BLACK SEA TRADE AND DEVELOPMENT BANK

Condensed Interim Financial Statements for the Six Months Period Ended 30 June 2021

Together with Auditors' Review Report

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Independent Auditor's Review Report

Review Report on Condensed Interim Financial Statements

To the Board of Directors and the Board of Governors of Black Sea Trade and Development Bank

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Black Sea Trade and Development Bank (the "Bank") as of 30 June 2021 and the related condensed interim statements of income and comprehensive income, changes in equity and cash flows for the six-month period then ended, as well as the selected explanatory notes, which together comprise the condensed interim financial statements.

Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and applicable to Interim Financial Reporting (International Accounting Standard "IAS" 34). Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements (ISRE) 2410 "Review of interim financial information performed by the independent auditor of the entity". The review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, as transposed in Greek legislation, and consequently it does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with IAS 34.

Athens, 1 October 2021

The Certified Public Accountant

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CONDENSED INCOME STATEMENT

For the six months period ended 30 June

Presented in thousands of EUR	Note	Six months to 30 June 2021	Six months to 30 June 2020
Interest and similar income	7	54,177	50,536
Interest and similar expense	8	(31,873)	(31,634)
Net interest income (expense) on derivatives	9	5,408	2,030
Net interest income		**27,712**	**20,932**
Net fees and commissions		892	836
Dividend income		-	164
Net gains from equity investments through profit or loss	14	182	50
Net gains (losses) on derecognition of debt investment securities at fair value through other comprehensive income		5,103	(1.357)
Unrealized net fair value gains (losses) on derivative instruments		(5,432)	-
Fair value (losses) gains on loans measured at fair value through profit or loss		867	33
Fair value (losses) on equity investments measured at fair value through profit or loss		-	-
Foreign exchange income (losses)		3	(188)
Other (losses) income		(2)	-
Operating income		**29,325**	**20,470**
Personnel expenses	10,23	(8,062)	(8,212)
Administrative expenses	10	(2,069)	(1,943)
Depreciation and amortization	17,18	(245)	(278)
Income before impairment		**18,949**	**10,037**
Impairment gains (losses) on loans at amortized cost	11	12,322	(5,383)
Impairment gains (losses) on debt investment securities measured at fair value through other comprehensive income		2,684	(294)
Income for the period		**33,955**	**4,360**

The accompanying notes are an integral part of these financial statements.

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

For the six months period ended 30 June

Presented in thousands of EUR	Note	Six months to 30 June 2021	Six months to 30 June 2020
Income for the period		33,955	4,360
Other comprehensive income (expense):			
Items that will not be reclassified subsequently to profit or loss:			
Gains (losses) on equity investments financial assets		(56)	(2,103)
Items that are or may be reclassified subsequently to profit or loss:			
Gains (losses) on investment securities financial assets		(6,440)	(2,500)
Other comprehensive income (expense)		(6,496)	(4,603)
Total comprehensive income (loss)		**27,459**	**(243)**

The accompanying notes are an integral part of these financial statements.

CONDENSED STATEMENT OF FINANCIAL POSITION

At 30 June

Presented in thousands of EUR	Note	At 30 June 2021	At 31 December 2020
Assets			
Cash and due from banks		310,233	34,328
Deposits in margin accounts		37,250	26,240
Debt investment securities at fair value through other comprehensive income	12	923,783	687,961
Derivative financial instruments – assets	13	17,809	26,701
Loans at amortized cost	14	2,116,225	2,030,396
Less: deferred income	14	(17,775)	(13,813)
Less: impairment losses	11	(43,682)	(55,937)
Loans at fair value through profit or loss	14	15,366	12,525
Loans net of impairment		2,070,134	1,973,171
Equity investments at fair value through profit or loss	15	791	791
Equity investments at fair value through other comprehensive income	15	25,299	25,519
Equity investments at fair value		26,090	26,310
Accrued interest receivable		23,185	23,512
Other assets	16	8,765	9,490
Property and equipment	17	445	429
Intangible assets	18	216	298
Right of use assets		237	579
Total Assets		**3,418,147**	**2,809,019**
Liabilities			
Short-term	19	534,923	111,120
Amounts due to financial institutions	19	427,047	315,992
Debt evidenced by certificates	19	1,519,518	1,465,218
Accrued interest payable	19	7,803	9,384
Borrowings		2,489,291	1,901,714
Margin accounts		14,550	22,920
Derivative financial instruments – liabilities	13	31,800	28,935
Liabilities	20	11,298	11,359
Lease liability		41	383
Total liabilities		2,546,980	1,965,311
Members' Equity			
Authorized share capital	21	3,450,000	3,450,000
Less: unallocated share capital	21	(1,161,500)	(1,161,500)
Subscribed share capital	21	2,288,500	2,288,500
Less: callable share capital	21	(1,601,950)	(1,601,950)
Paid-in share capital		686,550	686,550
Reserves	22	51,802	58,298
Retained earnings		132,815	98,860
Total members' equity		871,167	843,708
Total Liabilities and Members' Equity		**3,418,147**	**2,809,019**
Off-balance-sheet items			
Commitments		338,226	274,031

The accompanying notes are an integral part of these financial statements.

CONDENSED STATEMENT OF CHANGES IN MEMBERS' EQUITY

For the six months period ended 30 June

Presented in thousands EUR	Share capital					
	Subscribed	Callable	Payable	Reserves	Retained Earnings	Total
At 31 December 2019	**2,288,500**	**(1,601,950)**	**-**	**54,009**	**89,850**	**830,409**
Income for the year	-	-	-	-	14,215	14,215
Other comprehensive income:						
Net gains (losses) on financial assets at fair value reserve through OCI	-	-	-	1,120	-	1,120
Actuarial (losses) gains on defined benefit scheme	-	-	-	(2,036)	-	(2,036)
Total comprehensive income for the year	-	-	-	(916)	14,215	13,299
Members' contributions	-	-	-	-	-	-
Transfer to general reserve	-	-	-	5,205	(5,205)	-
Total contributions	-	-	-	5,205	(5,205)	-
At 31 December 2020	**2,288,500**	**(1,601,950)**	**-**	**58,298**	**98,860**	**843,708**
Income for the period	-	-	-	-	33,955	33,955
Other comprehensive income:						
Net gains (losses) on financial assets at fair value reserve through OCI	-	-	-	(6,496)	-	(6,496)
Total comprehensive income for the period	-	-	-	(6,496)	33,955	27,459
At 30 June 2021	**2,288,500**	**(1,601,950)**	**-**	**51,802**	**132,815**	**871,167**

The accompanying notes are an integral part of these financial statements.

