Eurobank
Private Bank Luxembourg

ANNUAL REPORT 2020

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INTRODUCTION

Eurobank Private Bank Luxembourg is an autonomous bank incorporated under Luxembourg law and supervised by the Commission de Surveillance du Secteur Financier in Luxembourg (CSSF), the European Central Bank (ECB) and for our London Branch, the Prudential Regulation Authority in the United Kingdom (PRA). Throughout 2020 our Bank's capital adequacy and liquidity buffers remained very high, with a Liquidity Coverage Ratio (LCR) of 291.8 % (regulatory minimum of 100%) and a strong capital base, as manifested by a Basel II solvency ratio of 29.2 % comprised of Tier 1 Equity (well above regulatory minimum of 10.75%) and an asset book of EUR 2.6 billion, as of the end of 2020. Furthermore, in the context of our conservative risk approach, interbank exposure to European periphery was kept to a minimum. Our Bank's strong capital, ample liquidity and operational independence, combined with Luxembourg's AAA rating, provide our clients with the necessary peace of mind to pursue their Private Banking and Wealth Management goals. Whether through our headquarters in Luxembourg or our London branch, our highly experienced and dedicated teams offer an array of exclusive services with transparency and discretion.

Luxembourg

Our Bank in Luxembourg, with thirty five years in operation, focuses on private banking, investment fund services as well as selected corporate banking services. Our comprehensive offering extends beyond traditional wealth management to wealth structuring, alternative investment strategies, and financing of various types of assets, from securities to real estate and yachts. Recognising that our clients have diverse needs and aspirations, we take a highly personalised approach in developing individual solutions and fostering long lasting relationships of trust.

United Kingdom

Our London branch, acquired six years ago, brings our offering to the center of global finance. Through our UK presence, we are addressing private clients with local and international banking needs, as well as companies with international activities. From residential and commercial property lending to wealth management mandates, our London clients enjoy the same high level of individual attention that our Bank has been known for over the years.
Overall, Luxembourg's ranking as Eurozone's top private banking hub and second biggest center for investment funds worldwide, combined with London's global reach allow our clients to benefit from an ever expanding range of possibilities, while still enjoying the exclusive service that our Bank excels in.

AS OF 31 MARCH 2021

Board of Directors

Mr. François RIES	Chairman
Mr. George A. PROVOPOULOS	Vice Chairman
Mr. Nikolaos KARAMOUZIS	Vice Chairman
Mr. Konstantinos TSIVERIOTIS	Managing Director, CEO
Mr. Fokion KARAVIAS	Director
Mr. Michalis LOUIS	Director
Mr. Christos ADAM	Director
Mrs. Iasmi RALLI	Director
Mrs. Lorraine Sedgeswick SCARAMANGAS	Director
Mrs. Helen FOTINEAS	Secretary to the Board

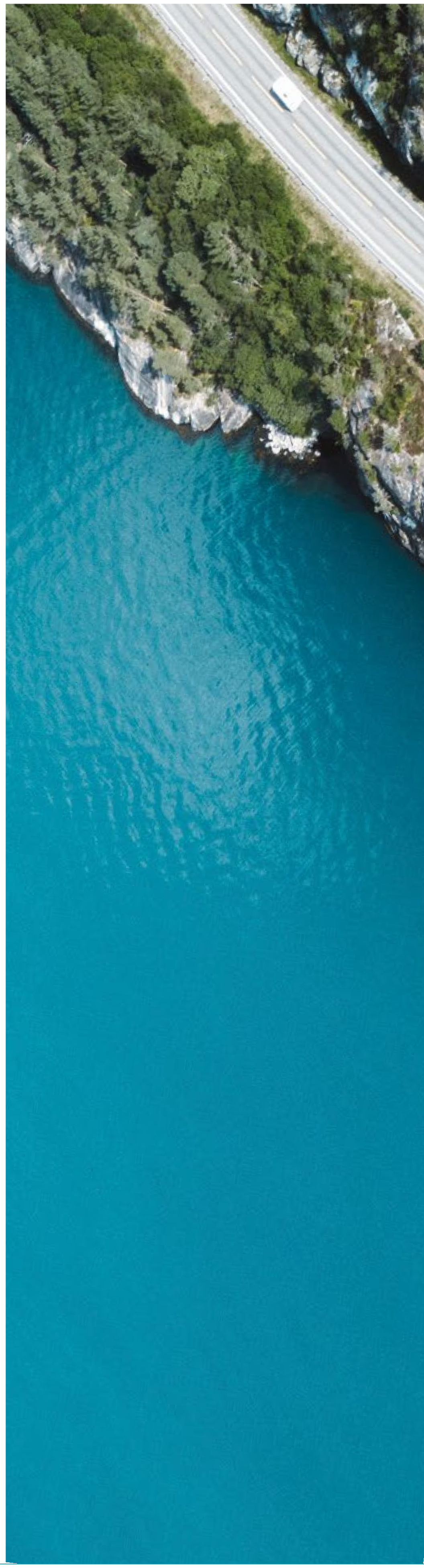
Authorised Management

Mr. Konstantinos TSIVERIOTIS	Managing Director, CEO
Mrs. Dimitra SPYROU	Chief Operating Officer
Mr. George CALLIGAS	Head of Global Markets & Institutional Services

Senior Officers

Mr. Christophe LANGUE	Director
Mr. Menelaos MENELAOU	Director
Mrs. Evangelia PITTAOULI	Director
Mrs. Athina DASKAGIANNI	Vice President
Mrs. Helen FOTINEAS	Vice President
Mr. Ion KAPPAS	Vice President
Mrs. Danielle MARC	Vice President
Mr. Theodore SIMEONIDIS	Vice President

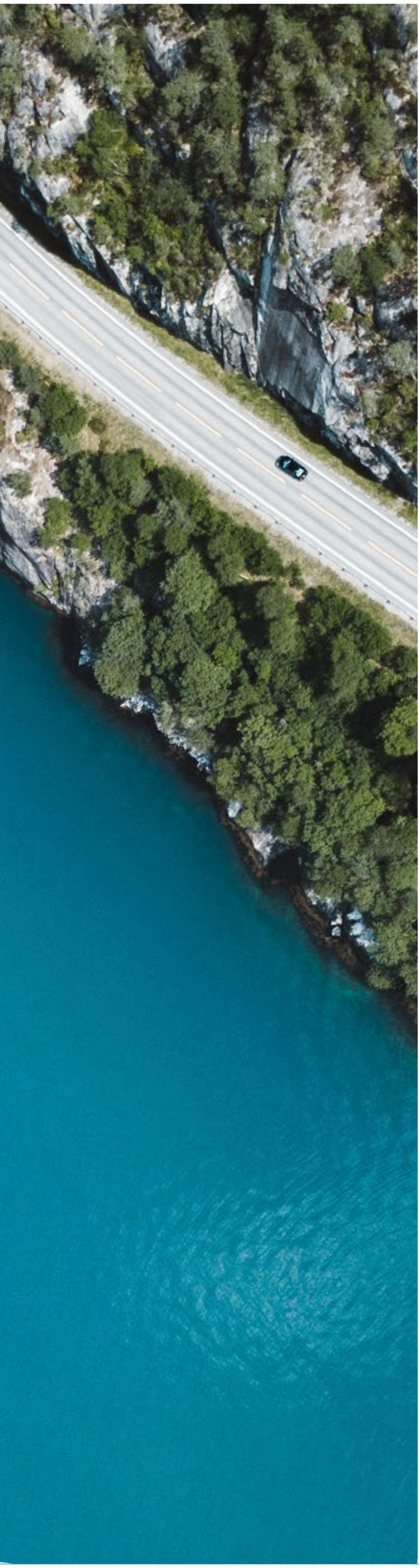
Directors' Report



2020 was profoundly characterized by the outbreak of the Covid-19 pandemic and the dire repercussions it had on societies around the world. The global health crisis quickly morphed into a widespread deep economic crisis. The social-distancing measures and the extensive 'lock-down' type of restrictions that had to be imposed in most regions, crippled supply chains and shattered consumer demand for non-basic products and services. Policy-makers responded swiftly and formidably on a global scale, deploying an extraordinary mix of massive monetary and fiscal expansion, with the aim to stem the accelerating recession and fuel a V-shape type of recovery. Indeed the flood of liquidity injected into the global economy, coupled with the record-fast development of high-efficacy Covid-19 vaccines late in the year, managed to turn the tide. The rise of Joe Biden as the new president of the United States, and his agenda for additional fiscal stimulus and a more conciliatory rhetoric in domestic and foreign policy, spurred further optimism for a global recovery and triggered strong reflationary trends that extended well into 2021. The aftermath of the 2020 pandemic crisis is bound to have long-lasting effects on many aspects of social behavior, including consumer and corporate culture, governance, policy-making, environmental awareness and science. Towards the closing stages of the year, the EU and the UK managed to reach a long-sought BREXIT agreement, clearing out uncertainties and improving visibility for the future relationship between the two regions.

Luxembourg, the third-wealthiest country in the world in terms of GDP per capita, has one of the highest current account surpluses as a share of GDP in the Eurozone. Nevertheless, despite the country's fiscal strength and very competitive position in its key economic sectors, Luxembourg's economy and policies over the past year were dominated by the Covid-19 global health crisis. The country's cross border economic focus was challenged, due to its dependence on ca. 190,000 workers crossing every day the French, Belgian and German borders (vs. a total domestic population of 634,000), and the need for international business travel in key sectors. Nevertheless, a strong response by the official sector and coordinated follow up by the private sector contained the crisis to a significant extend. The government implemented targeted lockdowns and curfews, complemented with one of the world's most intensive testing programs, while regulatory and professional bodies encouraged work-from-home to the maximum degree possible. As vaccinations are being currently implemented, in line with the EU-wide planning, the return to a fair degree of normalcy is expected over the next several months.

The measures taken to address the pandemic (ca. 3.1% of GDP as per the EU Commission), as well as a drop in revenues, caused Luxembourg's general government balance to slip into a deficit of -5.3% of GDP in 2020, expected to



slow down to -1.1% in 2021. The country's public debt-to-GDP ratio, among the lowest in the region, increased to 26.9% in 2020 from 22.1% one year earlier (IMF). The upward trend is expected to continue in 2021 and 2022 to 27.5% and 28.3%, respectively. On the inflation front, the sharp decline in oil prices and the introduction of free public transport slowed the annual growth of the price index to 0.4% in 2020, with 1.4% growth expected for this year. Unemployment increased to 6.5% in 2020 from 5.4% in 2019 in the wake of the health crisis, and is expected to peak at 7% in 2021 before gradually slowing (IMF).

Eurobank Private Bank Luxembourg addressed the pandemic challenges proactively, by introducing contingency measures as early as February 2020 in order to (i) protect the health of our staff and communities in all our locations, (ii) provide uninterrupted high quality service and support to our clients, and (iii) ensure the operational and financial strength of our Bank. Throughout 2020 our Bank's capital adequacy and liquidity buffers remained very high, with Basel III solvency ratio at 29.21% and unencumbered liquidity buffers at EUR 0.80 bn, as of the end of 2020. The strong financial position of our Bank, its conservative risk posture, its operational independence and resilience, as well as its stable client base, have shielded it from the macroeconomic challenges posed by the Covid-19 pandemic. We are pleased to present our report for the year ending December 31, 2020.

2020 Global Overview

The Covid-19 pandemic has been the largest exogenous shock to the world economy in post-war era, with a global economic expansion of +2.8% in 2019 turning into a contraction of -3.4% in 2020, the deepest in over seven decades. Strict containment measures and heightened uncertainty restricted economic activity globally in H1 2020; the strong start of the recovery in Q3 2020 amid unprecedented policy easing and adaptation allowed global GDP to recover to around 95% of its pre-pandemic level before a second wave of COVID-19 set the global economy back again in Q4. Fiscal easing supported real disposable income in most developed economies, and monetary easing contributed to the stabilization of financial markets, bringing about the most accommodative financial conditions on record.

