



Eurobank Asset Management M.F.M.C.

**Financial Statements
for the year ended on
31 December 2019**

**Prepared in line with the International Financial Reporting Standards
as adopted by the European Union**

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Ministry of Development & Investments
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Report prepared by the Independent Certified Public Accountant

To the shareholders of
Eurobank Asset Management M.F.M.C. S.A.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of Eurobank Asset Management M.F.M.C (the “Company”) which comprise the Balance Sheet as at 31 December 2019, the Statements Profit or Loss and Other Comprehensive Income, Changes in Equity and Cash Flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying Financial Statements present fairly, in all material respects, the financial position of Eurobank Asset Management M.F.M.C as at 31 December 2019 and its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditors’ Responsibilities for the Audit of the Financial Statements

— Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs which have been incorporated in Greek legislation will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably

be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

- As part of an audit in accordance with ISAs, which have been incorporated in Greek legislation, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

1. Board of Directors' Report

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

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

- (b) Based on the knowledge acquired during our audit, relating to Eurobank Asset Management M.F.M.C) and its environment, we have not identified any material misstatements in the Board of Directors' Report

Athens, 28 February 2019

KPMG Certified Auditors S.A.
AM SOEL 114

Anastasios Kyriacoulis, Certified Auditor Accountant
AM SOEL 39291

Income Statement

	<u>Note</u>	Year ended on 31 December	
		2019	2018
		€	€
Income from fees and commissions	5	17.575.462	15.384.397
Fees and commission expenses	9	(6.609.681)	(6.281.600)
Net commission income		10.965.782	9.102.797
Other operating income	7	100.660	121.931
Net income from operating activities		11.066.442	9.224.729
Staff salaries and expenses	8	(3.638.643)	(4.235.584)
Other operating expenses	10	(1.953.294)	(2.024.579)
Depreciation	16 & 17	(419.813)	(216.075)
Total expenses		(6.011.750)	(6.476.237)
Results from operating activities		5.054.692	2.748.491
Net interest income	6	110.793	71.663
Results from financial transactions	11	482.666	251.923
Earnings before tax		5.648.151	3.072.078
Less: Income tax	12	(1.308.957)	(888.689)
Earnings after tax		4.339.193	2.183.389

Notes on pages 11 to 39 form an integral part of these financial statements.

Statement of Comprehensive Income

		Year ended on 31 December	
		2019	2018
		€	€
Earnings after tax		4.339.193	2.183.389
Amounts that will not be subsequently reclassified to profit or loss:			
Actuarial gains / (losses) recognised in equity under IAS 19	24	(22.791)	5.433
Other comprehensive income, net of tax		(22.791)	5.433
Total comprehensive income for the period		4.316.403	2.188.822

Notes on pages 11 to 39 form an integral part of these financial statements.

Balance Sheet

	<u>Note</u>	Year ended on 31 December	
		2019	2018
		€	€
ASSETS			
Non-current assets			
Intangible assets	16	489.557	505.570
Tangible fixed assets	17	266.933	61.133
Deferred tax assets	13	281.976	265.801
Other long-term receivables	18	319.474	325.508
		1.357.939	1.158.012
Current assets			
Customers and other receivables	19	4.155.744	2.380.004
Investment securities portfolio	15	24.225.729	16.387.885
Cash and cash equivalents	14	7.373.914	11.605.109
Current tax assets		-	8.333
		35.755.386	30.381.331
TOTAL ASSETS		37.113.326	31.539.343
EQUITY AND LIABILITIES			
Share capital	23	18.406.674	18.406.674
Other reserves	24	4.070.377	3.318.500
Retained earnings		10.372.089	6.807.564
Total equity		32.849.141	28.532.738
Long-term liabilities			
Provision for staff retirement indemnities	21	426.847	385.758
Other long-term liabilities	25	69.722	-
		496.569	365.758
Short-term liabilities			
Current tax liabilities	12	435.107	-
Suppliers and other liabilities	20	2.591.442	2.196.268
Other taxes and liabilities	22	741.067	444.579
		3.767.616	2.640.847
Total liabilities		4.264.185	3.006.605
TOTAL EQUITY AND LIABILITIES		37.113.326	31.539.343

Notes on pages 11 to 39 form an integral part of these financial statements.

Statement of Changes in Equity

	Equity attributable to shareholders			
	Share Capital €	Reserves €	Retained earnings €	Total €
Balance as at 1 January 2018	18.406.674	3.160.606	4.776.636	26.343.916
Earnings after tax	-	-	2.183.389	2.183.389
Other comprehensive income for the period	-	5.433	-	5.433
Total comprehensive income for the period	18.406.674	5.433	2.183.389	2.188.822
Transfers of reserves	-	43.402	(43.402)	-
Statutory reserve	-	109.059	(109.059)	-
Balance as at 31 December 2018	18.406.674	3.318.500	6.807.564	28.532.738
Balance as at 1 January 2019	18.406.674	3.318.500	6.807.564	28.532.738
Earnings after tax	-	-	4.339.193	4.339.193
Other comprehensive income for the period	-	(22.791)	-	(22.791)
Total comprehensive income for the period	18.406.674	3.295.709	11.146.757	32.849.141
Transfers of reserves	-	560.038	(560.038)	-
Statutory reserve	-	214.630	(214.630)	-
Balance as at 31 December 2019	18.406.674	4.070.377	10.372.089	32.849.141
	Note 23	Note 24		

Notes on pages 11 to 39 form an integral part of these financial statements.

Cash Flow Statement

	Year ended on 31 December	
	2019	2018
	€	€
Cash flow from operating activities		
Profit / (loss) before tax	5.648.151	3.072.078
<i>Adjustments in relation to the following transactions:</i>		
Depreciation (Notes 16-17)	419.813	216.075
Provisions	144.074	34.943
Adjustment of portfolio to fair value	(168.815)	(241.343)
Interest income	(114.683)	(67.610)
Results from investing activities	(313.851)	(10.581)
Other non-cash income	(14.471)	(16.158)
Income from unused provisions	(6.200)	-
<i>Operating profit before changes in working capital</i>	<u>5.594.018</u>	<u>2.987.405</u>
(Increase)/decrease in receivables from customers and other accounts	(1.797.019)	571.118
Increase/(decrease) in current liabilities (excluding banks)	436.887	(145.145)
<i>Cash inflows from main operations</i>	<u>4.233.886</u>	<u>3.413.378</u>
Tax paid	(846.463)	(1.226.037)
Net cash inflow/(outflow) from operating activities	<u>3.387.424</u>	<u>2.187.341</u>
Cash flow from financing activities		
Leasing arrangement liabilities paid	(170.402)	-
Net cash inflow/(outflow) from financing activities	<u>(170.402)</u>	<u>-</u>
Cash flow from investing activities		
Acquisition of fixed and intangible assets	(215.284)	(35.842)
Payments to acquire financial assets	(22.000.000)	(15.430.000)
Proceeds from sale of financial assets	14.644.823	15.448.441
Interest received	114.723	67.613
Net cash (outflow)/inflow from investing activities	<u>(7.455.738)</u>	<u>50.212</u>
Net (decrease)/increase in cash and cash equivalents	(4.238.716)	2.237.549
Cash and cash equivalents at beginning of year (note 14)	<u>11.613.273</u>	<u>9.375.724</u>
Cash and cash equivalents at end of year (note 14)	<u>7.374.557</u>	<u>11.613.273</u>

Notes on pages 11 to 39 form an integral part of these financial statements.