CONDENSED STATEMENT OF CASH FLOWS

For the six months period ended 30 June

Presented in thousands of EUR	Note	Six months to 30 June 2021	Six months to 30 June 2020
Cash flows from operating activities			
Income for the period		33,955	4,360
Adjustment for items in income statement:			
Depreciation and amortization		245	278
Impairment (gains) losses on loans		(12,322)	5,383
Impairment (gains) losses on investment securities		(2,684)	294
Fair value (gains) losses on loans at FVTPL		(867)	(33)
Fair value (gains) losses on equity investments at FVTPL		(182)	-
Net interest income		(22,304)	(20,932)
Realized (gains) losses on disposal of investment securities at FVTOCI		(5,103)	-
Foreign exchange adjustment on provisions		-	130
Cash generated from (used for) operations:			
Proceeds from repayment of loans		411,705	163,105
Proceeds from repayment of equity investments		385	-
Funds advanced for loans		(499,458)	(295,955)
Funds advanced for equity investments		(221)	(156)
Foreign exchange and other adjustments		-	12,280
Net movement in derivative financial instruments		6,349	(3,925)
Working capital adjustments:			
Interest income received		54,504	45,996
Interest income paid		(33,454)	(31,304)
Decrease (increase) in deposit margin accounts		(11,010)	-
Decrease (increase) in other assets		725	1,411
Increase (decrease) in margin accounts		(8,370)	-
Increase (decrease) in other liabilities		(403)	(570)
Fair value movements		-	(4,603)
Increase (decrease) in deferred income		3,962	2,845
Net cash from / (used in) operating activities		(84,548)	(121,396)
Cash flows from investing activities			
Proceeds investment securities at FVTOCI		1,602,437	195,306
Purchase investment securities at FVTOCI		(1,380,349)	(200,981)
Purchase of property, software and equipment		(151)	(155)
Net cash from / (used in) investing activities		221,937	(5,830)
Cash flows from financing activities			
Proceeds from borrowings		1,201,864	300,762
Repayments of borrowings		(612,706)	(200,578)
Net cash from financing activities		589,158	100,184
Net increase (decrease) in cash and cash equivalents		**726,547**	**(27,042)**
Cash and cash equivalents at beginning of year		272,666	285,538
Cash and cash equivalents at end of period		**999,213**	**258,496**

The accompanying notes are an integral part of these financial statements.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

1. ESTABLISHMENT OF THE BANK

Agreement Establishing the Bank

The Black Sea Trade and Development Bank ('Bank'), whose headquarters are located at 1 Komninon Street, Thessaloniki, in the Hellenic Republic, was established as an international financial organization under the Agreement Establishing the Bank dated 30 June 1994 (Establishing Agreement). In accordance with Article 61 of the Establishing Agreement, following the establishment of the Bank, the Establishing Agreement came into force on 24 January 1997. The Bank commenced operations on 1 June 1999.

The purpose of the Bank is to accelerate development and promote cooperation among its shareholder countries. As a regional development institution, the Bank is well placed to mobilize financial resources and to improve access to financing for businesses in the whole region as well as for those active only in its individual Member Countries. The Bank offers project and trade financing facilities, equity participations and guarantees. Bank financing of projects and programs is available directly or in cooperation with other national and international development institutions. The Bank may also, where appropriate, provide technical assistance to potential customers.

As at financial position date the Bank's shareholders comprised of the following 11 countries: Albania, Armenia, Azerbaijan, Bulgaria, Georgia, Greece, Moldova, Romania, Russian Federation, Turkey and Ukraine (all the countries hereafter, The Region).

Headquarters Agreement

The status, privileges and immunities of the Bank and persons connected therewith in the Hellenic Republic are defined in the Headquarters Agreement between the Government of the Hellenic Republic and the Bank (Headquarters Agreement) signed on 22 October 1998.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

2.1 Basis of Preparation

The condensed interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting* as published by the International Accounting Standards Board (IASB), and should be read in conjunction with the Bank's last annual financial statements as at and for the year ended 31 December 2020 (last annual financial statements). They do not include all the information required for a complete set of International Financial Reporting Standards (IFRS) financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Bank's financial position and performance since the last annual financial statements.

These condensed interim financial statements for the six month period ended 30 June 2021 are approved by the Management Committee, and also submitted to the Board of Directors (BoD) in their meeting on 30 September 2021 for their information.

Basis of measurement

The financial statements have been prepared on a historical cost basis except for the below assets and liabilities which have been measured at fair value:

- Debt investment securities at fair value through other comprehensive income;
- Loans at fair value through profit or loss;
- Equity investments at fair value through profit or loss;
- Equity investments at fair value through other comprehensive income;
- Derivative financial instruments; and
- Plan assets.

Functional and presentation currency

The Bank's functional currency is the Euro (EUR) as defined by the European Central Bank (ECB). The Euro is most representative of the Bank's operations and environment as a significant percentage of the Bank's lending operations are in Euro, and the administrative expenses and capital expenditures are primarily denominated and settled in this currency. The Bank's presentation currency is the EUR and values are rounded to the nearest thousand unless otherwise stated.

Use of Estimates and Judgments

The preparation of the financial statements in conformity with IFRS requires management to make judgments and use of estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those reported. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

The areas where the Bank has applied judgement and used estimates and assumptions are: estimation of expected credit losses of loans, fair valuation of financial instruments not quoted in active markets, including OTC derivatives and certain debt securities, impairment of investment securities, estimation of retirement benefits obligation, and contingencies from litigation.

The areas involving a higher degree of judgment or areas where assumptions and estimates are significant to the financial statements are disclosed in the Note 4.