The **US** economy contracted in 2020, due to the significant spread of the pandemic in the country throughout the year. Real GDP fell by 3.5% in 2020, following an increase of 2.2% in 2019. The decrease in real GDP in 2020 reflected declines in personal consumption expenditures, non-residential fixed investment, private inventory accumulation, net exports and state and local government expenses. Those were partly offset by increases in federal government spending and residential fixed investment. The deceleration in personal consumption (-3.9% in 2020 vs. +2.4% in 2019) was mainly driven by services, due to the sector's higher sensitivity to the pandemic, especially in food services, accommodation, health care, and recreation. The decrease in non-residential fixed investment (-4.0% in 2020 vs. +2.9% in 2019) was attributed to a plunge in structures and equipment, partly offset by an increase in intellectual property products (software). On the other hand, residential investment picked up in H2 2020 (in 2020 vs. a drop by1.7% in 2019), largely reflecting investment in new single-family housing, in the wake of the exodus from concentrated urban areas that took hold since early in the pandemic. On the external front, exports declined by 13.0% in 2020 following a modest drop of -0.1% in 2019, due to decreases in both services (led by travel) and goods (mainly non-automotive). The US economy lost about 9.5 million jobs in 2020 due to the pandemic recession, driving the unemployment rate up to an annual average of 8.1% in 2020, from 3.7% in the prior year. The pandemic-induced nervousness in financial markets prompted emergency rate cuts of 150bps, cumulatively, by the Federal Reserve, taking the target range for the fed funds rate to 0.00-0.25%, from 1.50-1.75% before the pandemic. In addition, the Fed introduced a $700bn quantitative easing program, along with measures to support the flow of credit to households and businesses. As a result, the Fed's total assets increased, from $4.2trn at the end of 2019, to $7.4trn in December 2020. Adding to monetary policy, forceful fiscal measures were taken to offset the sharp drop in activity, pushing the US federal budget deficit for 2020 to a 75-year high of -15.5% of GDP from a 4.6% deficit in 2019.

In the **Euro area** the Covid-19 pandemic and related containment measures caused an unprecedented decline in economic activity throughout 2020. Real GDP contracted by 6.6%, far deeper than during the 2009 Global Financial Crisis, but less than what was feared in the early months of 2020. Among expenditure components, household consumption (-8.0% year-on-year, "YoY") and investment (-8.3%YoY) were the key drags due to activity restrictions, subtracting 4.2ppts and 1.8ppts from 2020 GDP growth, respectively. To cushion the impact of the pandemic and limit lasting economic scars, national governments implemented a number of measures, including liquidity provision and loan guarantee schemes for employees and firms, limiting income losses and widespread bankruptcies. These actions were accompanied by initiatives at the EU level, including the establishment of an €100bn support scheme to mitigate unemployment risks, a €200bn guarantee fund for SMEs, €240bn of ESM credit lines for Member States hit by the pandemic, and the €750bn Recovery Fund Next Generation EU, cushioning the 2020 GDP contraction by around 4.5ppts. On the inflation front, Eurozone headline HICP dropped to 0.3%YoY, from 1.2%YoY in 2019, below the ECB's inflation target for the eighth consecutive year, on the back of weakening economic activity, deteriorating labor market conditions and sharply lower oil prices. Along these lines, core inflation dropped to 0.7%YoY from a three-year peak of 1.1%YoY in the prior year. The general government deficit is expected to widen to a multi-year high near -9.0% of GDP, while gross public debt is seen rising above 100% of GDP. On its part, the ECB also put in place a set of policy measures in order to lower borrowing costs via the establishment of the €1,850 pandemic emergency purchase programme (PEPP), support credit access for households and firms, increase lending capacity of banks, and preserve financial stability, As a result, the ECB's balance sheet expanded sharply to near €7.0bn at the end of last December (above 60% of 2020 GDP) compared to €4.7bn (or c.40% of 2020 GDP) before the pandemic in late February 2020.

In **Greece**, the economy took a major hit from the COVID-19 pandemic, due to the country's dependence on tourism, transport and trade. According to ELSTAT's 1st estimate for 2020, real GDP dropped by -8.2% YoY (vs +1.9% YoY in 2019), registering the 4th deepest recession among the EU-27 member states. Net exports of services had the highest negative contribution on growth (approximately -7.5 ppts), mainly reflecting the collapse of tourist revenues (-76.5% YoY). Private consumption followed with a decrease of -5.2% YoY, with net exports of goods and government consumption only partially counterbalancing the drop of real GDP. Nevertheless, due to Greece's surprisingly resilient macroeconomic performance in 2020Q4, the full year recession proved to be milder than expected (initial EC projection stood at -10%). According to EC's winter forecasts, a recovery is projected for 2021 and 2022, with growth rates of 3.5% and 5.0% respectively. However, uncertainty remains high. Furthermore, inflation was negative in 2020 (-1.3% YoY on HICP terms), while the current account deficit jumped to -6.7% of GDP from -1.5% in 2019. Looking ahead, according to the 2021 Budget (November 2020), the primary balance for 2021 is expected to register a deficit of -3.8% of GDP and gross public debt is expected at 209.0% and 200.0% of GDP for 2020 and 2021 respectively. Nevertheless, these deficit and debt projections could change significantly on uncertainty about the actual size of the public sector's support measures (currently estimated at €23.9 bn for 2020 and €11.6 bn for 2021), the reduction in revenues due to the government's tax moratoria, the economic impact of the lockdown measures, and the EU funds to Greece via the Recovery Fund (€32bn) and the Multiannual Financial Framework 2021-2027 – MFF (€40bn).

Key Financials

Review of financial statements 2020

a) Balance Sheet

The Bank's total assets at year-end 2020 were higher (+18.5%) compared to 2019 and amounted to EUR 2 558.4 mn. In a further breakdown of the total assets, the Loans and advances to customers have decreased by -3.7% to EUR 1 473.1 mn and the Loans to institutions have increased by +89.6% to EUR 958 mn. On the other hand customer deposits increased by +24.7% compared to 2019, from EUR 1 191.4 mn to EUR 1 485.2 mn. This increase, coupled with the new TLTRO funding of EUR 220 mn were the main drivers of the overall increase in the Balance Sheet. The total capital base stands at EUR 260.7 mn (all Tier 1). During 2020, the Company has not acquired any of its own shares and has not carried any activities in the field of research and development.

b) Income Statement

The Bank's net profit after taxation for the financial year 2020 decreased by -34.1% compared to 2019 and amounted to EUR 8.85 mn. The main items contributing to this result are the Net Interest Income which has decreased by -8.9%, from EUR 29.1 mn in 2019 to EUR 26.5 mn in 2020, and the Net Commission income which has decreased by -15.3% compared to 2019 and amounted to EUR 6.8 mn. The above overall decreased core banking profitability was further hindered by the increase of the General Administrative Expenses by 8.4% from EUR 20.1 mn in 2019 to EUR 21.7 mn in 2020

Distribution of Profits:

The Board of Directors proposes that the 2020 annual accounts are approved, and that the Total Net Profit available for distribution be appropriated as follows:

Profit for the financial year 31/12/2020	EUR	8.852.307
Profit brought forward	EUR	149.137.475
Interim Dividend	EUR	-
Total net profit available for distribution	EUR	157.989.782
Allocation to Legal Reserve	EUR	-
Allocation from Special Reserve	EUR	(614.235)
Profit carried forward	EUR	157.375.547

Risk Management Overview

The Board of Directors considers Risk Management as an integral part of the Bank's 3-lines-of defence Model that ensures sound and prudent business management, including the risks inherent in them:

- The 1st line of defence consists of the Business Units (Private Banking, Corporate Banking, Funds, Global Markets, London Branch, Depositary) and the support functions (IT, Back Office, Middle Office, Loans Administration) that take or acquire risks under predefined controls and limits, and carry out the first level of controls as described in their respective procedures.
- The 2nd line of defence is formed by the Support Functions (Finance/Accounting, Governance & Controls, Information Security, Human Resources), and the Control Functions (Risk, Compliance) which exercise independent controls.
- The 3rd line of defence consists of the Internal Audit Function, which independently, objectively and critically reviews the functions of the first 2 lines of defence.

The aim is to ensure that all risks assumed in the context of the Bank's business are recognized instantaneously and are properly managed. We achieve this by fully integrating risk management into daily business activities and developing our business consistently with a defined risk appetite, allowing us to achieve sustained growth in a controlled environment.

The strategy of the Bank is based on its core activities: Private Banking, Investment Fund Administration business, Depositary, Treasury and General Banking (Corporate Loan referrals, Shipping Loans and London Branch). Our Bank continuously identifies the risks inherent in its operations and has adopted processes for how they are to be managed.

The risk process also provides a clear description of the Bank's risk profile, which serves as the basis for the internal capital and liquidity adequacy assessment process. These processes, in turn, are an evaluation based on capital and liquidity needed to support the Bank's overall risk level and business strategy. The aim is to ensure efficient use of capital and liquidity, and at the same time ensure that the Bank, even in adverse market conditions, will meet the minimum legal capital and liquidity requirements.

The Bank's risk appetite is determined by the Board of Directors which aims for a balance between risk/return and capital. The risk appetite can be described in terms of a number of overall statements. These statements applied and were honoured in 2020, and guided the risk and business positioning of the Bank.

The Bank has adopted a Risk Management Framework that complies with the provisions of Circular CSSF 12/552, as subsequently amended, on "Central administration, internal governance and risk management".

The Bank is a member of the Eurobank Group, and to that effect all specific Risk Policies must abide by local regulations, be approved by the Board of Directors, but also be compliant with Group Policies. As such, and in order to assist the Board of Directors in approving the Bank's risk-taking and associated capital assessment, the Capital, Risk and Liquidity Policy, as well as Credit approval limits and accepted collateral, must first be ratified by the Group and then approved by the Board of Directors.

The degree of control and influence exercised by the headquarter and the Group, formally or informally, is effective in identifying and mitigating risks, as there are regular controls of all of the Bank's activities (including Risk Management, Compliance, Finance, Investment Strategy and Products). Group standards are implemented and used in all of the activities (including products and services) of the Bank.

The system for measurement of risks is an essential part of risk management. Market risks are quantified by using Value-at-Risk (VaR) complemented by various types of sensitivity measures. Credit risks are quantified through the internal rating system in combination with assessments based on local competence. The Bank, in direct compliance with Group policies, has adopted an IFRS 9 Impairment methodology, and calculates the Expected Credit Loss of its exposures, and respective Provisions, on an on-going basis. Liquidity risks are monitored on a daily basis by conducting stress tests on the possibility of significant liquidity outflows and the existence of adequate unencumbered liquid assets to service these. Moreover, the Bank calculates on a monthly basis, and abides with, the regulatory Liquidity Coverage Ratio. As all risks, operational risks are evaluated on the basis of the likelihood that an event will occur and the financial consequence of such an event. The Board of Directors approves on a yearly basis the Internal Capital and Liquidity Adequacy Assessment Processes (ICAAP and ILAAP) of the Bank, that incorporate, among other, analysis, evaluation and stress testing of the aforementioned risks, so as to ensure the continuous maintenance of adequate Capital and Liquidity.

The Risk Management of the Bank is the responsibility of the Chief Risk Officer (CRO), who is aided in this function by a dedicated Risk Department. The Risk Department reports to the CRO, and has a direct reporting line to Group Risk. The remuneration of the Department's staff is not linked to the performance of the activities monitored and controlled. The Bank's risk management function covers the measures for early identification of risk, risk control and risk monitoring with regard to banking risks.

The Bank has in place a contingency plan, where all strategies and actions are in place in order to be able to respond to any extreme adverse scenario coming from a financial turmoil, Brexit and European Sovereign debt crisis.

Covid-19 Risk Management Response and Overview

a) Credit Risk

In line with EBA, CSSF and Group Guidelines, the Bank adopted Credit Moratoria, allowing its affected clientele to postpone capital instalments for upto 9 months; approximately 10% of total loans entered into these moratoria. The Bank set up a robust framework on how to monitor, report and manage these exposures, so as to avoid any cliff-effects on its portfolio.

b) Operational Risk

The Bank followed all government, regulatory and Group guidelines and adopted its modus operandi in a way that allowed it to preserve the health of its employees and clientele, and continue operating efficiently with the least disruption possible to the service level offered to its clientele.

c) Liquidity Risk

The Bank witnessed significant deposit inflows, while the loan business was subdued, given reduced appetite from clients amidst the pandemic, which resulted in an increase in its unencumbered Liquidity buffer. At the same time, the Bank participated in the TLTRO-III of ECB for €220mn, aiming to provide stable funding for a period of 3 years, thus improving its long term liquidity profile

d) Capital Adequacy

In line with CSSF Circular of 29/07/20 on suspension of dividend payments, the Bank did not distribute any dividend for 2020. Combined with the subdued loan growth, the Bank's Capital Adequacy ended the year at higher levels compared to the one that was estimated during last year's ICAAP.

