in the first months of 2022 were also evaluated. The above is supported by the planning of actions to strengthen the Bank's regulatory capital 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. In the year ended 2021, the need for such a change arose due to the application of IAS 19 Interpretation of the International Financial Reporting Interpretations Committee (IFRIC) and based on the corresponding guidance issued by the Committee for Accounting Standardization and Audits (ELTE).
Consequently, the Company, implementing the defined benefit plan provided for in Article 8 of Law 4548/1955, attributes the employee retirement benefits per year of employee service over the last 16 years before their retirement, in accordance with the conditions of eligibility for a full pension. This period is the reasonable basis for forming the relevant provision, as their retirement benefits are not materially increased beyond their period of service. A reasonable basis for forming the provision for employee retirement is the age of 62 years of the employees, so that the attribution of retirement benefits is made from the age of 46 to 62 years, except in those cases where the retirement age is evidently greater than 62 years, in which case the starting point of the attribution is modified accordingly.

Impact on the statement of financial position according to the IAS 19 Interpretation of the International Financial Reporting Interpretations Committee (IFRIC) as of 1.1.2020

GROUP

Amounts in Eur '000	01.01.2020 Published amounts	IAS 19	01.01.2020 Restated amounts
EQUITY			
Share capital	110,427		110,427
Fair value reserve	19		19
Other reserves	18,926	(65)	18,860
Retained earnings	(56,578)	158	(56,420)
Total equity	**72,794**	**93**	**72,887**
ASSETS			
Deferred tax assets	1,906	(29)	1,876
LIABILITIES			
Retirement benefit obligations	401	(124)	276

BANK

Amounts in Eur '000	01.01.2020 Published amounts	IAS 19	01.01.2020 Restated amounts
EQUITY			
Share capital	110,427		110,427
Fair value reserve	19		19
Other reserves	18,177		18,177
Retained earnings	(61,589)	86	(61,503)
Total equity	**67,034**	**86**	**67,120**
ASSETS			
Deferred tax assets	4,011	(27)	3,985
LIABILITIES			
Retirement benefit obligations	401	(114)	287

Impact on the statement of financial position according to the IAS 19 Interpretation of the International Financial Reporting Interpretations Committee (IFRIC) as of 31.12.2020

GROUP

Amounts in Eur '000	31.12.2020 Published amounts	IAS 19	31.12.2020 Restated amounts
EQUITY			
Share capital	160,279		160,279
Fair value reserve	314		314
Other reserves	18,926	(1)	18,925
Retained earnings	(40,223)	120	(40,103)
Total equity	**139,295**	**119**	**139,414**
ASSETS			
Deferred tax assets	3,000	(36)	2,964
LIABILITIES			
Retirement benefit obligations	507	(155)	352

BANK

Amounts in Eur '000	31.12.2020 Published amounts	IAS 19	31.12.2020 Restated amounts
EQUITY			
Share capital	160,279		160,279
Fair value reserve	314		314
Other reserves	18,177		18,177
Retained earnings	(47,429)	110	(47,319)
Total equity	**131,340**	**110**	**131,451**
ASSETS			
Deferred tax assets	5,240	(34)	5,205
LIABILITIES			
Retirement benefit obligations	460	(144)	316

Impact on the statement of financial position according to the IAS 19 Interpretation of the International Financial Reporting Interpretations Committee (IFRIC) for the period from 1.1.2020 to 31.12.2020

GROUP

Amounts in Eur '000	01/01/2020-31/12/2020 Published amounts	IAS 19	01/01/2020-31/12/2020 Restated amounts
Staff Costs	(17,043)	(24)	(17,066)
Total expenses	(26,315)	(24)	(26,339)
Profit/Loss before tax	**(14,032)**	**(24)**	**(14,057)**
Income tax	1,059	(7)	1,052
Profit/Loss after tax	**(12,973)**	**(31)**	**(13,005)**
Actuarial gain/(losses) recorded in other comprehensive income	(77)	60	(18)
Total comprehensive income	**(13,050)**	**28**	**(13,022)**

BANK

Amounts in Eur '000	01/01/2020-31/12/2020 Published amounts	IAS 19	01/01/2020-31/12/2020 Restated amounts
Staff Costs	(16,957)	(24)	(16,982)
Total expenses	(26,126)	(24)	(26,151)
Profit/Loss before tax	**(16,403)**	**(24)**	**(16,428)**
Income tax	1,229	(7)	1,222
Profit/Loss after tax	**(15,174)**	**(32)**	**(15,206)**
Actuarial gain/(losses) recored in other comprehensive income	(71)	55	(16)
Total comprehensive income	**(15,245)**	**23**	**(15,222)**

2.1.3. New standards, amendments to standards and interpretations

Amendments to existing standards put into effect on January 01, 2021

- IFRS 16 (Amendment) "Covid-19-related Rent Concessions" (Effective for annual reporting periods beginning on or after June 1, 2020 and effective also for individual and consolidated financial statements as of January 1, 2021) The amendment provides lessees (but not lessors) with optional exception from evaluating whether a COVID-19-related rent concession is a lease modification. Lessees may choose to deal with rent concessions in an accounting way, as they did with changes that are not considered to be lease modifications. The amendment is compulsory for annual reporting periods beginning on or after June 1, 2020 and therefore for individual and consolidated interim and annual financial statements as of January 1, 2021. The adoption of the amendment had no important impact on the individual and consolidated financial statements.

- IFRS 9, IAS 39, IFRS 7, IFRS 4 & IFRS 16 (Amendments): Interest Rate Benchmark Reform - Phase 2 (Effective for annual reporting periods beginning on or after 1.1.2021)

The amendments introduce a practical method for the changes required by the interest rate benchmark reform, clarify that hedge accounting relations are not interrupted solely because of the interest rate benchmark reform, and introduce disclosures that enable users of financial statements to understand the nature and extent of the risks arising from the interest rate benchmark reform, how those risks are addressed, and the progress and manner of transition to alternative benchmark rates.

- IFRS 4 (amendment): Extension of the Temporary Exemption From Applying IFRS 9 (Effective for annual reporting periods beginning on or after 1.1.2021)

The amendment modifies the fixed expiry date for the temporary exemption provided for in IFRS 4 "Insurance policies" from applying IFRS 9 Financial instruments so that entities would apply IFRS 9 to reporting periods beginning on or after January 1, 2023.

The amendments to the existing standards and to the Framework, applicable from 1 January 2021, have been approved by the EU.

New Standards and amendments to existing Standards and to the Conceptual Framework effective after January 1, 2021.

New standard

-IFRS 17 "Insurance contracts" (Effective for annual reporting periods beginning on or after 1.1.2023, as issued by IASB) IFRS 17 was issued in May 2017 and replaces IFRS 4, while in June 2020, IASB published the Exposure Draft Amendments to the standard. IFRS 17 sets out principles for the recognition, measurement, presentation and disclosure of insurance contracts that are within the scope of application of the said Standard, and its purpose is to ensure that an entity provides relevant information that fairly presents those contracts. The new standard settles the comparability issues raised in IFRS 4, since it requires the insurance contracts to be consistently recognized. The insurance liabilities will be measured in current values and not at their historic cost. The standard has not been approved yet by the European Union.

The Group is in the process of implementing IFRS 17 and assessing the impact of the implementation of this Standard and of the proposed amendments.

Amendments

- IFRS 16 (amendment): "Covid-19-related Rent Concessions" (Effective for annual reporting periods beginning on or after April 1, 2021 and effective for individual and consolidated financial statements as of January 1, 2022) The amendment expends the implementation of the practical expedient for Rent Concessions for another year, to cover the reduction in lease payments due on or by 30 June 2022. The adoption of the amendment had no important impact on the individual and consolidated financial statements.

IFRS 3 (amendments): Reference to the Conceptual Framework (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.

IAS 16 (amendment): Property, Plant and Equipment: Proceeds before Intended Use (Effective for annual reporting periods beginning on or after 1.1.2022) The amendments prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognize such sales proceeds and related cost in profit or loss.

IAS 37 (amendment): Onerous Contracts - Cost of Fulfilling a Contract (Effective for annual reporting periods beginning on or after 1.1.2022) The amendments define which costs to include in estimating the cost of fulfilling a contract for the purpose of assessing whether that contract is onerous. The adoption of the amendment had no important impact on the individual and consolidated financial statements.

IAS 1 (amendment): Classification of Liabilities as Current or Non-Current (Effective for annual reporting periods beginning on or after 1.1.2023) The amendment clarifies that the liabilities are classified as current or non-current depending on the rights that are in force at the end of the reference period. The classification is not affected by the expectations of the entity or by events that occurred after the reporting date. The amendment for the classification of Liabilities as Current or Non-Current was issued in January 2020 and applies to annual reporting periods beginning on or after 1.1.2022. In response to COVID-19 pandemic, IASB deferred the effective date of the amendments by one year to provide entities with more time to apply any changes in the classification that arise from the said amendments. The Classification of Liabilities as Current or Non-Current applies to annual reporting periods beginning on or after 1.1.2023. Although the Group's consolidated and individual Statement of Financial Position is presented on a cash basis, this amendment clarifies that settlement refers to a transfer to the of money, equity securities, other assets or services to a counterparty.

IAS 1 and IFRS Practice Statement 2 (Amendments): Disclosure of Accounting Policies (Effective for annual reporting periods beginning on or after 1.1.2023). The amendments replace the requirement for the disclosure of "significant" accounting policies with the requirement for the disclosure of "material" accounting policies. Further amendments explain how an entity can identify a material accounting policy. Examples of when an accounting policy is likely to be material are added. To support the amendment, the Board has also developed guidance and examples to explain and demonstrate the application of the 'Four-Step Materiality Process'.

IAS 8 (amendment): Definition of Accounting Estimates (Effective for annual reporting periods beginning on or after 1.1.2023) The amendment replaces the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Accounting estimates are used if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate resulting from new information or new developments is not the correction of an error.

IAS 12 (Amendments): Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Effective for annual reporting periods beginning on or after 1.1.2023) The amendments require entities to recognize deferred tax on specific transactions which on initial recognition give rise to equal and offsetting temporary differences. This typically applies to transactions such as leases for the lessees and decommissioning obligations.

- IFRS 17 (amendments): Initial Application of IFRS 17 and IFRS 9 — Comparative Information (Effective for annual reporting periods beginning on or after 1.1.2023). The amendment is a transition option relating to comparative information about financial assets presented on initial application of IFRS 17. The amendment is aimed at helping entities to avoid temporary accounting mismatches between financial assets and insurance contract liabilities, and therefore improve the usefulness of comparative information for users of financial statements.

Annual Improvements to IFRS Standards 2018–2020 Cycle(Effective for annual reporting periods beginning on or after 1.1.2022) The amendments applicable to the Group and the Bank are the following:

IFRS 9 Financial Instruments: Fees in the '10 per cent' test for derecognition of financial liabilities. The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognize a financial liability. Only fees paid or received between the entity (the borrower) and the lender are included, including fees paid or received by either the entity or the lender on the other's behalf.

IFRS 16: Lease Incentives The amendment to Illustrative Example 13 accompanying IFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor, in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.

The amendments to existing standards effective after 2021 have been approved by the EU, except for the amendments: IAS 1 "Presentation of Financial Statements", IAS 1 and IFRS Practice Statement 2, IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", IAS 12 "Income Taxes" and IFRS 17 "Insurance contracts" which have not been endorsed by the EU yet.

Issue of a decision of the International Financial Reporting Interpretations Committee (IFRIC)

IAS 19 "Employee benefits" - Allocation of benefits to periods of service: In May 2021, the decision of IFRIC regarding the IAS 19 "Employee benefits" and in particular on how the accounting principles and the requirements of the International Accounting Standards are applied to the allocation of benefits to periods of service. Because of this decision, the Bank and the Group have restated the comparative amounts as of December 31, 2020 compared to the published Financial Statements dated December 31, 2020; see Note 2.1.1 "Restated amounts".

2.2. Principles of Consolidation and Equity Method

(i) Subsidiaries

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

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

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

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

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

The excess amount between the sum of

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

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

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

(ii) Associates

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

(iii) Equity method

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

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

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

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

(iv) Changes in the interests

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

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

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

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

2.3. Foreign currency conversion

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

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

2.4. Financial assets and liabilities

Methods of measurement

The financial assets measured at amortized cost are:

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

The financial liabilities measured at amortized cost are:

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

Amortized cost and effective interest rate

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

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

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

Initial recognition

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

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

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

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

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

2.4.1 Financial assets

(i) Classification and subsequent measurement

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.

<u>Investments in equity instruments</u>

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) Write offs and write downs

The Group proceeds with write offs/write downs of 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. Full and partial write offs/write downs 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 2.25);
- Financial guarantee contracts (see Note 2.11).

(ii) Derecognition

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

2.5. Repurchase agreements

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

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

2.6. Owner-occupied property and equipment

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

Plots are not amortized.

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

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

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

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

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

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

2.7. Intangible assets

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", and its credit risk is constantly monitored by the Group;

- A financial asset that was purchased impaired or was already credit-impaired on its initial recognition is classified in the "POCI – purchased or originated credit-impaired stage" and the expected credit losses 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

The assessment of the significant increase in credit risk is important to identify the point where the expected credit losses measurement will pass 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 a financial asset are the following:

- Significant increase in the probability of default (PD) of a financial instrument;
- Forbearance /restructuring (applicable only in case of Loans and advances to customers);
- Other reasons, e.g. debtor goes bankrupt, important adverse developments in the sector of activity of the debtor, etc. (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 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 (e.g. A3 and above) or whose probability of default remains low (e.g. <5%) will be retained in Stage 1, even if any of the SICR criteria apply.