2.2 Going Concern

The condensed interim financial statements have been prepared on a going concern basis. This year continued with the outbreak of a new strain of Coronavirus (Covid-19) pandemic that was announced by the World Health Organization (WHO) from March 2020 and has already negatively impacted the economies of the countries that the Bank works with. Following the WHO announcements as well as the measures taken by the respective governments as a response, the Bank has proceeded with the following:

- The Bank has activated the internal Pandemic Response Plan, and staff can move to 'remote working', which may be extended according to how the situation unfolds in the host country. In terms of its everyday operations, the Bank has taken all requisite steps to ensure business continuity, the safety of its staff, and to comply with the emergency measures imposed by the host country.

- The Bank monitors country by country measures taken by each government and their impact on its loan portfolio. It maintains contacts with clients and we will continue with the preparation of projects, but the main focus is the outstanding loan portfolio which is carefully analyzed and regularly reviewed in light of the very rapid developments.

- The Bank closely monitors its liquidity position and is prepared to take short term measures as and if required in order to safeguard its interests and maintain key ratios at comfortable levels. Such measures can include access to short-term borrowings at higher costs than normally accepted, delaying draw-downs to operations with customer consent and curtailing administrative expenses as necessary. Additionally, the Bank has reduced undertaking new commitments temporarily, thus commitment levels are expected to remain steady, or even temporarily decline as a result.

- Moreover, the Bank will monitor developments in the financial markets for assessing the impact on its investment portfolio as well as for suitable funding opportunities.

Overall, the Bank is assessing the virus pandemic in the Region the Bank operates in and has a robust mechanism and process in place to follow up developments and adjust its operations accordingly in order to ensure effective and efficient management of this difficult situation. As the Bank maintains its operational capacity and retains its strong capital and liquidity positions, the Board of Directors is of the view that the Bank will continue to operate as a going concern for the next 12 months from the date of approval of the financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in these condensed interim financial statements are the same as those applied in the last annual financial statements.

The following amendments to IFRSs have been issued by the International Accounting Standards Board (IASB) as of the date of these financial statements were issued and effective from 1 January 2021:

Amendments to IAS 1 (August 2020) Presentation of financial statements on classification of liabilities. These narrow-scope amendments to IAS 1 clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the ‘settlement’ of a liability.

Amendment to IFRS 16 Leases – Covid-19 related concessions. As a result of the coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. On 28 May 2020, the IASB published an amendment to IFRS 16 that provides an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs.

Amendments to IFRS 17 and IFRS 4 (May 2020) Insurance contracts, deferral of IFRS 9. These amendments defer the date of application of IFRS 17 by 2 years to 1 January 2023 and change the fixed date of the temporary exemption in IFRS 4 from applying IFRS 9, Financial instrument until 1 January 2023.

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (June 2020) Interest rate benchmark reform - phase 2. The phase 2 amendments address issues that arise from the implementation of the reforms, including the replacement of one benchmark with an alternative one.

A number of narrow-scope amendments to IFRS 3, IAS 16, IAS 17 and some annual improvements on IFRS 1, IFRS 9, IAS 41 and IFRS 16 (January 2020). Minor improvements in these Standards.

IFRS 17 (May 2020) Insurance contracts. This standard replaces IFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.

The Bank has adopted the aforementioned amendments which did not have a material impact.

3.1 Foreign Currencies

The Bank uses the official exchange rates published for the EUR by the European Central Bank (ECB). The exchange rates used by the Bank at the financial position date were as follows.

			30 June 2021	31 December 2020	30 June 2020
	=	United States dollar	1.18840	1.22710	1.11980
	=	Pound sterling	0.85805	0.89903	0.91243
	=	Russian ruble	86.77250	91.46710	79.63000
1 EUR	=	Azerbaijan manat	2.02360	2.08900	1.91050
	=	Georgian lari	3.76080	4.02330	3.44660
	=	Armenian dram	589.68000	641.11000	540.44000
	=	Romanian leu	4.92800	4.86830	4.83970

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Bank’s financial statements requires Management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities, income and expense and accompanying notes. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets and liabilities affected in future periods. The Bank believes that the significant judgments, estimates and assumptions used in the preparation of its condensed interim financial statements are appropriate given the factual circumstances as of the date of preparation. The most significant areas, for which critical judgments, estimates and assumptions are required in applying the Bank’s accounting policies, are the following:

a. Fair value estimates for financials instruments carried at fair value.

b. The Bank’s method for determining the level of impairment of loan operations is described within the Accounting and further explained in Note 5 Risk Management – credit risk section. In accordance with IFRS 9, ECL represents the average credit losses weighted by the probabilities of default (PD), whereby credit losses are defined as the present value of all cash shortfalls. The ECL is calculated for both Stage 1 and Stage 2 loans by applying the provision rate to the projected exposure at default (EAD), and discounting the resulting provision using the loan’s effective interest rate (EIR). The provision rate is generated by multiplying the PD rate and the loss given default (LGD) rate applicable to the loan.

   A number of critical accounting estimates are therefore made in the calculation of impairment of loan operations as follows:

   - Criteria used for staging assessment of loans and advances to customers.
   - Assumptions for future cashflows of individually assessed credit-impaired exposures.
   - The input and assumptions used to estimate the impact of multiple economic scenarios.

   For loans that are individually assessed which have a lifetime ECL and that are credit-impaired in Stage 3, the impairment allowance results from the impairment test that is conducted on the basis of objective evidence obtained through a risk asset review process. An impairment test includes projected cash in-flows and out-flows, available for debt service until maturity, which are discounted at the original effective interest rate (EIR) to reach a net present value for a particular operation, less any collateral that can be realized

Notes to the Condensed Interim Financial Statements

5. FINANCIAL ASSETS AND LIABILITIES

The tables below identify the Bank's financial assets and financial liabilities in accordance with their categories.