Global Economic Outlook for 2021

GDP weakness will likely persist in many advanced economies through most of the winter with wide divergences across sectors and regions, before warmer weather and the Covid-19 vaccines roll-out lead to the lifting of lockdowns and bolster business and consumer confidence more broadly in H2 2021. Following the most severe global GDP contraction during peacetime history of 3.4% in 2020, the world economy is expected to grow by about 5.5% in 2021. Emerging and developing Asia is expected to contribute the most to the global economic recovery, as Asia dealt with the Covid-19 crisis earlier and more efficiently than the rest of the world. Labour market conditions are projected to remain subdued, with the unemployment rate moderating only gradually over the next two years and remaining well above pre-pandemic levels in 2021. High unemployment and uncertainty along with increased levels of precautionary saving are expected to dominate the inflation outlook, with price pressures likely to stay subdued and well below central banks' targets over the next couple of years.

In the **US**, Following a severe GDP contraction of 3.5% in 2020, economic activity is expected to experience a notable recovery by 5.5% in 2021, boosted by a rebound in personal spending and business fixed investment, as well as robust residential investment. Economic data at the beginning of 2021 have surprised to the upside, with a sharp increase in personal income in January (due to payments introduced by the CRRSA Act in December 2020), coupled with a relatively smaller increase in spending, lifting the savings rate further to 20.5%, the highest level since May 2020. Although February data are likely to be softer relative to January due to adverse weather conditions and the fact that most of the rebate checks have already been distributed, we expect Biden's fiscal stimulus package passed in March to keep savings at elevated levels. Should our baseline scenario for broad vaccinations towards herd immunity around Q3 be realized, increasing mobility and improved confidence should lead households to boost their spending expenditures by reducing their excess savings. On the monetary front, we expect the Fed to stay on hold and keep the fed funds target range unchanged at 0.00%-0.25%. Any discussion about tapering of asset purchases (currently running $120bn/month) or exit strategies seems rather "premature" as there is a long way to go before the US economy can achieve its dual mandate objectives.

After last year's unprecedented contraction in the **Euro area**, efforts for the acceleration of the vaccine rollout, sizable fiscal support, accommodative ECB monetary policy and the expected positive impact from the Next Generation EU programme have raised optimism for a strong economic rebound in 2021. Economic activity remained depressed in Q1, as the resurgence in new more contagious variants of the virus has forced many Member States to keep restrictions in place or tighten them further in the early months of the year. Economic activity is expected to pick up moderately in Q2 and more vigorously from Q3 onwards, when widespread vaccination could allow for a satisfactory level of herd immunity, enabling a widespread lifting of restrictions. According to the European Commission's Winter Forecast (February 2021), real GDP is anticipated to grow by 3.8% this year. However, the speed of the recovery will probably vary among Member States, mostly due to differences in structural characteristics, effectiveness in fiscal policies and exposure to cross-country spill-overs. Inflation is expected to rise, reflecting a temporary boost from positive base-effects in energy prices, and a combination of technical factors, although a prevailing large output gap will likely keep it below the ECB's definition of price stability. Fiscal policy is expected to remain expansionary to ensure a broad-based post-pandemic recovery, though budget deficits in most Member States are projected to narrow as revenues rise and expenditures decline amid improving economic conditions. In terms of monetary policy, the ECB is anticipated to keep monetary policy sufficiently accommodative to preserve favorable financial conditions and ensure that inflation moves sustainably towards its goal.

Business Outlook 2021

Eurobank Group

Eurobank Group is active in six countries, with total assets of €68 billion and over 11,000 employees, offering a comprehensive range of financial products and services to its retail and corporate customers. Eurobank is one of the four systemic banks in Greece and has regional presence in Bulgaria, Serbia, Cyprus, Luxembourg and the UK. Despite the Covid-19 outbreak in 2020, Eurobank successfully completed its transformation plan, reducing the stock of non-performing exposures by €11bn vs 2018, when the plan was announced, leading the NPE ratio down to 14.0%, the lowest level among the Greek systemic banks.

In 2021, Eurobank will continue the efforts to clean further its balance sheet and enhance its profitability.

Business Outlook

Luxembourg is the premier private banking centre in the Eurozone and the second largest fund centre in the world. The success of the financial centre is founded on the social and political stability of the Grand Duchy, its AAA rating and a modern legal and regulatory framework that is continuously updated, through regular consultation among the government, the legislator and the private sector. The centre's multilingual and multicultural specialist teams have a long tradition of financial expertise and extensive knowledge of the needs of international clients. Furthermore, the country's broader financial sector operates under a strong culture of investor protection and rigorous anti money-laundering policies. These strengths, combined with Luxembourg's openness to the world and strategic location, have attracted international banks, insurance companies, investment fund promoters and specialist service providers. As the post-Brexit reality for financial services settles in, Luxembourg's role in the global financial industry, especially as it relates to accessing the EU economy and markets, is expected to increase further.

On the UK front, 2021 marks the beginning of a new era for UK, as it is now officially out of the EU and is leading the fight against Covid-19, with accelerated population vaccinations. The UK Branch of the Bank, has in place the necessary regulatory permissions (both by SSM/CSSF, as a Third Country Branch, and under PRA's Temporary Permissions Regime) and will maintain the targeted nature of its operations, focusing mostly on financing UK properties and attracting deposits (including from EU clients with a UK business nexus). The Branch is projected to be a center-pillar in servicing the UK business needs of clientele from Eurobank Group's subsidiaries, of UK-based Greeks and Cypriots (especially given the changing post-Brexit business plans of other UK banks) and of the shipping community. The Branch's business is poised to benefit from the quicker rebound of the UK economy, from the Covid-19 crisis, and the long-standing global financial center status of London.

Overall, our Bank is entering 2021 in a strong position. In particular:

1. Our Bank, an autonomous organization incorporated under Luxembourg law and regulated by the European Central Bank (ECB) and the "Commission de Surveillance du Secteur Financier" (CSSF), is armoured with an exceptionally strong capital position, ample excess liquidity, a self-sufficient operating model.
2. Through our experienced bankers, expert teams and robust infrastructure we offer a comprehensive and up-to-date range of products and services in Private Banking, Wealth Structuring and Management, and Funds Administration, as well as selected Corporate Banking services. Over our thirty five years of history we have remained committed to our client-centric model, mastering how to convert our offering to tailored solutions that create strong value for our clients and trust in our Bank.
3. With locations in Luxembourg and London, and presence in Greece, our Bank is positioned to cover clients in a wide geographical area, especially in Southeast Europe, the UK and Luxembourg. Luxembourg's strength as Eurozone's top Private Banking centre, combined with London's global reach, afford our clients access to an especially broad realm of possibilities.
4. Furthermore, in 2020 the Bank initiated an extensive upgrade cycle of its systems and technology landscape. This substantial investment and related transformation, to be fully implemented over the next two years, will significantly enhance the Bank's strategic position in terms of operational efficiency, digital channels and services, and superior overall client experience.

While Covid-19's extraordinary challenges have overwhelmed social and economic activity globally for most of 2020 and so far in 2021, a significant recovery will inevitably start later this year, as broad vaccination programs are gaining speed. For most European Banks, managing the pandemic's effects and legacy will add to the existing challenges of increased regulation, diminishing margins and persisting negative EUR interest rates.

On the other hand, the acceleration of technology adoption induced by the pandemic, combined with the new opportunities of the post-pandemic global recovery will drive new and broader client needs and aspirations. In that backdrop, our plan for 2021 builds on our particular strengths and niche positioning to grow our business and profitability, while staying highly vigilant with respect to Covid-19. More specifically, our efforts for the current year will focus as follows:

(i) We intend to continue our accelerated growth in new clients and funds under management in our Private Banking and Fund Services platforms, leveraging our exclusive client service and innovative offering, our broad geographical footprint and our expanding relationship and referral networks. Our Group's strong commitment to Private Banking and Asset Management will remain an additional strategic advantage in this effort.

(ii) We will continue to evolve our broad offering in Investment advisory and structuring, through timely and innovative new products and services. In parallel, our open architecture approach to investing will ensure transparency and great flexibility and choice for our clients.

(iii) Lending will also remain a key pillar of growth, where bespoke investment portfolio and real estate loans, as well as selected shipping loans will deepen our client relationships and increase and diversify our assets profitability. As in past years, conservative lending standards will guide this activity, as per the detailed metrics set in our Risk Policy.

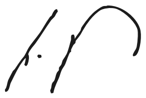
(iv) We will stay focused in executing our strategic bank-wide transformation project towards a new state-of-the-art core banking system, complemented with the most advanced multi-channel technology. In parallel, and until that effort concludes in 2022, we will continue delivering targeted enhancements to our current systems and platforms to ensure superior client service and operational efficiency.

(v) We will continue on our strong track record of regulatory compliance, transparency towards our clients, and adherence to the highest ethical standards. At the same time, both our investment offering and lending will increase their focus to ESG compliant sectors.

(vi) Finally, we will keep our vigilance with our pandemic contingency operational set up, so that we ensure the safety of our staff and our communities, the uninterrupted full service to our clients, and the continuing operational and financial strength of our Bank.

On behalf of the Board of Directors, we would like to express to our customers our deep appreciation for their loyalty to the Bank and to the management and personnel our gratitude for their enthusiasm, consistency and dedication.

8 April 2021



François Ries
Chairman

Konstantinos Tsiveriotis
CEO & Managing Director

Audit Report

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Report on the audit of the annual accounts

Opinion

We have audited the annual accounts of Eurobank Private Bank Luxembourg S.A. (the "Bank"), which comprise the balance sheet as at 31 December 2020, and the profit and loss account for the year then ended, and notes to the annual accounts, including a summary of significant accounting policies.

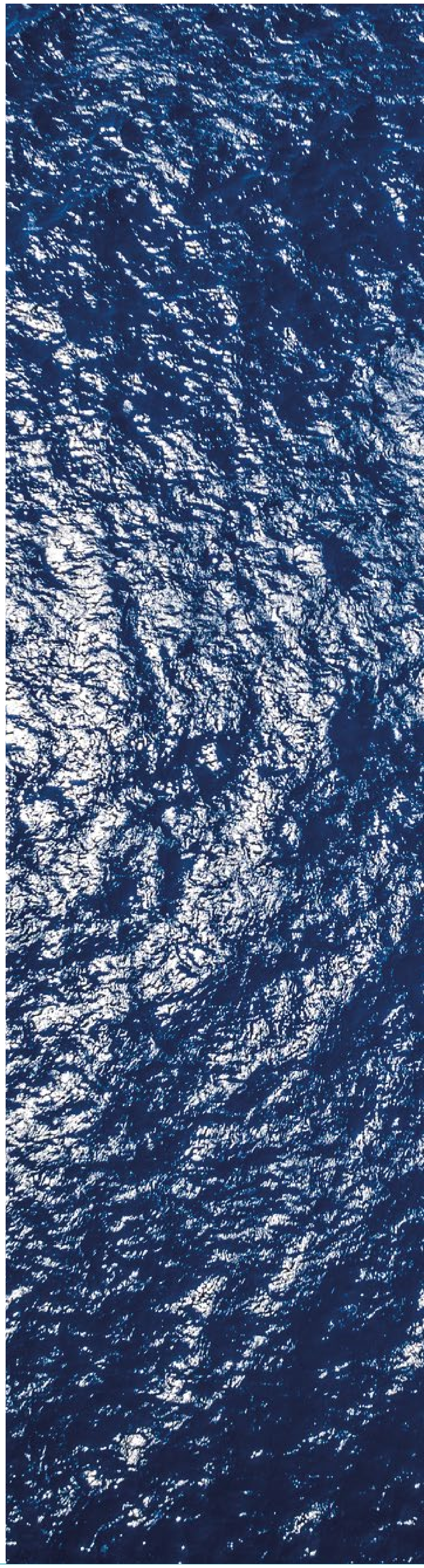
In our opinion, the accompanying annual accounts give a true and fair view of the financial position of the Bank as at 31 December 2020 and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

Basis for opinion

We conducted our audit in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 on the audit profession ("Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the EU Regulation N° 537/2014, the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the « Responsibilities of "réviseur d'entreprises agréé" for the audit of the annual accounts » section of our report. We are also independent of the Bank in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the annual accounts, and have fulfilled our other ethical responsibilities under those ethical requirements. 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 judgment, were of most significance in our audit of the annual accounts of the current period. These matters were addressed in the context of the audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



1.Valuation of loans and advances to customers (value adjustment process)

Description

Loans and advances to customers are one of the significant items on the Bank's balance sheet representing 58% of total assets. The Bank's customer lending operations primarily consist of corporate loans that are focused on companies, which are already customers of the Eurobank Group and loans to Private Banking clients which are granted internationally and supported by mortgages and/or financial securities. 59% of loans to customers is guaranteed, in total or partially, by Letter of Guarantee (LG) and/or Pledge on Funding (PF) by Eurobank Ergasias S.A. (the "Parent Bank") and its subsidiaries, 41% of the Bank's loan portfolio is therefore retained at the Bank's own credit risk.