Selected Explanatory Notes to the Condensed Interim Financial Statements

1 General Information

Eurobank Asset Management M.F.M.C. S.A. (hereinafter the Company) was incorporated in Greece and is involved in the management of collective portfolios (undertakings for collective investment in transferable securities, alternative investment funds and variable capital investment companies), the discretionary management of investment portfolios and the provision of investment advice for financial instruments. The company is a wholly-owned subsidiary of the bank Eurobank Ergasias S.A. (hereinafter “the Bank”). Its website is www.eurobankam.gr.

The Company’s financial statements were approved by the Board of Directors on 27.2.2020.

2 Main accounting policies

The main accounting policies used in preparing these financial statements are outlined below.

2.1 Basis of preparation of the financial statements

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) approved by the International Accounting Standards Board and adopted by the European Union (EU) and in particular the standards and interpretations which are in effect or have been issued and applied early on the date the financial statements are prepared.

The policies presented below have been consistently applied in the 2019 and 2018 accounting periods, with the exception of those set out below. The comparative data, where necessary, has been adjusted to reflect the changes in the presentation adopted by the company for the current year. The financial statements have been prepared on a going concern basis.

Recent developments and uncertainties in the macroeconomic environment

The annual financial statements have been prepared on a going concern basis and have been approved by the Board of Directors, taking into account the following:

The Company operates in a positive growth environment in Greece. More specifically, according to the European Commission’s forecasts for 2020 Greece’s real GDP is expected to increase to 2.4% from 2.2% in 2019 (2018 1.9%, according to data from the Hellenic Statistical Authority (ELSTAT)). The unemployment rate in November 2019 was 16.5% (November 2018, 18.6%) based on ELSTAT data. As far as the fiscal front is concerned, according to the 2020 budget, Greece’s primary fiscal surplus is expected to be 3.7% (2019, 3.6%). As part of enhanced supervision, the first four successive quarterly assessments were successfully completed by December 2019, while the fifth evaluation was completed in February 2020. The capital controls imposed in July 2015 were completely abolished from 1 September 2019 onwards. In this context, in 2019 the Greek State managed to normalise and achieve continuous access to the market by issuing four bonds with different maturity dates. In January 2020, the Greek Government issued a 15-year bond worth € 2.5 billion with a yield of 1.9%. The yield on the 10-year benchmark bond was 1.46% on 31 December 2019 compared to 4.40% on 31 December 2018.

As far as the economic prospects for the next 12 months are concerned, the main macroeconomic risks and uncertainty factors in Greece are related to (i) implementation of reforms and privatisations to achieve the targets and milestones set out in the EU programme, (ii) attracting new investments to the country and (iii) geopolitical and macroeconomic conditions in the near or wider area, including the impact of maintaining an economic environment with low/negative interest rates and external shocks from a slowdown in the regional and/or global economy. The Group closely monitors developments concerning the macroeconomic environment in Greece and the wider region, taking into account its direct and indirect exposure to the Greek State's credit risk.

The Company is dependent on its parent company in relation to its activities. Moreover, its cash assets are primarily placed in accounts maintained with the parent company. Consequently, the risks and uncertainties the Company faces relate to the parent company's ability to continue as a going concern.

The Bank's merger with Grivalia in May 2019 further bolstered the Bank's capital position. At the same time, it eliminated financing from the Emergency Liquidity Assistance (ELA) mechanism at the end of January 2019.

Company Management constantly monitors developments and their possible impacts in order to ensure that they are minimised in Company operations and considers that the Company's financial statements can be prepared on the basis of the going concern principle.

2.2 Amendments to standards adopted by the Company

The following new standards, amendments to standards and new interpretations, as issued by the International Accounting Standards Board (IASB) and the IFRS Interpretations Committee (IFRIC) and adopted by the European Union (EU), have been in force since 1.1.2019.

IFRS 9, Amendments - Prepayment Features with Negative Compensation

These amendments to the requirements of IFRS 9 allow a financial asset to be measured at amortised cost or at Fair Value through Other Comprehensive Income (FVOCI) depending on the business model, even in the case of prepayment options which could result in the party that triggers the early termination receiving compensation from the other party (negative compensation). Consequently, these financial assets can now be measured at amortised cost or at FVOCI, irrespective of the event or circumstance which caused early termination of the contract and irrespective of which party pays or receives reasonable compensation for early termination. Applying IFRS 9 before the specific amendments would most likely result in those financial assets not meeting the evaluation criteria relating solely to payments of principal and interest (SPPI) and consequently being measured at fair value through profit and loss.

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

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

IFRIC 23, Uncertainty over Income Tax Treatments

The interpretation provides clarifications about the application of the recognition and measurement requirements of IAS 12 "Income Taxes" when there is uncertainty over income tax treatments. In this case recognition and measurement of current or deferred tax assets or liabilities in accordance with IAS 12 is based on the taxable profit (tax loss), tax bases, unused tax losses, and unused tax credits and tax rates determined by applying IFRIC 23.

According to the interpretation, each uncertain tax treatment is considered separately or together as a group, depending on which approach provides better predictions of the resolution of the uncertainty. The entity is to assume that the taxation authority which will examine those uncertain amounts of tax, has the right to examine tax treatments and will have full knowledge of all relevant information when doing so.

If an entity concludes that it is probable that the taxation authority will accept an uncertain tax treatment, it has to determine the taxable profit, the tax base, tax losses, tax credits and tax rates consistently with that tax treatment. If it concludes that it is not probable that the treatment will be accepted, the result of uncertainty on the accounting for income tax must be presented in the period in which this determination was made, using the method that best predicts the resolution of the

uncertainty (i.e. the single most likely amount or the expected value method which follows a weighted probability approach).

Assumptions and estimates made in order to recognise and measure the impact of uncertain tax treatments must be reassessed if circumstances change or there is new information which affects those assumptions (such as measures taken by the taxation authority, information that the authority has taken a specific stance in relation to a similar issue or that its right to examine a specific tax treatment has expired).

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

IFRS 16 "Leases"

IFRS 16, which supersedes IAS 17 (Leases) and the relevant interpretations, introduces a single accounting model in the balance sheet for lessees, according to which the classification of leases by the lessee as either operating or finance leases is done away with, and all leases are treated the same as finance leases in accordance with IAS 17.

The definition of a lease under IFRS 16 primarily relates to the concept of control. The new standard separates leases from service agreements based on whether the use of an identified asset is controlled by the customer. Control is considered to exist when the customer has

- the right to obtain substantially all of the economic benefits from use of the identified asset, and
- the right to direct the use of the identified asset.

IFRS 16 provides for recognition of a right-of-use asset and a lease liability, when the lease commences in the case where there is a contract or part of a contract which gives the lessee the right to use an asset for a period of time in return for the price paid.