	At 30 June 2021				
Presented in EUR (000)	Fair value through profit or loss	Fair value through OCI	Amortized cost	**Carrying amount**	**Fair value**
Assets					
Cash and due from banks	-	-	310,233	**310,233**	310,233
Deposits in margin accounts	-	-	37,250	**37,250**	37,250
Debt investment securities	-	923,783	-	**923,783**	923,783
Derivative financial assets	17,809	-	-	**17,809**	17,809
Loans	15,366	-	2,116,225	**2,131,591**	2,141,169
Deferred income	-	-	(17,775)	**(17,775)**	(17,775)
Impairment losses on loans	-	-	(43,682)	**(43,682)**	(43,682)
Equity investments	791	25,299	-	**26,090**	26,090
Accrued interest receivable	-	-	23,185	**23,185**	23,185
Other assets	-	-	8,765	**8,765**	8,765
Total financial assets	**33,966**	**949,082**	**2,434,201**	**3,417,249**	3,426,827
Liabilities					
Borrowings	-	-	2,489,291	**2,489,291**	2,511,486
Margin accounts	-	-	14,550	**14,550**	14,550
Derivative financial instruments	31,800	-	-	**31,800**	31,800
Payables and lease liabilities	-	-	11,339	**11,339**	11,339
Total financial liabilities	**31,800**	**-**	**2,515,180**	**2,546,980**	**2,569,175**

	At 31 December 2020				
Presented in EUR (000)	Fair value through profit or loss	Fair value through OCI	Amortized cost	**Carrying amount**	**Fair Value**
Assets					
Cash and due from banks	-	-	34,328	**34,328**	34,328
Deposits in margin accounts	-	-	26,240	**26,240**	26,240
Debt investment securities	-	687,961	-	**687,961**	687,961
Derivative financial assets	26,701	-	-	**26,701**	26,701
Loans	12,525	-	2,030,396	**2,042,921**	2,053,090
Deferred income	-	-	(13,813)	**(13,813)**	(13,813)
Impairment losses on loans	-	-	(55,937)	**(55,937)**	(55,937)
Equity investments	791	25,519	-	**26,310**	26,310
Accrued interest receivable	-	-	23,512	**23,512**	23,512
Other assets	-	-	9,490	**9,490**	9,490
Total financial assets	**40,017**	**713,480**	**2,054,216**	**2,807,713**	**2,817,882**
Liabilities					
Borrowings	-	-	1,901,714	**1,901,714**	1,925,848
Margin accounts	-	-	22,920	**22,920**	22,920
Derivative financial instruments	28,935	-	-	**28,935**	28,935
Payables and lease liabilities	-	-	11,742	**11,742**	11,742
Total financial liabilities	**28,935**	**-**	**1,936,376**	**1,965,311**	**1,989,445**

Notes to the Condensed Interim Financial Statements

5.1 Fair Value Hierarchy

For the those financial instruments measured at fair value, the Bank uses the following levels of hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: Quoted market prices in active markets for identical assets or liabilities;
- Level 2: Other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly; and
- Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The tables below identify the Bank's financial instruments measured at fair value.

Presented in EUR (000)	Level 1	Level 2	Level 3	**Carrying Amount**
Derivative financial instruments – assets	-	-	17,809	**17,809**
Fair value through profit or loss:				
Loans	-	-	15,366	**15,366**
Equity investments	-	-	791	**791**
Fair value through other comprehensive income:				
Debt investment securities	923,783	-	-	**923,783**
Equity investments	-		25,299	**25,299**
Derivative financial instruments – liabilities	-	-	(31,800)	**(31,800)**
At 30 June 2021	**923,783**	**-**	**27 ,465**	**951,248**

There have been no transfers between Level 1 and Level 2 during the period. For Level 1 market prices are used whereas for Level 2 the valuation techniques used are broker quotes and observable market data. For Level 3 the valuation techniques used are the net asset value (NAV), and equity calculations based on EBITDA and market data, and for derivative financial instruments counterparty values.

Presented in EUR (000)	Level 1	Level 2	Level 3	**Carrying Amount**
Derivative financial instruments – assets	-	26,701	-	**26,701**
Fair value through profit or loss:				
Loans	-	-	12,525	**12,525**
Equity investments	-	-	791	**791**
Fair value through other comprehensive income:				
Debt investment securities	687,961	-	-	**687,961**
Equity investments	-		25,519	**25,519**
Derivative financial instruments – liabilities	-	(28,935)	-	**(28,935)**
At 31 December 2020	**687,961**	**(2,234)**	**38,835**	**724,562**

5.2 Fair Value Measurement in Level 3

The table provides a reconciliation of the fair values of the Bank's Level 3 for loan financial assets of the fair value hierarchy.

Presented in EUR (000)	At 30 June 2021	At 31 December 2020
At 1 January	12,525	12,754
Disbursements	1,974	-
Total gains/(losses) recognized in the income statement	867	(229)
At end of period/year	**15,366**	**12,525**

The table provides a reconciliation of the fair values of the Bank's Level 3 equity investments financial assets of the fair value hierarchy.

Presented in EUR (000)	At 30 June 2021	At 31 December 2020
At 1 January	26,310	30,386
Total gains/(losses) recognized in the income statement	-	(7)
Total gains/(losses) recognized in other comprehensive income	(56)	(3,577)
Disbursements	221	732
Repayments	(385)	(1,231)
Foreign exchange adjustments	-	7
At end of period/year	**26,090**	**26,310**

5.3 Sensitivity Analysis for Level 3

The table below illustrates the valuation techniques used in the determination of fair values for financial instruments within Level 3 of the fair value hierarchy, and on an estimated 5% increase or decrease in net asset value. The Bank considers that market participants would use the same inputs in pricing the financial assets. Management considers that changing the unobservable inputs described below to reflect other reasonably possible alternative assumptions would not result in a significant change in the estimated fair value.

Presented in EUR (000)	Valuation techniques	Carrying amount	Favorable change	Unfavorable change
Loans	Discounted cash flows models	15,366	768	(768)
Equity investments	Net asset value and EBITDA multiplies	26,090	1,305	(1,305)
At 30 June 2021		**41,456**	**2,073**	**(2,073)**

Presented in EUR (000)	Valuation techniques	Carrying amount	Favorable change	Unfavorable change
Loans	Discounted cash flows models	12,525	626	(626)
Equity investments	Net asset value and EBITDA multiplies	26,310	1,316	(1,316)
At 31 December 2020		**38,835**	**1,942**	**(1,942)**

Loans at fair value through profit or loss mainly comprise convertible loans or loans with an element of performance-based return. The inputs into the models could include comparable pricing, interest rates, discounts rates, average cost of capital, probability of default and loss given default.