The majority of the Bank's borrowers are exposed to the Greek and UK specific sector conditions. Adverse market conditions in those aforementioned countries may substantially worsen the quality of credit and in particular those not covered by LG or PF.

The identification of an impairment event and the determination of specific valuation allowances involve significant estimation uncertainty and discretionary power resulting from the borrower's financial position and performance, as well as from the valuation of collateral and the amount and timing of expected future payments.

For this reason, we identified the determination of impairment on loans to corporate customers and institutional clients as a particularly significant issue in the Bank's financial statements.

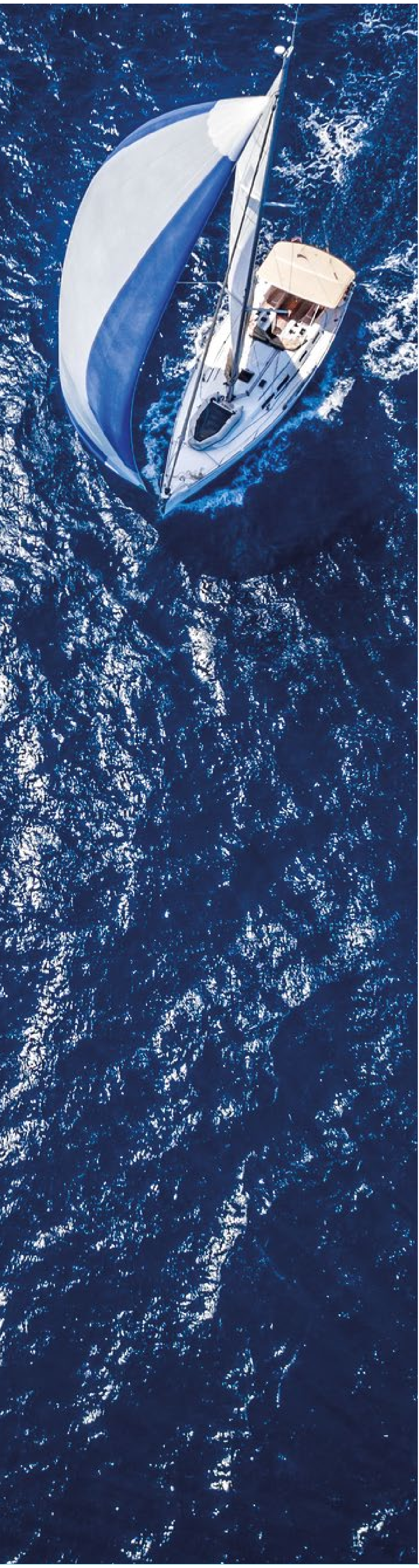
The Bank's disclosures on the accounting policy for value adjustments in respect of loans and advances are provided in Note 2.3 within the notes to the annual accounts.

How our audit addressed the area of focus

Our audit approach included audit procedures relating to the Bank's internal control system for identifying and quantifying a need for value adjustment, as well as substantive audit procedures on impaired and unimpaired receivables.

Our audit procedures relating to the Bank's internal control system focused on key controls within the framework of the credit approval and credit monitoring process, as well as the identification of impaired assets and the determination of the necessary value adjustment requirements, which were tested for their design, implementation and effectiveness.

We analysed the Bank's lending and monitoring process by conducting interviews with the responsible employees and inspected and analysed the internal guidelines and examined whether they were suitable for identifying the inherent risks and deriving appropriate risk provisions in the form of value adjustments.



Regarding substantive testing, the following audit procedures were performed:

- Overall analytical procedures of the portfolio of loans and advances to customers by comparison to prior years to identify trends and areas of particular risk.
- For a sample of referred loans, obtaining evidence on the existence and accuracy of respective collaterals (e.g. pledged funding, letter of guarantees, etc.) provided by the Parent Bank and assessing the creditworthiness of the Parent Bank to honour its commitments towards the Bank.
- Credit risk assessment for a sample of own credit risk loan portfolio, reviewing the clients' files, the late payment reports, the relevant agreements and independent valuations of the underlying collaterals.
- Assessing the impairment allowances for all individually impaired loans and advances.
- Considering the adequacy of disclosures in the annual accounts of the Bank with reference to the requirements of the prevailing accounting standards

Other information

The Board of Directors is responsible for the other information. The other information comprises the information stated in the annual report including the management report but does not include the annual accounts and our report of "Réviseur d'Entreprises agréé" thereon.

Our opinion on the annual accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the annual accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual accounts 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 of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and Those Charged with Governance for the annual accounts

The Board of Directors is responsible for the preparation and fair presentation of the annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts, and for such internal control as the Board of Directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the Board of Directors is responsible for assessing the Bank'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 the Board of Directors either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's financial reporting process.

Responsibilities of the Réviseur d'Entreprises agréé for the audit of the annual accounts

The objectives of our audit are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of "Réviseur d'Entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF 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 annual accounts.

As part of an audit in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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 ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "Réviseur d'Entreprises agréé" to the related disclosures in the annual accounts 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 report of the "Réviseur d'Entreprises agréé". However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual accounts of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter.

Report on other legal and regulatory requirements

We have been appointed as "Réviseur d'Entreprises agréé" by the General Meeting of the Shareholders on 11 June 2020 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is three years.

The management report is consistent with the annual accounts and has been prepared in accordance with applicable legal requirements.

We confirm that the prohibited non-audit services referred to in the EU Regulation No 537/2014 were not provided and that we remained independent of the Bank in conducting the audit.

Luxembourg, 8 April 2021

KPMG Luxembourg
Société coopérative
Cabinet de révision agréé

M. Weber

Balance sheet as at December 31, 2020

(expressed in euro)

ASSETS	Note(s)	2020 EUR	2019 EUR
Cash in hand, balances with central banks and post office banks	3.2, 4	402.980.119	178.351.795
Loans and advances to credit institutions:			
- repayable on demand	2.3, 3.2, 6	72.804.082	27.626.906
- other loans and advances	2.3, 3.2, 6	482.171.454	299.148.642
		554.975 536	326.775.548
Loans and advances to customers	2.3, 3.2, 6	1.473.130.075	1.530.394.156
Bonds and other fixed-income transferable securities:			
- issued by other borrowers	2.4, 3.2, 5.1, 7	91.500.000	91.500.000
Participating interests	2.5, 3.2, 5.2, 7	4.958	4.958
Shares in affiliated undertakings	2.5, 3.2, 5.2, 7	8.741.743	8.741.743
Intangible assets	2.7, 7	4.045.084	1.737.042
Tangible assets	2.7, 7	2.263.630	1.877.611
Other assets	6	203.391	251.624
Prepayments and accrued income	6	20.521.300	19.208.497
Total assets		**2.558.365.836**	**2.158.842.974**

The accompanying notes form an integral part of these annual accounts.

LIABILITIES	Note(s)	2020 EUR	2019 EUR
Amounts owed to credit institutions:			
- repayable on demand	3.2, 6	863.183	10.260.966
- with agreed maturity dates or periods of notice	3.2, 4, 6	787.121.652	681.082.839
		787.984.835	691.343.805
Amounts owed to customers:			
- other debts			
• repayable on demand	3.2, 6	1.200.600.838	754.865.063
• with agreed maturity dates or periods of notice	3.2, 6	284.643.256	436.526.008
		1.485.244.094	1.191.391.071
Other liabilities	6	1.250.893	1.276.659
Accruals and deferred income	6	3.301.394	4.284.126
Provisions:			
- provisions for taxation	13.9	9.522.278	7.988.228
- other provisions	2.9	1 533.335	1.882.385
		11.055.613	9.870.613
Subscribed capital	8,10	70.000.000	70.000.000
Reserves	9,10	41.539.225	38.954.315
Profit brought forward	10	149.137.475	138.286.104
Profit for the financial year		**8.852.307**	**13.436.281**
Total liabilities		**2.558.365.836**	**2.158.842.974**

The accompanying notes form an integral part of these annual accounts.

Off balance sheet as at December 31, 2020

(expressed in euro)

	Note(s)	2020 EUR	2019 EUR
Contingent Liabilities of which:	12.1	**12.107.555**	**9.657.444**
- guarantees and assets pledged as collateral security		12.107.555	9.657.444
Commitments of which:	12.2	**575.522.812**	**431.390.530**
- commitments arising from sale and repurchase transactions		501.932.564	355.973.242
Fiduciary Transactions	**12.2**	**483.264.601**	**366.888.201**

The accompanying notes form an integral part of these annual accounts.

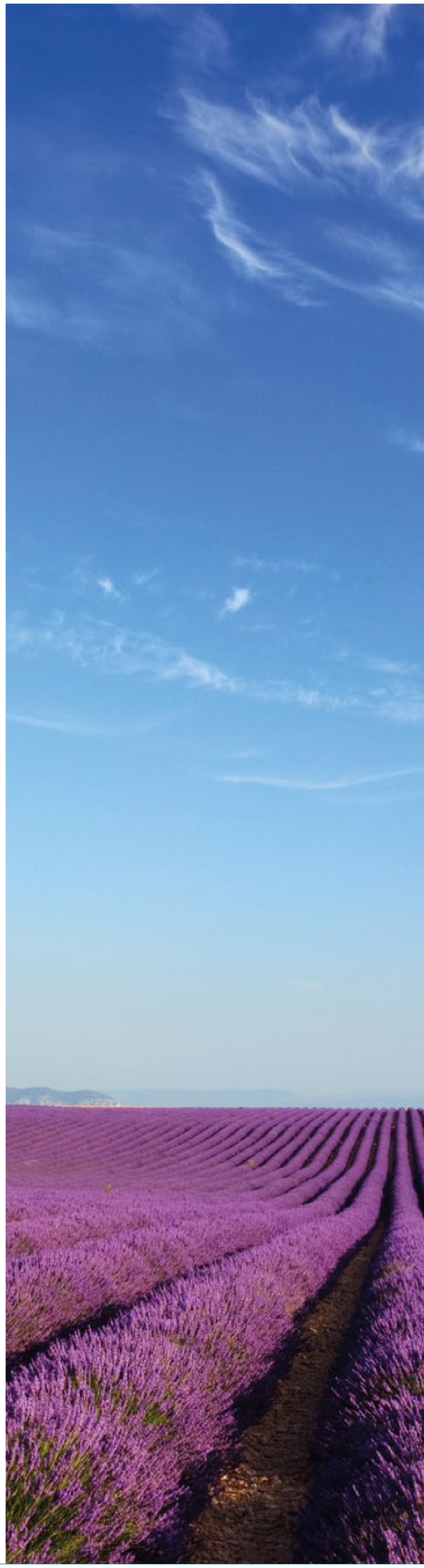
Profit and loss account for the year ended December 31, 2020

(expressed in euro)

	Note(s)	2020 EUR	2019 EUR
Interest receivable and similar income	13.1, 13.2	42.320.028	54.228.446
of which:			
arising from fixed- income transferable securities		572.505	569.563
Interest payable and similar charges	13.3	(15.810.264)	(25.135.671)
Commissions receivable	13.1, 13.4	11.153.322	11.840.423
Commissions payable	13.5	(4.350.056)	(3.806.000)
Net profit on financial operations	13.6	547.583	661.256
Other operating income	13.7	949.931	822.475
General administrative expenses			
- staff costs	15	(13.380.117)	(11.473.904)
of which:			
• wages and salaries		(11.080.585)	(9.437.363)
• social security costs		(1.811.505)	(1.702.091)
of which: pension costs		(1.288.233)	(1.255.965)
- other administrative expenses		(8.359.933)	(8.584.232)
Value adjustments in respect of intangible and tangible assets	7	(1.234.401)	(1.002.515)
Other operating charges	13.8	(962.602)	(1.133.736)
Value adjustments in respect of loans and advances and provisions for contingent liabilities and commitments		(24.858)	(32.778)
Value re- adjustments in respect of loans and advances and provisions for contingent liabilities and commitments		-	218.401
Tax on profit on ordinary activities	13.9	(1.996.326)	(3.165.884)
Profit on ordinary activities after tax		**8.852.307**	**13.436.281**
Profit for the financial year		**8.852.307**	**13.436.281**

The accompanying notes form an integral part of these annual accounts.