The right-of-use asset is initially measured at cost, which consists of the lease liability amount plus the rent paid to the lessor on or before the date of the lease, less any incentives to the lessee received, the original estimate of remediation costs and initial direct costs incurred by the lessee, and then is subsequently measured at cost, minus accumulated depreciation and impairment. The lease liability is initially recognised at the present value of the lease payments during the lease term which have not yet been paid.

Consequently, the straight-line recognition method for operating lease expenses under IAS 17 is replaced by depreciation of the right-of-use asset and the interest-expenses from the lease liability. Recognition of assets and liabilities by lessees, as described above, is not required for certain short-term leases and leases for low value assets. In addition, accounting for lessors is not substantially affected by the requirements of IFRS 16.

Adoption of IFRS 16

The Company applied the requirements of IFRS 16 on 1.1.2019 and has opted for the amended retrospective application of IFRS 16 and consequently the comparative information was not adjusted.

During the transition, the Company made use of the practical solution available for transitioning to IFRS 16, not to re-evaluate to what extent a contract is or contains a lease. According to IFRS 16, on the commencement date of the lease, the Company as a lessee recognises right-of-use assets and lease liabilities in the balance sheet, which are initially measured at the present value of future lease payments.

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

In applying the amended retrospective approach, the Company used the following main estimates and assumptions:

- In order to determine the lease term for leases in which the Company is the lessee, including open-ended leases, regard was had to all relevant facts and conditions such as future housing needs and expected use, and a judgement was made. In addition, regard was had to rights to extend or terminate the lease which in effect are considered to be certain to be exercised. These estimates will be re-examined on a regular basis during the term of each lease.
- The present value of lease liabilities was measured using the differential borrowing rate on the transition date since the interest rate contained in leases could not be easily determined. For the Bank and its Greek subsidiaries (“operations in Greece”) the differential borrowing rate arose from the estimated yield curve for the covered bonds, which is generated based on the observable yield on Greek Treasury bonds. For operations in Greece, the weighted discount rate was 2.6%. The discount rate used to determine lease liabilities will be recalculated on a regular basis using updated data.
- The applicable taxes, VAT and stamp duty were excluded from the scope of calculations made for IFRS 16 purposes.

The quantitative impact of applying IFRS 16 from 1.1.2019 is presented in note 25.

IAS 28 (Amendments) “Long-term Interests in Associates and Joint Ventures”

These amendments clarify that IFRS 9: Financial Instruments, including impairment requirements, applies to long-term interests in an associate or joint venture that form part of the company’s net investment in the associate or joint venture, but which are not accounted for using the equity method.

Under the amendment, an entity must not take into account any adjustments to the carrying amount of long-term interests (net investment in an associate or joint venture) that result from the application of IAS 28 “Investments in associates and joint ventures” when applying IFRS 9.

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

IAS 19 (Amendments) “Defined Benefit Plan Amendment, Curtailment or Settlement”

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

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

Annual improvements to IFRS 2015-2017

The improvements introduce major changes to various standards which are outlined below:

The amendments to IFRS 3 “Business Combinations” and IFRS 11 “Joint Arrangements” clarified the way in which an entity recognises an increase in its participation in a joint activity that meets the definition of business. To be more specific, when an entity obtains control of a business that is a joint operation, then the transaction is a business combination which is achieved in stages, and the acquirer remeasures its overall previously held interest in the assets and liabilities of the joint operation at fair value. If an entity participates in a joint operation (joint operator) without having joint control of it, and obtains joint control of the business, then the previously held interest is not remeasured.

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

The amendments to IAS 23 “Borrowing Costs” clarified that any borrowing obtained initially to develop an asset that met the conditions must be treated as part of the general borrowing by the entity when in effect all necessary activities to prepare the asset for its intended use or for sale have been completed.

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

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

A set of new standards, amendments to existing standards and interpretations will take effect after 2020, given that they have not yet been adopted for use by the European Union or the Company has not adopted them earlier than the mandatory adoption date. Those which may be relevant to the Company are as follows:

Interest rate benchmark reform - Amendments to IFRS 9, IAS 39 and IFRS 7 (effective from 1.1.2020)

In September 2019 the International Accounting Standards Board (IASB) issued amendments to IFRS 9 “Financial Instruments”, IAS 39 “Financial Instruments: Recognition and Measurement” and IFRS 7 “Financial Instruments: Disclosures” to address the impacts on specific requirements related to hedge accounting arising from the uncertainty created by the interest rate benchmark reform across the entire market (referred to as the “IBOR reform”). As a result of the IBOR reform, there may be uncertainties about (a) the benchmark rate which is set as the hedged risk and/or (b) the time or amount of cash flows based on the benchmark rates for the assets being hedged or the hedging instrument, during the period up to the replacement of a type of benchmark rate with an alternative “risk-free rate” (RFR). The amendments provide a temporary exemption from the possible impacts of uncertainty during the specific period, by amending specific hedge accounting criteria in accordance with IAS 39 or IFRS 9. These temporary exemptions relate mainly to the requirement of a high probability of performance in terms of the cash flows being hedged, compliance with the criterion of the distinct nature of the risk component and the application of a future and retrospective assessment of the effectiveness of a hedging relationship.

The IASB is addressing the IBOR reform and the possible impact on financial reporting in two phases. These amendments complete the first phase which focused on issues affecting financial reporting in the period before the IBOR reform. The second phase focuses on possible issues which may arise when existing interest rates are replaced by RFR.

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

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

In March 2018 the IASB issued the revised Conceptual Framework. This revised framework replaces the previous version of the framework which was issued in 2010. The revisions made by the Council relate to guidelines on the concepts of measurement, presentation and disclosure and derecognition. In addition, the revision includes new definitions of assets, liabilities and recognition criteria, as well as clarifications on important areas.

In parallel with the revised Conceptual Framework, the IASB published an accompanying document entitled “Amendments to References to the Conceptual Framework within the IFRS” which includes subsequent changes to the standards so that they are referred to in the new Framework.

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

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

The IASB has adopted amendments to the definition of a business in IFRS 3 “Business Combinations” in order to assist entities to determine whether an acquired set of activities and assets is a business or not. The amendments clarify the minimum requirements for the definition of a business, remove

the assessment as to whether market participants can replace the missing elements, add guidelines to help entities evaluate whether the processes acquired are considered important. In addition, they specify the definitions of business and its outputs and introduce an optional control regarding fair value concentration test.

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

Amendments to IAS 1 and IAS 8 "Definition of Material" (effective from 1.1.2020)

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

The Company is currently evaluating any impacts from adopting these amendments.

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

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

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

2.3 Foreign currency

(a) Functional and presentation currency

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

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Any foreign exchange gains and losses that result from the settlement of such transactions during the period, as well as from the conversion of monetary assets denominated in foreign currency based on the prevailing exchange rates on the balance sheet date, are recognised in the Income Statement.

Foreign exchange differences from non-monetary items valued at fair value are considered part of the fair value and thus are recognised wherever fair value differences are recognised.