Equity investments comprises the Bank's equity funds and equity participations. The main valuation models used to determine the fair value of these financial assets are NAV and EBITDA models.

Although the Bank believes that its estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different fair value results.

Notes to the Condensed Interim Financial Statements

5.4 Credit Risk by Country and Sector

The Bank uses international best practices for lending activities in order to diversify risk by country and by sector, while also preserving the needs of the Bank's Member States in accordance with the Bank's mandate to promote economic development in the Black Sea Region.

The concentration of credit risk in lending portfolios is presented below, also including the undrawn amounts. The Bank is generally well diversified by country and by sector.

Presented in EUR (000)	At 30 June 2021 Outstanding balance	At 30 June 2021 Undrawn commitments	At 31 December 2020 Outstanding balance	At 31 December 2020 Undrawn commitments
Concentration by instrument				
Loans	2,131,591	308,097	2,042,921	245,143
Equity investments	26,090	6,998	26,310	6,962
Guarantees	-	23,131	-	21,926
At end of period/year	**2,157,681**	**338,226**	**2,069,231**	**274,031**
Concentration by country				
Albania	29,840	27	34,624	27
Armenia	110,819	98	91,269	98
Azerbaijan	84,987	12	105,366	12
Bulgaria	191,892	56,617	156,921	124,254
Georgia	54,075	21,761	100,979	11,803
Greece	372,241	9,738	380,255	8,788
Moldova	25,119	8,442	36,662	4,464
Romania	170,677	50,761	121,246	729
Russia	358,764	122,146	322,708	52,107
Turkey	497,444	35,509	478,820	49,748
Ukraine	261,823	33,115	240,381	22,001
At end of period/year	**2,157,681**	**338,226**	**2,069,231**	**274,031**
Concentration by sector				
Consumer discretionary	83,620	20,898	77,272	10,000
Consumer staples	117,978	94,878	115,264	28,039
Energy	173,130	15,000	194,763	-
Financial institutions	489,649	20,371	566,994	9,678
Health care	109,175	5,869	97,734	19,014
Industrials	448,169	51,429	363,011	144,397
Information technology	4,007	-	4,056	-
Materials	277,766	72,568	240,177	12,224
Real estate	96,260	32,376	44,670	25,954
Telecom services	-	-	-	-
Utilities	357,927	24,837	365,290	24,725
At end of period/year	**2,157,681**	**338,226**	**2,069,231**	**274,031**
Incurred by				
Sovereign	362,076	6,419	354,973	20,464
Non-sovereign	1,795,605	331,807	1,714,258	253,567
At end of period/year	**2,157,681**	**338,226**	**2,069,231**	**274,031**

5.5 Capital Management

At the inception of the Bank, the initial authorized share capital was SDR 1 billion, which was fully subscribed by the Member States. In December 2007 the BoG approved an increase of the Bank's authorized share capital to SDR 3 billion and authorized the offering of SDR 1 billion to the existing Member States for subscription, with the objective of increasing subscribed capital to a total of SDR 2 billion. The increase allows the Bank to implement its operational strategy to a substantial degree. The Bank does not have any other classes of capital.

In October 2008 the above new shares in the amount of SDR 1 billion that were offered for subscription to the Bank's Member States were fully subscribed and allocated. Accordingly, the Bank's paid-in share capital was doubled from SDR 300 million to SDR 600 million. The remaining SDR 1 billion of authorized share capital has not yet been allocated.

Pursuant to Resolution 131 of the BoG, the BoG unanimously adopted the first amendment to the Establishing Agreement, which became effective on 21 June 2013. As of this effective date, and as per Resolution 131 of the BoG, the unit of account of the Bank became the EUR and all of the Bank's authorized share capital was redenominated from SDR to EUR. The conversion rate applied was SDR to EUR fixed at 1:1.15.

The share capital usage of the Bank is guided by statutory and financial policy parameters. Article 15 of the Establishing Agreement limits the total amount of outstanding loans, equity investments and guarantees made for ordinary operations to 150% of the Bank's unimpaired subscribed capital, reserves and surpluses, establishing a 1.5:1 institutional gearing ratio. Additionally, disbursed equity investments shall not at any time exceed an amount corresponding to the Bank's total unimpaired paid-in capital, surpluses and general reserve.

At the 36th meeting of the BoD in 2008, the operational gearing ratio was set at 100% of the Bank's unimpaired paid-up capital, reserves and surpluses, and the usable portion of the callable capital. This limit on the total amount of operations which includes all callable capital is approximately EUR 2.45 billion.

The Bank preserves an actively managed capital stock to prudently cover risks in its activities. As a multilateral financial institution, the Bank is not subject to regulatory capital requirements. However, the Bank uses standards proposed by the Basel II Capital Accord as a benchmark for its risk management and capital framework. Pursuant to Article 5 of the Establishing Agreement, the BoG shall at intervals of not more than five years review the capital stock of the Bank. In substance, the primary objective of the Bank's capital management is to ensure adequate share capital is available to support the Bank's operations.

6. OPERATING SEGMENTS

The Bank is a multilateral financial institution, which in accordance with the Establishing Agreement, is dedicated to accelerating development and promoting co-operation among the Bank's shareholder countries. The Bank operates in a specific geographical area and the primary reporting format for business segments are the Lending and Treasury operations. Lending activities represent investments in projects such as loans, equity investments and guarantees. Treasury activities include raising debt finance, investing surplus liquidity, and managing the Bank's foreign exchange, liquidity and interest rate risks. Information on the financial performance of lending and treasury activities is prepared regularly and provided to the President, the Bank's chief operating decision-maker.