B) Definition of default and credit-impaired financial assets

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 considered to be 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 perform 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 Non-Performing with forbearance measures.

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 as these are defined in the EU Regulation 2018/171.

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

Absolute Criterion	Relevant Criterion
The absolute amount in default should exceed €100	The total balance in default in balance sheet of the **Account** should exceed 1% of the total balance in balance sheet.

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.

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

Absolute Criterion	Relevant Criterion
The absolute amount in default should exceed €500	The total balance in default in balance sheet of the Account should exceed 1% of the total balance in balance sheet.

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.

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.

Credit Rating of securities

The Group, for assessing the credit quality of securities, relies on the credit rating scale of External Credit Assessment Institutions ("ECAI"), namely Fitch, Moody's, S&P and ICAP. Table 1 shows the investment grade rating of the securities according to the External Credit Assessment Institutions.

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.

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.

For exposures classified in Stage 1, the assessment of the expected loss is made for the next 12 months. For exposures classified in Stage 2, the assessment of the expected loss is based on the lifetime of the exposure, while for Stage 3 exposures, the expected loss is calculated on the 100% of the residual risk.

D) Forward looking information

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

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

The bank does not apply any exposure clustering.

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. Employee benefits

(i) Short-term employee benefits

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

(ii) Post-employment liabilities

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

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

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

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

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

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

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

(iii) Employment termination benefits

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

2.13. Provisions

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

2.14. Offsetting financial instruments

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

2.15. Leases

The Group as Lessee

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

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

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

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

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

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

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

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

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

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

2.16. Interest income and expense

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

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

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

2.17. Fee and commission income

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

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

2.18. Net trading income

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

2.19. Dividend income

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

2.20. Income tax and deferred tax

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

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

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

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

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

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

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

2.21. Share capital

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

2.22. Distribution of dividend

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

2.23. 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) an entity that controls the Bank and the entities that are controlled, jointly controlled or significantly influenced by that entity, as well as the key management personnel of that entity and their close relatives;

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

(c) the Bank's associates and joint ventures; and

(d) the related companies.

2.24. 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.

2.25. 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.

2.26. Rounding

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

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

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

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

The Group and the Bank, on every financial statements reporting date 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 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.

The most important assumptions and estimates about the expected credit losses refer to how the Management assesses the significant increase of the credit risk, the use of future information in measuring the expected credit losses and the definition of the macroeconomic scenarios and their relevant weighting.
Within the context of assessing the increased credit risk, the Group took into consideration the effect of the IFRS 16 models procyclical assumptions and the fact that all loan portfolios are not impacted to the same extent and in the same way by the pandemic. At the same time, the Group continued to rate its borrowers based on the evidence of financial difficulties and the possibility of a default, in accordance with its policy in force.
The SICR potential (significant) increase is monitored through the evolution of the SICR value (Loans moving from stage 1 to stage 2 as a percentage of the total exposure) included in the Bank's Risk Appetite Framework (RAF). On 31.12.2021, the SICR (consol) amounted to 0.03%, with a trigger level 1 (<=4%), trigger level 2 (>4%) and trigger level 3 (>6%). This means that in 2021 the SICR was extremely low and does not record any material change compared to 2020.
The Group and the Bank ensure that future information used to assess the expected credit losses complies with the relevant information used for the budget, business planning and regulatory tests purposes.

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

B. Recoverability of deferred tax assets

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

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

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

C. Financial assets fair value

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

The valuation methodology used includes discounted cash flow methods mainly based on observable elements, wherever available. The fair value of the investments in closed-end mutual funds (CMF) depends on major assumptions including future income, operating expenses and discount rates. The closed-end mutual funds (CMF) invest in renewable energy sources (wind farms and solar parks). Loans and closed-end mutual funds (CMF) whose fair value is estimated using significant non-observable information are classified at Level 3. The methodology for the valuation of their 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.

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

D. Subsidiaries impairment

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

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

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

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

The Management continuously monitors the impacts of the pandemic in all economic sectors, taking into consideration the expected positive effect of the actions taken by the Government, in order to update its key estimates and assumptions.

4. Financial Risk Management

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

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 of the Bank of Greece ref. ΠΔ/ΤΕ 2577/06 and the each time levels. The Unit, in terms of organization, is accountable to the Risk Management Committee. The CRO 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.

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	Average Debtor PD	Risk Classification
1	0.05%	Low Credit Risk
2	0.15%	Low Credit Risk
3	0.40%	Low Credit Risk
4	0.80%	Low Credit Risk
5	1.65%	Average Credit Risk
6	3.35%	Average Credit Risk
7	5.00%	Average Credit Risk
8	10.00%	High Credit Risk
9	25.00%	High Credit Risk
10	50.00%	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 credit upgradings

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

Group

Amounts in Eur '000	Maximum exposure	
	2021	**2020***
Exposure to credit risk from items on the SOFP:		
Cash and balances to central banks	78,492	152,591
Loans and advances to credit institutions	65,934	36,775
Financial assets at fair value through profit or loss	54,194	41,103
Derivative financial instruments	434	88
Loans and advances to customers (net of provisions)		
Retail	36,568	21,811
Wholesale:		
Large Corporate	505,226	131,397
Small and medium business	476,941	226,174
Loans and advances to customers measured at fair value through profit and loss:	0	6,669
Investment portfolio securities:		
Financial assets at fair value through other income statement	192,087	223,348
Requirements from debt securities at amortized cost	92,998	30,698
Other assets	91,403	88,845
Total balance sheet items	**1,594,276**	**959,500**
Exposure to credit risk from off balance sheet items:		
Letters of guarantee	381,392	198,532
Total	**1,975,669**	**1,158,032**

Bank

Amounts in Eur '000	Maximum exposure	
	2021	**2020***
Exposure to credit risk from items on the SOFP:		
Cash and balances to central banks	78,492	152,591
Loans and advances to credit institutions	64,796	35,465
Financial assets at fair value through profit or loss	51,899	19,441
Derivative financial instruments	434	88
Loans and advances to customers (net of provisions)		
Retail	36,568	21,811
Wholesale:		
Large Corporate	505,226	131,397
Small and medium business	465,451	222,970
Loans and advances to customers measured at fair value through profit and loss:	0	6,669
Investment portfolio securities:		
Financial assets at fair value through other income statement	192,087	223,348
Requirements from debt securities at amortized cost	92,998	30,698
Other assets	91,002	88,036
Total balance sheet items	**1,578,952**	**932,514**
Exposure to credit risk from off balance sheet items:		
Letters of guarantee	354,047	170,964
Total	**1,932,999**	**1,103,479**

Loans and advances

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

Group

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

Amounts in Eur '000 **31.12.2021**	**Stage 1** Loans and advances to customers without significant increase in credit risk after initial recognition		**Stage 2** Loans and advances to customers with significant increase in credit risk after initial recognition		**Stage 3** Credit-impaired loans and advances to customers		**Total** Loans and advances to customers		Loans and advances to customers net value
	Loans and advances to customers	Impairments	Loans and advances to customers	Impairments	Loans and advances to customers	Impairments	Loans and advances to customers	Impairments	
Individuals									
Consumer, Personal & Other loans	4,488	268	10	2	80	80	4,578	349	4,229
Mortgages Loans	21,451	113	0	0	0	0	21,451	113	21,338
Margin/Brokerage Retail	10,935	30	0	0	229	222	11,164	252	10,912
Corporate									
Corporate Business	499,726	5,405	8,328	197	12,701	880	520,755	6,482	514,273
SMEs	468,344	5,127	227	1	5,400	1,403	473,970	6,531	467,439
Margin Corporate/SMEs	9,480	6	0	0	0	0	9,480	6	9,474
Total	**1,014,424**	**10,950**	**8,565**	**199**	**18,409**	**2,585**	**1,041,398**	**13,734**	**1,027,665**
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**

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

Amounts in Eur '000 **31.12.2020**	**Stage 1** Loans and advances to customers without significant increase in credit risk after initial recognition		**Stage 2** Loans and advances to customers with significant increase in credit risk after initial recognition		**Stage 3** Credit-impaired loans and advances to customers		**Total** Loans and advances to customers		Loans and advances to customers net value
	Loans and advances to customers	Impairments	Loans and advances to customers	Impairments	Loans and advances to customers	Impairments	Loans and advances to customers	Impairments	
Individuals									
Consumer, Personal & Other loans	6,228	202	16	1	67	67	6,311	270	6,041
Mortgages Loans	5,511	11	0	0	0	0	5,511	11	5,500
Margin/Brokerage Retail	10,270	0	0	0	296	296	10,566	296	10,270
Corporate									
Corporate Business	135,980	4,582	0	0	0	0	135,980	4,582	131,397
SMEs	219,508	3,661	509	1	1,256	1,256	221,273	4,917	216,356
Margin Corporate/SMEs	9,915	0	0	0	0	0	9,915	0	9,915
Total	**387,413**	**8,456**	**525**	**2**	**1,619**	**1,619**	**389,556**	**10,077**	**379,480**
Commitments relevant to credit risk									
Letters of Guarantee	56,164	165	900	45	0	0	57,064	210	56,854
Loan commitments	158,543	0	13	0	0	0	158,556	0	158,556
Total	**214,707**	**165**	**913**	**45**	**0**	**0**	**215,620**	**210**	**215,410**

The balances do not include the amount of EUR 6,669 thousand dated 31.12.2020 of the BUSINESS ENERGY loan.

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	Not past due	Past due	Individual assessment	Collective assessment		Individual assessment	Collective assessment		
Individuals									
Consumer, Personal & Other loans	4,498	80	0	80	4,578	0	349	4,229	4,923
Mortgages Loans	21,451	0	0	0	21,451	0	113	21,338	24,996
Margin/Brokerage	10,935	229	0	229	11,164	0	252	10,912	36,588
Επιχειρηματικά									
Corporate Business	508,054	12,701	0	12,701	520,755	0	6,482	514,273	463,468
SMEs	471,293	2,677	0	2,677	473,970	0	6,531	467,440	507,954
Margin Corporate/SMEs	9,480	0	0	0	9,480	0	6	9,474	31,138
Total	**1,025,712**	**15,687**	**0**	**15,687**	**1,041,398**	**0**	**13,733**	**1,027,666**	**1,069,068**
Commitments relevant to credit risk									
Letters of Guarantee	144,029	0	0	0	144,029	0	238	143,791	52,695
Loan commitments	236,455	1,131	0	1,131	237,586	0	0	237,586	0
Total	**380,484**	**1,131**	**0**	**1,131**	**381,615**	**0**	**238**	**381,377**	**52,695**

Loans and advances to customers on 31.12.2020 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
31.12.2020	Not past due	Past due	Individual assessment	Collective assessment		Individual assessment	Collective assessment		
Individuals									
Consumer, Personal & Other loans	5,914	397	5,145	1,166	6,311	118	152	6,041	4,178
Mortgages Loans	4,658	853	5,511	0	5,511	11	0	5,500	13,992
Margin/Brokerage	10,270	296	296	10,270	10,566	296	0	10,270	31,130
Corporate									
Corporate Business	121,856	14,124	135,980	0	135,980	4,582	0	131,397	80,232
SMEs	199,352	21,921	221,273	0	221,273	4,917	0	216,356	273,459
Margin Corporate/SMEs	9,915	0	0	9,915	9,915	0	0	9,915	28,012
Total	**351,967**	**37,590**	**368,204**	**21,352**	**389,556**	**9,925**	**152**	**379,480**	**431,003**
Commitments relevant to credit risk									
Letters of Guarantee	56,164	900	57,064	0	57,064	210	0	56,854	17,030
Loan commitments	158,556	0	158,556	0	158,556	0	0	158,556	0
Total	**214,720**	**900**	**215,620**	**0**	**215,620**	**210**	**0**	**215,410**	**17,030**

Amounts in '000 Euro	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	21,451	0	0	0	0	0	0	0	0	0	0	0	0	0	0	24,996
Consumer loans	3,775	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	188,724	0	0	288,268	0	0	22,734	8,328	0	0	0	12,701	0	0	0	463,468
Small Business	90,419	0	0	340,438	0	0	37,487	227	2,949	0	0	2,450	0	0	0	507,954
Margin Corporate/SMEs													9,480	0	0	31,138
Total	**304,410**	**0**	**0**	**629,379**	**10**	**0**	**60,220**	**8,555**	**2,949**	**0**	**0**	**15,230**	**20,415**	**0**	**229**	**1,069,068**

Amounts in '000 Euro	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	5,517	0	0	0	0	0	0	0	0	0	0	0	0	0	0	13,992
Consumer loans	1,003	0	0	1,582	0	0	0	0	0	0	0	45	0	0	0	4,178
Credit cards	0	0	0	329	16	0	0	0	0	0	0	20	0	0	0	0
Margin/ Brokerage Retail	0	0	0	0	0	0	0	0	0	0	0	0	10,270	0	296	31,130
Corporate																
Corporate Business	22,503	0	0	84,934	0	0	40,481	0	0	0	0	0	0	0	0	80,232
Small Business	50,319	0	0	114,098	46	0	46,462	463	0	0	0	1,257	0	0	0	273,459
Margin Corporate/SMEs													9,915	0	0	28,012
Total	**79,342**	**0**	**0**	**200,943**	**62**	**0**	**86,943**	**463**	**0**	**0**	**0**	**1,323**	**20,186**	**0**	**296**	**431,003**

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

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	3,946	10	0	21,377	0	0	10,935	0	0
From 1 to 30 days	543	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	**4,488**	**10**	**80**	**21,451**	**0**	**0**	**10,935**	**0**	**229**
Impairments	268	2	80	113	0	0	30	0	222
Net value	4,220	8	0	21,338	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 31.12.2020 and impairment provisions per IFRS 9 Stage