Notes to the annual accounts



Note 1 General

Eurobank Private Bank Luxembourg S.A. (the "Bank") was incorporated in Luxembourg on August 26, 1986, as a "Société Anonyme" under the name of Banque de Dépôts (Luxembourg) S.A.. The Extraordinary General Meeting of Shareholders held on August 6, 1997 resolved to change the name of the Bank to EFG Private Bank (Luxembourg) S.A. with effect from September 10, 1997.

The Extraordinary General Meeting of Shareholders held on September 17, 2008 resolved to change the name of the Bank to Eurobank EFG Private Bank Luxembourg S.A. with effect from October 1, 2008.

As part of the rebranding project of the Group, the new coordinated status dated September 18, 2012 resolved to change the name of the Bank to Eurobank Private Bank Luxembourg S.A. with immediate effect.

The Bank is engaged in the business of providing private banking, investment and advisory services for corporate and private clients as well as administrative and custody services for investment funds. The Bank is active in the money markets, deposit taking and lending and engages in spot and forward foreign exchange business as well as undertaking transactions in securities and off balance sheet instruments, both for its own account and on behalf of customers.

At the beginning of June 2015, the Bank acquired the former Eurobank Ergasias S.A. London Branch in the United Kingdom, Eurobank Private Bank Luxembourg - London Branch ("Eurobank London"). Eurobank London provides an array of services to companies with international activities, especially in Central and South-Eastern Europe and to individual clients with local and international banking needs. Furthermore, Eurobank London serves as an extension of the Bank's Private Banking platform to London based clients.

Eurobank Private Bank Luxembourg S.A. is included in the consolidated financial statements of Eurobank Ergasias Services and Holdings S.A., whose registered office is in Athens (8 Othonos Street, 10557 Athens, Greece) where the consolidated financial statements are available.

Eurobank Ergasias Services and Holdings S.A. prepares the consolidated financial statements for the largest body of undertakings of which the Bank forms part as a subsidiary undertaking.

Note 2 Summary of significant accounting policies

2.1 Basis of presentation

These annual accounts have been prepared in conformity with accounting principles generally accepted in the banking sector in the Grand Duchy of Luxembourg. The accounting policies and the principles of valuation are determined and applied by the Board of Directors, except those which are defined by Luxembourg law and regulations.

On the basis of the criteria set out by the Luxembourg law, the Bank is exempted from preparing consolidated annual accounts. In accordance with the amended law of June 17, 1992, the present annual accounts are consequently prepared on an unconsolidated basis for approval by the Annual General Meeting of Shareholders.

2.2 Foreign currencies

The Bank has adopted a multicurrency accounting system, as a result of which assets and liabilities are recorded in the currencies in which they have occurred. For the preparation of the annual accounts, amounts in foreign currencies are translated into euro (EUR) on the following basis:

2.2.1 Spot transactions

Assets and liabilities in foreign currencies are translated into euro at exchange rates applicable at the balance sheet date. Income, charges and purchases of fixed assets are recorded in the currency in which they are collected or disbursed and are translated into euro at rates approximating those ruling at the time of the transaction. Exchange gains and losses arising from the Bank's net open currency spot position are taken to the profit and loss account in the current year. Unsettled spot foreign exchange transactions are translated into euro at the spot rate of exchange prevailing on the balance sheet date.
Foreign exchange gains and losses resulting from spot transactions hedged by forward transactions are neutralised through "prepayments and accrued income" and "accruals and deferred income" accounts. Premiums or discounts arising due to the difference between spot and forward exchange rates are amortised in the profit and loss account on a pro-rata basis.

2.2.2 Forward transactions

Unsettled forward exchange transactions are translated into euro at the forward rate prevailing on the balance sheet date for the remaining maturity.
Unrealised exchange losses on un-hedged forward exchange contracts are recognised in the profit and loss account at the forward rate prevailing on the balance sheet date for the remaining term of the contract. Unrealised exchange gains on forward exchange contracts are not included, and are only recognised when ultimately realised, except when such contracts form an economic unit with offsetting foreign exchange transactions.

2.2.3 Swaps transactions

Interest income and expense generated from currency swap transactions are accrued on a straight-line basis over the period of the swap contract and are included in interest receivable or payable in the profit and loss account, as appropriate.

2.3 Loans and advances

Loans and advances are stated at disbursement value less repayment made and any value adjustments required. Accrued interests is recorded in the balance sheet caption “prepayments and accrued income”.
The policy of the Bank is to establish specific value adjustments for doubtful debts in accordance with the circumstances and for amounts specified by the Board of Directors. These value adjustments are deducted from the appropriate asset account balances.

2.4 Valuations of bonds and other fixed income transferable securities

The Bank has divided its portfolio of bonds and other fixed-income transferable securities into three categories for valuation purposes:

2.4.1 Investment portfolio of financial fixed assets

This portfolio comprises bonds and other fixed-income transferable securities, which are intended to be held on a continuing basis in the normal course of the Bank’s activities.

Principle of valuation at acquisition cost

Bonds and other fixed-income transferable securities are recorded at historical acquisition cost in their original currency. The acquisition cost includes the costs to purchase the asset.
A value adjustment is made where the market value at the balance sheet date is lower than the acquisition cost and when the Board of Directors considers the depreciation to be permanent.
The premium resulting from the purchase of fixed-income transferable securities having the characteristics of financial fixed assets, at a price exceeding the amount repayable at maturity, is amortised in the profit and loss account on a straight line basis over the period remaining until final repayment.
The discount resulting from the acquisition of bonds and other fixed-income transferable securities having the characteristics of financial fixed assets, at a price less than the amount repayable at maturity, is accrued against profit and loss account on a straight line basis over the period remaining until final repayment.

2.4.2 Trading portfolio

This portfolio comprises bonds and other fixed-income transferable securities purchased with the intention of selling them in the short term. These securities are traded on a market whose liquidity can be assumed to be certain and their market price is at all times available to third parties. These securities are valued at the lower of their acquisition cost and their market value.
During the year, the Bank did not hold any trading portfolio.

2.4.3 Structural portfolio

This portfolio comprises bonds and other fixed-income transferable securities and asset swaps purchased for their investment return or yield or held to establish a particular asset structure or a secondary source of liquidity. It also includes bonds and other fixed-income transferable securities not contained in the other two categories.
Securities in this portfolio are valued at the lower of their amortised acquisition cost and their market value. The value adjustments, corresponding to the negative difference between the market value and the amortised acquisition cost, are not maintained if the reasons for which the value adjustments were made no longer exist.
Premiums / discounts included in the acquisition cost and resulting from the purchase of bonds and other fixed-income transferable securities included in this portfolio at a price exceeding / lower than the amount repayable at

maturity are amortised in the profit and loss account on a straight line basis over the period remaining until final repayment.

Asset swaps held in this portfolio are packaged deals made of a bond or other fixed-income transferable security and an interest rate swap, swapping the respective interest rates (floating/fixed) received and paid. Consequently, asset swaps held in the structural portfolio are booked at their par and subsequently measured at the lower of cost or Market value.

2.5 Valuation of variable yield transferable securities

Companies in which the Bank directly and indirectly exercises a significant influence are considered to be affiliated undertakings. Participating interests comprise rights in the capital of other undertakings, the purpose of which is to contribute to the activity of the company through a durable link.

Participating interests and shares in affiliated undertakings are recorded in the balance sheet at their acquisition cost in their original currency. The acquisition cost includes the costs to purchase the assets.

By nature, participating interests belong to the investment portfolio of financial fixed assets. As at December 31, 2020, shares in affiliated undertakings also belong to the investment portfolio.

A value adjustment is made if the Board of Directors considers that a permanent impairment exists in their carrying value at the balance sheet date.

2.6 Sale and repurchase agreements

In case of sale and repurchase agreements, the assets transferred are clients' assets and therefore are shown in the off balance sheet of the Bank.

2.7 Intangible and tangible fixed assets

Fixed assets other than financial fixed assets are valued at historical acquisition cost. The acquisition cost includes the costs to purchase the assets. The acquisition cost of intangible and tangible assets which use is limited in time are depreciated on a straight-line basis over the estimated useful life or at the rates specified below.

In case of permanent reduction in value, intangible and tangible assets are subject to value adjustments, regardless of whether their utilisation is limited. The valuation at the inferior value is not maintained if the reasons for which the value adjustments were made no longer exist.

2.7.1 Intangible assets

The core banking system is amortized on a straight line basis over 10 years whereas the remaining intangible assets over 4 years.

During 2020, the Group initiated the "Salamis Project", which comprises the implementation of a new core system and overall IT architecture landscape, in more than one country. This implementation in ERB LUX will allow the Bank to proceed with its growth business plan:

- Reducing operating risks: automations, control mechanisms, etc.
- Increasing efficiencies and freeing FTE capacity for business development
- Standardized, high quality service
- State of the art digital offering

The external costs related to this project as well as the Bank's internal efforts will be capitalized during the implementation period and will be amortized over the useful life when the asset is ready for use.

2.7.2 Tangible assets

Tangible assets are used by the Bank for its own operations. Tangible assets are valued at cost less depreciation to date. Depreciation is calculated on a straight-line basis over the life of the assets concerned. The rates used for this purpose are:

	2020
	%
Furniture	18
Machinery and equipment	25
Vehicles	20
Hardware and software	25
Premises fixtures	10
Core banking system	10

Premises fixtures in leased offices are amortized over the lower of 10 years or the remaining lease period.

2.8 Derivative instruments

2.8.1 Interest rate swaps

Interest on interest rate swaps is included in the balance sheet captions "prepayments and accrued income" and "accruals and deferred income". It is credited or charged to interest receivable or payable in the profit and loss account.

Interest rate swaps, which are not held for hedging purposes, are marked-to-market. Provisions are made for unrealised valuation losses whereas unrealised valuation gains are not taken into account until maturity. Interest rate swaps entered into for hedging purposes are subject to the principle of symmetry with the hedged item. Hedging inefficiencies are recognised in profit or loss when they result in a net unrealised loss. They are ignored when they result in a net unrealised gain.

2.8.2 Forward exchange transactions

Valuation rules for forward exchange contracts are explained in note 2.2.2 above.

2.8.3 Options

For the options traded over the counter and unallocated to given assets or liabilities, the premiums received or paid appear on the balance sheet until the exercise or the expiration date of the option, if the option is not exercised before that date. Commitments on written options are booked off-balance sheet.

Options not used for hedging purposes are marked-to-market. The unrealised losses are booked in the profit and loss account whereas unrealised gains are ignored.

Option contracts entered into for hedging a balance sheet item (asset or liability) are booked as follows: unrealised result on the premiums is accounted for in the profit or loss account in "Net profit or net loss on financial operations". Unrealised results arising from the evaluation of the hedged item (asset or liability) is accounted for in the profit or loss in "Net profit or net loss on financial operations". These bookings are presented in net by compensation profit or loss effects.

Option contracts traded on a regulated market and entered into for the purpose of hedging identical reverse options also traded on a regulated market are booked as follows: as the position on these instruments is closed, the result arising from premiums received and paid is accounted for in the profit and loss account. These bookings are presented in net by compensation profit or loss effects.

2.9 Lump sum provision

A general reserve for potential risks on balance sheet and off balance sheet items has been booked. This tax-deductible provision is deducted from the corresponding assets. The lump sum provision calculated on off balance sheet items is booked under the item "Provision: other provisions".