2.4 Tangible fixed assets

Tangible assets are measured at acquisition cost less accumulated depreciation and accumulated impairment losses. The cost of acquisition includes all directly payable expenses for acquiring assets.

Subsequent expenses are recorded as an increase to the carrying amount of the fixed assets or as a separate asset only where it is likely that the future financial benefits accruing to the Company and the cost can be reliably measured. The cost of repair and maintenance works is recognised in profit and loss when the said works are carried out.

Depreciation is calculated using the straight line method over the useful life of the assets as follows:

- Improvements to third party property During the lease period
- Transportation equipment 9 years
- Other equipment 4-7 years

The residual value and the useful life of fixed assets are subject to re-examination on each balance sheet date. When the carrying amount of fixed assets exceeds the recoverable value the differences (impairment) are posted as expenses to the results.

When the fixed assets are sold, differences between the price received and the carrying amount are posted as profits or losses in the income statement.

2.5 Intangible assets

Software

Software licences are valued at acquisition cost less depreciation. Depreciation is recorded using the straight line method over the useful life of the assets which has been estimated at between 5 and 6 years. Expenses required to develop and maintain software are posted as expenses when incurred.

2.6 Fixed asset impairment

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

2.7 Financial assets

a. Financial assets - classification and measurement

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

Financial assets measured at amortised cost (AC)

The Company classifies and measures a financial asset at amortised cost only if both of the following conditions are met:

- (a) The financial asset is held in the context of a "Hold-to-collect" (HTC) business model whose objective is to hold financial assets in order to collect contractual cash flows and
- (b) based on the contractual terms and conditions governing the financial asset, cash flows are created on specific dates, consisting solely of payments of principal and interest on the outstanding balance of the principal (SPPI).

These financial assets are initially recognised at fair value plus direct and additional transaction costs and are subsequently measured at amortised cost using the effective interest rate method (EIR) after provisioning for expected credit losses (ECL).

Interest income, realised gains and losses on derecognition and changes in impairment losses on assets classified as measured at amortised cost are included in the income statement.

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

The Company classifies and measures all financial assets that are not classified at amortised cost at fair value through profit or loss. Consequently, this measurement category includes loans and other debt securities held on the basis of hold to collect (HTC), but failed in the SPPI assessment, assets held for trading and derivative financial instruments.

In addition, a financial asset that meets the above conditions for being classified at amortised cost may be designated by the Company as measured at fair value through profit or loss on initial recognition if this significantly eliminates or significantly reduces accounting inconsistency that would otherwise arise.

Financial assets measured at FVTPL are initially recognised at their fair value and any unrealised gains or losses arising from changes in fair value are included in the income statement.

b. Financial asset impairment

The adoption of IFRS 9 replaces the approach in IAS 39 for credit losses incurred with the expected credit losses approach (ECL) which requires the use of complex models and a major judgement about future economic conditions and credit behaviour.

The Company recognises expected credit losses (ECL) that reflect changes in credit quality from initial recognition of financial assets measured at amortised cost.

Expected credit losses are a probability-weighted average estimate of credit losses which reflects the value of money over time. Upon initial recognition of the financial instruments that are subject to the impairment policy, the Company forms an impairment provision equal to the expected credit losses over their lifetime, which arise from default events that are probable during the expected duration of the instrument.

Therefore, the Company applies the simplified approach in IFRS 9 to calculate expected credit losses, according to which the impairment provision is always measured at the amount of expected lifetime losses of customer receivables.

2.8 Trade receivables

Receivables from customers are posted initially at fair value and later valued at carried cost using the actual interest rate less impairment losses. Therefore, the Company applies the simplified approach in IFRS 9 to calculate expected credit losses, according to which the impairment provision is always measured at the amount of expected lifetime losses of customer receivables.

2.9 Cash and cash equivalents

Cash and cash equivalents include cash in sight deposits and short-term investments of up to 3 months which are highly-liquid and low risk.

2.10 Share capital

Ordinary shares are recorded as equity.

2.11 Deferred tax

Deferred tax is calculated on the basis of the full liability method for all temporary differences which arise between the tax basis for assets and liabilities and their corresponding carrying amounts as shown in the financial statements using the expected future tax rates.

Deferred tax liabilities are recognised to the extent that it is possible that there will be future taxable profits in respect of which temporary differences can be used.

Income tax on profits is calculated based on the taxation legislation which has been adopted in countries where the Company operations are conducted and is recognised as an expense in the period for which the profits arose.

2.12 Employee post-employment benefits

(a) Pension obligations

Post-employment benefits include both defined contribution plans and defined benefit plans. The accrued cost of defined contribution plans is posted as an expense in the period to which the cost relates.

The liability recorded in the balance sheet for defined benefit plans is the current value of the defined benefit obligation less the fair value of the plan's assets. The defined benefit obligation is calculated on an annual basis by an independent actuary through the use of the projected unit credit method. The interest rate on long-term Greek treasury bonds is used for discounting purposes.

Under Greek labour law when employees remain in service until the normal retirement age they are entitled to lump sum compensation which is calculated based on their length of service and their pay at the date of retirement. A provision has been formed on the actuarial value of the compensation lump sum using the projected unit credit method. Under this method the cost for termination

compensation is recognised in the income statement over the employees' length of service based on actuarial valuations made each year. The obligation to pay retirement compensation is calculated as the present value of expected future cash outflows using the interest rate for government bonds with terms to maturity approximating the terms of the related obligation. In countries where there is not a large market in such bonds, government bond rates at year-end are used. The currency and maturity date of the bonds used matches the currency and estimated duration of the pension obligations. Actuarial gains or losses which result from calculating the retirement compensation for the Company are recognised directly in Other Comprehensive Income in the year they are incurred and are not transferred to the income statement in subsequent periods.

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

(b) Profit-sharing and benefit schemes

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

2.13 Provisions

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

2.14 Revenue recognition

Revenue is recognised as follows:

(a) Fees and commission

Fees and commission are recognised in the period in which the services are provided, based on the stage in completion of the service provided in relation to all services provided.

(b) Interest income

Interest income is recognised on a time proportion basis using the effective interest method. When there is an indication of impairment of receivables, the carrying amount is reduced to the recoverable amount which is the present value of expected future cash flows discounted using the initial effective interest rate. Following this, interest is booked using the same interest rate based on the impaired (new book) value.

2.15 Leased assets

Leases where in effect the risk and rewards of ownership remain with the lessor are classified as operating leases. Payments made under operating leases (net of any incentives offered by the lessor) are recognised in the income statement pro rata during the term of the lease as depreciation and operating lease interest Note 2.2 (IFRS 16, Leases).

2.16 Dividend Distribution

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

2.17 Comparative data

The comparative data, where necessary, has been adjusted to reflect the changes in the presentation adopted by the company for the current year.

3 Financial risk management

3.1 Financial risk management

Risk is managed by Company Management based on data from the Company's Risk Management and Regulatory Compliance Division. Risk management focuses primarily on identifying and assessing financial risks such as foreign exchange risk, interest rate risk, credit risk, the use of derivative and non-derivative financial assets and the excess liquidity investment policy.