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	5,914	0	0	4,658	0	0	10,270	0	0
From 1 to 30 days	314	0	0	853	0	0	0	0	0
From 31 to 60 days	0	15	2	0	0	0	0	0	0
From 61 to 90 days	0	0	0	0	0	0	0	0	0
From 91 to 180 days	0	0	2	0	0	0	0	0	0
From 181 to 365 days	0	0	19	0	0	0	0	0	0
More than 365 days	0	0	44	0	0	0	0	0	296
Denounced	0	0	0	0	0	0	0	0	0
Total	**6,228**	**16**	**67**	**5,511**	0	**0**	**10,270**	0	**296**
Impairments	202	1	67	11	0	0	0	0	296
Net value	6,026	14	0	5,500	0	0	10,270	0	0
Collaterals	4,178	0	0	13,992	0	0	31,130	0	0

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

Amounts in Eur '000	Corporate loans			Margin Corporate/SMEs		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Performing	890,037	0	2,075	9,480	0	0
From 1 to 30 days	78,032	8,328	874	0	0	0
From 31 to 60 days	0	227	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	6,622	0	0	0
Total	**968,069**	**8,555**	**18,101**	**9,480**	0	**0**
Impairments	10,531	198	2,283	6	0	0
Net value	957,539	8,358	15,817	9,474	0	0
Collaterals	971,422	12,027	33,823	31,138	0	0

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

Amounts in '000 Euro	Corporate loans			Margin Corporate/SMEs		
	Στάδιο 1	Στάδιο 2	Στάδιο 3	Στάδιο 1	Στάδιο 2	Στάδιο 3
Performing	319,954	0	0	9,915	0	0
From 1 to 30 days	35,536	463	0	0	0	0
From 31 to 60 days	0	46	0	0	0	0
From 61 to 90 days	0	0	0	0	0	0
From 91 to 180 days	0	0	0	0	0	0
From 181 to 365 days	0	0	0	0	0	0
More than 365 days	0	0	0	0	0	0
Denounced	0	0	1,256	0	0	0
Total	**355,490**	**509**	**1,256**	**9,915**	0	0
Impairments	8,234	1	1,256	0	0	0
Net value	347,256	508	0	9,915	0	0
Collaterals	346,040	7,651	0	28,012	0	0

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**
31.12.2020					
Individuals	10,226	1,936	724	36,414	**49,300**
Corporate	201,361	29,966	28,834	138,572	**398,732**
Total	**211,587**	**31,901**	**29,558**	**174,986**	**448,033**

Bank

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

Amounts in Eur '000 **31/12/2021**	**Stage 1** Loans and advances to customers without significant increase in credit risk after initial recognition		**Stage 2** Loans and advances to customers with significant increase in credit risk after initial recognition		**Stage 3** Credit-impaired loans and advances to customers		**Total** Loans and advances to customers		Loans and advances to customers net value
	Loans and advances to customers	Impairments	Loans and advances to customers	Impairments	Loans and advances to customers	Impairments	Loans and advances to customers	Impairments	
Individuals									
Consumer, Personal & Other loans	4,488	268	10	2	80	80	4,578	349	4,229
Mortgages Loans	21,451	113	0	0	0	0	21,451	113	21,338
Margin/Brokerage	10,935	30	0	0	229	222	11,164	252	10,912
Corporate									
Corporate Business	499,726	5,405	8,328	197	12,701	880	520,755	6,482	514,273
Small Business	456,656	4,930	227	1	5,400	1,403	462,283	6,334	455,949
Margin Corporate/SMEs	9,480	6	0	0	0	0	9,480	6	9,474
Total	**1,002,736**	**10,752**	**8,565**	**199**	**18,409**	**2,585**	**1,029,711**	**13,536**	**1,016,175**
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**

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

Amounts in Eur '000 31/12/2020	**Stage 1** Loans and advances to customers without significant increase in credit risk after initial recognition		**Stage 2** Loans and advances to customers with significant increase in credit risk after initial recognition		**Stage 3** Credit-impaired loans and advances to customers		**Total** Loans and advances to customers		Loans and advances to customers net value
	Loans and advances to customers	Impairments	Loans and advances to customers	Impairments	Loans and advances to customers	Impairments	Loans and advances to customers	Impairments	
Individuals									
Consumer, Personal & Other loans	6,228	202	16	1	67	67	6,311	270	6,041
Mortgages Loans	5,511	11	0	0	0	0	5,511	11	5,500
Margin/Brokerage	10,270	0	0	0	296	296	10,566	296	10,270
Corporate									
Corporate Business	135,980	4,582	0	0	0	0	135,980	4,582	131,397
Small Business	216,408	3,862	509	1	1,256	1,256	218,172	5,118	213,054
Margin Corporate/SMEs	9,915	0	0	0	0	0	9,915	0	9,915
Total	**384,312**	**8,657**	**525**	**2**	**1,619**	**1,619**	**386,456**	**10,278**	**376,178**
Commitments relevant to credit risk									
Letters of Guarantee	56,164	165	900	45	0	0	57,064	210	56,854
Loan commitments	130,975	0	13	0	0	0	130,988	0	130,988
Total	**187,139**	**165**	**913**	**45**	**0**	**0**	**188,052**	**210**	**187,842**

Note that the balances include an amount of EUR 9,047 thousand pertaining to a loan granted to Credit Agricole (Note 15), while no sight deposits debit balances of EUR 107 thousand are included.

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				Total value before impairment	Accumulated impairment provisions		Total net value after impairment	Value of collaterals
	Not past due	Past due	Individual assessment	Collective assessment		Individual assessment	Collective assessment		
Individuals									
Consumer, Personal & Other loans	4,498	80	0	80	4,578	0	349	4,229	4,923
Mortgages Loans	21,451	0	0	0	21,451	0	113	21,338	24,996
Margin/Brokerage	10,935	229	0	229	11,164	0	252	10,912	36,588
Corporate									
Corporate Business	508,054	12,701	0	12,701	520,755	0	6,482	514,273	463,468
Small Business	459,605	2,677	0	2,677	462,283	0	6,334	455,949	458,027
Margin Corporate/SMEs	9,480	0	0	0	9,480	0	6	9,474	31,138
Total	**1,014,024**	**15,687**	**0**	**15,687**	**1,029,711**	**0**	**13,536**	**1,016,175**	**1,019,141**
Commitments relevant to credit risk									
Letters of Guarantee	144,029	0	0	0	144,029	0	238	143,791	52,695
Loan commitments	208,887	1,131	0	1,131	210,018	0	0	210,018	0
Total	**352,916**	**1,131**	**0**	**1,131**	**354,047**	**0**	**238**	**353,809**	**52,695**

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

Amounts in Eur '000 31/12/2020	Loans and advances to customers				Total value before impairment	Accumulated impairment provisions		Total net value after impairment	Value of collaterals
	Not past due	Past due	Individual assessment	Collective assessment		Individual assessment	Collective assessment		
Individuals									
Consumer, Personal & Other loans	5,914	397	5,145	1,166	6,311	118	152	6,041	4,178
Mortgages Loans	4,658	853	5,511	0	5,511	11	0	5,500	13,992
Margin/Brokerage	10,270	296	296	10,270	10,566	296	0	10,270	31,130
Corporate									
Corporate Business	121,856	14,124	135,980	0	135,980	4,582	0	131,397	80,232
Small Business	196,251	21,921	218,172	0	218,172	5,118	0	213,054	226,099
Margin Corporate/SMEs	9,915	0	0	9,915	9,915	0	0	9,915	28,012
Total	**348,866**	**37,590**	**365,103**	**21,352**	**386,456**	**10,126**	**152**	**376,178**	**383,642**
Commitments relevant to credit risk									
Letters of Guarantee	56,164	900	57,064	0	57,064	210	0	56,854	17,030
Loan commitments	130,988	0	130,988	0	130,988	0	0	130,988	0
Total	**187,152**	**900**	**188,052**	**0**	**170,964**	**210**	**0**	**187,842**	**17,030**

The balances do not include the amount of EUR 6,669 thousand dated 31.12.2020 of the BUSINESS ENERGY loan.

Credit quality of Loans and advances to customers and value of collaterals

Amounts in Euro 31/12/2021	Strong credit quality			Satisfactory credit quality			Watch list			Default			Not rated			Value of collaterals
	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	21,451	0	0	0	0	0	0	0	0	0	0	0	0	0	0	24,996
Consumer loans	3,775	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	188,724	0	0	288,268	0	0	22,734	8,328	0	0	0	12,701	0	0	0	463,468
SMEs	90,419	0	0	328,750	0	0	37,487	227	2,949	0	0	2,450	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	**304,410**	**0**	**0**	**617,691**	**10**	**0**	**60,220**	**8,555**	**2,949**	**0**	**0**	**15,230**	**20,415**	**0**	**229**	**1,019,141**

Credit quality of Loans and advances to customers and value of collaterals

Amounts in ,000 Euro 31/12/2020	Strong credit quality			Satisfactory credit quality			Watch list			Default			Not rated			Value of collaterals
	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	5,517	0	0	0	0	0	0	0	0	0	0	0	0	0	0	13,992
Consumer loans	1,003	0	0	1,582	0	0	0	0	0	0	0	45	0	0	0	4,178
Credit cards	0	0	0	329	16	0	0	0	0	0	0	20	0	0	0	0
Margin	0	0	0	0	0	0	0	0	0	0	0	0	10,270	0	296	31,130
Corporate																
Corporate Business	22,503	0	0	84,934	0	0	40,481	0	0	0	0	0	0	0	0	80,232
SMEs	50,319	0	0	110,996	46	0	46,462	463	0	0	0	1,257	0	0	0	226,099
Margin Corporate/SMEs	0	0	0	0	0	0	0	0	0	0	0	0	9,915	0	0	28,012
Total	**79,342**	**0**	**0**	**197,841**	**62**	**0**	**86,943**	**463**	**0**	**0**	**0**	**1,323**	**20,186**	**0**	**296**	**383,642**

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

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	3,946	10	0	21,377	0	0	10,935	0	0
From 1 to 30 days	543	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	**4,488**	**10**	**80**	**21,451**	**0**	**0**	**10,935**	**0**	**229**
Impairments	268	2	80	113	0	0	30	0	222
Net value	4,220	8	0	21,338	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 31.12.2020 and impairment provisions per IFRS 9 Stage

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	5,914	0	0	4,658	0	0	10,270	0	0
From 1 to 30 days	314	0	0	853	0	0	0	0	0
From 31 to 60 days	0	15	2	0	0	0	0	0	0
From 61 to 90 days	0	0	0	0	0	0	0	0	0
From 91 to 180 days	0	0	2	0	0	0	0	0	0
From 181 to 365 days	0	0	19	0	0	0	0	0	0
More than 365 days	0	0	44	0	0	0	0	0	296
Denounced	0	0	0	0	0	0	0	0	0
Total	**6,228**	**16**	**67**	**5,511**	0	**0**	**10,270**	0	**296**
Impairments	202	1	67	11	0	0	0	0	296
Net value	6,026	14	0	5,500	0	0	10,270	0	0
Collaterals	4,178	0	0	13,992	0	0	31,130	0	0

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

Amounts in Eur '000	Corporate loans			Margin Corporate/SMEs		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Performing	878,350	0	2,075	9,480	0	0
From 1 to 30 days	78,032	8,328	874	0	0	0
From 31 to 60 days	0	227	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	6,622	0	0	0
Total	**956,382**	**8,555**	**18,101**	**9,480**	0	0
Impairments	10,334	198	2,283	6	0	0
Net value	946,047	8,358	15,817	9,474	0	0
Collaterals	875,646	12,027	33,823	31,138	0	0

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

Amounts in Eur '000	Corporate loans			Margin Corporate/SMEs		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Performing	316,851	0	0	9,915	0	0
From 1 to 30 days	35,536	463	0	0	0	0
From 31 to 60 days	0	46	0	0	0	0
From 61 to 90 days	0	0	0	0	0	0
From 91 to 180 days	0	0	0	0	0	0
From 181 to 365 days	0	0	0	0	0	0
More than 365 days	0	0	0	0	0	0
Denounced	0	0	1,256	0	0	0
Total	**352,387**	**509**	**1,256**	**9,915**	0	0
Impairments	8,444	1	1,256	0	0	0
Net value	343,943	508	0	9,915	0	0
Collaterals	298,680	7,651	0	28,012	0	0

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	177,210	48,520	421,864	**1,005,329**
Total	**380,941**	**177,210**	**48,520**	**465,165**	**1,071,836**
31/12/2020					
Individuals	10,226	1,936	724	36,414	**49,300**
Corporate	201,361	18,819	28,834	102,359	**351,373**
Total	**211,587**	**20,754**	**29,558**	**138,773**	**400,673**

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 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- έως AAA	4,803	10,452	14,267	**29,522**	9
B- έως BBB+	180,578	23,242	79,111	**282,931**	586
C- έως CCC+	6,956			**6,956**	355
Not rated		15,380		**15,380**	
Total	**192,337**	**49,074**	**93,378**	**334,790**	**950**

Note that 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 measured at amortized cost.

31st December 2020

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- έως AAA	2,870	4,852		**7,722**	2
B- έως BBB+	219,311	7,182	30,888	**257,381**	437
C- έως CCC+	1,142	1,395		**2,537**	45
		2,083.17		**2,083**	
Total	**223,324**	**15,512**	**30,888**	**269,724**	**483**

All securities in the portfolio measured through comprehensive income are classified at stage 1.

Note that out of the total provision for expected credit loss of EUR 483 thousand, EUR 294 thousand relate to the portfolio of bonds designated at fair value through other comprehensive income and EUR 190 thousand relate to the portfolio of bonds designated at amortized cost.