Note 3 Analysis of financial instruments

3.1 Strategy in using financial instruments

The Bank's treasury activities are primarily related to the use of financial instruments including derivatives. Since the end of the year 2012 all treasury activities of the Bank are carried out internally in Luxembourg.

Asset/Liability Management of the Bank is taking into account other banking activities including private banking client accounts, investment funds and inter-bank activity mainly with Eurobank Ergasias Services and Holdings S.A.

The Bank aims to use funds from customer operations, investment funds operations and other market deposits that have been raised at fixed and floating rates and for various periods seeking to earn profitable margins by investing these funds in high quality assets. Such operations are only executed following the limits, as well as defined products determined with the approval of the Board of Directors. Limits are currently set in such a way that restricts the Treasury and Foreign Exchange department of the Bank from taking large exposures.

During periods of falling interest rates, the Bank seeks to increase its margins by favouring short-term funding and lending for longer periods at higher rates whilst maintaining sufficient liquidity to meet all claims that might fall due. During periods of increasing interest rates, the Bank aims to increase these margins by lending and borrowing in the short term and by hedging its assets and liabilities.

Related issues and decisions are taken by the Asset and Liability Committee of the Bank.

The Bank also raises its interest margin by obtaining profitable margins through lending to wholesale and retail borrowers with a good credit standing. Loans are given when adequate collateral exists and after the approval of the Credit Committee of the Bank. The Bank also enters into guarantees and other commitments such as letters of credit and letters of guarantee.

The monitoring of limits and margins is carried out by the Risk department of the Bank on the basis of the daily positions provided by the IT department. These reports are communicated daily amongst others to Local Management and the Head of Group Treasury in Athens.

In the event that the limits are breached and the margins not respected, Local Management as well as the responsible Manager are informed for immediate action. The excesses are also reported to the Board of Directors on a quarterly basis.

The Bank hedges part of its existing interest rate risk resulting from any potential decrease in the fair value of fixed rate assets denominated both in local and foreign currencies using interest rate swaps.

The Bank hedges a proportion of foreign exchange risk it expects to assume as a result of cash flows from debt securities using forward exchange transactions.

3.2 Analysis of financial instruments

3.2.1 Information on primary financial instruments

The table here after analyses the level of primary financial instruments (primary non-trading instruments) of the Bank, in terms of carrying amounts, into relevant maturity groupings based on the remaining period at balance sheet date to the contractual maturity date. Additional indication of aggregate fair values of trading instruments is disclosed where they differ materially from the amounts at which they are included in the accounts.
"Fair value" is understood as being the amount at which an asset could be exchanged or a liability settled as part of an ordinary transaction entered into under normal terms and conditions between independent, informed and willing parties, other than in a forced or liquidation sale.

3.2.1.1 Analysis of financial instruments – Primary non-trading instruments (at carrying amount – EUR)

	Less than 3 months	>3 months to 1 year	>1 year to 5 years	>5 years	Total
Figures as at December 31, 2020					
Instrument class (financial assets)					
Cash in hand, balances with central banks and post office banks	402.980.119	-	-	-	402.980.119
Loans & advances to credit institutions	554.975.536	-	-	-	554.975.536
Loans & advances to customers	421.248.554	289.468.972	392.058.471	370.354.078	1.473.130.075
Bonds and other fixed- income					-
transferable securities	-	-	-	91.500.000	91.500.000
Shares in affiliated undertaking and					-
participating interests	8.746.701	-	-	-	8.746.701
Total financial assets	**1.387.950.910**	**289.468.972**	**392.058.471**	**461.854.078**	**2.531.332.431**
Non financial assets	**27.033.405**	**-**	**-**	**-**	**27.033.405**
Total Assets	**1.414.984.315**	**289.468.972**	**392.058.471**	**461.854.078**	**2.558.365.836**
Instrument class (financial liabilities)					
Amounts owed to credit institutions:					
- Repayable on demand	863.183	-	-	-	863.183
- With agreed maturity dates or periods of notice	230.012.735	210.020.170	241.623.864	105.464.883	787.121.652
Amounts owed to customers:					
- Repayable on demand	1.200.600.838	-	-	-	1.200.600.838
- Repayable at term or with notice	198.731.845	85.911.411	-	-	284.643.256
Total financial liabilities	**1.630.208.601**	**295.931.581**	**241.623.864**	**105.464.883**	**2.273.228.929**
Non financial liabilities	**285.136.907**	**-**	**-**	**-**	**285.136.907**
Total Liabilities	**1.915.345.508**	**295.931.581**	**241.623.864**	**105.464.883**	**2.558.365.836**

As at December 31, 2020, the Bank held no primary trading financial instruments.

	Less than 3 months	>3 months to 1 year	>1 year to 5 years	>5 years	Total
Figures as at December 31, 2019 Instrument class (financial assets)					
Cash in hand, balances with central banks and post office banks	178.351.795	-	-	-	178.351.795
Loans & advances to credit institutions	326.775.548	-	-	-	326.775.548
Loans & advances to customers	470.422.905	363.424.995	413.455.245	283.091.011	1.530.394.156
Bonds and other fixed- income transferable securities	-	-	-	91.500.000	91.500.000
Shares in affiliated undertaking and participating interests	8.746.701	-	-	-	8.746.701
Total financial assets	**984.296.949**	**363.424.995**	**413.455.245**	**374.591.011**	**2.135.768.200**
Non financial assets	**23.074.774**	**-**	**-**	**-**	**23.074.774**
Total Assets	**1.007.371.723**	**363.424.995**	**413.455.245**	**374.591.011**	**2.158.842.974**
Instrument class (financial liabilities)					
Amounts owed to credit institutions:					
- Repayable on demand	10.260.966	-	-	-	10.260.966
- With agreed maturity dates or periods of notice	293.999.069	268.576.035	52.676.561	65.831.174	681.082.839
Amounts owed to customers:					
- Repayable on demand	754.865.063	-	-	-	754.865.063
- Repayable at term or with notice	361.021.544	75.504.464	-	-	436.526.008
Total financial liabilities	**1.420.146.642**	**344.080.499**	**52.676.561**	**65.831.174**	**1.882.734.876**
Non financial liabilities	**276.108.098**	**-**	**-**	**-**	**276.108.098**
Total Liabilities	**1.696.254.740**	**344.080.499**	**52.676.561**	**65.831.174**	**2.158.842.974**

As at December 31, 2019, the Bank held no primary trading financial instruments.

3.2.1.2 Description of derivative financial instruments

The Bank enters into the following derivative financial instruments:

- **Forward exchange transactions** represent commitments to purchase foreign and domestic currency, including undelivered spot transactions.
- **Interest rate swaps** are commitments to exchange one set of cash flows for another. Swaps result in an economic exchange of interest rates (for example, fixed rate for floating rate).
- **Options** are financial derivatives representing a contract sold by one party (option writer) to another party (option holder). The contract offers the buyer the right, but not the obligation, to buy (call) or sell (put) a security or other financial asset at an agreed-upon price (the strike price) during a certain period of time or on a specific date (exercise date).

3.2.1.3 Analysis of derivative financial instruments

The table below analyses the level of derivative financial instruments of the Bank, broken down in terms of notional amount, into relevant maturity groupings based on the remaining period at balance sheet date to the contractual maturity date. The Bank held only OTC derivative financial instruments as at December 31, 2020.

The notional amounts of certain types of financial instruments provide a basis for comparison with instruments recognised on the balance sheet but do not necessarily indicate the amounts of future cash flows involved or the current fair value of the instruments and, therefore, do not indicate the Bank's exposure to credit or price risks. The derivative instruments become favourable or unfavourable as a result of fluctuations in market interest rates or foreign exchange rates relative to their terms. The aggregate contractual or notional amount of derivative financial instruments on hand, the extent to which instruments are favourable or unfavourable and, thus the aggregate fair values of derivative financial assets and liabilities can fluctuate significantly from time to time.

Derivatives non-trading instruments OTC as at December 31, 2020 (in EUR)

	Nominal amounts					Net fair Value
Figures as at December 31, 2020	Less than 3 months	> 3 months to 1 year	> 1 year to 5 years	>5 years	Total	Total
Interest rate: -Swaps	-	-	-	-	-	-
Foreign exchange: - Forwards, Spots, Swaps	303.366.223	3.466.826	-	-	306.833.049	1.349.186
Options: - Options	1.316.665	-	-	-	1.316.665	(6.756)
Total	**304.682.888**	**3.466.826**	**-**	**-**	**308.149.714**	**1.342.430**

Derivatives non-trading instruments OTC as at December 31, 2019 (in EUR)

	Nominal amounts					Net fair Value
Figures as at December 31, 2019	Less than 3 months	> 3 months to 1 year	> 1 year to 5 years	>5 years	Total	Total
Interest rate: -Swaps	-	-	-	-	-	-
Foreign exchange: - Forwards, Spots, Swaps	293.431.401	1.242.988	-	-	294.674.389	439.950
Options: - Options	1.216.066	-	-	-	1.216.066	(9.407)
Total	**294.647.467**	**1.242.988**	**-**	**-**	**295.890.455**	**430.543**

The Bank held no exchange-traded derivative financial instrument as at December 31, 2020.

3.3 Credit risk

3.3.1 Description of credit risk

The Bank takes on exposure to credit risk. The Bank structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower or groups of borrowers, and to geographical segments. Such risks are monitored on a revolving basis and subject to monthly reviews. Limits are approved by the Board of Directors and reviewed at least annually. Under delegation of the Board of Directors, Management has the possibility to approve country limits up to a predetermined level. The Board of Directors also determines who has the authority to approve excesses and up to what level. The exceeding amounts and tenor defined within Group Risk Guidelines are immediately reported to Local Management and the Group Risk Unit in Greece.
The exposure to any borrower including banks and brokers is further restricted by sub-limits covering on and off-balance sheet exposures. Actual exposures against limits are monitored daily

Exposure to credit risk is managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing these lending limits where appropriate. Exposure to credit risk is primarily managed by obtaining collateral and corporate and personal guarantees.
The Group Risk Unit is setting types of collateral as well as minimum margins. The Bank imposes more strict collateral rules than those set by the group based on careful analysis, internal policies and the market environment. The Bank has a clear procedure to approve “eligible” collateral and it periodically reviews approved collateral.

On currency and interest rate swaps, the Bank’s credit risk represents the potential cost to replace the swap contracts if counterparties fail to perform their obligation. This risk is monitored on an ongoing basis with reference to the current fair value and the liquidity of the market. To control the level of credit risk taken, the Bank assesses counterparties using the same techniques as for its lending activities.

3.3.2 Measures of credit risk exposure

Information on credit risk as it relates to financial instruments is disclosed on the basis of the carrying amount that best represents the maximum credit risk exposure at the balance sheet date without taking account of any collateral.

With respect to derivative instruments not dealt on a recognised, regulated market (OTC), the carrying amount (principal or notional amount) does not reflect the maximum risk exposure. The maximum exposure to credit risk is determined by the value of the overall replacement cost.

The table below discloses the level of credit exposure on OTC derivative instruments in terms of notional amounts, replacement cost, potential future credit exposure and net risk exposure adjusted for any collateral, broken down by the degree of creditworthiness of the counterparty based on internal or external ratings.

Credit Risk Exposure on OTC derivative instruments (use of market risk method) as at December 31, 2020 (in EUR)

Counterparty solvency (based on external/internal ratings)	Notional amount (1)	Current Replacement cost (2)	Potential future replacement cost (3)	Overall replacement cost (4)=(2)+(3)	Collateral (5)	Net risk exposure (6)=(4)-(5)
External rating (Fitch):						
A	213.346.059	2.891.195	2.133.461	5.024.656	-	5.024.656
					Sub - total 1	**5.024.656**
Internal Rating:						
- Customer &Fund						
2,5	89.545.185	175.281	895.452	1.070.733	-	1.070.733
3,4	1.050.000	298	10.500	10.798	-	10.798
4	859.155	28.561	8.592	37.153	-	37.153
4,8	3.374.234	52.847	33.742	86.589	-	86.589
					Sub - total 2	**1.205.273**
					TOTAL	**6.229.929**

Credit Risk Exposure on OTC derivative instruments (use of market risk method) as at December 31, 2019 (in EUR)

Counterparty solvency (based on external/internal ratings)	Notional amount (1)	Current Replacement cost (2)	Potential future replacement cost (3)	Overall replacement cost (4)=(2)+(3)	Collateral (5)	Net risk exposure (6)=(4)-(5)
External rating (Fitch):						
A	184.011.221	1.781.204	1.840.112	3.621.316	-	**3.621.316**
C	-	-	-	-	-	**-**
					Sub - total 1	**3.621.316**
Internal Rating:						
- Customer &Fund						
2	100.000	828	1.000	1.828	-	**1.828**
4	128.874.281	273.931	1.288.743	1.562.674	-	**1.562.674**
					Sub - total 2	**1.564.502**
					TOTAL	**5.185.818**

The internal credit rating for “Customer & Fund” goes from 1 (best rating) to 10 (worst rating).