(a) Market risk

(i) Foreign exchange risk The Company operates in a single economic environment (Greece) and is not exposed to foreign currency risks due to the limited value of transactions in a foreign currency.

(ii) Price risk. The Company does not have investments in securities or shares listed on stock exchanges. The Company has mutual funds in its investment portfolio. The portfolio's price risk is calculated using the Value-at-Risk methodology using Risk Manager from Risk Metrics. The maximum potential loss is calculated over a 10-working day horizon based on historical data for one year with a 99% confidence interval. The impact on Company equity for the portfolio as at 31.12.2019 is estimated at € 109,476 while for the portfolio as at 31.12.2018 it is estimated at € 314,483.

(iii) Interest rate risk. Interest rate risk for cash flows is the risk that future cash flows of a financial instrument will fluctuate due to changes in market rates. Fair value interest rate risk is the risk that the value of the financial instrument will fluctuate due to changes in market interest rates. The Company is not significantly exposed to interest rate fluctuations prevailing in the market which affect its financial position and cash flows because the risk is limited to deposits and investments with a pre-agreed return of up to one month.

(b) Credit risk

The Company has a significant concentration of credit risk in relation to certain mutual funds under management. However, losses are not expected since the commission the Company receives from mutual funds is paid each month while cash transactions are with the parent company.

(c) Liquidity risk

The table below presents Company assets and liabilities in categories based on the time remaining to maturity on the balance sheet date.

	2019 €			
	up to 3 months	3 - 12 months	Over 1 year	Total
ASSETS				
Customers and other receivables (including other long-term receivables)	4.154.840	-	324.474	4.479.314
Investment securities portfolio	-	24.225.729	-	24.225.729
Cash and cash equivalents	7.373.914	-	-	7.373.914
LIABILITIES				
Suppliers and other liabilities	2.107.314	-	-	2.107.314
Other taxes & duties	741.067	-	-	741.067
Lease liabilities	-	137.475	69.722	207.197
	2018 €			
	up to 3 months	3 - 12 months	Over 1 year	Total
ASSETS				
Customers and other receivables (including other long-term receivables)	2.382.105	-	330.508	2.712.613
Investment securities portfolio	-	16.387.885	-	16.387.885
Cash and cash equivalents	11.605.109	-	-	11.605.109
LIABILITIES				
Suppliers and other liabilities	1.843.415	-	-	1.843.415
Other taxes & duties	444.579	-	-	444.579

3.2 Determination of fair value

The nominal value less provisions for bad trade debts is deemed to be close to the actual value. All financial assets valued at fair value are categorised at year end into one of the three fair value ranking levels depending on whether valuation is based on data observable or non-observable in the market.

(i) Level 1 - Stock exchange prices on active markets for financial assets with the same characteristics. These prices must be available from a stock exchange or active index / market directly and at regular intervals and must represent real, frequent transactions on a purely commercial basis. This level includes listed shares, debt instruments and negotiable derivatives.

The Company classifies the total investment securities portfolio for 2019 and 2018 of € 24,225,729 and € 16,387,885 respectively, at level 1.

(ii) Level 2 - Financial assets valued using valuation methods where all the most important data comes from observable values. This level includes OTC derivatives and complex financial assets and liabilities.

The Company does not have such financial assets for the 2017-2018 periods.

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

The Company does not have such financial assets for the 2018-2019 periods.

3.3 Capital adequacy

The initial capital management objectives were to ensure that the Company maintains satisfactory capital adequacy ratios in order to allow it to continue its operations and maximise the benefits for shareholders. The Capital Adequacy Ratio for the period ended on 31 December 2019 was 28.45% (for the 2018 period 32.63%).

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

4 Significant accounting estimates and judgements made by Management

The estimates and judgements made by Management are re-examined continuously and are based on historical data and expectations about future events which are considered reasonable in light of current circumstances.

The Company makes estimates and assumptions about the development of future events. Those estimates and assumptions which entail a significant risk of substantive adjustments in the carrying amount of assets and liabilities over the next 12 months are as follows:

(a) Income tax

Company Management makes estimates about the projected level of income tax. There are many transactions and calculations made during the normal course of operations for which the final determination of tax is uncertain. The Company recognises liabilities for expected tax audit issues based on estimates of the extent to which additional taxes will arise. Where the final tax outcome of these cases differs from the amounts initially recognised, the differences will affect tax liabilities during the period in which they are calculated.

(b) Pending litigation

Company Management, in cooperation with the Group's legal services and with the assistance of third party external legal advisors, is constantly informed about the progress of court cases concerning it and regularly reviews the provisions already formed. These provisions are posted in each case with the consent of its legal advisors and are based on estimates about future liabilities.

5 Income from fees and commission

	2019	2018
	€	€
Mutual Fund management fees	9.508.674	9.235.444
Sales commission for mutual fund units	413.987	269.270
Commission for redeeming mutual fund units	165.916	93.604
Foreign collective portfolio investment management fees	2.886.344	2.622.712
Management fees and investment portfolio premium	4.585.828	3.140.424
Investment advice agreement fees	14.712	22.942
	17.575.462	15.384.397

The “Investment management and investment portfolio premium” account for 2019 includes an amount of €1,361,000 which relates to the Company’s income from the investment portfolio premium.

6 Interest income

	2019	2018
	€	€
Time deposits	113.465	66.263
Sight deposits	69	4.168
Other interest	1.190	1.232
Operating lease interest expenses	(3.930)	-
	110.793	71.663

7 Other operating income

	2019 €	2018 €
Income from incidental activities	100.660	121.931
	100.660	121.931

8 Staff salaries and expenses

	2019 €	2018 €
Salaries, wages and employee benefits	(2.768.257)	(2.776.825)
Social security contributions	(590.988)	(585.899)
Other benefits and provision for staff termination compensation (note 21)	(31.101)	(607.193)
Other staff expenses	(248.297)	(265.666)
	(3.638.643)	(4.235.584)

The number of staff employed on 31.12.2019 was 51 (2018: 51) while the average number of Company employees during the year was 51 (2018: 51).

As part of the Group's voluntary redundancy plan for 2018, the "Staff salaries and expenses" account for the year ended on 31.12.2018 was charged with € 575,306, which relates to the cost of staff who participated in the plan announced during the period.

9 Fees and commission expenses

	2019 €	2018 €
Eurobank Ergasias S.A. fees	(3.351.873)	(3.012.480)
Interamerican Hellenic Life Insurance Company S.A. fees	(3.074.695)	(3.171.692)
Eurolife ERB Life Insurance S.A. fees	(2.658)	(2.858)
Eurobank Cyprus LTD	(56.955)	(24.083)
Marketing costs	(123.500)	(70.488)
	(6.609.681)	(6.281.600)

The "Eurobank Ergasias S.A. fees" account includes not just the agency and brokerage fee for selling mutual fund units but also the cost of assigning private portfolio management services worth € 54,596 (2018: 51,280).