Covid-19 moratoria

The Bank participated in the Covid-19 support measures for eligible borrowers, by deferring the payment of interests and/or principal and at the same time extending the maturity of loans as well as renewing the credit lines that matured in 2021. As of 31.12.2021 there were no financial exposures subject to Covid 19 moratoria. In cooperation with the Hellenic Development Bank, the Bank granted loans to small and medium-sized businesses as well as to large corporations under its coverage, in order to meet the increased need of the business for liquidity. The total value of the loans amounted to EUR 60.6 million on 31.12.2021.

Financial institutions counterparties 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 may run due to variations to the market value in different positions of the said portfolio because of changes in market parameters such as interest rates, foreign exchange rates, equity and commodity prices.

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

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

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

Measurements are conducted using various methodologies and measurement techniques such as the Value At Risk - VaR measurement. The VaR methodology defines the maximum possible portfolio loss with a confidence level of 99% and a one day of hold period, using the variance - covariance method and taking into account 250 daily observations and assuming a normal distribution of risk factor returns. The measurements cover all trading and available for sale portfolios of the Group's companies.

The market risk of the Group and the Bank, in terms of VaR, for the aforementioned positions as of December 31, 2021, amounted to EUR 314.49 thousand, as broken down in the following table.

The above graph illustrates the VaR timeline for the year 2021. The maximum value (EUR 2,855,855) occurred on 8.2.2021 and the minimum on 15.10.2021 (EUR 253,408).
As shown in the chart, the peak of VaR occurs during the 1st quarter due to the high volatility of the yield curves which are the risk factors of the bond portfolios that generate most of the risk.

They are shown in the table below classified per category for the Group and Bank.

Group

Amounts in Eur '000	**31st December 2021**	**31st December 2020**
Foreign exchange risk	11.31	13.38
Bond portfolio interest rate risk	304.00	1,489.98
Stock market portfolio market risk	13.15	19.07
Commodities	3.33	121.35
Decrease due to correlation	-27.63	-103.63
Price Risk from Subsidiaries (MFMC)	10.33	0.09
Net market risk	**314.49**	**1,540.24**

Bank

Amounts in Euro '000	**31st December 2021**	**31st December 2020**
Foreign exchange risk	11.31	13.38
Bond portfolio interest rate risk	304.00	1,489.98
Stock market portfolio market risk	13.15	19.07
Commodities	3.33	121.35
Decrease due to correlation	-27.63	-103.63
Net Market Risk	**304.16**	**1,540.15**

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
At 31st December 2021								
Assets								
Cash and balances with Central Banks	71,983	0	0	0	0	0	6,509	**78,492**
Advances to credit institutions	56,909	9,024	0	0	0	0	0	**65,933**
Financial assets at fair value through profit or loss	54,194	0	0	0	0	0	0	**54,194**
Loans and advances to customers (net of provisions)	18,598	762,679	227,027	26	2,299	8,107	0	**1,018,735**
Financial assets at fair value through other income statement	66,157	10,008	65,548	0	17,993	32,061	320	**192,087**
Requirements from debt securities at amortized cost	0	0	1,329	912	26,630	64,127	0	**92,998**
Derivatives financial instruments	0	0	0	0	0	0	434	**434**
Other assets	0	12,885	0	0	0	0	122,381	**135,266**
Total assets	**267,841**	**794,596**	**293,904**	**938**	**46,922**	**104,295**	**129,645**	**1,638,140**
Liabilities								
Due to Central Bank	0	84,143	0	0	0	0	0	**84,143**
Due to credit institutions	4,725	0	0	0	0	0	0	**4,725**
Due to customers	966,360	162,571	217,093	636	0	0	0	**1,346,660**
Other liabilities	0	0	0	0	0	0	37,780	**37,780**
Derivatives financial instruments	35	0	0	0	0	0	7,397	**7,432**
Provisions	0	0	0	0	0	0	1,096	**1,096**
Equity	0	0	0	0	0	0	156,304	**156,304**
Total liabilities	**971,120**	**246,714**	**217,093**	**636**	**0**	**0**	**202,577**	**1,638,140**
Total interest rate gap	**(703,279)**	**547,882**	**76,811**	**302**	**46,922**	**104,295**	**(72,932)**	**0**
At 31st December 2020								
Total assets	245,732	172,666	122,800	26,339	112,243	172,992	147,320	**1,000,091**
Total liabilities	287,380	215,349	224,857	0	0	0	272,506	**1,000,091**
Net position	**(41,648)**	**(42,683)**	**(102,057)**	**26,339**	**112,243**	**172,992**	**(125,186)**	**(0)**

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
At 31st December 2021								
Assets								
Cash and balances with Central Banks	71,983	0	0	0	0	0	6,509	**78,492**
Advances to credit institutions	55,772	9,024	0	0	0	0	0	**64,796**
Financial assets at fair value through profit or loss	51,899	0	0	0	0	0	0	**51,899**
Loans and advances to customers (net of provisions)	12,650	747,385	236,778	26	2,299	8,107	0	**1,007,245**
Financial assets at fair value through other income statement	66,157	10,008	65,548	0	17,993	32,061	320	**192,087**
Requirements from debt securities at amortized cost	0	0	1,329	912	26,630	64,127	0	**92,998**
Derivatives	0	0	0	0	0	0	434	**434**
Other assets	0	12,885	0	0	0	0	132,330	**145,215**
Total assets	**258,461**	**779,302**	**303,655**	**938**	**46,922**	**104,295**	**139,593**	**1,633,165**
Liabilities								
Due to Central Bank	0	84,143	0	0	0	0	0	**84,143**
Due to credit institutions	3,928	0	0	0	0	0	0	**3,928**
Due to customers	973,635	162,571	217,093	636	0	0	0	**1,353,935**
Other liabilities	0	0	0	0	0	0	35,750	**35,750**
Derivatives	35	0	0	0	0	0	7,397	**7,432**
Provisions	0	0	0	0	0	0	1,036	**1,036**
Equity	0	0	0	0	0	0	146,941	**146,941**
Total liabilities	**977,598**	**246,714**	**217,093**	**636**	**0**	**0**	**191,124**	**1,633,165**
Total interest rate gap	**(719,137)**	**532,588**	**86,562**	**302**	**46,922**	**104,295**	**(51,531)**	**0**

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
At 31st December 2020								
Assets								
Cash and balances with Central Banks	146,795	0	0	0	0	0	5,796	**152,591**
Advances to credit institutions	28,012	4,075	0	0	0	0	3,379	**35,465**
Financial assets at fair value through profit or loss	19,441	0	0	0	0	0	0	**19,441**
Loans and advances to customers (net of provisions)	7,071	62,081	99,591	22,095	85,894	106,113	0	**382,846**
Financial assets at fair value through other income statement	54,099	93,037	20,004	1,446	10,796	43,569	397	**223,348**
Requirements from debt securities at amortized cost	0	0	0	2,798	6,641	21,259	0	**30,698**
Derivatives financial instruments	0	0	0	0	0	0	88	**88**
Other assets	9,755	12,197	0	0	0	0	118,552	**140,504**
Total assets	**265,172**	**171,390**	**119,595**	**26,339**	**103,331**	**170,941**	**128,212**	**984,982**
Liabilities								
Due to Central Bank	0	12,931	0	0	0	0	0	**12,931**
Due to credit institutions	4,849	8,149	495	0	0	0	0	**13,493**
Due to customers	282,385	197,587	224,362	0	0	0	53,265	**757,599**
Other liabilities	0	0	0	0	0	0	65,813	**65,813**
Derivatives financial instruments	0	0	0	0	0	0	1,068	**1,068**
Provisions	146	0	0	0	0	0	2,482	**2,628**
Equity	0	0	0	0	0	0	131,451	**131,451**
Total liabilities	**287,380**	**218,668**	**224,857**	**0**	**0**	**0**	**254,078**	**984,983**
Total interest rate gap	**(22,207)**	**(47,277)**	**(105,261)**	**26,339**	**103,331**	**170,941**	**(125,866)**	**0**

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

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

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

This change, in the event of an interest rate increase by 200 bps, will reduce the income by EUR 11,932.12 thousand.

(iii) Interest Rate Benchmark Reform

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

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

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

(iv) Foreign currency risk

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

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

Group

Amounts in Eur '000	EUR	USD	GBP	CHF	JPY	Other currencies	Total
As at 31st December 2021							
Foreign exchange risk for assets							
Cash and balances with central banks	77,676	533	143	95	1	44	**78,492**
Loans and advances to credit institutions	49,548	11,353	3,000	379	119	1,535	**65,934**
Financial assets at fair value through profit or 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 (net of provisions)	1,001,319	17,416	0	0	0	0	**1,018,735**
Financial assets at fair value through other income statement	192,087	0	0	0	0	0	**192,087**
Requirements from debt securities at amortized cost	92,998	0	0	0	0	0	**92,998**
Investments in subsidiaries and associates	0	0	0	0	0	0	**0**
Property, plant and equipment and intangible assets	20,744	0	0	0	0	0	**20,744**
Other assets	109,733	2,263	19	2,506	0	0	**114,522**
Total assets	**1,598,733**	**31,566**	**3,163**	**2,980**	**120**	**1,579**	**1,638,140**
Foreign exchange risk of liabilities							
Due to Central Bank	84,143	0	0	0	0	0	**84,143**
Due to credit institutions	4,725	0	0	0	0	0	**4,725**
Due to customers	1,216,555	121,114	4,675	2,760	86	1,471	**1,346,660**
Derivative financial instruments	7,432	0	0	0	0	0	**7,432**
Other liabilities	37,153	162	4	2	0	1	**37,322**
Provisions	1,096	0	0	0	0	0	**1,096**
Retirment benefit obligations	458	0	0	0	0	0	**458**
Total liabilities	**1,351,561**	**121,276**	**4,679**	**2,762**	**86**	**1,472**	**1,481,836**
Net Position	**247,171**	**(89,710)**	**(1,516)**	**218**	**34**	**107**	**156,304**
As at 31st December 2020							
Total assets	984,329	13,052	910	351	104	1,344	**1,000,091**
Total liabilities	814,447	34,958	1,503	202	89	1,375	**852,573**
Net position	**169,882**	**(21,905)**	**(593)**	**150**	**16**	**(31)**	**147,518**

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

Bank

Amounts in Euro '000	EUR	USD	GBP	CHF	JPY	Other currencies	Total
As at 31st December 2021							
Foreign exchange risk for assets							
Cash and balances with central banks	77,675	533	143	95	1	44	**78,492**
Loans and advances to credit institutions	48,411	11,353	3,000	379	119	1,535	**64,796**
Financial assets at fair value through profit or 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 (net of provisions)	989,828	17,416	0	0	0	0	**1,007,245**
Financial assets at fair value through other income statement	192,087	0	0	0	0	0	**192,087**
Requirements from debt securities at amortized cost	92,998	0	0	0	0	0	**92,998**
Investments in subsidiaries and associates	13,593	0	0	0	0	0	**13,593**
Property, plant and equipment and intangible assets	16,681	0	0	0	0	0	**16,681**
Other assets	110,152	2,263	19	2,506	0	0	**114,941**
Total assets	**1,593,758**	**31,566**	**3,163**	**2,980**	**120**	**1,579**	**1,633,165**
Foreign exchange risk of liabilities							
Due to Central Bank	84,143	0	0	0	0	0	**84,143**
Due to credit institutions	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**
Derivative financial instruments	7,432	0	0	0	0	0	**7,432**
Other liabilities	35,168	162	4	2	0	1	**35,337**
Provisions	1,036	0	0	0	0	0	**1,036**
Retirment benefit obligations	413	0	0	0	0	0	**413**
Total liabilities	**1,355,950**	**121,276**	**4,679**	**2,762**	**86**	**1,472**	**1,486,224**
Net Position	**237,809**	**(89,710)**	**(1,516)**	**218**	**34**	**107**	**146,941**
As at 31st December 2020							
Total assets	969,221	13,052	910	351	104	1,344	**984,983**
Total liabilities	815,406	34,958	1,503	202	89	1,375	**853,532**
Net position	**153,815**	**(21,905)**	**(593)**	**150**	**16**	**(31)**	**131,451**

Furthermore, the Bank, in the process of measuring foreign exchange risk, conducts a crisis simulation, thus examining the negative effect on the Bank's annual profit or loss using possible scenarios of the fluctuation of the international exchange rates. The examined scenarios include the following fluctuations: Eur/Usd +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%, with closing balances as of 31.12.2021, amounting to losses of EUR 49.57 thousand.

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

Group

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

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

Bank

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

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

The following table presents the results of the crisis simulation regarding the share price risks conducted on the transaction portfolios and available for sale using balances as of 31.12.2021.

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%	513.21	-
		56%	519.94	-

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 53.97 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 bonds and time deposits.

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

The Group conducts liquidity stress tests.