3.3.3 Concentration of credit risk

The tables below shows credit risk concentration as it relates to financial instruments from on- and off balance sheet exposures by geographic location and economic sector. In order to enhance the true and fair view of the financial position the tables present the OTC derivatives by the value of the overall replacement cost and to that extend the comparative figures have been adjusted accordingly.

3.3.3.1 Geographic credit risk concentrations (in EUR)

Geographical zone (by country or zone)	Credits and other balance sheet items		OTC derivatives		Commitments	
	2020	2019	2020	2019	2020	2019
Luxembourg	1.144.365.927	204.620.297	1.070.733	1.225.127	499.999	5.200.000
Other European Monetary Union (EMU) countries	172.115.647	932.401.650	10.500	8.523	31.565.827	20.646.080
Other countries	813.778.162	823.378.623	5.148.308	3.642.997	41.524.422	49.571.208
Total	**2.130.259.736**	**1.960.400.570**	**6.229.541**	**4.876.647**	**73.590.248**	**75.417.288**

As the Bank is mainly active on the European markets, it has a significant concentration of credit risk with other European financial institutions. In total, credit risk exposure is estimated to EUR 2 210 079 525 at December 31, 2020 (2019: EUR 2 040 694 505) of which EUR 6 229 541 (2019: EUR 4 876 647) consisted of derivative financial instruments.

3.3.3.2 Economic sector credit risk concentrations (in EUR)

The table here after discloses the concentration of the credit risk linked to financial instruments, for both on and off balance sheet exposures, by geographical location and economic sector.

Economic sector	Credits and other balance sheet items		OTC derivatives		Commitments	
	2020	2019	2020	2019	2020	2019
Credit institutions	663.879.965	435.806.592	5.024.566	3.621.316	-	-
Households	99.274.075	80.700.499	124.242	30.204	9.542.816	3.738.134
Investment funds	46.803.582	79.229.968	1.070.733	1.225.127	499.999	4.000.000
Activity ancillary to financial intermediation and insurance	314.305.678	395.564.430	-	-	25.500.000	30.500.000
Non financial corporations	787.742.610	707.600.633	10.000	-	32.885.378	32.887.396
Governments	-	-	-	-	-	-
Central banks	-	-	-	-	-	-
Financial holding companies	136.155.103	134.484.689	-	-	238.211	3.971.758
Others	82.098.723	127.013.759	-	-	4.923.843	320.000
Total	**2.130.259.736**	**1.960.400.570**	**6.229.541**	**4.876.647**	**73.590.248**	**75.417.288**

3.4 Market risk

The Bank does not enter into Equity or FX Trading. Any FX risk exists due to the execution of client deals. The existing FX limits for the Bank, as per Board decision 015/2014 are/

1. FX Overall limit EUR 1.0mn,
2. Limit per Currency:
   (i) Majors (USD, GBP, CHF, JPY) EUR 0.5mn,
   (ii) Minors (any other) EUR 0.2mn,
3. The VaR limit is EUR 0.25mn.

The Risk Department prepares and monitors on a daily basis the FX position, which is compared against set limits. On a monthly basis, the Bank applies a "Value at Risk" (VaR) methodology to estimate the market risk of positions held and the maximum losses expected, based upon a number of assumptions for various changes in market conditions. The Board of Directors sets limits on the value of risk that may be accepted, which is monitored as deemed appropriate. VaR is calculated with a 99% confidence interval and a 10 day holding period.

Note 4 Cash in hand, balances with central banks and post office banks

	2020	2019
	EUR	EUR
Cash in Hand	115.413	118.443
Mandatory Minimum Reserve	13.714.926	10.719.865
Cash with Central Bank	389.149.780	167.513.487
	402.980.119	**178.351.795**

In accordance with the requirements of the European Central Bank, Luxembourg Central Bank has implemented, effective January 1, 1999, a system of mandatory minimum reserves which applies to all Luxembourg credit institutions. The minimum reserve balance as at December 31, 2020 held by the Bank with the Luxembourg Central Bank amounted to EUR 13 714 926 (2019: EUR 10 719 865).

The Bank entered in June 2020 to the third series of the targeted longer-term refinancing operation (TLTRO-III) and the respective outstanding borrowing with Luxembourg Central Bank as at December 31, 2020 amounts to EUR 220 000 000.

Note 5 Transferable securities

5.1 Listed securities

	2020	2019
Bonds and other fixed-income transferable securities:	EUR	EUR
- other issues	91.500.000	91.500.000

The market value of bonds eligible for refinancing with a central bank of the Euro zone included in the heading "bonds and other fixed-income transferable securities" is EUR 98 562 383 (2019: EUR 95 685 710).

The Bank does not hold any Greek Government Bonds, neither in the investment nor in the structural portfolio as at December 31, 2020.
As at December 31, 2020, all transferable securities belong to the investment portfolio of the Bank.

5.2 Unlisted securities

	2020 EUR	2019 EUR
Participating interests	4.958	4.958
Shares in affiliated undertakings	8.741.743	8.741.743
	8.746.701	**8.746.701**

On January 30, 2018, the Bank acquired 100% of the shares (EUR 8 741 639) of BHF Lux Immo S.A., whose registered office is in 534 rue de Neudorf, 2220 Luxembourg, Luxembourg and was subsequently renamed to ERB Lux Immo S.A. As at December 31, 2020, the unaudited shareholder's equity is EUR 2 401 562 (2019: EUR 2 152 142) and the result of the financial year is EUR 249 420 (2019: EUR 156 984).

5.3 Sale and Repurchase transactions

As at December 31, 2020, the Bank is committed in reverse repurchase agreements for a total amount of EUR 460 755 111 (2019: EUR 321 583 742).

Note 6 Assets and Liabilities balances with Affiliated Undertakings

Assets	2020 EUR	2019 EUR
Loans and advances to credit institutions	494.572.954	302.739.289
Loans and advances to customers	398.951.241	479.666.242
Prepayments and Accrued Income	571.626	936.941
Other Assets	1.493	140.478
	894.097.314	**783.482.950**

Liabilities		
Amounts owned to credit institutions	565.532.041	689.660.201
Amounts owned to customers	23.972.680	20.303.748
Accruals and Deferred Income	146.228	592.156
Other Liabilities	207.694	254.564
	589.858.643	**710.810.669**

Note 7 Movements in fixed assets

2020 Movement	Cost				Value adjustments				Net
Amounts in EUR	Gross value at the beginning of the financial year 2020	Additions	Disposals	Gross value at the end of the financial year 2020	Cumulative value adjustments at the beginning of the financial year 2020	Value adjustments	Reversal of value of adjustmentsf	Cumulative value adjustments at the end of the financial year 2020	Net book value at the end of the financial year 2020
Debt Securities including fixed income transferable securities	91.500.000	-	-	91.500.000	-	-	-	-	91.500.000
	91.500.000	**-**	**-**	**91.500.000**	**-**	**-**	**-**	**-**	**91.500.000**
Long term investments including:									
Participating interests	8.058	-	-	8.058	(3.100)	-	-	(3.100)	4.958
Shares in affiliated undertaking	8.742.049	-	-	8.742.049	(306)	-	-	(306)	8.741.743
	8.750.107	**-**	**-**	**8.750.107**	**(3.406)**	**-**	**-**	**(3.406)**	**8.746.701**
Intangible fixed assets including:									
Software and Consultancy	7.775.299	641.643	-	8.416.942	(6.038.257)	(744.137)	-	(6.782.394)	1.634.548
Salamis Project	-	2.410.536	-	2.410.536	-	-	-	-	2.410.536
	7.775.299	**3.052.179**	**-**	**10.827.478**	**(6.038.257)**	**(744.137)**	**-**	**(6.782.394)**	**4.045.084**
Tangible fixed assets including:									
Other fixtures and fittings, tools and equipment	6.932.716	563.940	-	7.496.656	(6.351.103)	(294.439)	-	(6.645.542)	851.114
Technical equipment and machinery	2.477.905	312.343	-	2.790.248	(1.181.907)	(195.825)	-	(1.377.732)	1.412.516
	9.410.621	**876.283**	**-**	**10.286.904**	**(7.533.010)**	**(490.264)**	**-**	**(8.023.274)**	**2.263.630**

Note 7 Movements in fixed assets

2019 Movement	Cost				Value adjustments				Net
Amounts in EUR	Gross value at the beginning of the financial year 2019	Additions	Disposals	Gross value at the end of the financial year 2019	Cumulative value adjustments at the beginning of the financial year 2019	Value adjustments	Reversal of value of adjustmentsf	Cumulative value adjustments at the end of the financial year 2019	Net book value at the end of the financial year 2019
Debt Securities including fixed income transferable securities	91.500.000	-	-	91.500.000	-	-	-	-	91.500.000
	91.500.000	**-**	**-**	**91.500.000**	**-**	**-**	**-**	**-**	**91.500.000**
Long term investments including:									
Participating interests	8.058	-	-	8.058	(3.100)	-	-	(3.100)	4.958
Shares in affiliated undertaking	8.742.049	-	-	8.742.049	(306)	-	-	(306)	8.741.743
	8.750.107	**-**	**-**	**8.750.107**	**(3.406)**	**-**	**-**	**(3.406)**	**8.746.701**
Intangible fixed assets									
Software and Consultancy	7.017.114	758.185	-	7.775.299	(5.414.195)	(624.062)	-	(6.038.257)	1.737.042
	7.017.114	**758.185**	**-**	**7.775.299**	**(5.414.195)**	**(624.062)**	**-**	**(6.038.257)**	**1.737.042**
Tangible fixed assets including:									
Other fixtures and fittings, tools and equipment	6.724.997	207.719	-	6.932.716	(6.145.094)	(206.009)	-	(6.351.103)	581.613
Technical equipment and machinery	1.225.484	1.252.421	-	2.477.905	(1.009.464)	(172.443)	-	(1.181.907)	1.295.998
	7.950.481	**1.460.140**	**-**	**9.410.621**	**(7.154.558)**	**(378.452)**	**-**	**(7.533.010)**	**1.877.611**

Note 8 Subscribed capital

The authorised and paid-up share capital of the Bank amounts to EUR 70 000 000. The Bank's capital is comprised by 500 000 shares with Nominal value EUR 140 at the end of the year.

Note 9 Reserves

9.1 Legal reserve

In accordance with Luxembourg law, the Bank is required to transfer at least 5% of its annual profit to the legal reserve until this equals 10% of subscribed capital. The legal reserve is not available for distribution to shareholders.

9.2 Special reserve

In accordance with the tax law, the Bank reduces the Net Wealth Tax liability by deducting it from itself. In order to comply with the tax law, the Bank allocates under non-distributable reserves (item "special reserve") an amount that corresponds to five times the amount of reduction of the Net Wealth Tax. This reserve is non-distributable for a period of five years from the year following the one during which the Net Wealth Tax was reduced.

9.3 Interim dividend

No Interim dividend has been distributed during the financial year 2020.

Note 10 Changes in Shareholder's equity

The movements of shareholders' equity of the Bank may be summarized as follows:

	Subscribed Capital EUR	Legal Reserve EUR	Special Reserve EUR	Total Reserve EUR	Profit brought forward EUR	Total EUR
Balance at December 31, 2019	70.000.000	7.000.000	31.954.315	38.954.315	138.286.104	247.240.419
Profit for the year ended 31/12/2019	-	-	-	-	13.436.281	13.436.281
Appropriation of profit	-	-	-	-	-	-
Interim Dividend	-	-	-	-	-	-
Transfer to legal reserve	-	-	-	-	-	-
Transfer to special reserve	-	-	2.584.910	2.584.910	(2.584.910)	-
Current year Profit	-	-	-	-	8.852.307	8.852.307
Balance at December 31, 2020	**70.000.000**	**7.000.000**	**34.539.225**	**41.539.225**	**157.989.782**	**269.529.007**

The appropriation of the 2019 result was approved by the Annual General Meeting of Shareholders on June 11, 2020.