10 Other operating expenses

	2019	2018
	€	€
IT system and telecommunications costs	(759.355)	(742.117)
Miscellaneous expenses	(485.258)	(413.012)
Services outsourcing expenses	(464.319)	(477.852)
Operating lease expenses	(22.815)	(190.295)
Contributions to professional organisations and auditors' fees	(125.365)	(147.978)
Promotion and advertisement expenses	(96.183)	(53.325)
	(1.953.294)	(2.024.579)

The "Services outsourcing expenses" account includes the cost of outsourcing the running and support services for the Company's IT systems to the Bank, which corresponds to € 278,838 (2018: € 278,838) and the cost of outsourcing the accounting and tax support services of the Company to Business Exchanges S.A., which corresponds to € 185,481 (2018: € 199,015). "Other expenses" include income (worth € 10,527) from the impairment of receivables from financial institutions, customers and other receivables due to the adoption of IFRS 9.

The "Operating lease expenses" account for 2019 does not include expenses relating to the Company's operating leases which due to the application of IFRS 16 from 1.1.2019 have been carried forward to depreciation (see note 17).

11 Results from financial transactions

	2019	2018
	€	€
Gains from redeeming mutual fund units	313.851	21.040
Losses from redeeming mutual fund units	-	(10.459)
Income statement portfolio valuation	168.815	241.343
	482.666	251.923

12 Income tax

	2019	2018
	€	€
Income tax for the period	(1.318.793)	(877.435)
Deferred tax (note 13)	8.978	(39.660)
Prior period tax	857	28.406
Total tax expenses	(1.308.957)	(888.689)

The Greek tax rate for 2019 and 2018 was 24% and 29% respectively. The reconciliation of income tax on the Company's EBT based on current rates and tax expenses is as follows:

	2019	2018
	€	€
Effective tax rate		
Profit/(loss) before tax	5.648.151	3.072.078
Income tax calculated at current tax rate	(1.355.556)	(890.903)
Tax impact:		
- tax for previous year	857	28.406
- non-deductible business expenses	(76.475)	(96.539)
- impact of reduced tax rate on deferred taxation	(17.760)	(31.970)
- untaxed income	148.555	17.546
- other adjustments	(8.579)	85.071
Total tax expenses	(1.308.957)	(888.689)

The company's current tax liabilities of € 435,107 come from income tax for the year.

13 Deferred tax assets

Deferred income tax is calculated for some temporary differences based on the full liability method using the effective tax rate for 2019 of 24%.

	2019	2018
	€	€
Balance on 1 January	265.801	303.731
Impact on income statement from change in tax rate	(17.760)	(31.970)
Impact on income statement from 2019 transactions	26.738	(7.690)
Credit/(debit) applied to equity	7.197	1.730
Balance on 31 December	281.976	265.801

Deferred tax assets (liabilities) came from:

	2019	2018
	€	€
Intangible assets	58.225	18.703
Tangible fixed assets	19.906	3.401
Other temporary differences	101.401	152.257
Provisions for staff retirement indemnities	102.443	91.440
	281.976	265.801

Other temporary differences include deferred tax assets from provisions for pending litigation.

14 Cash and cash equivalents

For the purpose of preparing the cash flow statement, cash and cash equivalents mean the following balances which mature within a 90-day period. There are no cash and cash equivalents relating to Company customers.

	2019	2018
	€	€
Cash on hand	480	694
Deposits	74.077	112.579
Time deposits	7.300.000	11.500.000
	7.374.557	11.613.273
Impairment of receivables from financial institutions due to the adoption of IFRS 9	(643)	(8.164)
Total	7.373.914	11.605.109

The value and interest rates for investments in time deposits and the length of time for which they are invested are broken down in the following table:

31.12.2019			31.12.2018		
Nominal value	Interest rate	Duration	Nominal value	Interest rate	Duration
300.000	0.20%	31/12/2019-03/01/2020	10.500.000	0.65%	10/12/2018-09/01/2019
7.000.000	0.20%	31/12/2019-07/01/2020	1.000.000	0.65%	27/12/2018-02/01/2019
7.300.000			11.500.000		

15 Investment securities portfolio

	2019	2018
	€	€
Opening balance	16.387.885	16.154.403
Additions	22.000.000	15.430.000
Sales	(14.330.972)	(15.437.860)
Adjustment to fair value	168.815	241.343
Closing balance	24.225.729	16.387.885

This account relates to units in the following mutual funds and shares in a variable capital company based in Luxembourg.

Description	Items 31.12.2019	Acquisition cost	Fair value 31.12.2019	Fair value 31.12.2018
EUROBANK I (LF)FOF-BALANCED BLEND	983	1.430	1.639	1.430
EUROBANK I (LF)FOF-BALANCED BLEND EUROPE	120	1.268	1.461	1.268
EUROBANK I (LF)FOF-BALANCED BLEND US	157	1.888	2.191	1.888
EUROBANK I (LF)FOF-EQUITY BLEND	1.000	1.481	1.832	502.443
EUROBANK I (LF)INCOME PLUS EURO FUND	4.643.399	7.488.480	7.633.283	9.943.212
EUROBANK I (LF)ABSOLUTE RETURN	2.497.462	3.556.080	3.577.864	-
EUROBANK I (LF) GREEK CORPORATE BOND FUND	183.995	3.000.000	3.000.754	-
EUROBANK I (LF)MONEY MARKET FUND-RESERVE	505.214	5.000.000	4.998.333	-
ERB I GF VARIABLE NET ASSET VALUE MONEY MARKET FUND	1.570.944	5.000.000	5.000.000	-
DIAS II REGIONAL EQUITIES SUB-FUND EUR	31	6.287	8.372	6.287
EUROBANK NTT MONEY MARKET EUR	-	-	-	5.830.079
INTERAMERICAN NEW EUROPE GLOBAL EQUITY FUND	-	-	-	101.278
	9.403.304	24.056.914	24.225.729	16.387.885

16 Intangible assets

	2019 €	2018 €
Acquisition cost		
Opening balance	2.695.749	2.671.164
Purchases	212.899	24.585
Closing balance	2.908.647	2.695.749
Accumulated depreciation		
Opening balance	2.190.179	1.992.831
Depreciation for the period	228.912	197.348
Closing balance	2.419.090	2.190.179
Carried Value	489.557	505.570

17 Tangible fixed assets

	Improvements to third party property €	Transportation equipment €	Furniture and other equipment €	Rights under property leases	Rights under car leases	Total €
Acquisition cost						
Balance on 1.1.2018	182.347	3.245	694.665	-	-	880.257
Additions	-	-	11.257	-	-	11.257
Sales/write offs	-	(3.245)	-	-	-	(3.245)
Balance on 31.12.2018	182.347	-	705.922	-	-	888.269
Accumulated depreciation						
Balance on 1.1.2018	182.347	2.590	626.151	.	.	811.088
Depreciation for the period	-	89	18.638	-	-	18.727
Sales/write offs	-	(2.679)	-	-	-	(2.679)
Balance on 31.12.2018	182.347	-	644.789	-	-	827.136
Total liabilities from right-of-use assets recognised on 1.1.2019 under IFRS 16	-	-	-	183.206	102.545	285.751
Acquisition cost						
Balance on 1.1.2019 (adjusted)	182.347		705.922	183.206	102.545	1.174.020
Additions	1.704	-	21.328	-	87.918	110.949
Balance on 31.12.2019	184.051	-	727.250	183.206	190.463	1.284.969
Accumulated depreciation						
Balance on 1.1.2019	182.347		644.789			827.136
Depreciation for the period	852	-	21.350	104.689	64.010	190.901
Balance on 31.12.2019	183.199	-	666.138	104.689	64.010	1.018.037
Carried value on 31.12.2019	852	-	61.111	78.517	126.453	266.933
Carried value on 31.12.2018	-	-	61.133	-	-	61.133

There were no impairments to tangible assets during 2019.