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

Group

Amounts in Eur '000	Up to 1 month	1-3 months	3-12 months	1-2 years	2-5 years	Over 5 years	Total
As at 31st December 2021							
Liabilities							
Due to credit institutions	4,725	19,961	0	62,794	1,389	0	**88,868**
Due to customers	1,033,315	181,493	131,530	322	0	0	**1,346,660**
Other liabilities	13,739	11,295	2,158	1,449	17,666	0	**46,308**
Total liabilities	**1,051,779**	**212,749**	**133,687**	**64,565**	**19,055**	**0**	**1,481,836**
Total assets	**392,682**	**792,569**	**254,692**	**26**	**95,296**	**102,875**	**1,638,140**
As at 31st December 2020							
Liabilities							
Due to credit institutions	4,396	8,149	13,879	0	0	0	**26,424**
Due to customers	332,332	197,587	224,362	0	0	0	**754,281**
Other liabilities	39,453	11,194	1,613	1,317	18,291	0	**71,868**
Total liabilities	**376,180**	**216,930**	**239,853**	**1,317**	**18,291**	**0**	**852,573**
Total assets	**562,910**	**75,128**	**105,196**	**24,622**	**122,882**	**109,353**	**1,000,091**

Bank

Amounts in Euro '000	Up to 1 month	1-3 months	3-12 months	1-2 years	2-5 years	Over 5 years	Total
As at 31st December 2021							
Liabilities							
Due to credit institutions	3,928	19,961	0	62,794	1,389	0	**88,072**
Due to customers	1,040,590	181,493	131,530	322	0	0	**1,353,935**
Other liabilities	11,649	11,280	2,173	1,449	17,666	0	**44,218**
Total liabilities	**1,056,168**	**212,734**	**133,703**	**64,565**	**19,055**	**0**	**1,486,224**
Total assets	**392,682**	**787,602**	**254,692**	**26**	**95,296**	**102,867**	**1,633,165**
As at 31st December 2020							
Liabilities							
Due to credit institutions	4,396	8,149	13,879	0	0	0	**26,424**
Due to customers	335,651	197,587	224,362	0	0	0	**757,599**
Other liabilities	39,395	8,826	1,613	1,317	18,358	0	**69,509**
Total liabilities	**379,441**	**214,562**	**239,853**	**1,317**	**18,358**	**0**	**853,532**
Total assets	**561,962**	**63,098**	**96,076**	**24,622**	**124,880**	**114,344**	**984,983**

4.4. Capital adequacy

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

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

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

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

The proforma Capital Adequacy ratio of the Group and the Bank as of 31.12.2021 and 31.12.2020 was the following:

Group

Amounts in Eur '000	**31st December 2021**	**31st December 2020**
Share Capital	160,279	160,279
Other Reserves	17,978	19,238
Retained Earnings	(21,954)	(40,223)
Share Capital Coverage Account	0	(10,827)
Goodwill and other intangible assets	(7,825)	(3,327)
Other adjustments	7,874	4,211
Total Tier I	**156,353**	**129,351**
Total supervisory capitals	**156,353**	**129,351**
Weighted assets	**1,123,251**	**600,535**
Capital Adequacy Ratio	**13.92%**	**21.54%**

In 2021, the Capital Adequacy ratio of the Group amounted to 13.92%, recording a decrease compared to 2020, mainly due to the increase of the weighted assets.

Bank

Amounts in Euro '000	**31st December 2021**	**31st December 2020**
Share Capital	160,279	160,279
Other Reserves	17,231	18,490
Retained Earnings	(30,568)	(47,429)
Share Capital Coverage Account	0	(10,827)
Goodwill and other intangible assets	(4,860)	(3,231)
Other adjustments	7,235	4,543
Total Tier I	**149,316**	**121,825**
Total supervisory capitals	**149,316**	**121,825**
Weighted assets	**1,127,140**	**589,927**
Capital Adequacy Ratio	**13.25%**	**20.65%**

In 2021, the proforma Capital Adequacy ratio of the Bank amounted to 13.25%, recording a decrease compared to 2020, mainly due to the increase of the weighted assets.

According to the decision ref. 353/2/10.04.2020 of the Bank of Greece, the Bank has been required to maintain a SREP Total Capital Ratio of 11.50%, which includes a Total Capital Ratio of 8% in accordance with the provisions of Article 92 of the CRR, plus additional capital requirements of 3.50% following the results of the Supervisory Review and Evaluation Process (SREP). In addition to the above capital requirements and in accordance with Article 122 of Law 4261/2014, the Bank is required to maintain a capital buffer of 2.5%. Note that the capital requirement to keep a capital conservation buffer has the ultimate purpose of ensuring that credit institutions maintain an adequate level of capital to deal with crisis situations. In this context, keeping it in the immediate future will be assessed in the light of the prevailing circumstances. It is also important to note that due to the spread of Covid-19, the European Central Bank has decided to temporarily derogate from the minimum regulatory capital requirements at least until the end of 2022.

It is also recommended to maintain an additional 1.5% as an additional Pillar II Capital Guidance (P2G) margin. However, due to the extraordinary circumstances generated by the COVID-19 pandemic, the Bank is permitted to operate below the P2G capital margin level.

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

5. Fair value of financial assets and liabilities

5.1. Financial assets and liabilities not carried at fair value

The fair value represents the amount for which an asset could be replaced or a liability settled through an arm's length transaction on the core or the most advantageous market on the date of the measurement and under the each time current conditions prevailing on the market (output price). Differences may arise between the carrying amount and the fair value of financial assets of the statement of financial position and liabilities. 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 a one-month maturity and therefore their fair value is quite similar to their carrying amount.

(b) Loans and advances to customers

Loans to customers are presented after deduction of the 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 LIBOR & 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

Hierarchy as of December 31, 2021:

Amounts in Eur '000		31th December 2021		
Financial assets at fair value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss	52,693	0	1,501	**54,194**
Derivative financial instruments	10	424	0	**434**
Financial assets at fair value through other income statement	192,087	0	0	**192,087**
Carbon emission reserve	40,140			**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**
Total	**41**	**7,390**	**0**	**7,432**

Hierarchy as of December 31, 2020:

Amounts in Eur '000	31th December 2020			
Financial assets at fair value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss	19,441	0	21,663	**41,103**
Derivative financial instruments	88	0	0	**88**
Loans and advances to customers	0	0	6,669	**6,669**
Financial assets at fair value through other income statement	223,348	0	0	**223,348**
Carbon emission reserve	33,549	0	1	**33,550**
Total	**276,426**	**0**	**28,332**	**304,758**

Financial liabilities at fair value	**Level 1**	**Level 2**	**Level 3**	**Total**
Derivative financial instruments	67	2,561	0	**2,628**
Total	**67**	**2,561**	**0**	**2,628**

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

Hierarchy as of December 31, 2021:

Amounts in Eur '000	31st December 2021			
Financial assets at fair value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss	51,899	0	0	**51,899**
Derivative financial instruments	10	424	0	**434**
Financial assets at fair value through other income statement	192,087	0	0	**192,087**
Carbon emission reserve	40,140			**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**
Total	**41**	**7,390**	**0**	**7,432**

Hierarchy as of December 31, 2020:

Amounts in Eur '000	31st December 2020			
Financial assets at fair value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss	19,441	0	0	**19,441**
Derivative financial instruments	88	0	0	**88**
Loans and advances to customers	0	0	6,669	**6,669**
Financial assets at fair value through other income statement	223,348	0	0	**223,348**
Carbon emission reserve	33,549	0	1	**33,550**
Total	**276,426**	**0**	**6,670**	**283,096**

Financial liabilities at fair value	**Level 1**	**Level 2**	**Level 3**	**Total**
Derivative financial instruments	2,628	0	0	**2,628**
Total	**2,628**	**0**	**0**	**2,628**

At the bank level, in 2021 the change in the financial assets at fair value through profit or loss classified at level 3 relates to the repayment of a loan with an embedded derivative.

Note that at both Group and Bank levels there were no movements to and from level 3.

6. Net interest income (expense)

The net interest income are broken down as follows:

Group

Amounts in Eur '000	**31st December 2021**	**31st December 2020**
Interest and similar income		
Interest from fixed income securities	3,081	1,547
o/w at amortized cost	*1,602*	*131*
o/w at fair value through other income statement	*194*	*536*
o/w at fair value through profit and loss	*1,285*	*880*
Interest from loans	25,906	8,310
Interest from interbank transactions	20	71
Other interest income	178	119
Total	**29,185**	**10,047**
Interest and similar expenses		
Interest on deposits	(1,687)	(1,754)
Interbank transactions	(120)	(218)
Other interest expense	(877)	(706)
Total	**(2,684)**	**(2,679)**
Net interest income	**26,501**	**7,368**

Bank

Amounts in Eur '000	31st December 2021	31st December 2020
Interest and similar income		
Interest from fixed income securities	3,081	1,547
o/w at amortized cost	*1,602*	*131*
o/w at fair value through other income statement	*194*	*536*
o/w at fair value through profit and loss	*1,285*	*880*
Interest from loans	25,278	8,522
Interest from interbank transactions	20	72
Other interest income	178	119
Total	**28,556**	**10,260**
Interest and similar expenses		
Interest on deposits	(1,687)	(1,754)
Interbank transactions	(90)	(183)
Other interest expenses	(877)	(706)
Total	**(2,654)**	**(2,644)**
Net interest income	**25,902**	**7,616**

The increase of interest on bonds and on deposits depends on how the relevant portfolios would develop.

7. Net fee and commission income

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

Group

Amounts in Eur '000	31st December 2021	31st December 2020
Net comission income from commercial transactions	636	302
Net income from investment banking	2,817	418
Net income from brokerage services	7,809	3,940
Net commission from loans	5,064	2,044
Net fee and commission income	**16,326**	**6,704**

Bank

Amounts in Eur '000	31st December 2021	31st December 2020
Net commision income from commercial transactions	718	326
Net income from investment banking	957	135
Net income from brokerage services	7,809	3,940
Net commission from loans	5,064	2,044
Net fee and commission income	**14,549**	**6,446**

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

8. Net trading income

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

Group

Amounts in Eur '000	31st December 2021	31st December 2020
Profit/(loss) from foreign exchange	(357)	1,970
Profit/(loss) from derivatives held for trading	6,481	424
Profit/(loss) from carbon emission reserve	(5,723)	(2,164)
Profit/(loss) from investments in shares and mutual funds	1,801	944
Profit/(loss) from bonds	2,753	2,499
Total net trading income	**4,955**	**3,674**

Bank

Amounts in Eur '000	31st December 2021	31st December 2020
Profit/(loss) from foreign exchange	(357)	1,970
Profit/(loss) from derivatives held for trading	6,481	424
Profit/(loss) from carbon emission reserve	(5,723)	(2,164)
Profit/(loss) from investments in shares and mutual funds	1,801	944
Profit/(loss) from bonds	1,365	51
Total net trading income	**3,567**	**1,225**

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

- Profit of EUR 1,365 thousand relating to sales and bond valuations. Specifically, a profit of EUR 554 thousand relating to sales of corporate and sovereign bonds held in both the portfolio measured at fair value through profit or loss and the portfolio measured at fair value through other comprehensive income recorded directly in equity. In addition, a profit of EUR 666 thousand relating to the valuation of corporate and sovereign bonds held in the portfolio at fair value through profit or loss.
- Profit of EUR 1,801 thousand relating mainly to purchases and sales on shares and valuation of position held.
- Profit of EUR 758 thousand relating to derivative products with underlying assets in foreign exchange, interest rates, equities and stock market ratios. The Bank does not use hedge accounting although part of these positions hedges the Bank's foreign exchange and interest rate position as well as its shares portfolio position.

9. Other operating income

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

Group

Amounts in Eur '000	31st December 2021	31st December 2020
Rental income	26	16
Unused provisions reversed	0	20
Other income	94	123
Total	**120**	**159**

Bank

Amounts in Eur '000	31st December 2021	31st December 2020
Rental income	26	16
Unused provisions reversed	0	20
Other income	212	145
Total	**238**	**181**

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	31st December 2021	31st December 2020*
Salaries and wages	15,132	12,181
Social security cost	3,351	2,954
Pension costs - defined benefit plans	293	1,129
Other employee benefit expenses	778	803
Total	**19,553**	**17,066**

Bank

Amounts in Eur '000	31st December 2021	31st December 2020*
Salaries and wages	14,524	12,118
Social security cost	3,226	2,941
Pension costs - defined benefit plans	285	1,123
Other employee benefit expenses	760	800
Total	**18,794**	**16,982**

The total staff of the Group on 31.12.2021 amounted to 393 persons, while that of the Bank to 379 persons. (31.12.2020: Group 363 persons and Bank 348 persons)

11. Other operating expenses

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

Group

Amounts in Eur '000	**31st December 2021**	**31st December 2020**
Fees to lawyers, advisors, auditors etc.	1,248	779
IT applications	2,266	1,027
Subscriptions	371	318
Building expenses	1,172	877
Advertisement and promotion expenses, sponsorships, etc.	433	514
Taxes and duties	1,456	1,131
Office supplies	96	106
Other operating expenses	2,355	1,427
Total	**9,397**	**6,179**

Bank

Amounts in Eur '000	**31st December 2021**	**31st December 2020**
Fees to lawyers, advisors, auditors etc.	1,038	702
IT applications	2,192	1,020
Subscriptions	294	306
Building expenses	1,150	877
Advertisement and promotion expenses, sponsorships, etc.	427	508
Taxes and duties	1,407	1,109
Office supplies	92	105
Other operating expenses	2,367	1,456
Total	**8,966**	**6,083**

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

12. Other provisions

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

Group

Amounts in Eur '000	**31st December 2021**	**31st December 2020**
Profits/ (losses) from disposal of participations	(1,269)	0
Provision for letters of guarantee	(27)	(210)
Provision for legal cases (Note 35)	0	(65)
Provisions for impairement of Bonds	(466)	(483)
Other provisions	1,453	(1)
Total	**(310)**	**(759)**

Bank

Amounts in Eur '000	31st December 2021	31st December 2020
Profits/ (losses) from disposal of participations	(1,269)	0
Reversal of impairment of participations (Note 21)	1,725	0
Provision for letters of guarantee	(27)	(210)
Provision for legal cases (Note 35)	0	(65)
Provisions for Bonds expected credit losses	(466)	(483)
Other provisions	1,386	0
Total	**1,349**	**(759)**

In the item "Other Provisions", an amount of EUR 1,395 thousand for the financial year 2021 relates to the reversal of a provision formed for the contractual remuneration rights of the managers of the CMFs.