	30 June 2021			30 June 2020		
Presented in EUR (000)	Lending	Treasury	Total	Lending	Treasury	Total
Income statement						
Interest income	48,009	6,168	54,177	45,179	5,357	50,536
Net fees and commissions	892	-	892	836	-	836
Other income (expense)	180	5,103	5,283	214	(1,357)	(1,143)
Total segment revenues	49,081	11,271	60,352	46,229	4,000	50,229
Interest expense	(31,423)	(450)	(31,873)	(31,376)	(258)	(31,634)
Net interest income (expense) on derivatives	-	5,408	5,408	-	2,030	2,030
Gains (losses) on other financial instruments	867	(5,432)	(4,565)	33		33
Foreign exchange	-	3	3	-	(188)	(188)
Personnel and administrative expenses	(9,305)	(826)	(10,131)	(9,387)	(768)	(10,155)
Depreciation and amortization	(239)	(6)	(245)	(273)	(5)	(278)
Segment income before impairment	8,981	9,968	18,949	5,226	4,811	10,037
Less: impairment (losses) releases	12,322	2,684	15,006	(5,383)	(294)	(5,677)
Income for the period	**21,303**	**12,652**	**33,955**	**(157)**	**4,517**	**4,360**

	30 June 2021			31 December 2020		
Presented in EUR (000)	Lending	Treasury	Total	Lending	Treasury	Total
Financial position						
Segment assets	2,129,072	1,289,075	3,418,147	2,033,789	775,230	2,809,019
At end of period/year			**3,418,147**			**2,809,019**
Segment liabilities	2,500,630	46,350	2,546,980	1,913,456	51,855	1,965,311
Members' equity	-	-	871,167	-	-	843,708
At end of period/year			**3,418,147**			**2,809,019**

7. INTEREST AND SIMILAR INCOME

Interest and similar income is analyzed as follows:

Presented in EUR (000)	Six months to 30 June 2021	Six months to 30 June 2020
From loans at amortized cost	47,746	44,923
From due from banks	47	47
From debt securities at FVTOCI	6,121	5,310
Total interest income for financial assets not measured at FVTPL	53,914	50,280
From loans at FVTPL	263	256
Interest and similar income	**54,177**	**50,536**

8. INTEREST AND SIMILAR EXPENSE

Interest and similar expense is analyzed as follows:

Presented in EUR (000)	Six months to 30 June 2021	Six months to 30 June 2020
Debit evidenced by certificates	28,059	27,046
Other borrowings	3,364	4,330
Other charges	450	258
Interest and similar expense	**31,873**	**31,634**

9. NET INTEREST ON DERIVATIVES

Net interest on derivatives is analyzed as follows:

Presented in EUR (000)	Six months to 30 June 2021	Six months to 30 June 2020
Interest on derivatives receivable	25,459	26,671
Interest on derivatives payable	(20,051)	(24,641)
Net interest on derivatives	**5,408**	**2,030**

10. PERSONNEL AND ADMINISTRATIVE EXPENSES

Administrative expenses is analyzed as follows:

Presented in EUR (000)	Six months to 30 June 2021	Six months to 30 June 2020
Salaries and benefits	6,273	6,552
Staff retirement plans	1,789	1,660
Personnel expenses	**8,062**	**8,212**
Professional fees and related expenses	715	511
Utilities and maintenance	753	782
Other administrative	601	650
Administrative expenses	**2,069**	**1,943**

The average number of staff employed during the period was 116 (respective period 2020: 115). The number of staff at 30 June 2021 was 116 (30 June 2020: 116). Further analysis of the staff retirement plan is presented in the Note 'Employee benefits'.

11. IMPAIRMENT LOSSES ON LOANS

Loans that are measured at amortized cost are stated net of provisions for impairment, which includes also their related provisions for impairment on undrawn commitments. A summary of the movements in provisions for impairment is as follows:

Presented in EUR (000)	Stage 1	Stage 2	Stage 3	Total
At 31 December 2019	2,891	5,986	34,437	43,314
Charge/release for the year	12,608	(2,931)	2,946	12,623
At 31 December 2020	15,499	3,055	37,383	55,937
Charge/release for the year	(8,589)	(2,584)	(1,082)	(12,255)
At 30 June 2021	**6,910**	**471**	**36,301**	**43,682**

At each reporting date, the Bank recognizes loss allowances based on either 12-month ECL or lifetime ECL, depending on the stage of the loan.

Total impairment losses on loans was EUR 43,682 thousand in the period ended 30 June 2021, a decrease of EUR 12,255 thousand compared to 2020. The decrease in Expected Credit Loss (ECL) is mainly attributed to the stabilization of the Covid-19 pandemic, driven by modest improvements of macroeconomic variables used for some member countries. The decrease amount in Stage 3 is due to the improvement of a few loans increasing their carrying amount.

Staging Criteria 12-month ECL (Stage 1)

As IFRS 9 does not distinguish between individually significant or not individually significant financial instruments, the Bank measures potential credit losses for all non-impaired operations (Stage 1 and Stage 2) on an individual operation basis. Provisions for impairment in Stage 1 are therefore affected by the specifics of any particular operation together with general market scenarios. They are meant to protect against potential risks that are considered present, or within a 12-month horizon, and derived from potentially adverse developments in operating conditions beyond the control of individual borrowers.

Staging Criteria Lifetime ECL (Stages 2 and 3)

When an operation deteriorates substantially in credit quality, it enters Stage 2 and an expected credit loss calculation is performed on a Lifetime Expected Credit Loss (LECL) basis. Stage 2 operations are those that have experienced an overall credit quality downgrade but are still performing. They are not considered credit-impaired.

Stage 3 operations have objective evidence of impairment that immediately impacts the ECL.

Revolving Facilities and Undrawn Commitments

Revolving credit facilities have no fixed term and they can be cancelled at the discretion of the Bank at any point in time. These facilities are subject to, at a minimum, an annual credit review. In this regard, the date of the latest credit review is considered the relevant date to assess if there is any increase in credit risk, as at that point in time. Following this, the Bank may amend the terms and conditions of the exposure.