18 Other long-term receivables

	2019	2018
	€	€
Other assets	69.474	75.508
Participation in the Guarantee Fund	250.000	250.000
	319.474	325.508

The “Participation in the Guarantee Fund” account includes an amount which relates to payment in cash to cover the Company’s contribution to the Investment Services Guarantee Fund in accordance with the provisions of Law 2533/1997.

19 Customers and other receivables

The balance of receivables from customers on 31.12.2019 consists of receivables from the provision of investment services and collective portfolio management.

	2019	2018
	€	€
Customers	4.032.380	2.288.054
Impairment of receivables from customers and other receivables due to the adoption of IFRS 9	(4.096)	(7.102)
Deferred expenses	107.988	77.894
Accrued income	14.471	13.158
Other assets	5.000	5.000
	4.155.744	2.380.004

The receivables from service contracts with Eurobank Ergasias S.A. amounted to 51.38% of all customer receivables in 2019 (note 27).

20 Suppliers and other liabilities

	2019	2018
	€	€
Suppliers	162.596	296.553
Fee and commission liabilities	1.746.942	1.397.695
Income collected up front and expenses payable	174.271	115.922
Lease liabilities (in accordance with IFRS 16)	137.475	-
Other liabilities	370.158	386.099
	2.591.442	2.196.268

Fee and commission liabilities

Eurobank Ergasias S.A.	892.159	709.803
Interamerican Hellenic Life Insurance Company S.A.	830.829	672.705
Eurolife ERB Life Insurance S.A.	704	609
Eurobank Cyprus LTD	23.249	14.577
	1.746.342	1.397.695

The fair values of these assets approximate the book values since the impact of the present value of money is negligible. The 'Other Liabilities' account includes the sum of € 346,654 (2018: € 352,854) which relates to the formation of a provision for pending litigation.

21 Provision for staff retirement indemnities

The impact of the amendments to the revised IAS 19 on the income statement for the period and the comprehensive income statement is presented below:

	2019	2018
	€	€
Balance on 1 January	365.758	357.806
Benefits paid	-	(591.997)
(Credit)/Debit to income statement	31.101	607.193
Recognition of actuarial loss/(gain) in statement of comprehensive income	29.988	(7.244)
Balance on 31 December	426.847	365.758

Amounts entered in the income statement

	2019	2018
	€	€
Cost of current employment	24.298	25.518
Interest costs	6.803	6.369
Employee termination benefit liabilities	-	575.306
	31.101	607.193

Other total income

	2019	2018
	€	€
Amounts entered in other comprehensive income	29.988	(7.244)
Actuarial (gains)/losses on liability due to financial assumptions	28.790	(22.074)
Actuarial (gains)/losses on obligation due to demographic assumptions	-	10.636
Actuarial gains/(losses) on obligation due to trading	1.198	4.194
	29.988	(7.244)

In order to form the provision for staff termination compensation the following assumptions were used: a) a 0.89% discount rate, b) future salary increases of 0.5% in 2020, 0.7% in 2021, 1.1% in 2022, 1.26% in 2023, 2.26% in 2024 and thereafter, c) 1.26% inflation and d) an average years to retirement period of 21.06 years.

These results are dependent on the economic and demographic assumptions used in preparing the actuarial study. Thus, on the valuation date (31.12.2019):

- If a discount rate of 0.5% higher had been used, the total obligation would be approximately 9% lower.
- If a discount rate of 0.5% lower had been used, then the total obligation would have been around 9% higher.
- If we had used an expected increase in salaries of 0.5% higher, the total obligation would have been around 9% higher.
- If we had used an expected increase in salaries of 0.5% lower, the total liability would have been around 8% lower.

22 Other taxes and liabilities

	2019 €	2018 €
Contributions to social security funds	144.066	137.594
VAT	433.953	120.409
Payrolling tax	162.870	161.049
Other taxes	178	25.527
	741.067	444.579

23 Share capital

On 31.12.2019 the Company's share capital stood at € 18,406,675 divided into 1,627,469 shares with a nominal value of € 11.31 each.

24 Other reserves

	Statutory reserve €	Reserve from tax preference items €	Fair value reserves €	Other reserves €	Total in €
Balance on 1.1.2018	2.310.589	19.249	27.957	830.769	3.188.563
Transfers of reserves from available-for-sale portfolio after tax in relation to IFRS 9	-	-	(27.957)	-	(27.957)
Balance on 1.1.2018 (adjusted)	2.310.589	19.249	-	830.769	3.160.606
Deferred tax	-	-	-	(1.811)	(1.811)
Actuarial gains/(losses)	-	-	-	7.244	7.244
Statutory reserve	109.059	-	-	-	109.059
Reserves from mutual fund profits	-	-	-	43.402	43.402
Balance on 31.12.2018	2.419.648	19.249	-	879.604	3.318.500
Balance on 1.1.2019	2.419.648	19.249	-	879.604	3.318.500
Actuarial gains/(losses)	-	-	-	(22.791)	(22.791)
Statutory reserve	214.630	-	-	-	214.630
Reserves from mutual fund profits	-	-	-	560.038	560.038
Balance on 31.12.2019	2.419.648	19.249	-	1.416.851	4.070.377

The statutory reserve is formed in accordance with the provisions of Greek law (Article 150 of Law 4548/2018) under which at least 5% of the annual net earnings (net of tax) must be placed in the statutory reserve until that reserve reaches 1/3 of the paid-up share capital. The statutory reserve may be used to cover losses following a decision of the Ordinary General Meeting of Shareholders and consequently cannot be used for any other purpose.

Other reserves include a reserve based on IAS 19 which stood at € (22,791) after tax for 2019. Reserves from tax preference items were formed in line with the provisions of various laws. Under Greek tax law, those reserves are exempt from income tax so long as they are not distributed to shareholders, whereas if distributed or capitalised, they will be taxed at the tax rate applicable at the time of distribution.

25 Finance leases following the adoption of IFRS 16

The table below shows the lease liabilities recognised in accordance with IFRS 16 for the period ended on 31.12.2019.

Total liabilities from right-of-use assets recognised on 1.1.2019 under IFRS 16	285.751
Plus liabilities from new leases during 2019	87.918
Less rents paid in 2019	(170.402)
Total operating lease interest in 2019	3.930
Total liabilities from right-of-use assets on 31.12.2019 under IFRS 16	207.197
These liabilities are divided up based on the balance sheet.	
Other long-term liabilities	69.722
Short-term lease liabilities	137.475
Total liabilities from right-of-use assets under IFRS 16	207.197

26 Contingent liabilities and commitments

Relying on the opinions of its legal advisors, Company Management considers that no significant amounts will arise against the Company from pending litigation currently under way other than those already covered by the provisions already formed.