13. Income Tax

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

Group

Amounts in Eur '000	31st December 2021	31st December 2020*
Deferred tax	667	1,071
Income Tax	(740)	(21)
Total	**(73)**	**1,050**

Bank

Amounts in Eur '000	31st December 2021	31st December 2020
Deferred tax	(1,413)	1,222
Total	**(1,413)**	**1,222**

According to Law 4110/2013, in force until and including the year 2020, the Greek tax rate was 24%. For the year ended on 31.12.2021, the applicable tax rate was 22%.

For the unaudited years refer to Note 39.

For the financial year 2021, 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 2021. Upon completion of the tax audit the Group's Management does not expect any significant tax liabilities beyond those already reported and presented in the financial statements.

14. Cash and balances with Central Banks

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

Group and Bank

Amounts in Eur '000	**31st December 2021**	**31st December 2020**
Cash	6,510	5,796
Deposits with central bank	71,983	146,795
Total	**78,492**	**152,591**

The Group and the Bank, based on their obligations as provided for by the Bank of Greece, maintain deposits with the BoG with an average balance corresponding to 1.00% of their customers' total deposits, as required by the European Central Bank. The interest rate applied to the aforementioned deposits amounted to 0%.

As of December 31, 2021, 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.

15. Loans and advances to credit institutions

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

Group

Amounts in Eur '000	**31st December 2021**	**31st December 2020***
Interbank deposits	0	4,075
Placements from foreign banks and other receivables	28,404	10,232
Placements from domestic banks	28,483	22,468
Loans to financial institutions	9,047	0
Total	**65,934**	**36,775**
Current	***65,934***	***36,775***
Non current	***0***	***0***

Bank

Amounts in Eur '000	**31st December 2021**	**31st December 2020***
Interbank deposits	0	4,075
Placements from foreign banks and other receivables	28,404	10,232
Placements from domestic banks	27,345	21,158
Loans to financial institutions	9,047	0
Total	**64,796**	**35,465**
Current	***64,796***	***35,465***
Non current	***0***	***0***

A provision of EUR 23 thousand has been calculated for loans to credit institutions and is included in the 'Loans and advances to customers' item.

16. Financial assets at fair value through profit or loss

Group

Amounts in Eur '000	31st December 2021	31st December 2020
Shares and other variable yield securities		
Equity securities listed on ASE	2,824	3,929
Mutual Funds	2,295	21,663
Other bonds	47,562	14,117
Other government bonds	1,316	0
Bank bonds	196	1,395
Total	**54,194**	**41,103**

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

Bank

Amounts in Eur '000	31st December 2021	31st December 2020
Shares and other variable yield securities		
Equity securities listed on ASE	2,824	3,929
Other bonds	47,562	14,117
Other government bonds	1,316	0
Bank bonds	196	1,395
	51,899	*19,441*
Total	**51,899**	**19,441**

17. Derivative Financial Instruments

Group and Bank

Amounts in Eur '000	31st December 2021			31st December 2020		
		Estimated fair value			Estimated fair value	
	Nominal value	Assets	Liabilities	Nominal value	Assets	Liabilities
Stock /Index futures - listed	4,408	0	0	6,075	(0)	0
Stock /Index Options - listed	51	10	41	148	88	67
Foreign exchange derivatives - listed and non-listed	117,250	28	40	24,785	0	146
Commodity derivatives - listed and non-listed	22,938	0	7,286	10,055	0	2,415
Interest rate derivatives- non-listed	36,000	396	64	-	-	-
Total derivative financial instruments		**434**	**7,432**		**88**	**2,628**

The valuation of the futures contracts on December 31, 2021 and 2020, due to the daily clearing of these derivatives is included in the Margin and Clearing accounts.

18. Loans and advances to customers

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

Group

Amounts in Eur '000	31st December 2021	31st December 2020*
Loans and advances to customers measured at amortzed cost		
Consumer, Personal & Other loans	4,667	6,311
Mortgages Loans	21,451	5,511
Loans to individuals (brokerage activity)	11,164	10,566
Corporate loans (brokerage activity)	9,480	9,915
Corporate loans	985,707	357,255
	1,032,469	**389,559**
Less: Provisions for impairment of loans and advances to customers	(13,734)	(10,174)
Book value of loans and advances to customers measured at amortzed cost after provision	**1,018,735**	**379,384**
Loans and advances to customers measured at fair value through profit and loss	**0**	**6,669**
Total loans and advances to customers	**1,018,735**	**386,053**

Bank

Amounts in Eur '000	31st December 2021	31st December 2020*
Loans and advances to customers measured at amortzed cost		
Consumer, Personal & Other loans	4,667	6,311
Mortgages Loans	21,451	5,511
Loans to individuals (Brokerage activity)	11,164	10,566
Corporate loans (Brokerage activity)	9,480	9,915
Corporate loans	974,019	354,152
	1,020,781	**386,456**
Less: Provisions for impairment of loans and advances to customers	(13,536)	(10,278)
Book value of loans and advances to customers measured at amortzed cost after provision	**1,007,245**	**376,178**
Loans and advances to customers measured at fair value through profit and loss	**0**	**6,669**
Total loans and advances to customers	**1,007,245**	**382,846**

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

Group

Amounts in Eur '000	**31st December 2021**	**31st December 2020***
Balance at the beginning of the year	(10,174)	(5,019)
Balance at the beginning from affiliate transfer	0	(99)
Provisions for the year	(3,630)	(5,056)
Reclassification of provisions	67	0
Loans written-off	4	0
Balance at the end of year	**(13,734)**	**(10,174)**

Bank

Amounts in Eur '000	**31st December 2021**	**31st December 2020***
Balance at the beginning of the year	(10,278)	(5,099)
Provisions for the year	(3,329)	(5,179)
Reclassification of provisions	67	0
Loans written-off	4	0
Balance at the end of year	**(13,536)**	**(10,278)**

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

19. Financial assets at fair value through other income statement

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

Group and Bank

Amounts in Eur '000	**31st December 2021**	**31st December 2020**
Financial assets at fair value through other income statement		
Government Bonds	158,532	203,714
Bonds issued by other issuers	12,912	15,062
Bank bonds	20,324	4,253
Total fixed income securities	*191,768*	*223,030*
Equity securities listed on ASE	313	306
Non-listed securities	6	12
Total equity variable yield securities	*319*	*318*
Total	**192,087**	**223,348**

The Bank has classified as financial assets at fair value through other income statement 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 income for the period 1/1-31/12/2021 are the following:

Amounts in Eur '000	***Financial assets at fair value through other income statement***
Balance as at 1st January 2021	**223,348**
Aquistions	1,210,933
Disposals/other movements	(1,240,385)
Change in Fair value	(1,809)
Balance as at 31st December 2021	**192,087**

The movements in the impairment provisions of the securities portfolio measured at fair value through other income for the period 1/1-31/12/2021 are the following:

The movement of Expected Credit Loss (ECL)

Amounts in Eur '000	**31st Decemeber 2021**
Balance as at 1st January 2021	**294**
Government Bonds	(47)
Bonds issued by other issuers	267
Bank bonds	55
ECL impairement	**276**
ECL as at 31st December 2021	**569**

Impairment provisions for the portfolio of financial assets measured at fair value through other comprehensive income amounted to EUR 569 thousand on 31.12.2021(EUR 294 thousand on 31.12.2020).

20. Debt securities at amortized cost

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

Group and Bank

Amounts in Eur '000	**31st December 2021**	**31st December 2020**
Requirements from debt securities at amortized cost		
Greek Government Bonds	39,685	11,633
Corporate bonds	40,277	14,352
Bank bonds	13,416	4,904
Esxpected credit loss	(380)	(190)
Total	**92,998**	**30,698**

The movements in the securities portfolio measured at amortized cost from 01.01 to 31.12.2021 have as follows:

Amounts in Euro '000	**Απαιτήσεις από χρεωστικούς τίτλους στο αποσβεσμένο κόστος**
Balance as at 1st January 2021	**30,698**
Additions	67,029
Disposals /Expirations/Other movements	(4,539)
Impairment losses	(191)
Balance as at 31st December 2021	**92,998**

21. Investments in subsidiaries and associates

Name	**% interest held at 31.12.2021**	**Country**	**Business activity**
IBG CAPITAL S.A.	100.00%	Greece	Venture capital firm
IBG INVESTMENTS S.A.	81.45%	British Virgin Islands	Investment services
Optima Factors S.A.	100.00%	Greece	Factoring Firm
OPTIMA ASSET MANAGEMENT MFMC	99.44%	Greece	Mutual fund management firm
IBG S.A.	79.31%	Greece	Provision of investment services

Name	**% interest held at 31.12.2020**	**Country**	**Business activity**
IBG CAPITAL S.A.	100.00%	Greece	Venture capital firm
IBG INVESTMENTS S.A.	90.00%	British Virgin Islands	Investment services
IBG CAPITAL MANAGEMENT S.AR.L.	100.00%	Louxembourg	Mutual fund management firm
IBG GLOBAL FUNDS SICAV-SIF	100.00%	Louxembourg	Mutual fund
Optima Factors S.A.	100.00%	Greece	Factoring Firm
OPTIMA ASSET MANAGEMENT MFMC	99.44%	Greece	Mutual fund management firm
IBG S.A.	79.31%	Greece	Provision of investment services
HELLENIC CAPITAL PARTNERS S.A.	20.00%	Greece	Venture capital mutual fund management

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.

Company	**Financials 31.12.2021**			
Amounts in Eur '000	**Assets**	**Liabilities**	**Revenues**	**Profits / (losses) before tax**
IBG CAPITAL S.A.	6,179	520	0	1,867
IBG CAPITAL S.A.	2,343	3	3,824	1,188
Optima Factors S.A.	26,073	14,733	2,162	895
OPTIMA ASSET MANAGEMENT MFMC	2,223	1,003	1,218	238
IBG S.A.	309	836	0	(4)

Note that the Financial Data of IBG BROKERAGE S.A. shown in the above table pertain to the year ended on 31.5.2021.

Company	**Financials 31.12.2020**			
Amounts in Eur '000	**Assets**	**Liabilities**	**Revenues**	**Profits / (losses) before tax**
IBG CAPITAL S.A.	4,310	116	0	10
IBG INVESTMENTS S.A.	21,254	8,900	2,458	2,125
Optima Factors S.A.	19,505	13,131	192	90
OPTIMA ASSET MANAGEMENT MFMC	1,134	841	186	71
IBG S.A.	310	833	0	(4)
HELLENIC CAPITAL PARTNERS S.A.	2,405	580	1,120	190

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

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

Group - Investments in associates

Amounts in Eur '000	**31st December 2021**	**31st December 2020**
Balance at the beginning of the year	**29**	**54**
- Decrease of shares in investments	(29)	(25)
Balance at end of the year	**(0)**	**29**

Bank- Investments in subsidiaries and associates

Amounts in Eur '000	31st December 2021	31st December 2020
Balance at the beginning of the year	**13,099**	**6,591**
- New investments in associates	0	6,307
- Reversal of impairment of investments in subsidiary	1,725	0
- Disposal of shares in investments in subsidiary	(1,232)	0
- Increase of shares in investments in associates	0	201
Balance at end of the year	**13,593**	**13,099**

In 2020, the Bank acquired the company Optima Factors SA for the amount of EUR 6,307 thousand and increased its participation in Optima Asset Management MFMC by EUR 201 thousand. In addition, due to an improvement in the net positions, provisions of EUR 1,725 thousand concerning the impairment of investments in the companies IBG CAPITAL S.A. and OPTIMA Asset Management MFMC for previous financial years, were reversed. At Bank level, in 2021 the decreased participation in existing investments pertains to the participation in subsidiary IBG INVESTMENT SA.

22. Owner-occupied property, plant and equipment and intangible assets

The variations of the tangible assets during the financial year 2021 are the following:

Group

	Property, plant and equipment			
Amounts in Eur '000	Land and buildings	Vehicles & machinery	Furniture and other equipment	Total
Acquisition cost at 1 January 2021	13,062	1,160	5,314	19,536
less: Accumulated depreciation	(5,280)	(323)	(3,290)	(8,893)
Net book value at 1 January 2021	**7,782**	**836**	**2,024**	**10,642**
Additions	2,060	156	811	3,027
Disposals/write-offs	(3,455)	(1,394)	(229)	(5,078)
Depreciation for the year	(902)	(283)	(248)	(1,433)
Depreciation of assets sold/written off	3,458	1,394	4	4,856
Acquisition cost at 31 December 2021	11,667	1,316	6,125	17,484
less: Accumulated depreciation	(2,723)	788	(3,534)	(5,470)
Net book value at 31 December 2021	**8,943**	**2,103**	**2,591**	**12,014**

Amounts in Eur '000	**Property, plant and equipment**			
	Land and buildings	**Vehicles & machinery**	**Furniture and other equipment**	**Total**
Acquisition cost at 1 January 2020	6,731	559	3,579	10,868
less: Accumulated depreciation	(4,783)	(85)	(3,087)	(7,954)
Net book value at 1 January 2020	**1,948**	**474**	**492**	**2,914**
Additions	6,332	601	1,736	8,669
Disposals/write-offs	0	0	0	0
Depreciation for the year	(497)	(238)	(204)	(939)
Depreciation of assets sold/written off	0	0	0	0
Acquisition cost at 31 December 2020	13,062	1,160	5,314	19,536
less: Accumulated depreciation	(5,280)	(323)	(3,290)	(8,893)
Net book value at 31 December 2020	**7,782**	**836**	**2,024**	**10,642**

Bank

Amounts in Eur '000	**Property, plant and equipment**			
	Land and buildings	**Vehicles & machinery**	**Furniture and other equipment**	**Total**
Acquisition cost on 1st January 2021	13,063	1,160	5,222	19,444
Less: Accumulated depreciation	(5,280)	(323)	(3,221)	(8,824)
Net book value at 1 January 2021	**7,783**	**836**	**2,001**	**10,621**
Additions	1,928	158	755	2,842
Disposals/write-offs	(3,455)	(1,394)	(229)	(5,078)
Depreciation for the year	(899)	(283)	(238)	(1,420)
Depreciation of assets sold/written off	3,458	1,394	4	4,856
Acquisition cost at 31 December 2021	11,536	(76)	5,748	17,208
less: Accumulated depreciation	(2,721)	788	(3,454)	(5,387)
Net book value at 31 December 2021	**8,815**	**712**	**2,293**	**11,821**

Amounts in Euro '000	**Property, plant and equipment**			
	Land and buildings	**Vehicles & machinery**	**Furniture and other equipment**	**Total**
Acquisition cost on 1st January 2020	6,731	559	3,579	10,868
Less: Accumulated depreciation	(4,783)	(85)	(3,087)	(7,954)
Net book value at 1 January 2020	**1,948**	**474**	**492**	**2,914**
Additions	6,332	601	1,643	8,576
Disposals/write-offs	0	0	0	0
Depreciation for the year	(497)	(238)	(134)	(869)
Depreciation of assets sold/written off	0	0	0	0
Acquisition cost at 31 December 2020	13,063	1,160	5,222	19,444
less: Accumulated depreciation	(5,280)	(323)	(3,221)	(8,824)
Net book value at 31 December 2020	**7,783**	**836**	**2,001**	**10,621**

The sales / write-off and their amortizations pertain to a settlement.