The estimate of the ECLs on irrevocable loan commitments is consistent with its expectations of drawdowns on that loan commitment. Therefore, the Bank considered (i) the expected portion of the loan commitment that will be drawn down within 12 months of the reporting date when estimating 12-month expected credit losses and (ii) the expected portion of the loan commitment that will be drawn down over the expected life of the reporting date when estimating lifetime expected credit losses. At 30 June 2021 the amount of expected credit losses was EUR 434 thousand for loan commitments of EUR 308,097 thousand (2020: EUR 983 thousand for loan commitments of EUR 245,143 thousand).

12. DEBT INVESTMENT SECURITIES

Debt investment securities are analyzed as follows:

Presented in EUR (000)	At 30 June 2021	At 31 December 2020
Bonds	115,170	291,179
Commercial papers	808,613	396,782
Debt investment securities	**923,783**	**687,961**

13. DERIVATIVE FINANCIAL INSTRUMENTS

The table below shows the Bank’s outstanding derivative financial instruments. The first column shows the sum of notional amounts, which is the amount of a derivative’s nominal value, and is the basis upon which changes in the value are measured. The second column shows the respective market values.

	At 30 June 2021		
Presented in EUR (000)	Notional amount of derivative contracts	Fair Value	
		Assets	Liabilities
Interest rate swaps	459,282	-	(18,638)
Cross currency swaps	1,075,090	17,251	(12,599)
Forwards	89,018	558	-
Cap floors	160,000	-	(563)
Derivative financial instruments	**1,783,390**	**17,809**	**(31,800)**

In the ordinary course of business, the Bank enters into various types of transactions that involve derivative financial instruments. A derivative financial instrument is a financial contract between two parties where payments are dependent upon movements in price in one or more underlying financial instruments, reference rates or indices.

The Bank primarily makes use of derivatives for the below strategic purposes:

- Many of the Bank's issued securities, excluding commercial paper, are individually paired with a swap to convert the issuance proceeds into the currency and interest rate structure sought by the Bank.
- To manage the net interest rate risks and foreign exchange risks arising from all financial assets and liabilities.
- Through currency swaps, to manage funding requirements for the Bank's loan portfolio.

Derivatives can include interest rate and cross currency swaps, forward foreign exchange contracts, interest rate future contracts, and options on interest rates and foreign currencies. Such financial instruments are initially recognized in the statement of financial position (SOFP) at fair value and are subsequently measured at their fair value. They are carried in the SOFP as assets when their fair value is positive and as liabilities when their fair value is negative. Changes in fair value of derivative financial instruments are included in the income statement. Fair values are obtained from quoted market prices, to the extent publicly available, discounted cash flows and options pricing models as appropriate.

The Bank mainly enters in derivative transactions in order to economically hedge its exposures for risk management purposes. Such hedges are entered into by the bank in order to mitigate underlying risk on economic exposures, arising from its operations, including foreign exchange risk, price risk and interest rate risk.

The majority of the Bank's lending activities is at floating rates linked to USD Libor or Euribor. When lending at a fixed rate the Bank will often use interest rate swaps to produce floating rate interest payments. The Bank's borrowings, particularly bonds issuances, tend to be at a fixed rate and sometimes in currency denominations other than EUR or USD. The Bank in order mitigate the aforementioned underlying risks uses either interest rate or cross currency interest rate swaps to produce floating rate liabilities in USD or EUR.

All the Bank's interest rate or cross currency swaps are explicitly tied to a balance sheet asset or liability. Typically, the fixed rate on the swap and the matching asset or liability are mirroring one another (same critical terms as duration, underlying, payment dates etc.). Foreign exchange forwards (paired purchases and sales of currencies on different dates) of maturities typically less than three months are not tied to specific assets or liabilities. These are undertaken to manage surpluses and shortfalls in EUR and USD and are not undertaken for speculative purposes.

All derivatives are documented under International Swaps and Derivatives Association (ISDA) master netting agreement with Credit Swap Annexes (CSAs) and marked to market and cash collateralized daily. The Department of Treasury, under the guidance of ALCO and the supervision of the ALM unit, is responsible for the primary usage and managing interest rate and currency risks in the Bank's statement of financial position.

14. LOANS

The Bank offers a range of loan facilities directed to investments for both project and trade financing, and tailored to meet an individual operation's requirements. Loans may be denominated in any convertible currency, or a combination of convertible currencies in which the Bank is able to fund itself.

Presented in EUR (000)	At 30 June 2021	At 31 December 2020
Loans at amortized cost:		
At 1 January	2,030,396	1,808,187
Disbursements	499,458	783,932
Less: repayments	(438,064)	(482,661)
Write-offs	-	-
Foreign exchange movements	24,435	(79,062)
Outstanding disbursements	2,116,225	2,030,396
Less: deferred income	(17,775)	(13,813)
Less: impairment losses	(43,682)	(55,937)
Loans at fair value:		
Outstanding disbursements	19,873	14,939
Fair value adjustment	(4,507)	(2,414)
Loans net of impairment	**2,070,134**	**1,973,171**

At 30 June 2021 the principal amount of outstanding disbursements was EUR 2,136,098 thousand (2020: EUR 2,045,335 thousand).

For the period ended 30 June 2021 the amount of accrued interest receivable pertaining to loans was EUR 22,133 thousand (2020: 19,671 thousand).

15. EQUITY INVESTMENTS

A primary focus of the Bank is to facilitate access to funding for those small and medium-size enterprises with the potential for positive economic developmental impact. With this objective in mind, the Bank, together with a number of other institutions has invested in the entities as detailed below.

		At 30 June 2021		At 31 December 2020	
Presented in EUR (000)	% of Investment	Cost	Fair Value	Cost	Fair value
Balkan Accession Fund	9.09	-	791	-	791
At fair value through profit or loss		-	791	-	791
SEAF Caucasus Growth Fund	21.39	5,273	5,045	5,074	4,954
Access Bank, Azerbaijan	0.06	746	88	722	85
A-Park Kaluga, Russia	19.99	1,714	1,175	1,714	940
Emerging Europe Accession Fund	10.14	2,153	6,468	2,194	5,685
Rusal	0.01	4	234	4	161
ADM Ceecat Recovery Fund	5.37	3,750	2,850	3,901	3,059
European Virgin Fund	21.05	6,456	8,576	6,253	10,258
Teamnet International	8.33	5,599	-	5,599	-
Natfood	37.98	-	-	-	-
EOS Hellenic Renaissance Fund	2.01	1,050	863	1,055	377
At fair value through other comprehensive income		26,745	25,299	26,516	25,519
Equity investments at fair value		**26,745**	**26,090**	**26,516**	**26,310**

The fair valuation of such investments, which are unlisted, has been estimated using the most recent management accounts or the latest available audited accounts as of 30 June 2021, as Management considers that these provide the best estimate of the fair value of these equity investments. The techniques applied to perform these valuations include equity calculations based on EBITDA and market comparable data.