27 Transactions with related parties

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

Related parties

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

More specifically, under Law 3864/2010, as in force, and the relationship framework agreement, the HFSF exercises its voting rights at the Bank's General Meeting only on decisions to amend the Bank's articles of association, including increases or decreases in the Bank's share capital or the granting of

authorisation to the Board of Directors to do so, decisions relating to the merger, spin off, conversion, revival, extension of the effective term or winding up of the Bank, transfer of assets (including the sale of subsidiaries) or any other item requiring a qualified majority under the provisions of Law 4548/2018. In addition, the framework cooperation agreement of 4 December 2015, which replaced the previous agreement signed on 26 August 2014, regulates, inter alia, (a) the Bank's corporate governance, (b) the Bank's restructuring plan and monitoring, (c) monitoring of the implementation of the framework for managing non-performing loans and the monitoring of the Bank's performance in their management, (d) specification for the Bank of the material obligations provided for in Law 3864/2010 and the cases of conversion of the restricted voting rights of the HFSF into full rights, (e) monitoring the Bank's actual risk profile compared to the approved risk and capital strategy, (f) the HFSF's consent to the risk and capital strategy of the Bank's Group and the strategy, policy and governance of the Bank's Group regarding the management of arrears and non-performing loans and any amendment, extension, revision or deviation from them, and (g) the duties, rights and obligations of the HFSF representative on the Bank's Board of Directors.

The Company engages in banking transactions with related parties within the normal context of its operations on a purely commercial basis. The volume of transactions with related parties is shown below:

	2019 €	2018 €
Receivables - Liabilities		
Cash and cash equivalents		
Parent company	7.374.077	11.612.579
	7.374.077	11.612.579
Receivables		
Parent company	2.071.682	354.070
Other related parties	641.509	802.099
	2.713.191	1.156.169
Liabilities		
Parent company	932.439	722.091
Other related parties	44.102	65.176
	976.541	787.266
Income - Expenses		
Interest earned		
Parent company	110.896	70.010
	110.896	70.010
Income from fees and commissions		
Parent company	2.520.926	1.147.368
Other related parties	3.994.860	3.594.045
	6.515.786	4.741.413
Other income		
Other related parties	47.000	47.000
	47.000	47.000
Mediation fees		
Parent company	3.351.873	3.012.480
Other related parties	56.955	18.670
	3.408.828	3.031.150
Financing lease expenses		
Parent company	106.938	-
	106.938	-
Lease expenses		
Parent company	-	103.200
	-	103.200
Other expenses		
Parent company	322.703	308.085
Other related parties	160.496	170.625
	483.199	478.710

The fees of key members of the Company's management team for the year ended stood at € 1.13 million (2018: € 1.13 million). The term 'key members of Company Management' in relation to the above includes members of the Board of Directors and members of the Company's Executive Board.

28 Structured entities

A structured entity is an entity that has been designed so that voting rights or similar rights are not the dominant factor in exercising control over the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. Structured entities often have restricted activities, a narrow and well-defined objective, insufficient equity to finance their activities without subordinated financial support, and financing in the form of multiple contractually-linked instruments to investors that create concentrations of credit or other risks.

An interest in a structured entity refers to contractual and non-contractual involvement that exposes the Company to variability of returns from the performance of the structured entity. Structured entities may be established by the Company or by a third party and are consolidated when the substance of the relationship is such that the structured entities are controlled by the Company. As a result of the consolidation assessment performed, the Company has involvement only in unconsolidated structured entities.

Funds managed by the Company

The Company manages structured entities in order to provide clients -whether institutional or not- with investment opportunities. The Company then manages various types of mutual funds, including fixed income, equities, funds of funds and money market. Additionally, the Company is entitled to collect management and other fees and may hold investments in such funds for own investment purposes.

The Company is involved in the initial design of the mutual funds and, in its capacity as fund manager, takes investment decisions on the selection of their investments, nevertheless within a predefined, by relevant laws and regulations, decision making framework. Therefore, the Company has concluded that it is not able to direct the relevant activities of those funds and consequently has no power over them. Furthermore, in its capacity as fund manager, the Company primarily acts as an agent in exercising its decision making authority over them. Based on the above, the Company has assessed that it has no control over these mutual funds and as a result does not consolidate them. The Company has no contractual obligation to provide financial support to the funds being managed and does not guarantee their rate of return.

Funds managed by the Company on behalf of third parties

The Company purchases and holds units in third party managed funds including mutual funds, private equity and other investment funds.

The table below shows the carrying amount of the Company's interests in unconsolidated structured entities, recognised in the balance sheet as at 31 December 2019, representing its maximum exposure to loss in relation to these interests. Information relating to the total income derived from interests in unconsolidated structured entities (such as fees, interest income, net gains or losses from re-measurement and recognition) is also provided.

	Unconsolidated structured entity type		
	Funds managed by the Company	Funds managed by the Company on behalf of third parties	Total
	€ m	€ m	€ m
Company interest - assets			
Investment securities portfolio	5,00	19,23	24,23
Customers and other receivables	0,96	0,46	1,42
Total assets relating to company interest in unconsolidated structured entities	5,96	19,68	25,65
Total income from company interest in unconsolidated structured entities	10,09	2,98	13,07

On 31.12.2019 the assets of the mutual funds established in Greece and managed by the Company stood at € 716 million and the mutual funds it manages on behalf of third parties stood at € 1,554 million.

29 Dividends

The proposed dividend for 2019 will be set by the Company's Board of Directors at its next meeting and will be proposed to the Ordinary General Meeting of Shareholders. The final amount to be distributed will be determined in the decision of the upcoming Ordinary General Meeting of Shareholders. The Annual Ordinary General Meeting of Shareholders held on 9.9.2019 approved the Board of Directors' decision not to distribute dividends for the 2018 accounting period.

30 Open tax years

The company has been audited for taxation purposes up to and including 2009. Under Greek tax law and the relevant Ministerial Decisions, the tax administration may issue an administrative decision levying tax (estimated amount or corrective assessment) within 5 years of the end of the year in which the deadline for submitting a tax return expires. Due to the 5-year period elapsing on 31.12.2019, the financial years which ended up 31.12.2013 became statute-barred.

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

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

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

31 Events occurring after the balance sheet date

There are no other major events after the balance sheet date apart from the potential negative impacts on the global economy as a result of the potential spread of the 2019-nCoV virus (Coronavirus) internationally.

Athens, 27 February 2020

Theofanis Mylonas ID Card No. X 612580	Eleni Koritsa ID Card No. Σ 095302	Tzanis Korkolis ID Card No. AB 543982	Ioannis Tzoutzas ID Card No. AI 641022	Anastasia Alapada ID Card No. AE 080894 Licence No: 0040936 (1st Class)
Chairman of the Board of Directors and CEO	Vice Chairman of the Board of Directors and Deputy CEO	Asst. General Manager, Head of Financial Services, Human Resources and Operations Division	Financial Services Manager	Accountant