The variation of the intangible assets during the financial year 2021 is the following:

Group

31.12.2021

Amounts in Eur '000	**Software**	**Other Intangible**	**Total**
Acquisition cost at 1 January 2021	5,829	4,055	9,884
Less: Accumulated amortisation	(2,501)	(0)	(2,501)
Net book value at 1 January 2021	**3,328**	**4,055**	**7,383**
Additions	2,609	0	2,609
Amortisation for the year	(954)	(308)	(1,262)
Acquisition cost at 31 December 2021	8,439	4,055	12,494
Less: Accumulated amortisation	(3,455)	(309)	(3,763)
Net book value at 31 December 2021	**4,983**	**3,746**	**8,730**

31.12.2020

Amounts in Eur '000	**Software**	**Other Intangible**	**Total**
Acquisition cost at 1 January 2020	3,301	0	3,301
Less: Accumulated amortisation	(1,492)	(0)	(1,492)
Net book value at 1 January 2020	**1,809**	**0**	**1,809**
Additions	2,528	4,055	6,583
Amortisation for the year	(1,009)	0	(1,009)
Acquisition cost at 31 December 2020	5,829	4,055	9,884
Less: Accumulated amortisation	(2,501)	(0)	(2,501)
Net book value at 31 December 2020	**3,328**	**4,055**	**7,383**

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 MFMC in December 2020.

Bank

31.12.2021

Amounts in Eur '000	**Software**	**Other intangibles**	**Total**
Acquisition cost at 1 January 2021	5,168		5,168
Less: Accumulated depreciation	(1,937)		(1,937)
Net book value at 1 January 2021	**3,231**	**0**	**3,231**
Additions	2,540		2,540
Amortisation for the year	(910)		(910)
Acquisition cost at 31 December 2021	7,707		7,707
Less: Accumulated amortisation	(2,847)		(2,847)
Net book value at 31 December 2021	**4,860**	**0**	**4,860**

Amounts in Eur '000	**Software**	**Other intangibles**	**Total**
Acquisition cost at 1 January 2020	3,298		3,298
Less: Accumulated depreciation	(1,491)		(1,491)
Net book value at 1 January 2020	**1,808**	**0**	**1,808**
Additions	1,869		1,869
Amortisation for the year	(446)		(446)
Acquisition cost at 31 December 2020	5,168		5,168
Less: Accumulated amortisation	(1,937)		(1,937)
Net book value at 31 December 2020	**3,231**	**0**	**3,231**

23. Right-of-use on assets and lease liabilities

Group

In the financial year 2021, the Group recognized right-of-use assets of EUR 1,812 thousand relating to leases of property and EUR 270 thousand relating to vehicles. The relevant amounts for the Bank were EUR 1,613 thousand and EUR 240 thousand respectively.

(i) Amounts recognized in the balance sheet

Rights-of-use on assets

Amounts in Eur '000	**31st December 2021**	**31st December 2020**
Buildings	18,617	18,906
Transportation equipment	601	592
Balance of year end	**19,218**	**19,498**
Lease Liability		
Short-term Liability	2,090	1,704
Long-term Liability	17,876	18,168
Balance of year end	**19,965**	**19,872**

(ii) Amounts recognized in the Profit & Loss

Amounts in Eur '000	**31st December 2021**	**31st December 2020**
Depreciation of rights-of-use on assets		
Buildings	2,099	1,614
Transportation equipment	260	173
Total	**2,359**	**1,786**
Interest expense	727	600

Bank

(i) Amounts recognized in the balance sheet

Rights-of-use on assets

Amounts in Eur '000	**31st December 2021**	**31st December 2020**
Buildings	18,424	18,906
Transportation equipment	576	587
Balance of year end	**18,999**	**19,493**

Lease Liability		
Short-term Liability	2,082	1,704
Long-term Liability	17,666	18,163
Balance of year end	**19,748**	**19,867**

(ii) Amounts recognized in the Profit & Loss

Amounts in Eur '000	**31st December 2021**	**31st December 2020**
Depreciation of rights-of-use on assets		
Buildings	2,079	1,614
Transportation equipment	252	157
Total	**2,331**	**1,771**
Interest expense	724	600

24. Deferred tax

The variation of the temporary differences within the financial year 2021 for the Group and the Bank is broken down as follows:

Group

Amounts in Eur '000	Balance as at 1st January 2021	Recognised in profit or loss	Recognised in equity	Balance as at 31st December 2021
PPE and investment property	118	(17)	0	102
Provisions for impairment of loans and advances to customers	2,607	513	0	3,121
Other provisions	1,713	1,208	0	2,921
Retirement benefit obligations	73	16	0	90
Financial assets at fair value through other income statement	84	0	273	357
Intangible assets from bargain purchase	(973)	43	0	(930)
Financial assets at fair value through profit and loss	(3,076)	168	0	(2,908)
Tax losses	1,443	(1,265)	0	178
Total	**1,989**	**667**	**273**	**2,932**

Amounts in Eur '000	Balance as at 1st January 2020	Recognised in profit or loss	Recognised in equity	Balance as at 31st December 2020
PPE and investment property	138	(20)	0	118
Provisions for impairment of loans and advances to customers	1,310	1,297	0	2,607
Other provisions	1,763	(49)	0	1,713
Retirement benefit obligations	67	6	0	73
Financial assets at fair value through other income statement	84	0	(0)	84
Intangible assets from bargain purchase	0	0	0	(973)
Financial assets at fair value through profit and loss	(2,862)	(214)	0	(3,076)
Tax losses	1,392	51	0	1,443
Total	**1,891**	**1,071**	**(0)**	**1,989**

Bank

Amounts in Eur '000	Balance as at 1st January 2021	Recognised in profit or loss	Recognised in equity	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 income statement	(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**

Amounts in Eur '000	Balance as at 1st January 2020	Recognised in profit or loss	Recognised in equity	Balance as at 31st December 2020
PPE and investment property	126	(20)	0	106
Provisions for impairment on loans and advances to customers	1,334	1,183	0	2,517
Other provisions	1,197	214	0	1,412
Retirement benefit obligations	70	7	0	77
Financial assets at fair value through other income statement	(6)	0	(0)	(6)
Financial assets at fair value through profit or loss	50	(214)	0	(164)
Tax losses	1,214	51	0	1,265
Total	**3,985**	**1,222**	**(0)**	**5,206**

25. Margin and Clearing accounts

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

Group and Bank

Amounts in Eur '000	**31st December 2021**	**31st December 2020**
Margin derivative trading account	20,930	8,950
Clearing accounts for securities transactions of ASE, Greek derivatives market of the ASE and foreign stock markets	3,977	15,201
Customers' demands for securities transactions of ASE, ADEX and foreign stock exchanges	2,869	2,696
Total	**27,776**	**26,847**

The amount of EUR 6,978 thousand is included in the total amount and relates to guarantees for transactions in derivative financial instruments.

26. Deposit and Investment Guarantee Fund

These items are broken down as follows:

Group and Bank

Amounts in Eur '000	**31st December 2021**	**31st December 2020**
Hellenic Deposit and Investment Guarantee Fund	4,784	4,794
Guarantee fund	4,012	4,012
Auxiliary fund	3,088	2,390
Energy Athens Exchange	1,000	1,000
Total	**12,885**	**12,196**

27. Current tax assets and Other assets

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

Group

Amounts in Eur '000	**31st December 2021**	**31st December 2020**
Income tax prepaid	97	107
Other receivables from the Greek State	873	506
Total	**969**	**613**

Bank

Amounts in Eur '000	**31st December 2021**	**31st December 2020**
Other receivables from the Greek State	873	506
Total	**873**	**506**

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

Group

Amounts in Eur '000	31st December 2021	31st December 2020
Other receivables	1,077	981
Guarantees	1,049	444
Carbon emission reserve	40,140	33,549
Advances and other receivables accounts	7,733	3,607
Prepaid expenses and income receivables	1,033	616
Share Capital Coverage Account	0	10,827
Total	**51,032**	**50,024**
Less: Provisions	(290)	(223)
Total	**50,742**	**49,802**

Bank

Amounts in Eur '000	31η Δεκεμβρίου 2021	31η Δεκεμβρίου 2020
Debtors	1,077	981
Guarantees	1,049	444
Carbon emission reserve	40,140	33,549
Advances and other receivables accounts	7,367	2,807
Prepaid expenses and income receivables	998	606
Share Capital Coverage Account	0	10,827
	50,631	**49,215**
Less: Provisions	(290)	(223)
Total	**50,342**	**48,992**

28. Assets held for sale

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

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

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

The liquidation of the **IBG Global Funds SICAV-SIF** Investment Fund and of **IBG Capital Management S.ar.l.** was completed in 2021.

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

Amounts in Eur '000	**31st December 2021**	**31st December 2020**
ASSETS		
Loans and advances to other financial institutions	0	265
Financial assets at fair value through other income statement	0	127
Other assets	0	42
Assets available for sale	**0**	**434**
LIABILITIES		
Other liabilities	0	76
Provisions	0	23
Liabilities related to assets held for sale	**0**	**99**

The liquidation of the **IBG Global Funds SICAV-SIF** and **IBG Capital Management S.ar.l.** was completed in 2021, from which a total loss of EUR 79 thousand arose.

29. Due to Central Bank

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

Group and Bank

Amounts in Eur '000	**31η December 2021**	**31η December 2020**
Due to Central Bank - time deposits	84,143	12,931
Total	**84,143**	**12,931**
Current	***84,143***	***12,931***
Non-current	***0***	***0***

The increased due to the Bank is attributed to a further utilization of the eurosystem refinancing operations (PELTRO and TLRTO III).

30. Due to Banks

The due to other banks is broken down as follows:

Group

Amounts in Eur '000	**31η Δεκεμβρίου 2021**	**31η Δεκεμβρίου 2020**
Due to credit institutions - sight deposits	1,744	4,396
Due to credit institutions - time deposits	2,980	948
Interbank deposits	0	8,149
Total	**4,725**	**13,493**
Current	***4,725***	***13,493***
Non-current	***0***	***0***

Bank

Amounts in Eur '000	**31η December 2021**	**31η December 2020**
Due to credit institutions - sight deposits	948	4,396
Due to credit institutions - time deposits	2,980	948
Interbank deposits	0	8,149
Total	**3,928**	**13,493**
Current	***3,928***	***13,493***
Non-current	***0***	***0***

31. Due to customers

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

Group

Amounts in Eur '000	**31η Δεκεμβρίου 2021**	**31η Δεκεμβρίου 2020**
Sight deposits	741,990	272,029
Savings accounts	2,709	1,722
Time deposits	443,917	395,175
Blocked deposits	74,404	26,774
Other deposits	67,106	53,265
Cheques payable	16,533	5,316
Total	**1,346,660**	**754,281**
Current	***1,346,660***	***754,281***
Non-current	***0***	***0***

Bank

Amounts in Eur '000	31st December 2021	31st December 2020
Sight deposits	749,265	275,347
Savings accounts	2,709	1,722
Time deposits	443,917	395,175
Blocked deposits	74,404	26,774
Other deposits	67,106	53,265
Cheques payable	16,533	5,316
Total	**1,353,935**	**757,599**
Current	***1,353,935***	***757,599***
Non-current	***0***	***0***

32. Stock clearing accounts

The customer balances from stock clearing accounts are broken down as follows:

Group and Bank

Amounts in Eur '000	31st December 2021	31st December 2020
Settlement accounts for securities transactions in ASE, ADEX and Foreign Stock Exchanges	402	2,455
Settlement accounts for Bonds transactions	2,637	33,098
Due to customers from transactions in ASE, ADEX and other Foreign Stock Exchanges	216	445
Total	**3,254**	**35,998**

33. Retirement benefit obligations

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

Group

Amounts in Eur '000	31st December 2021	31st December 2020*
Liabilities:		
Lump-sum payments upon retirement		
- Funded	0	0
– Unfunded	458	363
	458	**363**

The amounts recorded on the income statement are the following:

Amounts in Eur '000	31st December 2021	31st December 2020*
Current service cost	105	94
Transfer from subsidiaries	0	0
Finance cost	2	4
Expected return on programme assets	0	0
Cost of settlement	185	1,031
Total included in employee benefits	**293**	**1,129**