During the period the Bank had realized a net income of EUR 182 thousand from its investment in the Balkan Accession Fund.

On disposal or exit of an equity investment for those at fair value through other comprehensive income, the cumulative gain or loss is realized with a corresponding reversal of the unrealized gain or loss that was recorded prior to the exit from that investment, and is not recycled to the income statement.

As of 30 June 2021 the Bank has few equity investments where it holds slightly more than 20 per cent of the investee share capital, but does not exert significant influence, hence the investments are not accounted for as an investment in an associate under IAS 28.

16. OTHER ASSETS

Other assets is analyzed as follows:

Presented in EUR (000)	At 30 June 2021	At 31 December 2020
Advances and prepaid expenses	3,552	4,068
Other prepayments	-	187
Other financial assets	5,134	5,160
Guarantee deposits	79	75
Other assets	**8,765**	**9,490**

Notes to the Condensed Interim Financial Statements

17. PROPERTY AND EQUIPMENT

Property and equipment were a total amount of EUR 3,740 thousand with accumulated depreciation of EUR 3,295 thousand and net book value of EUR 445 thousand.

18. INTANGIBLE ASSETS

Intangible assets comprising computer software were a total amount of EUR 4,805 thousand with accumulated amortization of EUR 4,589 thousand and net book value of EUR 216 thousand.

19. BORROWINGS

Borrowing facilities and bond issues debt evidenced by certificates, arranged as at the financial position date, are analyzed below. In addition to medium- or long-term borrowings and bond issuance, the Bank utilizes short-term financing in the form of ECP issuance or borrowings from commercial banks for cash management purposes.

	At 30 June 2021		At 31 December 2020	
Presented in EUR (000)	Amount used	Amount arranged	Amount Used	Amount arranged
Borrowed by				
Short-term	534,923	534,923	111,120	111,120
Financial institutions	427,047	557,947	315,992	406,738
Evidenced by certificates	1,519,518	1,519,518	1,465,218	1,465,218
Accrued interest payable	7,803	-	9,384	-
Total	**2,489,291**	**2,612,388**	**1,901,714**	**1,983,076**
Denomination by				
Euro	590,105	721,005	339,581	389,581
United States dollar	1,184,041	1,184,041	1,038,768	1,079,514
Swiss franc	182,206	182,206	185,223	185,223
Other	525,136	525,136	328,758	328,758
Accrued interest payable	7,803	-	9,384	-
Total	**2,489,291**	**2,612,388**	**1,901,714**	**1,983,076**
Maturity by				
Short-term, within one year	792,966	792,966	579,700	579,700
Long-term, over one year	1,688,522	1,819,422	1,312,630	1,403,376
Accrued interest payable	7,803	-	9,384	-
Total	**2,489,291**	**2,612,388**	**1,901,714**	**1,983,076**

The interest rate on borrowings falls within a range of Euribor or USD Libor of plus 0 to 400 basis points. There is no collateral against the above borrowed funds.

20. OTHER LIABILITIES

Other liabilities is analyzed as follows:

Presented in EUR (000)	At 30 June 2021	At 31 December 2020
Social insurance fund (EFKA) contributions	2	3
Pension plan obligation	10,229	10,229
Suppliers and other accrued expenses	1,008	1,068
Other	59	59
Other liabilities	**11,298**	**11,359**

21. SHARE CAPITAL

The share capital is analyzed as follows:

Presented in EUR (000)	At 30 June 2021	At 31 December 2020
Authorized share capital	3,450,000	3,450,000
Less: unallocated share capital*	(1,161,500)	(1,161,500)
Subscribed share capital	2,288,500	2,288,500
Less: shares not yet called	(1,601,950)	(1,601,950)
Paid-in share capital	**686,550**	**686,550**

* Shares available to new or existing Member States.

22. RESERVES

Total reserves are EUR 51,802 thousand and are analyzed as general reserve of EUR 78,591 thousand, other comprehensive income reserve of EUR (21,013) thousand and other reserve of EUR (5,776) thousand. The Bank's general reserve is maintained for meeting any unforeseeable risks or contingencies. The other reserve primarily is the movement in the remeasurements of the Bank's defined benefit pension scheme.

23. EMPLOYEE BENEFITS

Under the defined benefit scheme the net liability at the end of the period was EUR 10,229 thousand (2020: EUR 10,229 thousand) and the amount included in personnel expenses for the period was EUR 1,238 thousand (30 June 2020: EUR 1,123 thousand).

Under the defined contribution scheme the amount included in personnel expenses for the period was EUR 545 thousand (30 June 2020: EUR 529 thousand), and under the Greek state social insurance fund was EUR 6 thousand (30 June 2020: EUR 8 thousand).

24. RELATED PARTIES

The Bank has the following related parties.

Key Management Personnel

Key management personnel comprise: the President, Vice Presidents and the Secretary General. They are entitled to a staff compensation package that includes a salary, medical insurance, participation in the Bank's retirement schemes and are eligible to receive other short term benefits. The amounts paid to key management personnel during the period were EUR 644 thousand (respective period 2020: EUR 636 thousand). Key management personnel may receive post-employment benefits, other long-term benefits and termination benefits, but do not receive any share based payments.

The members of the Board of Directors are not personnel of the Bank and do not receive any fixed term salaries nor any staff benefits. The governments of the Member States are not related parties.

25. EVENTS AFTER THE REPORTING PERIOD

There are no events after the reporting period that would require disclosure to these financial statements.