Note 11 Assets and liabilities denominated in foreign currencies

	2020 EUR	2019 EUR
Total assets in foreign currencies	387.501.016	379.335.453
Total liabilities in foreign currencies	392.877.494	378.640.258

Note 12 Contingent liabilities and commitments

12.1 Contingent liabilities

As at December 31, 2020 the contingent liabilities include guarantees and other direct substitutes for credit and amount to EUR 12 107 555 (2019: EUR 9 657 444).

12.2 Other off balance sheet commitments

	2020 EUR	2019 EUR
Assets held on behalf of third parties	2.676.292.691	2.643.958.764
Credits confirmed but not used	73.590.248	75.417.288
Repurchase agreements	501.932.564	355.973.242
Forward foreign exchange transactions	306.833.049	294.674.389
Fiduciary transactions	483.264.601	366.888.201
Options	1.316.665	1.216.066
	4.043.229.818	**3.738.127.950**

12.3 Deposit Guarantee Scheme

The law related to the resolution, reorganisation and winding-up measures of credit institutions and certain investment firms and on deposit guarantee and investor compensation schemes ("the Law"), transposing into Luxembourgish law the directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms and the directive 2014/49/EU related to deposit guarantee and investor compensation schemes, was passed on 18 December 2015.

The deposit guarantee and investor compensation scheme through the "Association pour la Garantie des Dépôts Luxembourg" (AGDL) was replaced by a new contribution based system of deposit guarantee and investor compensation scheme. This new system covers eligible deposits of each depositor up to an amount of EUR 100 000 and investments up to an amount of EUR 20 000. The Law also provides that deposits resulting from specific transactions or fulfilling a specific social or other purpose are covered for an amount above EUR 100 000 for a period of 12 months.

The funded amount of the "Fonds de résolution Luxembourg" (FRL) shall reach by the end of 2024 at least 1% of covered deposits, as defined in article 1 number 36 of the Law, of all authorized credit institutions in all participating Member States. This amount is collected from the credit institutions through annual contributions during the years 2015 to 2024.

The target level of funding of the "Fonds de Garantie des Dépôts Luxembourg" (FGDL) is set at 0.8% of covered deposits, as defined in article 163 number 8 of the Law, of the relevant credit institutions and was reached by the end of 2018 through annual contributions. The contributions were made in the form of annual payments during the years 2016 to 2018. After the level of 0.8% was reached, the Luxembourgish credit institutions continue to contribute for 8 additional years in order to constitute an additional safety buffer of 0.8% of covered deposits as defined in article 163 number 8 of the Law. The law of 23 December 2016 on the tax reform 2017 has introduced a tax neutral reversal of the existing AGDL provisions in successive annual tranches from 2016 to 2026, under the condition that each annual tranche is at least equal to the contributions to the FGDL and FRL for that fiscal year. Any remaining balance of the AGDL provision not yet reversed at the end of this transitional period will have to be reversed and added to the taxable income of the year 2026. On 18 January 2017, CSSF issued a circular letter relating to the abrogation of the AGDL and to the consequent accounting treatment of the AGDL reversal to enable the banks to follow from an accounting point view the tax treatment foreseen in the law of 23 December 2016.
The cash contribution amounts to EUR 199 440 (2019: EUR 271 838) and recorded in the caption 'General administrative expenses'. Additionally, the 2020 FRL contribution for an amount of EUR 297 905 (2019: EUR 219 614) was paid by the Bank and recorded in the caption 'General administrative expenses'.

12.4 Management and fiduciary services

The Bank has provided the following management and fiduciary services to third parties in the course of the financial year:

• Investment management and advice;
• Safekeeping and administration of securities;
• Fiduciary services;
• Agency services.

Note 13 Profit and loss account

13.1 Sources of income by geographical region

By application of Article 69 of the amended law of June 17, 1992 on the annual accounts of credit institutions, sources of income have not been analyzed by geographical region.
Nevertheless the break down between the Bank and its United Kingdom branch is the following:

	2020 EUR	2019 EUR
Interest income		
Luxembourg entity	40.439.748	51.737.594
United Kingdom branch	1.880.280	2.490.852
	42.320.028	**54.228.446**
Commission income		
Luxembourg entity	10.970.046	11.644.155
United Kingdom branch	183.276	196.268
	11.153.322	**11.840.423**

13.2 Interest receivable and similar income

	2020 EUR	2019 EUR
Interest receivable on loans and advances to credit institutions	1.808.338	3.602.088
of which: affiliated credit institutions	*720.265*	*2.409.864*
Interest receivable on balances with central banks	-	(218.681)
Interest receivable on loans and advances to clients	39.939.185	50.275.476
of which: affiliated customers	*8.104.349*	*11.076.002*
Interest receivable on debt securities and other	572.505	569.563
	42.320.028	**54.228.446**

13.3 Interest payable and similar charges

	2020 EUR	2019 EUR
Interest payable on amounts owed to credit institutions	10.968.618	17.333.796
of which: affiliated credit institutions	*8.670.718*	*13.212.382*
Interest payable on amounts owed to customers	5.049.608	7.801.303
of which: liabilities with agreed maturity dates or period of notice	*5.007.799*	*7.542.523*
Interest payable on balances with central banks	(207.962)	572
	15.810.264	**25.135.671**

13.4 Commissions receivable

	2020 EUR	2019 EUR
Fiduciary operations	283.425	444.677
Asset Management	1.878.564	2.210.308
Foreign exchange, precious metals and securities transactions on behalf of third parties	1.576.480	1.376.475
Safekeeping of assets belonging to third parties	937.487	1.215.549
Other commission receivable	6.477.366	6.593.414
Of which: Loans Fees	*473.947*	*989.735*
Of which: Distribution Ageement Fees	*1.105.049*	*1.186.738*
Of which: Funds Fees	*3.244.083*	*2.854.100*
	11.153.322	**11.840.423**

13.5 Commissions payable

	2020 EUR	2019 EUR
Asset Management Fees	780.766	760.901
Safekeeping Fees	1.522.995	1.516.750
Loan Fees	915.844	1.331.689
Other commission payable	1.130.451	196.660
	4.350.056	**3.806.000**

13.6 Net profit on financial operations

Net profit on financial operations at December 31, 2020 mainly includes gain and loss on foreign exchange transactions.

13.7 Other operating income

	2020 EUR	2019 EUR
Income from affiliated undertakings	196.186	205.767
VAT settlement	712.140	455.972
Other income	39.375	160.736
United Kingdom branch other operating income	2.230	-
	949.931	**822.475**

13.8 Other operating charges

	2020 EUR	2019 EUR
Withholding taxes	899.437	1.125.732
United Kingdom branch other expense	-	828
Tax previous year	-	7.176
Other expenses	63.165	-
	962.602	**1.133.736**

13.9 Tax charge

The Bank is liable to taxes on income, capital and net assets. The Luxembourg tax authorities have issued assessments for the years up to and including 2017. Tax liabilities, net of tax advances, are recorded under "provisions for taxation" in the balance sheet.

13.10 Return on assets

The return on assets of the Bank for the year ended December 31, 2020 stands to 0.35% (2019: 0.62%). The return on assets is calculated as being the net profit divided by the total balance sheet.

Note 14 Independent Auditor's fees

For the year ending December 31, 2020, independent auditor's fees are as follows:

	2020 EUR	2019 EUR
Audit fees	138.500	138.500
Audit related fees	75.500	92.500
	214.000	**231.000**

Note 15 Staff and directors

15.1 Staff

Number of Bank's average employees (including London Branch) at the end of the financial year 2020:

	2020	2019
Senior Management and Management	15	16
Employees	105	93
	120	**109**

15.2 Information relating to Management Body

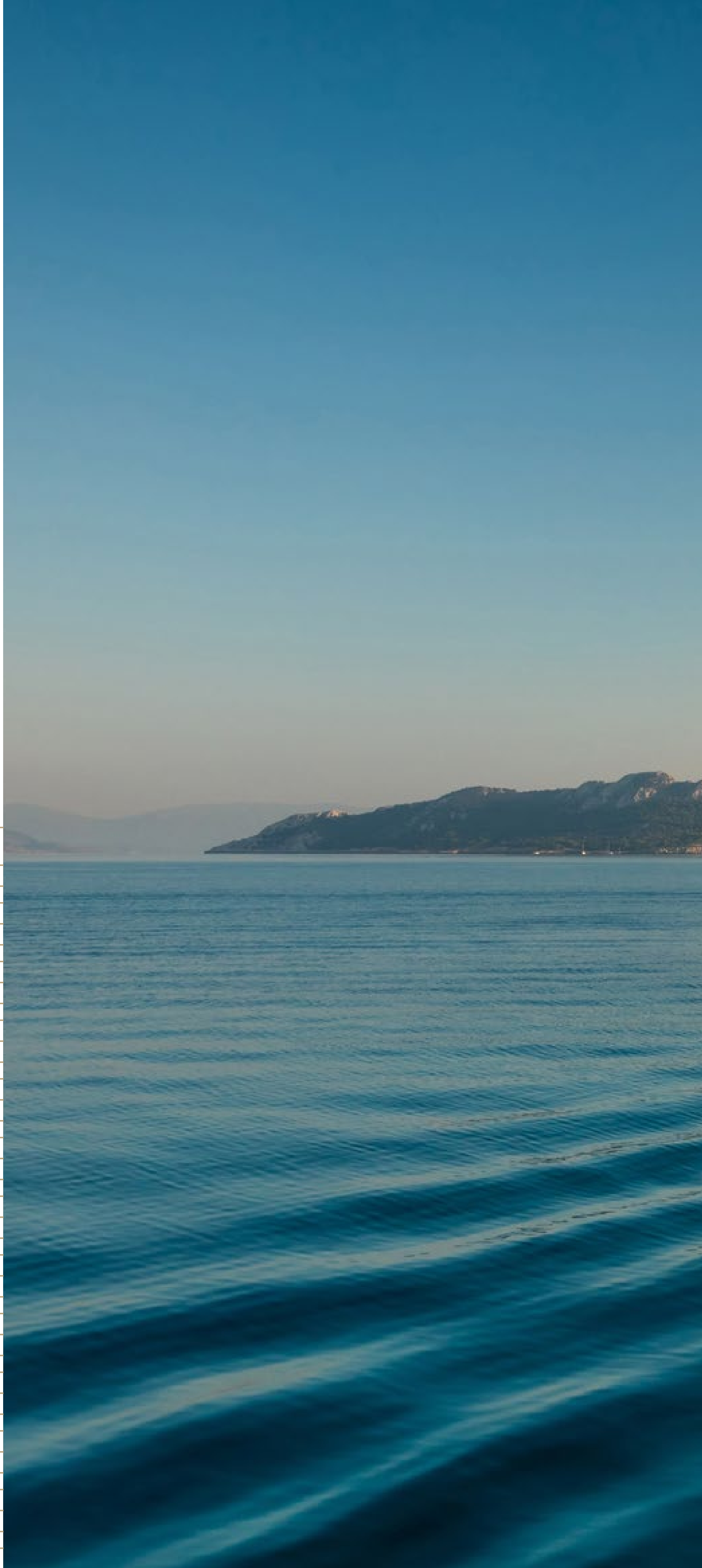
The emoluments, in respect of their duties, received by Senior Management and Management are totaling to EUR 2 293 475 (2019: EUR 2 183 268) and by the Board members to EUR 339 300 (2019: EUR 207 675).

As at December 31, 2020, loans totaling EUR 880 528 were granted to 2 members of the Senior Management and Management (2019: EUR 1 303 267) and EUR 950 000 (2019: EUR 0) were granted to the Board members and their close relatives.

Guarantees (EUR 40 710) for the rent of apartments have been given on behalf of the Bank to 6 members of the Management and Senior Management (2019: EUR 43 550).

Note 16 Post-balance sheet events

No event took place after closing of the reporting period which would impact the financial position of the Bank as of December 31, 2020 or require disclosure.



Eurobank
Private Bank Luxembourg

Annual accounts
for the year
ended December 31, 2020
(with the report of the Réviseur
d'Entreprises agréé thereon)

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