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

Amounts in Eur '000	31st December 2021	31st December 2020*
Net liability in opening balance sheet	**352**	**317**
Employer contributions paid	(190)	(1,111)
Expenditure to be recorded in the income statement	293	1,129
Amount recorded in Other comprehensive income	3	18
Net liability in closing balance sheet	**458**	**352**

Changes in the amount recorded on the other comprehensive income:

Amounts in Eur '000	31st December 2021	31st December 2020
Amount recorded in Other comprehensive income	**2**	**18**
Actuarial (profit) loss on liability due:		
financial assumptions	1	13
demographic assumptions		9
experience	2	(4)

Bank

Amounts in Eur '000	31st December 2021	31st December 2020*
Liabilities:		
Lump-sum payments upon retirement		
- Funded	0	0
- Unfunded	413	316
	413	**316**

The amounts recorded on the income statement are the following:

Amounts in Eur '000	31st December 2021	31st December 2020*
Current service cost	98	89
Transfer from subsidiaries	0	0
Finance cost	2	3
Cost of settlement	185	1,031
Total included in employee benefits	**285**	**1,123**

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

Amounts in Eur '000	31st December 2021	31st December 2020*
Net liability in opening balance sheet	**316**	**287**
Employer contributions paid	(190)	(1,111)
Expenditure to be recorded in the income statement	285	1,123
Amount recorded in Other comprehensive income	3	17
Net liability in closing balance sheet	**413**	**316**

Changes in the amount recorded on the other comprehensive income:

Ποσά σε Ευρώ '000	31st December 2021	31st December 2020*
Amount recorded in other comprehensive income	**3**	**17**
Actuarial (profit) loss on liability due:☐		
financial assumptions☐	1	12
demographic assumptions☐	-	9
experience☐	2	(4)

The main actuarial assumptions used for accounting purposes are as follows:

	31st December 2021	31st December 2020*
Discount rate	0.60%	0.60%
Expected return on programme assets	0.00%	0.00%
Future salaries' increase	1.80%	1.50%

Sensitivity analysis

The sensitivity analysis of the defined employee retirement benefit liability is as follows:

Main Financial Assumptions	Impact on defined benefit obligation					
	OPTIMA BANK		OPTIMA FACTORS		OPTIMA Asset Management MFMC	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (change by 0,5%)	-4%	4%	-1%	2%	-4%	4%
Increase in salaries (change by 0,5%)	3%	-3%	2%	-1%	4%	-4%

34. Other liabilities

The other liabilities are broken down as follows:

Group

Amounts in Eur '000	31st December 2021	31st December 2020*
Liabilities arising from taxes	1,081	838
Accrued interest and other expenses	351	126
Other payables	11,922	10,050
Social insurance cost	749	714
Total	**14,102**	**11,727**

Bank

Amounts in Eur '000	31st December 2021	31st December 2020*
Liabilities arising from taxes	1,081	838
Accrued interest and other expenses	348	126
Other payables	10,158	7,954
Social insurance cost	749	714
Total	**12,335**	**9,632**

35. Provisions

The provisions are broken down as follows:

Group

Amounts in Eur '000	31st December 2021	31st December 2020*
Provision for legal cases	478	537
Provision for unaudited fiscal years	321	321
Provision of guarantee letters	238	210
Other provisions	60	124
Total	**1,096**	**1,192**

Bank

Amounts in Eur '000	31st December 2021	31st December 2020*
Provision for legal cases	478	537
Provision for unaudited fiscal years	321	321
Provision of guarantee letters	238	210
Total	**1,036**	**1,068**

36. Share capital

On 31.12.2021, 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 31.12.2020. The Bank has no own shares.

37. Other reserves

The other reserves are broken down as follows:

Group

Amounts in Eur '000	31st December 2021	31st December 2020
Statutory reserve	11,719	11,719
Special reserves	7,141	7,141
Total reserves	**18,859**	**18,859**

Bank

Amounts in Eur '000	31st December 2021	31st December 2020
Statutory reserve	11,719	11,719
Special reserves	6,458	6,458
Total reserves	**18,177**	**18,177**

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

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

38. Cash and cash equivalents

For the preparation of the cash flow statement of the Group and the Bank, cash and cash equivalents include short-term placements with other banks which are immediately available within 90 days.

Group

Amounts in Eur '000	31st December 2021	31st December 2020
Cash and balances with central banks (Note 14)	78,492	152,591
Loans and advances to credit institutions (Note 15)	56,887	36,775
Total	**135,379**	**189,366**

Bank

Amounts in Eur '000	31st December 2021	31st December 2020
Cash and balances with central banks (Note 14)	78,492	152,591
Loans and advances to credit institutions (Note 15)	55,749	35,465
Total	**134,241**	**188,056**

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

39. Commitments, contingent liabilities and assets

a) Contingent liabilities from guarantees

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

Group

Amounts in Eur '000	31η Δεκεμβρίου 2021	31η Δεκεμβρίου 2020
Contingent liabilities		
Unused credit facilities	237,364	141,468
Letters of Guarantee (Bid and Performance books)	85,723	31,957
Letters of Guarantee (Advance Payment, Prompt Payment)	58,306	25,107
Total	**381,392**	**198,532**

Bank

Amounts in Eur '000	31st December 2021	31st December 2020
Contingent liabilities		
Unused credit facilities	210,018	113,900
Letters of Guarantee (Bid and Performance books)	85,723	31,957
Letters of Guarantee (Advance Payment, Prompt Payment)	58,306	25,107
Total	**354,047**	**170,964**

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 2017, 2018, 2019 and 2020. 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.

In accordance with the provisions of the circular ref. POL. 1208/20.12.2017 of the Independent Authority for Public Revenue (AADE), the years 2010 to 2013 are barred by the statute of limitation.

For the financial year 2021, 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 2021. We consider that until the completion of the tax audit, no additional tax liabilities will arise that will have a significant impact on the financial statements.

IBG CAPITAL SA has obtained a tax certificate without qualifications from its Auditors for the financial years 2011 to and including 2013, while for the years 2014 to and including 2019 it has not obtained any tax certificate in accordance with Law 4174/2013, Article 65. For the year 2020, the company has obtained a tax certificate without qualifications, while for the year 2021 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 2020 it has obtained the annual tax certificate provided for in Article 65A of Law 4174/2013. For the year 2021 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 202 have been audited in accordance with Article 65 A of Law 4174/2013. For the year 2021, the tax audit is still pending and is expected to be completed within the time limits provided for.

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, 2021, except the cases for which a relevant provision has been formed (Note 35).

d) Assets commitments

Due from banks:

- Placements of EUR 6,978 thousand relate to derivative instruments transaction guarantees as of 31.12.2021 (EUR 5,014 thousand as of 31.12.2020).

Investment and trading portfolio securities:

- An amount with a carrying amount of EUR 53,811 thousand relates to bonds issued by the Greek State that have been given to the European Central Bank for liquidity pumping purposes as of 31.12.2021 (EUR 5,413 thousand as of 31.12.2020).
- An amount with a carrying amount of EUR 48,098 thousand relates to Treasury Bills of the Greek State that have been given to the European Central Bank for liquidity pumping purposes as of 31.12.2021 (EUR 30,019 thousand as of 31.12.2020).
- An amount with a carrying amount of EUR 9,892 thousand relates to bonds issued by other States and issuers that have been given to the European Central Bank for liquidity pumping purposes as of 31.12.2021 (EUR 2,106 thousand as of 31.12.2020).

40. Related party transactions

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

40.1 Transactions with subsidiaries of Optima Bank Group

Group and Bank

Amounts in Eur '000	31st December 2021	31st December 2020
a) Receivables		
Loans net of provisions	13,179	31,326
Other receivables	142	82
Total	**13,321**	**31,408**
b) Payables		
Deposits	8,889	13,095
Other liabilities	0	22
Total	**8,889**	**13,117**
c) Income		
Interest and similar income	635	435
Commission income	276	1
Other income	122	43
Total	**1,033**	**479**
d) Expenses		
Commission expenses	18	83
Other expenses	0	2,508
Total	**18**	**2,590**

A provision for impairment of EUR 35 thousand (EUR 201 thousand on 31.12.2020) has been calculated for loans to subsidiaries.

40.2 Transactions with Management and members of the Board of Directors

Group and Bank

Amounts in Eur '000	31st December 2021	31st December 2020
a) Receivables		
Loans	995	412
Total	**995**	**412**
b) Payables		
Deposits	1,235	1,046
Total	**1,235**	**1,046**
c) Income		
Interest and similar income	7	3
Total	**7**	**3**
d) Expenses		
Interest and similar expenses	2	6
Total	**2**	**6**

40.3 Remuneration of Management and members of the Board of Directors

Group

Ποσά σε Ευρώ '000	31η Δεκεμβρίου 2021	31η Δεκεμβρίου 2020
Μισθοί, εργοδοτικές εισφορές & λοιπές επιβαρύνσεις	2.122	2.353
Αμοιβές & λοιπές παροχές	78	119
Σύνολο	**2.200**	**2.472**

Bank

Amounts in Eur '000	31st December 2021	31st December 2020
Salaries, emplyer's contributions and other expenses	1,693	1,884
Remuneration & other benefits	69	70
Total	**1,762**	**1,954**

41. External auditors

The total fees paid by the Bank to the independent auditor “Deloitte Auditors” for their audit and other services provided are broken down as follows:

Amounts in Eur '000	**31st December 2021**	**31st December 2020**
Statutory Audit	115	74
Tax Certificate	44	39
Non Audit Services	13	8
Total	**172**	**121**

42. Business combinations

Acquisition of OPTIMA FACTORS S.A. and OPTIMA ASSET MANAGEMENT MFMC

On December 11, 2020, OPTIMA BANK acquired 100% of the share capital of OPTIMA FACTORS SA from IREON INVESTMENTS LTD. The purchase consideration, less any expenses, amounted to EUR 6.3 million and was paid in cash. At acquisition date, OPTIMA BANK and OPTIMA FACTORS SA were undertakings under joint control.

On November 12, 2020, OPTIMA BANK acquired 94.52% of the share capital of OPTIMA MFMC from IREON INVESTMENTS LTD. The purchase consideration, less any expenses, amounted to EUR 0.2 million and was paid in cash. At acquisition date, OPTIMA BANK and OPTIMA ASSET MANAGEMENT MFMC were undertakings under joint control.

Considering a concentration of undertakings under joint control at the acquisition date and taking into account the transaction data, the most appropriate reporting method is the recognition of the transactions at fair values according to IFRS 3.

Within the time limits set by IFRS 3, the final fair values of the companies OPTIMA FACTORS SA and OPTIMA ASSET MANAGEMENT MFMC were calculated by an independent valuer. The final fair values of the net assets of the two companies on their acquisition date are shown here below:

(a) Acquisition of the company OPTIMA FACTORS S.A.

Amounts in Eur '000	**31st December 2020***
ASSETS	
Loans and advances to other financial institutions	1,003
Loans and advances to customers	22,811
Property, plant and equipment and intangible assets	32
Goodwill	1,725
Total assets	**25,571**
LIABILITIES	
Current liabilities	12,594
Non-current liabilities	539
Deferred tax Liability	414
Total liabilities	**13,548**
Fair Value of acquired Shareholders Equity	**12,023**
Adjustment of FV of Net Assets already included in Consolidate Retained Earnings	(66)
Acquistion cost	6,307
Gain from acquisition	**5,650**

The OPTIMA FACTORS SA acquisition effect on the profit or loss of the Group and on the equity from the acquisition date to December 31, 2020 amounted to EUR 66.8 thousand (upon exercise of minority rights).

(b) Acquisition of the company OPTIMA ASSET MANAGEMENT MFMC

Amounts in Eur '000	**31st December 2020***
ASSETS	
Loans and advances to other financial institutions	889
Loans and advances to customers	576
Property, plant and equipment and intangible assets	355
Goodwill	2,329
Total assets	**4,150**
LIABILITIES	
Current liabilities	807
Non-current liabilities	34
Deferred tax Liability	559
Total liabilities	**1,400**
Fair Value of acquired Shareholders Equity	**2,750**
Adjustment of FV of Net Assets already included in Consolidate Retained Earnings	(68)
Acquistion cost	200
Non-Controling Interest	15
Fair Value of previous interest held	10
Gain from acquisition	**2,456**

The OPTIMA OPTIMA MANAGEMENT SA acquisition effect on the profit or loss of the Group and on the equity from the acquisition date to December 31, 2020 amounted to EUR 67.6 thousand (upon exercise of minority rights).

43. Dividend income

In the financial year 2021, the Bank received dividends totaling EUR 8,311 thousand of which EUR 8,146 thousand from its subsidiary IBG Investments S.A.

44. Reclassifications

Reclassifications have been made to the comparative items in the individual statements and tables so that the information provided is comparable with that of the current financial year. The above reclassifications have no impact on the equity and profit or loss.

45. Events after the financial statements date

The Russia/Ukraine conflict that started on February 24, 2022 and is still ongoing is negatively affecting the global economy, causing increases in fuel, raw materials and food prices and disrupting the supply chain. The Group is not directly exposed to Russia and Ukraine.

Given the adverse international environment, the challenge for Greece is to continue its economic growth and upgrade the Greek State's credit rating to investment grade. The expected rise in interest rates and high inflation could create problems in servicing customers' loan liabilities. Although the Group's loan portfolio has been built up over the last two years, the Group monitors the sectors that it believes may be affected and plans the solutions that may be required.

The Bank participates in the Greek National Recovery and Resilience Plan, as well as in the programs of the Hellenic Development Bank because it believes that this way it contributes to the strengthening of businesses through the financing of innovative investment projects and consequently to the growth of the Greek economy.

Marousi, July 5, 2022

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**